

Summons and Agenda 25 February 2025

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



Reading
Borough Council
Working better with you

Jackie Yates
CHIEF EXECUTIVE

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To: All Members of the Council

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17 February 2025

Your contact is: Michael Popham - Democratic Services Manager

Dear Sir/Madam

You are hereby summoned to attend a meeting of the Reading Borough Council to be held in the **Council Chamber, Civic Offices, Reading**, on **Tuesday, 25 February 2025 at 6.30 pm**, when it is proposed to transact the business specified in the Agenda enclosed herewith.

Yours faithfully

CHIEF EXECUTIVE

A G E N D A

1. MAYOR'S ANNOUNCEMENTS

To receive Mayor's Announcements.

2. DECLARATIONS OF INTEREST

To receive any declarations of interest.

3. MINUTES

9 - 18

The Mayor to sign the Minutes of the proceedings of the previous Council Meeting.

4. PETITIONS

To receive petitions in accordance with Standing Order 8.

5. QUESTIONS FROM MEMBERS OF THE PUBLIC

Questions in accordance with Standing Order 9.

6. QUESTIONS FROM COUNCILLORS

Questions in accordance with Standing Order 10.

Reports and Recommendations from Committees

7. CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE COUNCIL 2025/26

19 - 30

Report by Director of Finance

8. 2025/26 BUDGET & MEDIUM-TERM FINANCIAL STRATEGY 2025/26 - 2027/28

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Report by Director of Finance

9. CAPITAL STRATEGY 2025/26

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Report by Director of Finance

10. TREASURY MANAGEMENT STRATEGY STATEMENT 2025/26

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Report by Director of Finance

11. COUNCIL TAX SETTING 2025/26

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Report by Director of Finance

12. 2023/24 AUDITOR'S ANNUAL REPORT - KPMG

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Report by Director of Finance/ KPMG, External Auditors

13.	ANNUAL GOVERNANCE STATEMENT 2023/2024	279 - 298
	Report by Assistant Director of Legal & Democratic Services	
14.	2023/24 STATEMENT OF ACCOUNTS	299 - 472
	Report by Director of Finance	

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COUNCIL MEETING MINUTES – 28 JANUARY 2025

Present: Councillor Dennis (Mayor);

Councillors Asare, Ayub, Ballsdon, Barnett-Ward, Cresswell, Cross, Davies, Eden, Edwards, Emberson, Ennis, Gavin, Gittings, Goss, Griffith, Hacker, Hornsby-Smith, Hoskin, Juthani, Keane, Keeping, Lanzoni, Leng, Lovelock, Magon, McCann, McElroy, McEwan, McGoldrick, McGrother, Mitchell, Moore, Mpofu-Coles, Naz, Nikulina, O'Connell, Rowland, D Singh, R Singh, Stevens, Tarar, Terry, Thompson, White, Williams, Woodward and Yeo.

Apologies: Councillor Goss.

28. MAYOR'S ANNOUNCEMENTS

(a) Former Councillor and past Mayor Ron Jewitt

The Mayor paid tribute to and remembered a former councillor and Mayor, Ron Jewitt. Ron Jewitt was elected to Reading Borough Council at the first election of the reconstituted Council in 1973 and continued to be a member until 1991, representing Caversham Ward. He also had the honour of being Mayor of the Borough in 1984-85. The Council stood for a minute's silence in Ron's memory.

(b) Holocaust Memorial Day

The Mayor invited the Council to join him in a minute's silence in respect of Holocaust Memorial Day for which of commemorative event was held on 22 January 2025 and to provide a period of reflection for the victims of the all too many wars that were currently being waged around to world.

29. MINUTES

The Minutes of the meeting held on 15 October 2024 were confirmed as a correct record and signed by the Mayor.

30. PETITION

(a) Susanne Clausen presented a petition in the following terms:

Save Open Hand Open Space: Protect Reading's Cultural Lifeline at Brock Keep

Brock Keep, a vital heritage building and home to Open Hand Open Space (OHOS), is under threat. For over 40 years, OHOS has been a cornerstone of Reading's cultural life, providing affordable artist studios, supporting exhibitions, performances, and community engagement. Now, OHOS faces an uncertain future as the building is at risk of sale and closure.

A Historic Landmark with a Living Purpose

Brock Keep was built in 1877 as a Victorian military keep, serving as accommodation for soldiers and as an armoury for the Brock Barracks. Designed by architect Major H.C. Seddon, the Keep is a remarkable example of nineteenth-century military architecture, with its distinctive crenellated roofline and historic brickwork. A Grade II listed building, it is an integral part of Reading's rich heritage and identity.

A Vital Asset for Oxford Road

Located on Oxford Road, Brock Keep is a landmark in one of Reading's most diverse and dynamic areas. OHOS brings creativity and cultural activity to the heart of Oxford Road, enriching the community by offering:

- Affordable studios for artists to work and thrive.
- Free and accessible exhibitions, workshops, and performances that invite participation and connection.
- A welcoming space that bridges art, heritage, and the vibrant community of Oxford Road.

Brock Keep and OHOS play a vital role in supporting the cultural and social life of Oxford Road. Losing this space would not only impact artists but also deprive the area of an important community and cultural resource that inspires creativity and engagement.

Our Cultural Offer to Secure Brock Keep

We have made a **cultural offer to bid for Brock Keep**, with a vision of preserving it as a sustainable arts and cultural hub for Reading. This offer recognises the building's historical significance and outlines our commitment to maintaining Brock Keep as a vibrant centre for creativity, cultural exchange, and community activity. Our proposal ensures that artists and the public can continue to benefit from this unique space for generations to come.

Why OHOS Matters

OHOS has transformed Brock Keep into a living, breathing hub for artists and residents alike. It stands as an example of how heritage buildings can be repurposed to serve today's communities while preserving their historical significance. Without OHOS, we risk losing both a creative centre and an asset to the identity and vitality of Oxford Road.

We call on Reading Borough Council to:

- Recognise Brock Keep as a valuable historic and cultural asset.
- Protect OHOS and its role in supporting the cultural life of Oxford Road and Reading.
- Support our cultural offer to secure Brock Keep for the community.

RESPONSE by Councillor Barnett-Ward, Lead Councillor for Lead Councillor for Leisure and Culture:

The Keep on the Oxford Road is a Grade 2 Listed Building which requires long term investment in the property and at this time, the Council is not able to commit to the investment needed.

The property is occupied by Open Hand Open Space (OHOS) and Reading Space on a heavily subsidised basis with the Council. Over a number of years, the Council has supported a variety of OHOS bids to obtain external funding, but these have ultimately proved unsuccessful, including a recent bid for Heritage Lottery Fund money.

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As a result, the Council has invited bids for the sale of the freehold from both from private bidders and from Reading's voluntary sector, with the current occupiers remaining in situ. Whether the occupiers can remain long term or not, will ultimately be a decision for the buyer of the site. The Council is committed to introducing the current occupiers to any alternative properties that may be available in the Borough whilst the sale process progresses.

The Council recognises the value Open Hand Open Space provides to Reading and will continue to support them as an important part of the cultural sector of Reading.

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

	Questioner	Subject	Answer
1.	Cllr Moore	Two-Child limit on Universal Credit and Child Tax Credit	Cllr Griffith
2.	Cllr Moore	Fly-Tipping	Cllr Rowland
3.	Cllr White	Ceasefire in Gaza and Ending the UK's Arms Trade with Israel	Cllr Terry

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

32. BRIGHTER FUTURES FOR CHILDREN LTD (BFfC) CONTRACT REVIEW

Further to Minute 42 of the Policy Committee held on 18 December 2024, the Executive Director of Resources submitted a report setting out a review of the performance of Brighter Futures for Children Limited (BFfC) in delivering Children's Services and an assessment of future options. Attached to the report at Appendix 1 was a report from CIPFA on the Assessment of Options for Children's Services and at Appendix 2 a Statement of Support from the BFfC Board.

The report noted that, under the direction of the Secretary of State, the Council had established BFfC on 1 December 2018 as a company limited by guarantee to deliver Children's Services (Social Care and Education) through a seven-year service contract which would expire on 1 April 2026. The contract stipulated that BFfC would be given notice of the future for the contract by 31 March 2025 and that a review of the performance of the contract would be carried out to inform the Council's decision.

The report explained that a review of the performance of the contract had been carried out and the Chartered Institute of Public Finance and Accountancy (CIPFA) had been engaged as an independent consultant to validate the review of performance and to complete an Assessment of Options for future delivery of Children's Services. CIPFA's report recommended not renewing the contract with BFfC and bringing delivery back in house to be managed by the Council, supported by an Improvement Board (Option 2).

The reasons for bringing the service back in house would be to provide the Council with better direct control of Children's Services, remove a layer of governance and so

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increase visibility of Service performance likely leading to 'more agile decision making'. It would also remove duplication in reporting and pressure on Council services of maintaining Service Level Agreements, as well as improved integration and synergy with other Council services, joining up decision-making, innovation and improvement.

The BFfC Board had considered CIPFA's report at their meeting on 26 September 2024 and had provided a statement accepting and supporting the recommended option. The Statement also reflected that alternative delivery models for Children's Services were now rarely the preferred option in response to statutory intervention.

The report noted the Company currently had a significant transformation plan in place to address cost pressures and better manage demand, as well as an action plan in place to tackle the issues identified by the latest Ofsted inspection of Children's Services. It was therefore recommended to establish an independently chaired Improvement Board to provide scrutiny and informed input to ensure effective delivery of these plans.

The following motion was moved by Councillor Terry and seconded by Councillor Leng and CARRIED:

Resolved –

- (1) That the contract with Brighter Futures for Children Ltd (BFfC) to deliver Children's Services not be extended beyond 31 March 2026 when it was due to end;**
- (2) That by 1 April 2026, services currently provided by BFfC, including all remaining support services, be brought in house to be delivered directly by the Council;**
- (3) That the Executive Director of Resources, in consultation with the Leader of the Council, the Lead Councillors for Children and Education, the relevant statutory officers and Chair of the Board, be authorised to:**
 - i. Transfer all staff from BFfC to the Council;**
 - ii. Remove the secure designated pension arrangements between BFfC, the Council and the Pension Fund;**
 - iii. Novate all BFfC contracts to the Council;**
 - iv. Take all steps legally required to close the BFfC Company;**
 - v. Make any changes required to the Terms of References for Committees to reflect the change of delivery model and remove reference to the Company and contract within the Lead Councillor portfolios;**
 - vi. Make any other necessary amendments to the Council's Constitution and Scheme of Officer Delegation to reflect the changes of the delivery model;**

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- (4) That the Executive Director of Economic Growth and Neighbourhood Services, in consultation with the Leader of the Council, the Lead Councillor for Children, the Lead Councillor for Education and Public Health and the Chair of the BFfC Board, be authorised to transfer all property held by BFfC under lease arrangements back to the Council and arrange for the leases to be surrendered;**
- (5) That the Executive Director of Children's Services, in consultation with the Leader of the Council, the Lead Councillor for Children and the Lead Councillor for Education and Public Health, be authorised to:**
 - i. Close the Independent Fostering Agency and transition this to a Local Authority Fostering Service**
 - ii. Make all relevant changes to all Ofsted registrations**
- (6) That the Chief Executive, in conjunction with the Chair of the BFfC Board and in consultation with the Leader of the Council, Assistant Director of Legal and Democratic Services and Executive Director of Children's Services, set up an independently chaired Improvement Board including developing its Terms of Reference for noting at Council;**
- (7) That the Assistant Director of Legal and Democratic Services be authorised to execute all legal documents that were necessary to give effect to the above resolutions;**
- (8) That the cost of transition be funded from earmarked reserves.**

33. ENGLISH DEVOLUTION WHITE PAPER

The Chief Executive submitted a report on the Government's English Devolution White Paper, which set out a range of Policies that the Government was proposing to reform Local Government. The most significant proposal was for devolution to Strategic Authorities covering all areas of England, and for reorganisation of local government to "deliver sustainable and high quality services". The report sought to provide a summary of the proposals in the White Paper and recommendations were set out specifically in relation to devolution proposals. The Council was asked to authorise the Leader of the Council to work with other local authority Leaders to develop a Strategic Authority proposal that included Reading. The purpose would be to secure the benefits and devolved powers proposed within the White Paper for the benefit of Reading's residents and businesses. It was also recommended that, in principle, this would include a Mayor for the Strategic Authority to secure the widest benefits from devolution.

The following motion was moved by Councillor Terry and seconded by Councillor Leng and CARRIED:

Resolved –

- (1) That the report outlining the key elements of the English Devolution White Paper be noted;**

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- (2) That the proposed devolution framework within the White Paper, and attached as annex 1 to the report, including the significantly increased resources and powers that a Mayoral Strategic Authority would receive compared to a Foundation Authority be noted;**
- (3) That the Leader of the Council be authorised to work with other local authority leaders to develop a proposal for a Strategic Authority in line with the criteria in the White Paper;**
- (4) That discussions should, in principle, assume an elected Mayor for the new Strategic Authority in order to secure the best outcomes and investment for the residents and businesses of Reading;**
- (5) That the matter be considered again when further information was available to endorse the preferred option.**

34. STATEMENT OF GAMBLING LICENSING PRINCIPLES

Further to Minute 9 of the Licensing Applications Committee held on 14 November 2024, the Executive Director of Economic Growth & Neighbourhoods submitted a report on the revised Statement of Gambling Licensing Principles (Gambling Policy) to cover the period 31 January 2025 to 30 January 2028. The following documents were appended to the report:

Appendix RS-1 - Draft Statement of Gambling Licensing Principles 2025-2028
Appendix RS-2 - Climate Impact Assessment
Appendix RS-3 - List of Consultees
Appendix RS-4 - Responses to Consultation
Appendix RS-5 - Gambling Premises Licence Fees

The report explained that the Gambling Act 2005 required the Council to prepare and publish a Statement of Principles to set out how the Council would fulfil its responsibilities and exercise its functions under the Act. The Act required the Policy to be reviewed every three years and the report explained that the new Policy would need to be in place by 31 January 2025 when the current Policy was due to expire.

A consultation on the revised Statement of Gambling Licensing Principles had been conducted between 16 August 2024 and 13 September 2024 and the responses received were attached to the report. A copy of the full Statement of Gambling Licensing Principles 2022-25 was appended to the report for approval.

The following motion was moved by Councillor Rowland and seconded by Councillor Woodward and CARRIED:

Resolved –

That the revised “Statement of Gambling Licensing Principles” as attached at Appendix RS-1 to the report be approved to be in effect from 31 January 2025 until 30 January 2028.

35. READING YOUTH JUSTICE PLAN 2024-2025

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Further to Minute 23 of the Adult Social Care, Children's Services & Education Committee held on 16 October 2024, the Executive Director for Children's Services submitted a report on the Youth Justice Plan 2024-25. The report explained that the Crime and Disorder Act 1998 and a condition of the Youth Justice Board Grant, had placed a duty on the Local Authority to produce an annual Plan and for it to be ratified by Council. The Plan had already been signed off by the Youth Justice Partnership through the Youth Justice Management Board, which was independently chaired. The plan reported the performance of the Youth Justice Service for 2023/24 against the national and statistical family comparators in the period.

The annual report identified the following areas as priorities for 2024-25:

- Reducing first time entrants into the criminal justice system
- Reducing reoffending
- Reducing the use of custody
- Addressing disproportionality within the criminal justice system
- Reducing the impact of serious youth violence
- Embedding Child First and Identity Development Practice as the practice model across the partnership
- Improving outcomes for victims of youth crime.

It was reported that the Youth Justice Management Board had oversight of the Plan and performance against the targets, and these were reported through the mechanisms of the management board structure. A copy of the Plan was appended to the report for Council's formal approval.

The following motion was moved by Councillor Griffith and seconded by Councillor McEwan and CARRIED:

Resolved –

That the Youth Justice Plan 2024-2025 be adopted, as attached to the report at Appendix 1.

36. APPROVAL OF THE LOCAL COUNCIL TAX REDUCTION SCHEME AND THE COUNCIL TAX BASE FOR 2025/26

The Director of Finance submitted a report regarding the Council Tax support scheme, estimated Council Tax collection rate and Council Tax base for the 2025/26 financial year. The report explained that Section 33 of the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 required the Council, as the Billing Authority, to calculate a Council Tax Base for its area by 31 January each year.

The Tax Base for 2025/26 was calculated for the above purposes as being 59,566.99 (band D equivalent) properties – an increase of 1.06% on the 2024/25 Tax Base of 58,944.73. The declared surplus/deficit on the Council Tax Collection Fund balance would be paid out/recoverable by the Collection Fund in full in the following financial year. The estimated balance as at 31st March 2025 on the Council Tax Collection Fund was a projected net deficit of £0.478m. The Council's overall share of this deficit was £0.408m.

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Each year, the Government amended the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to ensure that pension-age Local Council Tax Support (LCTS) schemes were updated in line with changes in the wider benefits system. The annual update also provided an opportunity to ensure that the residency requirements for accessing both pension-age and working-age LCTS remained consistent with the UK's immigration policy. These updates would be incorporated into the Council's 2025/26 Scheme in accordance with the principles of the Council's original Local Scheme.

The report also stated that the Welfare Reform Act 2012 and Local Government Finance Act 2012 had replaced the Council Tax Benefit scheme with a locally determined Council Tax Reduction Scheme, which was effectively a type of Council Tax discount. The legislation required the Council to approve the scheme by the end of January preceding the start of the financial year. The recommended Scheme for 2025/26 was unchanged from the Scheme agreed by Council for 2024/25.

The following motion was moved by Councillor Terry and seconded by Councillor Leng and CARRIED:

Resolved –

- (1) That the existing Council Tax Reduction Scheme be retained for 2025/26;**
- (2) That the Tax Base calculation for 2025/26 of 59,566.99 band D equivalent properties be approved;**
- (3) That the assumed Council Tax collection rate of 98.75% for 2025/26 be noted;**
- (4) That the 2025/26 Council Tax Reduction Scheme would be updated in line with the Scheme's regulations be noted;**
- (5) That the estimated balance of the Council Tax Collection Fund as at 31st March 2025 was an overall net surplus of £0.478m of which the Council's overall share of this surplus was £0.408m be noted.**

37. COUNCILLORS' ALLOWANCES SCHEME 2025/26

The Executive Director of Resources submitted a report setting out the recommendations of the Independent Remuneration Panel, following its meetings on 8 October 2024, 12 November 2024, 10 December 2024 and 18 December 2024, in relation to the scheme of Councillors' Allowances for 2024/25. The Panel's recommendations were set out in Appendix A to the report and had been reflected in the updated allowances scheme at Appendix B to the report. The Panel would continue to review the scheme each year of the four-year term until 2026/27.

The following motion was moved by Councillor Terry and seconded by Councillor Leng and CARRIED:

Resolved –

- (1) That the Councillors' Allowances Scheme 2025/26, as set out in Appendix B to the report, be adopted.**

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- (2) That the Assistant Director of Legal & Democratic Services be authorised to administer the Councillors' Allowances scheme in accordance with the provision in the base budget for 2025/26.**

38. PAY POLICY STATEMENT 2024/25

The Executive Director of Resources submitted a report on the draft Pay Policy Statement for 2024/25. The report stated that Local Authorities were required under Section 38(1) of the Localism Act 2011 (the Act) to prepare a Pay Policy Statement that articulated the Council's policy towards the pay of the workforce, particularly senior staff and the lowest paid employees.

The report explained that each local authority was an individual employer and had the autonomy to make decisions on pay that were appropriate to local circumstances and which delivered value for money for local taxpayers. The Pay Policy Statement met the statutory duty to provide the Council with a description of the policy on staff remuneration for annual approval. It provided information on remuneration arrangements for staff directly employed by the Council, excluding staff in schools. Sections 38 – 43 of the Act required that the authority produce a Policy Statement that covered several matters concerning the pay of the Authority's staff, principally Chief Officers. This Policy Statement had met the requirements of the Act in this regard and the requirements of guidance issued in February 2012 and February 2013 by the Secretary of State for Communities and Local Government to which the authority was required to have regard under Section 40 of the Act.

The Pay Policy Statement for 2024/25 was broadly unchanged from the previous year's statement other than it had been updated with the recent nationally agreed pay settlements. The 2024/25 Pay Policy Statement was appended at Appendix A to the report together with revised pay scales.

The following motion was moved by Councillor Terry and seconded by Councillor Leng and CARRIED:

Resolved –

That the Council's Pay Policy Statement for 2024/25, as appended to the report, be approved.

39. CONCERNS OVER DELAYS IN ROYAL BERKSHIRE HOSPITAL REDEVELOPMENT AMID NATIONAL REVIEW

In accordance with Standing Order 14(10)(a), Councillor R Singh received the consent of the Council to alter his motion, as follows:

'Delete the word "has" in the first paragraph starting with the words "The new Labour Government's review of the National New Hospital Programme..."'

'Add a new paragraph after paragraph 3, which ends with the words "well-equipped healthcare facilities", as follows:

4. The Government made an announcement on Monday 27 January 2025 delaying the New Hospital Programme."

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and reword the two subsequent bullet points, under the original point 3 as follows:

“This Council expresses its deep concern regarding:

- The uncertainty introduced by the Government's decision to review the NHP, particularly about the Royal Berkshire Hospital's redevelopment, has led this Council to believe that any delays in the project could significantly compromise the quality of healthcare for Reading residents.
- NHS trusts and local healthcare authorities have highlighted the risk to patient safety and service quality posed by the redevelopment if it is not delivered in a timely manner.”

‘Change the word “the” to “any” in the second line of the first paragraph following “This Council calls on.”’

The following amendment was moved by Councillor Terry and seconded by Councillor McEwan and CARRIED:

‘Delete all words with the exception of the first sentence in the last paragraph of the motion, which reads:

“This Council reaffirms its unwavering commitment to ensuring that Reading residents have access to modern, safe, and efficient healthcare services.”’

Resolved –

This Council reaffirms its unwavering commitment to ensuring that Reading residents have access to modern, safe, and efficient healthcare services.

(The meeting closed at 8.30 pm).

MAYOR:.....

DATE: 25/02/25

Council

25 February 2025



Reading
Borough Council
Working better with you

Title	Chief Finance Officer's Report on the Robustness of the 2025/26 Budget
Purpose of the report	To make a key decision
Report status	Public report
Report author	Darren Carter, Director of Finance
Lead Councillor	Councillor Terry, Leader of the Council
Corporate priority	Our Foundations
Recommendations	1. That Council notes the contents of this report in setting the Budget for 2025/26

1. Executive Summary

1.1. Under Section 25 of the Local Government Act 2003 there is a requirement for the Council's Chief Finance Officer (Director of Finance) to report to Council on:

- a. The robustness of the estimates made for the purposes of the calculations of the Budget; and
- b. The adequacy of the proposed level of financial reserves.

1.2. Council in considering its Budget should have regard to this advice.

1.3. On 7th February 2025 the Chartered Institute of Public Finance & Accountancy (CIPFA) wrote to all Section 151 Officers to say the following:

"It is clear that we all have significant concerns about the financial position that many councils are in.

It is absolutely right that Councils develop financial plans which extend beyond the immediate financial year and consider whether they will be able to maintain financial sustainability in both the coming months and particularly into the medium to long term.

While this week's settlement provides additional financial support, it does not address the uncertainties around future funding and reform. The volume and complexity of those reforms is significant and includes a Spending Review, the promise of a multiyear settlement, funding model reform and business rates modernisation, all over laid with plans for significant structural reorganisation of the sector and further devolution. Reforms from several other Whitehall departments who own policy responsibility for many services delivered by local councils will also be significant for your planning.

You will be drawing on your professional judgments about both the short and medium term and including your reasoning and conclusions with regards to these judgements in your discussions and communications with all stakeholders. You will be factoring all published information into these judgements, particularly the government's statements about planned reforms. It is appropriate to plan your budgets and medium-term plans in a way that factors in the promised reforms being pursued.

It is of course difficult to anticipate the outcome from the wide range of reforms that are being developed, and the fiscal landscape that will play into future government decisions continues to be volatile. It is also appropriate that this uncertainty is considered when exercising your judgement.

In this unsettled and unpredictable operating and financial landscape, the pragmatic steps many CFOs have been taking to maintain immediate financial balance are professional and reasonable in the current situation. It is understandable that you will be particularly focussed on the short term, even whilst recognising the significant concerns and uncertainties impacting the medium term and beyond.

During these periods of uncertainty, the Section 25 Statement becomes an even more critical report for a CFO, providing an opportunity to set out an assessment of future risks and uncertainties, raise concerns and provide context to assumptions made in the assessment of a council's outlook. It will be important that risks and assumptions are tracked and revisited as more information becomes available."

- 1.4. It is in this context that I present this report to Council.

2. Policy Context

- 2.1. Reading Borough Council remains financially stable for now however it is not immune to national issues.
- 2.2. An unprecedented eighteen councils were given Exceptional Financial Support from Central Government in February 2024 to help meet their legal duty to balance their books this year. This includes them being given permission to use capital funds raised through borrowing, or the sale of assets such as land and buildings, to plug funding gaps in their day-to-day revenue spending.
- 2.3. A further one in ten councils have been in discussion with the Ministry of Housing, Communities and Local Government (MHCLG) about applying for Exceptional Financial Support this year, and almost half of all councils with social care responsibilities have said they are likely to apply for support in the next two years.
- 2.4. The Local Government Association has identified through a survey recently completed by councils, that the financial pressures being faced by councils are mainly due to increasing demand for services, combined with the increasing cost of meeting that demand, in five key areas:
- Children's Social Care
 - Adult Social Care
 - Children with Special Education Needs
 - Home to School Transport
 - Homelessness
- 2.5. Reading Borough Council is forecasting an adverse variance of £9.620m in 2024/25, as set out in the Quarter 2 Performance and Monitoring Report to Policy Committee on 18th December 2024, that will be required to be funded through a drawdown from reserves should it crystallise.
- 2.6. The proposed Budget for 2025/26 addresses each of these areas.

The CIPFA Financial Resilience Index

- 2.7. The CIPFA financial resilience index is a comparative analytical tool intended for use by Chief Financial Officers to support good financial management. The index shows a council's position on a range of measures associated with financial risk, highlighting

where additional scrutiny may be required. The index for Reading Borough Council as compared to other unitary authorities is as follows:

CIPFA

Financial Resilience Index

Select Authority, Indicator Group & Year to analyse by

Authority Type

Authority

Reading

Indicator Group

Primary

Year

2023-24

Results Breakdown

Indicators of Financial Stress		Indicator		Min	Indicator Value	Max
← Higher Risk		Lower Risk →				
Level of Reserves		Level of Reserves		0.57%	36.30%	100.00%
Change In Reserves		Change In Reserves		-98.32%	-39.93%	37.08%
Interest Payable/ Net Revenue Expenditure		Interest Payable/ Net Revenue Expenditure		1.25%	7.92%	55.44%
Gross External Debt		Gross External Debt		£21,386k	£460,343k	£1,894,933k
Social Care Ratio		Social Care Ratio		56.83%	68.48%	115.30%
Fees & Charges to Service Expenditure Ratio		Fees & Charges to Service Expenditure Ratio		3.77%	9.75%	25.51%
Council Tax Requirement / Net Revenue Expenditure		Council Tax Requirement / Net Revenue Expenditure		28.24%	64.17%	102.80%
Growth Above Baseline		Growth Above Baseline		-4.19%	19.41%	61.75%

The CIPFA Financial Management Code

- 2.11. CIPFA launched the Financial Management Code in 2019. The Code sets out 17 standards of financial management for local authorities to assess themselves against and Councils are required to undertake an annual self-assessment.
- 2.12. The most recent self-assessment was reported to Audit and Governance Committee in March 2024 and indicated an overall rating of Amber, with 12 Green ratings (indicating full compliance, an increase of 4 from the previous year) and 5 Amber ratings (indicating that minor to moderate improvements were required to demonstrate full compliance, a reduction of 4 from the previous year).

Statutory Accounts

- 2.13. The sign off and conclusion of the 2019/20 audit on 26th May 2023 was a significant milestone for the Council as we received an “unqualified opinion” on the financial statements for the first time since 2015/16.
- 2.14. This was followed up with an unqualified audit opinion on the 2020/21 accounts being issued on 8th April 2024.
- 2.15. The 2021/22 accounts were published in November 2023 and the 2022/23 accounts were published in February 2024. Both audits were caught up in the national local government audit backlog and, in accordance with statutory requirements, disclaimed opinions for both years were issued on 26th November 2024. Despite the 2021/22 accounts being published more than a year ahead of the backstop date, no audit work on those accounts was undertaken by our external auditors.
- 2.16. The 2023/24 accounts were published on 12th September 2024, with a disclaimed audit opinion anticipated.
- 2.17. As a result, I have not received any external audit opinion on the level of General Fund reserves held by Reading Borough Council on 31st March 2024.
- 2.18. There remains a risk that the level of General Fund reserves will change when KPMG conclude their work on prior-year transactions.

Robustness of the Estimates

- 2.19. The Finance Team has led the production of the 2025/26 Budget and the 2025/26 to 2027/28 Medium Term Financial Strategy (MTFS) with input from the Councils' Corporate Management Team.
- 2.20. All aspects of the Council's budget, savings, income, service changes, inflation, pressures, capital projects and new revenue bids have been subject to review, with services being required to review the plans they put forward in previous years and confirm delivery of the proposals or, put forward business cases for change where necessary. Budget proposals have subsequently been reviewed by:
 - The Finance Team
 - Corporate Management Team
 - Lead Councillors
- 2.21. The 2025/26 Budget and the 3-year MTFS have been built on a range of assumptions reviewed and assessed by the finance team with support from our professional networks and specialist advisors. These are set out in detail in the Medium-Term Financial Strategy attached as Appendix 1 to the Budget report.

- 2.22. The 2025/26 Budget proposes an increase of £5.094m for Adult Social Care services, an increase of £0.884m for homelessness budgets, an increase of £5.587m in the contract sum for Brighter Futures for Children, and an increase of £3.134m for irrecoverable Housing Benefit Subsidy.
- 2.23. In order to manage the growing demand pressures, I am proposing to re-introduce a corporate contingency of £3.238m. This is in line with the commitment I made in my report in support of the 2024/25 Budget.

Adequacy of Reserves

- 2.24. The level of reserves a council should maintain is a matter of judgement. The consequence of not having adequate reserves can be significant. In the event of a serious problem or a series of events, the Council could run the risk of a deficit or be forced to cut expenditure in a damaging or arbitrary way should reserves not be available.
- 2.25. The proposed working balance for the General Fund reserve is set at 5% of the net budget requirement. This equates to £8.905m on 31st March 2025. I consider this to be an adequate working balance.
- 2.26. The Council also maintains a range of earmarked reserves that are directly linked to the risk areas highlighted in this report:
- Financial Resilience reserve. This reserve provides cover for a range of risks including local government funding reform, equal pay and Minimum Revenue Provision for which there are known sector-wide risks but for which we have no specific information that would require inclusion in the approved medium term financial strategy.
 - Collection Fund reserve to mitigate against the impact of an economic downturn on the collection of Council Tax and Business Rates.
 - Transformation reserve to fund the cost of transformation activity.
 - Demographic pressures reserve.
 - Pay and inflationary pressures reserve.
 - Cyber risk reserve.
 - Pooled investment fund reserve.
 - Commercial Property reserve.
- 2.27. The Council also maintains the following reserves to protect against the impact of unforeseen events or liabilities:
- Emergency Planning reserve to cover unforeseen emergencies.
 - Self-insurance reserve to meet estimated liabilities in connection with internally held risks related to the Council's Insurance programme.
 - Legal and taxation reserve to cover one-off legal or tax liabilities.
 - School deficits reserve.
- 2.28. Earmarked reserves are also held for the following:

- Unspent revenue grants
 - Reserves which have a statutory limitation as to their use, such as Schools Balances, Dedicated Schools Grant and Housing Revenue Account (HRA) reserves
 - Committed but unspent budgeted amounts carried forward at the end of the financial year to deliver specific projects
- 2.29. The Council's General Fund revenue reserves, including earmarked reserves, were £66.145m on 31st March 2024 and are forecast to be £45.852m by 31st March 2025. This includes the funding of the projected 2024/25 adverse variance and the planned use of revenue grants brought forward from previous years.
- 2.30. A full schedule of reserves and balances including those which are ring fenced to the Housing Revenue Account and Schools is attached at Appendix 1 together with an explanation as to their intended use. It should be noted that the earmarked reserves figures are indicative and will change depending on how quickly associated expenditure is incurred.
- 2.31. The HRA minimum balance is £4.428m for 2025/26 and increases in line with CPI annually. The forecast HRA balance, which excludes other HRA earmarked reserves, as at 31st March 2025 is £24.756m. The 30-year Business Plan shows the HRA balance reducing to a minimum point of £6.026m in 2033/34 before increasing again in the remaining years of the plan.

3. Risk

- 3.1. Local Government finance is in crisis. Since 2018, local authorities have issued fourteen 'section 114s' notices, which notifies of severe financial distress, compared to two in the preceding 18 years. Moreover, local authorities are increasingly reporting concerns about their financial positions and their ability to maintain delivery of their services.
- 3.2. The financial crisis that local authorities are encountering comes after significant reductions in local authorities' spending power which has itself coincided with increasing demand for their services and inflationary pressures driving up costs. Ultimately, the levels of funding available to local authorities, through council tax, retained business rates, and government grants have not kept pace with these pressures, leading to a funding gap which the Local Government Association (LGA) has estimated at £6.2 billion over the next two years.
- 3.3. The proposed 2025/26 Budget has been based on current information available, but it is important that the Council is aware of the significant risks it faces in a number of key areas:

Inflation

- 3.4. 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.
- 3.5. The annual inflation rate in the United Kingdom as measured by the Consumer Price Index (CPI) stands at 2.5% as at December 2024, down from 4.0% in December 2023. The Consumer Price Index including owner occupiers' housing cost (CPIH) stands at 3.5% as at December 2024, down from 4.2% in December 2023.
- 3.6. Inflation climbed steadily from February 2021 until its peak of 11.1% in 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 gradually increased interest rates to help achieve its target rate of inflation of 2.0%, and so inflation has fallen significantly to 2.5% as at December 2024. The Bank of England expects inflation to increase to about 2.8% in the second half of 2025 before falling again.

Pay Award

- 3.7. Provision of 3.0% has been allowed for pay inflation in 2025/26 with 2.3% for 2026/27 and 1.9% for 2027/28. The NJC pay claim submitted by the Joint Trade Union Side on 31st January 2025 is for:

- An increase of at least £3,000 across all NJC spinal column points
- A clear plan to reach a minimum pay rate of £15 an hour
- One extra day of annual leave for all staff
- A reduction in the working week by two hours, with no loss of pay

- 3.8. It is forecast that this would cost £3.466m (or £4.520m if other pay scales are increased by the same principles) more than has been provided for in the udtget for 2025/26.

Adult Social Care

- 3.9. Across the country, the adult social care sector is facing serious challenges in relation to ever increasing demand, rising costs and workforce challenges. The increases in employer's national insurance contributions and the national living wage due to be implemented in 2025/26 have added a significant financial burden to local authorities and care providers. As a result, a third of providers surveyed by Care England are considering leaving the market altogether, which would cause huge disruption and challenges in an already pressurised sector.
- 3.10. In Reading, the Council has seen an increase in the numbers of people presenting to the service and those people have increased complexity, intensity and acuity of need. Consequently, there are higher numbers of people needing Adult Social Care support, with higher needs on average than those previously approaching the service. As a result, the services delivered are more costly and a net increase of £5.094m for Adult Social Care services is proposed for 2025/26 to address these pressures.

Children's Social Care

- 3.11. There are even greater financial pressures in Children's Social Care, with increasing demand on services, increasing complexity of need, reducing numbers of foster carers, and an insufficient supply of adequate residential placements driving up costs.
- 3.12. On 31st March 2014 there were 68,790 children looked after in England. On 31st March 2024, the number stood at 83,630, an increase of more than 22%. According to analysis by the Local Government Association, there are now over 1,500 children in placements each costing the equivalent of over £0.500m every year, while the largest 15 private providers make an average of 23 per cent profit.
- 3.13. Reading is experiencing similar cost pressures. The 2025/26 Budget includes a proposed increase of £5.587m increase in the Brighter Futures for Children (BFfC) contract sum. This includes inflationary increases and a significant growth pressure in respect of placements for Children Looked After.

Homelessness

- 3.14. Homelessness has been increasing both locally and nationally due to the "cost of living crisis" and national legislative changes. Subsequently the use of temporary and paid nightly accommodation has been increasing across the board primarily due to evictions

from the private rented sector as landlords become increasingly concerned about their financial position. In Reading the numbers of households in Emergency Accommodation as at the end of December 2024 was 182: the budget assumed a figure of around 70 households. The MTFS update includes a net increase of £0.884m in the budget in respect of funding Homelessness pressures.

Dedicated Schools Grant (DSG) – High Needs Block

- 3.15. The High Needs block of the Dedicated Schools Grant to provides funding to support provision for pupils and students with Special Educational Needs and Disability (SEND) who require additional resources to participate in education and learning.
- 3.16. High needs block funding has been increasing significantly in recent years, but those increases have not kept pace with increasing costs. As a result, a significant number of local authorities are accumulating deficits on the high needs block. In some cases, those deficits are so significant that they would potentially trigger a s114 notice. As a temporary measure, the Government has issued a statutory override for the Dedicated Schools Grant that excludes DSG deficits from the calculation of General Fund reserves. This override will continue until 31st March 2026.
- 3.17. In Reading, the Council is forecasting a cumulative deficit of £26.503m on the high needs block by 31st March 2025. The deficit is forecast to reach £40.373m by the time the statutory override is currently due to end in March 2026 and is forecast to reach £53.165m by 31st March 2027.
- 3.18. If the statutory override ends, Council reserves will not be sufficient to fund this deficit and I will have to consider the need to issue a s114 notice. It is therefore critical that action is taken to address the deficit.

Future Changes to Local Government Funding

- 3.19. As part of the Local Government Finance Policy Statement, the Government announced its intention to reform the local government finance system from 2026/27, creating a new funding system based on an up-to-date assessment of need and local resources. These reforms are set to be built on the proposals set out in the review of Relative Needs and Resources (also referred to as the 'Fair Funding Review'), using the best available evidence to inform local authority funding allocations.
- 3.20. The Government also announced its intention to 'reset' the business rates retention system, starting in 2026/27. The reset is planned to further allow the Government to match funding to where it is needed most. As stated in the Financial Resilience section above, Reading Borough Council is currently retaining a significant amount of funding above the Business Rates base and this is at risk of being redistributed to other Councils from 1st April 2026, subject to any transitional arrangements that are put in place.
- 3.21. It has also been announced that 2026/27 will mark the first multi-year funding Settlement for local government in 10 years – aiming to provide improved planning certainty for local authorities.

Commercial Property Investments

- 3.22. Reading Borough Council has a small portfolio of commercial property investments. While these are currently performing to expectations, they remain a risk in the medium to longer term if income levels can't be maintained.

Inflation and Demand Risk

- 3.23. Whilst the budget proposals include consideration for risk, primarily in relation to the non-achievement of income targets and efficiency savings, risk remains that demographic,

inflationary or other demand pressures may exceed budget and place pressures on available provisions.

Savings

- 3.24. The MTFS assumes £16.135m of additional savings and income. If these are not delivered or there is any delay to their delivery, it would pose a potential threat to the sustainability of the Council's Budget.

Companies

- 3.25. Reading Borough Council's operates the following wholly owned companies:

- Reading Transport Limited (RTL)

Customer numbers have continued to rise during the first half of 2024/25, albeit at a slower rate as pricing initiatives such as government £2 single fare cap and Reading All-Bus day ticket continued. Overall patronage recovery has grown to 91.7% of pre-pandemic levels since September 2024, with patronage 10.4% up on the same time last year.

Financial performance has also been improving, with net profit after taxation of £3.894m for the year ended 31st March 2024.

- Homes for Reading (HfR)

On 22nd January 2024, Policy Committee resolved that the Board and Tenants of Homes for Reading Ltd be consulted on the possible closure of the Company and a transfer of the properties into the Housing Revenue Account. The closure of the company was subsequently confirmed by Officer Decision Notice on 17th July 2024. The process of transferring properties to the Reading Borough Council Housing Revenue Account is now underway.

- Brighter Futures for Children (BFfC)

On 28th January 2025, Council resolved "That by 1 April 2026, services currently provided by BFfC, including all remaining support services, be brought in house to be delivered directly by the Council". Preparations for the transfer of functions into Reading Borough Council and the closure of the company are now underway.

4. Contribution to Strategic Aims

- 4.1. Full details of the Council's current 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.
- 4.2. Delivery of the Council's Budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

5. Environmental and Climate Implications

- 5.1. These are set out in the other budget reports on this agenda.

6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 17th December 2024 until 16th January 2024. The feedback from this engagement, alongside the feedback from the Residents' Survey 2023 is set out in Appendices 11 and 12.

- 6.2. The Council consulted with local business rates payers on 5th February 2025 as part of its statutory requirements.

7. Equality Implications

- 7.1. These are set out in the other budget reports on this agenda.

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

- 9.1. The provisions of section 25, of the Local Government Act 2003 require that, when the Council is making the calculation of its budget requirement, it must have regard to the report of the Chief Finance (s.151) Officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. The report will be formally made to Full Council at its budget setting meeting in February.

10. Financial Implications

- 10.1. These are set out in the main body of this report.

11. Timetable for Implementation

- 11.1. Not applicable.

12. Background Papers

- 12.1. There are none.

Appendices

1. **Summary of Estimated Reserve Movements 31/03/2024 – 31/03/2028**

Appendix 1 - Summary of Estimated Reserve Movements 31/03/2024 - 31/03/2028

		Balance 31/03/24	Movement in year	Balance 31/03/25	Movement in year	Balance 31/03/26	Movement in year	Balance 31/03/27	Movement in year	Balance 31/03/28
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
General Fund Balance		Minimum level of unallocated reserves, 5% of net revenue budget								
		(8,394)	(511)	(8,905)	(732)	(9,637)	(460)	(10,097)	0	(10,097)
Earmarked Reserves - General Fund										
Planned Future Revenue and Capital Spending Earmarked Reserves										
Capital Financing Smoothing Reserve	To smooth funding of the Capital Programme across the period of the Medium Term Financial Strategy	(6,722)	6,722	0	0	0	0	0	0	0
Climate Change Revenue Reserve	To allow for revenue investment to address the climate emergency	(222)	0	(222)	0	(222)	0	(222)	0	(222)
Communications Reserve	To allow for investment in communications strategies and engaging with the public	(126)	20	(106)	20	(86)	20	(66)	20	(46)
Hardship Fund	To fund hardship relief	(433)	71	(362)	100	(262)	0	(262)	0	(262)
Health & Safety	To fund a temporary Risk Management Officer	(71)	0	(71)	0	(71)	0	(71)	0	(71)
IT and Digital Reserve	To replace IT and digital equipment that has passed its useful life to improve operational efficiency	(2,591)	2,591	0	0	0	0	0	0	0
Ministry of Justice	To fund overpaid liability orders	(119)	119	0	0	0	0	0	0	0
Project Management Office	To fund temporary support to the Project Management Office	(163)	0	(163)	0	(163)	0	(163)	0	(163)
Redundancy Reserve	To fund costs of redundancy	(241)	241	0	0	0	0	0	0	0
Revenue Grant Unapplied Reserve	To hold Revenue Grant balances where the conditions for use have been met but relevant expenditure has not yet been incurred	(11,459)	3,484	(7,974)	1,333	(6,641)	1,333	(5,309)	0	(5,309)
Transformation Reserve	To allow for potential slippage in the delivery of capital receipts to fund transformation as well as funding transformation projects beyond the end of the flexible capital receipts directive in 2024/25.	(1,551)	591	(960)	960	0	0	0	0	0
Planned Future Revenue and Capital Spending Earmarked Reserves		(23,696)	13,839	(9,856)	2,413	(7,444)	1,353	(6,091)	20	(6,071)
Specific Risks Earmarked Reserves										
Abortive Capital Cost Reserve	To provide for the cost of feasibility studies that do not progress into capital schemes	(101)	30	(71)	0	(71)	0	(71)	0	(71)
Commercial Property Liabilities Reserve	To manage urgent liabilities associated with the Council's property	(2,776)	1,295	(1,481)	839	(642)	61	(581)	0	(581)
Cyber Security Risk Reserve	To mitigate against potential cyber security risks	0	(2,591)	(2,591)	120	(2,471)	120	(2,351)	120	(2,231)
Demographic & Cost-Led Pressures Reserve	To provide for potential cost pressures arising from demographic or other demand led services	(5,000)	5,000	0	0	0	0	0	0	0
Emergency Planning Reserve	To cover for unforeseen emergencies not budgeted for	(1,000)	14	(986)	25	(961)	0	(961)	0	(961)
Energy Reserve	To mitigate against fluctuations in energy prices	(500)	500	0	0	0	0	0	0	0
Legal and Taxation Reserve	To meet potential one-off legal or tax liabilities	(226)	(27)	(253)	0	(253)	0	(253)	0	(253)
Pay & Inflation Reserve	To mitigate against potential additional pay & inflationary pressures	(3,000)	1,380	(1,620)	0	(1,620)	0	(1,620)	0	(1,620)

Appendix 1 - Summary of Estimated Reserve Movements 31/03/2024 - 31/03/2028

		Balance 31/03/24	Movement in year	Balance 31/03/25	Movement in year	Balance 31/03/26	Movement in year	Balance 31/03/27	Movement in year	Balance 31/03/28
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Pooled Investment Fund Reserve	To mitigate against any fluctuations in the fair value of pooled investments (statutory override currently due to end 31/03/2025)	0	(1,200)	(1,200)	958	(242)	0	(242)	0	(242)
Schools Deficit Liability Reserve	To fund potential deficits of schools that may become academies in the future	(1,301)	0	(1,301)	0	(1,301)	0	(1,301)	0	(1,301)
Self Insurance Reserve	To meet estimated liabilities in connection with internally-held risks related to the Council's Insurance programme	(3,182)	(412)	(3,594)	(362)	(3,956)	(362)	(4,318)	(362)	(4,680)
Specific Risks Earmarked Reserves		(17,086)	3,989	(13,097)	1,580	(11,517)	(181)	(11,698)	(242)	(11,940)
Budget Stabilisation Earmarked Reserves										
Collection Fund Smoothing Reserve	To provide for the potential downturn in the economy that would reduce the level of Business Rates/Council Tax	(3,557)	1,937	(1,621)	947	(674)	0	(674)	0	(674)
Financial Resilience Reserve	To provide the Council with financial resilience in respect of implications from future local government funding reform including the business rates reset	(8,236)	(1,143)	(9,379)	4,548	(4,831)	460	(4,371)	0	(4,371)
Budget Stabilisation Earmarked Reserves		(11,793)	794	(10,999)	5,495	(5,504)	460	(5,044)	0	(5,044)
Ringfenced Earmarked Reserves										
Better Care Fund Reserve	To meet costs relating to the Hospital Discharge Scheme	(1,877)	1,577	(300)	300	0	0	0	0	0
Public Health Reserve	The Public Health Grant is ring-fenced so any underspend is carried forward and spent in future years	(1,519)	605	(914)	0	(914)	0	(914)	0	(914)
Schools Balances	Schools are able to carry forward any underspends on their budgets	(1,780)	0	(1,780)	0	(1,780)	0	(1,780)	0	(1,780)
Ringfenced Earmarked Reserves		(5,176)	2,182	(2,994)	300	(2,694)	0	(2,694)	0	(2,694)
Total Earmarked Reserves - General Fund		(57,751)	20,804	(36,947)	9,788	(27,159)	1,632	(25,527)	(222)	(25,749)
Total General Fund Revenue Reserves		(66,145)	20,293	(45,852)	9,056	(36,796)	1,172	(35,624)	(222)	(35,846)
Housing Revenue Account (HRA) Reserves										
HRA	Cumulative HRA balance which is ringfenced to support the management and maintenance of the Council's housing stock and to fund the provision of new council housing.	(27,388)	2,632	(24,756)	4,466	(20,290)	3,491	(16,799)	2,656	(14,143)
North Whitley PFI	To provide a smoothing reserve for PFI payments	(9,524)	455	(9,069)	927	(8,142)	991	(7,151)	1,056	(6,095)
Total Housing Revenue Account (HRA) Reserves		(36,912)	3,087	(33,825)	5,393	(28,432)	4,482	(23,950)	3,712	(20,238)
Total Revenue Reserves		(103,057)	23,380	(79,676)	14,449	(65,228)	5,654	(59,574)	3,490	(56,084)

Council

25 February 2025



Reading
Borough Council
Working better with you

Title	2025/26 Budget & Medium Term Financial Strategy 2025/26 - 2027/28
Purpose of the report	To make a decision
Report status	Public report
Report author	Darren Carter, Director of Finance
Lead Councillor	Councillor Terry, Leader of the Council
Corporate priority	Our Foundations
Recommendations	That Council having due regard of the results of the budget engagement exercise and Resident's Survey (as outlined in Appendices 11 and 12), approve the 2025/26 General Fund and Housing Revenue Account budgets, Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-10, noting the following: 1. The Council's General Fund Budget Requirement of £178.109m for 2025/26 and an increase in the band D Council Tax for the Council of 2.99% plus an additional 2.00% Adult Social Care Precept, representing a band D Council Tax of £2,117.52 per annum, an increase of £100.64 per annum excluding precepts from Police and Fire, as set out in paragraph 2.4 below; 2. The proposed efficiency and invest to save savings of £7.065m together with additional income of £7.277m in 2025/26 required to achieve a balanced budget for that year as set out in Appendices 2 and 3; 3. The overall savings proposed within the MTFS of £16.135m (£11.559m savings and efficiencies and £4.576m additional income) and three-year growth changes to service budgets of £50.190m as set out in Appendices 3 and 4; 4. The budgeted net drawdown from earmarked reserves in 2025/26 totalling £3.945m, as set out in paragraph 10.2; 5. The Housing Revenue Account budget for 2025/26 of £57.304m as set out in Appendix 5 and the average increase of 2.7% in social dwelling rents from April 2025; 6. The allocation of £117.432m Dedicated Schools Grant (DSG) as set out in Appendix 6; 7. The General Fund and Housing Revenue Account Capital Programmes totalling £155.487m and £178.261m respectively over the next five years, as set out in Appendices 7a and 7b; 8. The Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 8; 9. The Fees and Charges set out in Appendix 9 of the report; and 10. The Equalities Impact Assessment as set out in Appendix 10.

1. Executive Summary

- 1.1. Policy Committee at its meeting on 18th December 2024 reviewed the Medium-Term Financial Strategy (MTFS) Update for the three years 2025/26 – 2027/28. This report updates Members on the results of the subsequent budget engagement exercise, changes arising from the publication of the Final Local Government Finance Settlement 2025/26 as well as other changes that have arisen since the report to Policy Committee in December.
- 1.2. The Ministry of Housing, Communities and Local Government (MHCLG) published the Final Local Government Financial Settlement 2025/26 on 3rd February 2025. Most of the figures remained the same as the Provisional Settlement (18th December 2024), however there was one change that impacted on the Council's net budget: the Employer National Insurance Contribution Grant was announced as £1.572m, which was an increase of £0.035m from what had been estimated.
- 1.3. Allocations in respect of the Public Health Grant for 2025/26 were announced on 7th February 2025. In 2025/26 the Council's allocation is £11.604m. As the grant is ringfenced any increase/decrease to the Council's grant allocation is offset by a corresponding increase/decrease in expenditure. Therefore, the MTFS assumes a nil impact on the bottom line.
- 1.4. The underpinning rationale of the Medium-Term Financial Strategy is to deliver a balanced and affordable 2025/26 budget, to ensure that the Council's finances are robust and sustainable over the medium term and that, in the longer term, the Council's finances are not reliant on the unsustainable use of one-off reserves or funding. The Strategy is informed by the Council's Vision: "to help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success", as well as its Corporate Plan priorities.
- 1.5. Reading Borough Council is not immune to national issues. The 2025/26 Budget and MTFS 2025/26-2027/28 reflects the changing landscape in which Councils are now operating and is based on another one-year Local Government funding settlement from Central Government. The most significant impacts on the Budget and the MTFS include demand pressures, exacerbated by the impact of the cost of living crisis, in particular, increased placement costs in adult and children's social care services arising from increased demand, complexity and market challenges; the cost of temporary accommodation arising from increased homelessness presentations due to landlords moving out of the private rented sector and pressures on Housing Benefit resulting from the significantly increased demand in temporary accommodation and supported accommodation for which Housing Benefit subsidy is not 100% recoverable.
- 1.6. The budget and MTFS assumptions include:
 - a) Council Tax increases of 2.99% plus an Adult Social Care precept of 2.0% for each year 2025/26-2027/28;
 - b) Delivery of £16.135m of efficiencies and increased income across 2025/26-2027/28;
 - c) A net draw from earmarked reserves totalling £3.945m in 2025/26, as set out in paragraph 10.2;
 - d) A housing rent increase for 2025/26 of 2.7% in line with approved government policy of CPI + 1%;
 - e) General Fund capital investment of £155.487m and Housing Revenue Account (HRA) capital investment of £178.261m over the 5 year period 2025/26 to 2029/30;
 - f) An initial allocation of £1.500m of transformation funding for each year from 2025/26 to 2029/30 to support delivery of efficiency savings assumed within the

MTFS, taking the total transformation funding to £29.229m across the whole life of the Delivery Fund.

- 1.7. The Dedicated Schools Grant High Needs Block is anticipated to be £26.503m in deficit by 31st March 2025. Further details are set out in paragraphs 2.8 to 2.11 below and in Appendix 6.
- 1.8. This report has been prepared with reference to the following documents:
 - Medium Term Financial Strategy 2025/26-2027/28 Update Report agreed by Policy Committee (18th December 2024)
 - Autumn Budget 2024 – HM Treasury (30th October 2024)
 - Final Local Government Finance Settlement 2025/26 – MHCLG (3rd February 2025)
 - 2025/26 Budget & Medium Term Financial Strategy 2025/26-2027/28 Report approved by Policy Committee (17th February 2025)

2. Policy Context

- 2.1. The Council's Medium Term Financial Strategy provides the financial framework to support the delivery of the Council's vision and Corporate Plan priorities.

Overview

- 2.2. Attached to this summary report are a series of appendices which together provide a comprehensive overview of the Council's financial position in the short to medium term given the constraints outlined in paragraph 1.5.

General Fund

- 2.3. Appendix 1 sets out the Council's Medium Term Financial Strategy and is supported in respect of the General Fund (GF) by Appendices 2, 3 and 4 which set out the financial figures for the 2025/26 Budget and the indicative budgets for 2026/27 and 2027/28. As illustrated in Appendix 2, this provides for a balanced budget in 2025/26 and a Net Budget Requirement of £178.109m, which after allowing for other funding streams leaves a Council Tax Requirement of £126.134m. The indicative budgets for 2026/27 and 2027/28 are not currently balanced with a budget gap of £10.943m currently forecast for 2026/27, increasing to a gap of £11.633m for 2027/28.
- 2.4. The 2025/26 budget proposals assume a Council Tax increase of 2.99% and an Adult Social Care Precept of 2.00%. This results in a Band D Council Tax of £2,117.52 for 2025/26, an increase of £100.64 per annum or £1.93 per week. The same percentage uplift is assumed for both 2025/26 and 2026/27.

Housing Revenue Account

- 2.5. Appendix 5 sets out the Housing Revenue Account budget proposals. The proposed expenditure budget for 2025/26 is £57.304m. A balanced budget is delivered across all three years with a drawdown from reserves of £4.466m in 2025/26, £3.491m in 2026/27 and £2.656m in 2027/28.
- 2.6. The proposal is to increase rents by 2.7% for 2025/26 in line with the maximum rent increase of CPI (as of September 2024) + 1%. The average weekly rent increase is between £2.77 and £4.28 depending upon the type of property.
- 2.7. Appendix 5 also sets out the full 30 Year Plan, which includes details of planned investments, how these are funded and the impact on the HRA balance. Within the 30 year HRA Business Plan the housing service is investing an additional £17.747m between 2025/26 and 2027/28 in existing housing stock in line with the Council's Climate Change

ambitions. Further requirements for Net zero investment in the Housing stock are in development.

Dedicated Schools Budget

- 2.8. Appendix 6 sets out the Dedicated Schools Grant Budget proposals for 2025/26. Dedicated Schools Grant (DSG) is split into four blocks, for which the allocations for 2025/26 were published by the Government on 18th December 2024. Overall, the gross DSG for schools will increase by £19.415m (10.8%) from £180.066m to £199.480m. Details of the allocations are provided at Appendix 6.
- 2.9. High needs funding supports provision for pupils and students with Special Educational Needs and Disabilities (SEND) who require additional resources to participate in education and learning, from their early years to age 25 in schools and colleges (excluding students aged 19 to 25 who do not have an Education, Health and Care Plan (EHCP) or students who are over the age of 25) and pre-16 pupils in Alternative Provision (AP) who, because of exclusion, illness, or other reasons, cannot receive their education in mainstream schools. High needs funding is provided to local authorities through the high needs block of the DSG.
- 2.10. High needs block funding has been increasing significantly in recent years, but those increases have not kept pace with increasing costs. As a result, a significant number of local authorities are accumulating deficits on the high needs block. In some cases, those deficits are so significant that they would potentially trigger a s114 notice. As a temporary measure, the Government has issued a statutory override for the Dedicated Schools Grant that excludes DSG deficits from the calculation of General Fund reserves. This override will continue until 31st March 2026. The Government have not announced whether the override will be extended beyond this point.
- 2.11. In Reading, the Council is forecasting a cumulative deficit of £26.503m on the high needs block by 31st March 2025. The deficit is forecast to reach £40.373m by the time the statutory override is currently due to end in March 2026 and is forecast to reach £53.165m by 31st March 2027. Council reserves will not be sufficient to fund this deficit, potentially triggering the need to issue a s114 notice. It is therefore critical that action is taken to address the deficit.

Capital

- 2.12. The Council's overarching Capital Strategy is set out in a separate report elsewhere on this agenda and has been extended to provide a five year projection in accordance with best practice. The specific projects laid out in the Capital Programme, attached at Appendix 7a for the General Fund and Appendix 7b for the HRA are also set out over a five year period to align with the Capital Strategy. The General Fund Capital Programme totals £155.487m and the HRA Capital Programme totals £178.261m; which will require the support of £83.199m and £163.860m respectively of council resources including capital receipts and external borrowing over the five year period.
- 2.13. The Council's transformation programme supported by the extension to the flexible use of capital receipts permitted by regulation is set out in Appendix 8.

Fees & Charges

- 2.14. The 2025/26 schedule of Fees and Charges assumed within the budget proposals and effective from 1st April 2025 is set out in Appendix 9.

Engagement

- 2.15. The Council is required by legislation to consider the impact of its budget proposals upon all groups within the local community. This is demonstrated by the Equalities Impact Assessment of the Budget Proposals set out in Appendix 10.
- 2.16. A summary of the results of the budget engagement held from 19th December 2024 to 16th January 2025 and the Residents Survey carried out in the summer of 2024 are provided within Appendices 11 and 12 respectively.
- 2.17. The engagement analysis highlights that the top service areas where respondents would be least comfortable with the Council reducing spend on or increasing income from were Street Cleaning, Homelessness Prevention and Facilities in Parks and Open Spaces. The proposed Revenue Budget and Capital Programme responds to this feedback by protecting these services, such as in Homelessness Prevention, where the Council is investing an additional £0.884m in 2025/26. In terms of identifying savings, the areas where respondents were most comfortable reducing spending on or increasing income on were Home to School Transport, Fees and Charges and Voluntary Sector Funding. Savings against these areas have all been proposed as part of the MTFS.
- 2.18. The Council consulted with local business rates payers on 5th February 2025 as part of its statutory requirements.

3. Key Considerations

- 3.1. Local Government finance is in crisis. Since 2018, local authorities have issued thirteen 'section 114s' notices, which notifies of severe financial distress, compared to two in the preceding 18 years. Moreover, local authorities are increasingly reporting concerns about their financial positions and their ability to maintain delivery of their services.
- 3.2. The financial crisis that local authorities are encountering comes after significant reductions in local authorities' spending power which has itself coincided with increasing demand for their services and inflationary pressures driving up costs. Ultimately, the levels of funding available to local authorities, through council tax, retained business rates, and government grants have not kept pace with these pressures, leading to a funding gap which the Local Government Association (LGA) has estimated at £6.2 billion over the next two years.
- 3.3. The proposed 2025/26 budget has been based on current information available, but it is important that the Council is aware of the significant risks it faces in a number of key areas:

Funding Reform

- 3.4. As part of the Local Government Finance Policy Statement, the Government announced its intention to reform the local government finance system from 2026/27, creating a new funding system based on an up-to-date assessment of need and local resources. These reforms are set to be built on the proposals set out in the review of Relative Needs and Resources (also referred to as the 'Fair Funding Review'), using the best available evidence to inform local authority funding allocations.
- 3.5. The Government also announced its intention to 'reset' the business rates retention system, starting in 2026/27. The reset is planned to further allow the Government to match funding to where it is needed most. The reset will apply nationally, but business rates growth generated within designated areas such as Freeports, Enterprise Zones and Investment Zones will be exempt in line with current policy.

- 3.6. It has also been announced that 2026/27 will mark the first multi-year funding Settlement for local government in 10 years – aiming to provide improved planning certainty for local authorities.

Adult Social Care

- 3.7. There are significant pressures in the social care system. These pressures include an increase in the number of service users, in addition to the number of complex care packages and increasing contract inflation. This updated MTFs includes a net increase of £5.094m for Adult Social Care services in 2025/26 to address these pressures.

Children's Social Care

- 3.8. There is widespread recognition of the need to reform Children's Social Care, with increasing demand on services, increasing complexity of need, reducing numbers of foster carers, an insufficient supply of adequate residential placements, and an over-reliance on private sector providers driving up costs. This budget invests significant additional funds in Children's Social Care placements, but the upward trend is unsustainable.

Special Education Needs and Disabilities

- 3.9. The Council is forecasting a cumulative deficit of £26.503m on the high needs block by 31st March 2025. The deficit is forecast to reach £40.373m by the time the statutory override is currently due to end in March 2026 and is forecast to reach £53.165m by 31st March 2027. Council reserves will not be sufficient to fund this deficit, potentially triggering the need to issue a s114 notice. It is therefore critical that action is taken to address the deficit.

Homelessness

- 3.10. Homelessness has been increasing both locally and nationally due to the “cost of living crisis” and national legislative changes. Subsequently the use of temporary and paid nightly accommodation has been increasing across the board primarily due to evictions from the private rented sector as landlords become increasingly concerned about their financial position. In Reading the numbers of households in Emergency Accommodation at the end of December was 182: the budget assumed a figure of around 70 households. The MTFs update includes a net increase of £0.884m in the budget in respect of funding homelessness pressures but this scale of increase is unsustainable.

Housing Benefit

- 3.11. Demands on Homelessness and Adult Social Care have caused further pressures on Housing Benefit. During 2024/25 there have been significant additional temporary accommodation pressures, as set out in the previous paragraph, and supported accommodation costs that are not 100% recoverable through the Housing Benefit Subsidy e.g. the Council pays out more Housing Benefit than it can recover in Housing Benefit Subsidy from Central Government. As a result, a budget increase of £3.134m has been calculated as a requirement for 2025/26.

Inflation and Demand Risk

- 3.12. Whilst the budget proposals include consideration for risk, primarily in relation to the non-achievement of income targets and efficiency savings, risk remains that demographic, inflationary or other demand pressures may exceed budget and place pressures on available provisions.

Savings

- 3.13. The MTFS assumes £16.135m of additional savings and income, if these are not delivered or there is any delay to their delivery, it would pose a potential threat to the sustainability of the Council's budget. Based on the 2024/25 Quarter 2 Performance and Monitoring Report that was presented to Policy Committee in December 2024, £3.280m of savings are currently at risk of non-delivery. As part of the 2025/26 budget setting process, a review of all existing savings proposals was carried out and where appropriate, non-deliverable savings were reprofiled, reduced or even removed.
- 3.14. There are also the following considerations in respect of the Council's wholly owned companies:
- Reading Transport Limited (RTL) – Customer numbers have continued to rise in 2024/25. Patronage recovery has grown to 91.7% of pre-pandemic levels since September 2024, with patronage 10.4% up on the same time last year, including new routes. Financial performance has also been improving, driven by strong revenues from higher customer numbers, partly underpinned by the £2 fare cap. The most recent published accounts for the year ended 31st March 2024 show that profit before tax increased from £0.526m to £4.498m, with income increasing from £55.668m to £61.047m.
 - Homes for Reading (HfR) – the housing stock is in the process of being transferred to the HRA following the decision in 2024/25 to close the company.
 - Brighter Futures for Children (BFfC) - the Council's children's company has requested a contract sum of £64.426m which is an increase of £5.587m compared to the 2024/25 contract sum. This covers increased inflationary pressures relating to pay and contractual inflation, and particularly the increasing costs of children's social care placements. The demand pressures on social care placements present an on-going risk in terms of numbers and complexity.
- 3.15. The current global and national economic position has the potential to impact the Council in a variety of ways, particularly in the current cost of living environment, these include increases in demand for social care and the levels of income and funding available to be distributed through central government. As upper tier authorities across the country are finding, changes in social care demand creates significant cost pressures within adults and children's social care budgets.
- 3.16. The Council's Chief Finance (Section 151) Officer is required under Section 25 of the Local Government Act to report to Council on the robustness of the estimates made for the purposes of the calculations of the budget and the adequacy of the proposed level of financial reserves. This report is elsewhere on the agenda.

4. Contribution to Strategic Aims

- 4.1. Full details of the Council's current 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 will be presented to Council in March 2025.
- 4.2. Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

5. Environmental and Climate Implications

- 5.1. 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. Reading has cut its carbon emissions by 54% since 2005 and

the Council has cut its own carbon footprint by 73% in since 2008. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.

- 5.2. The Council's 2030 climate target was already very challenging, even before taking account of the more recent financial pressures facing the Council, and local authorities in general, in addition to the government's recent scaling back of its net zero strategy commitments. Whilst the long term benefits of taking action will likely exceed the cost of inaction on climate change, this does not ease the challenge of finding resources for climate action in the immediate future.
- 5.3. Reading is one of only 120 towns and cities in the world to make the most recently published 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 currently shared with only 25 other UK local authorities. 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 its ambitious target of a net zero Reading by 2030.
- 5.4. The Council's proposed Capital Programme for the next five years includes investment of £2.506m in 2025/26 in energy saving measures in buildings and renewable energy infrastructure which contribute towards the Council's net zero carbon ambitions. This covers the Salix Decarbonisation Fund and the Corporate Solar Programme schemes as detailed below:
 - The Salix Decarbonisation Fund is designed to enable more ambitious carbon reduction projects such as the installation of High Voltage EV charging infrastructure at the Bennet Road depot to support the growing fleet of EVs. This scheme has a budget of £0.603m for 2025/26;
 - The Corporate Solar Programme scheme has a budget of £1.903m in 2025/26 for solar installations.
- 5.5. Additionally, both the New Performance space at the Hexagon Theatre and New Reading Library at the Civic Centre Levelling Up schemes include further investment in energy saving and decarbonisation infrastructure.
- 5.6. Other capital investments, in offices, housing, transport and waste, will also contribute to the Council's carbon reduction ambitions by improving the efficiency of our buildings and operations as well as in the wider community.
- 5.7. As part of the budget setting process, 'Environment' is one of the weighting criteria applied to bids for capital funding. Going forward, major capital projects which will contribute directly to greenhouse gas emissions reduction include:
 - £1.903m for the Corporate Solar Programme (2025/26);
 - £0.603m for energy saving measures via the Salix Decarbonisation Fund (2025/26);
 - £0.250m for tree planting programmes (2025/26-2029/30);
 - £7.449m for Replacement Vehicles (2025/26-2029/30) – where part of the budget is allocated to the purchase of electric vehicle such as waste collection vehicles;
 - £16.637m for Levelling Up Delivery Plan – New Performance Space at the Hexagon Theatre;
 - £7.183m for Levelling Up Delivery Plan – New Reading Library at the Civic Theatre.

6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 19th December 2024 until 16th January 2025. The feedback from this engagement, alongside the feedback from the Residents' Survey 2024 is set out in Appendices 11 and 12.
- 6.2. The Council consulted with local business rates payers on 5th February 2025 as part of its statutory requirements.

7. Equality Implications

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:
 - Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2. An initial assessment of the proposals as set out in the MTFS has been undertaken and Appendix 10 sets out the individual savings proposals where specific equality impact assessments will need to be undertaken prior to implementation.
- 7.3. Additionally, when considering changes to service provision, local authorities are under a duty to consult representatives of a wide range of local stakeholders. Authorities must consult representatives of council tax payers, those who use or are likely to use services provided by the authority and those appearing to the authority to have an interest in any area within which the authority carries out functions. The budget engagement exercise on the budget proposals assists with this requirement.
- 7.4. As well as the Council's current Council Tax Reduction Scheme there are statutory discounts and exemptions available to residents who may otherwise struggle to pay their Council Tax, details are available on the Council's website.

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

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

10. Financial Implications

- 10.1. The financial implications are set out in the body of this report and associated appendices.
- 10.2. The 2025/26 Budget is balanced by an overall £3.945m assumed draw on (contribution from) earmarked reserves, consisting of:

- £1.179m to fund service specific expenditure from specific earmarked reserves. This was already assumed in the December 2024 MTFS Update;
 - £2.766m from the Financial Resilience Reserve to balance the 2025/26 budget.
- 10.3. Further savings to close the budget gap in 2026/27 and beyond will need to be identified as part of the future budget setting process.
- 10.4. The Council's General Fund balance is set at 5% of the net budget requirement for 2025/26.

11. Timetable for Implementation

- 11.1. Not applicable.

12. Background Papers

- 12.1. There are none.

Appendices

1. **The Medium Term Financial Strategy 2025/26 - 2027/28**
2. **Summary of the Proposed General Fund Budget 2025/26 - 2027/28**
3. **General Fund Revenue Budget by Service 2025/26 - 2027/28**
4. **Detailed General Fund Budget Changes 2025/26 - 2027/28**
5. **The Housing Revenue Account Proposed Budget 2025/26 - 2027/28**
6. **The Dedicated Schools Grant Budget Proposals 2025/26**
7. **The General Fund and HRA Capital Programmes 2025/26 - 2027/28**
8. **The Flexible Use of Capital Receipts Strategy 2025/26**
9. **Fees and Charges Proposals from April 2025**
10. **Equality Impact Assessment of the Budget Proposals**
11. **Summary of the Response to the Budget Engagement**
12. **Summary of the Residents' Survey 2024**

Appendix 1 - The Medium Term Financial Strategy 2025/26 – 2027/28

1. Background

- 1.1. This Medium Term Financial Strategy (MTFS) pulls together in one place all known factors affecting the financial position and financial sustainability of Reading Borough Council over the medium term. The MTFS balances the financial implications of objectives and policies against constraints in resources and provides the basis for decision making.
- 1.2. The MTFS is central to the delivery of our priorities in an affordable and sustainable way over a 3-year period. It aids robust and methodical planning as it forecasts the Council's financial position, taking into account known pressures and major issues affecting the Council's finances. The MTFS recognises the key role that financial resources play in the future delivery of outcomes and in enabling the effective planning, management and delivery of services.
- 1.3. The key overriding aim of the MTFS is to provide a financial framework within which financial stability can be achieved and sustained in the medium term to deliver the Council's key strategic priorities.
- 1.4. This updated MTFS has been developed to reflect the changing landscape in which Councils are now operating. The UK economy, as with many others around the world, is now heavily impacted by the cost of living crisis. This has had a knock-on impact on Council budgets, due to increased unit costs, service demand increasing and reduced levels of income.

2. The Current Economic and Financial Environment

- 2.1 The Council's future financial position, the demand for services and ability to recover previous and/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

- 2.2 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. 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. Additionally, services such as Adult Social Care have experienced increases in demand for services e.g. due to people waiting longer for health interventions due to waiting lists etc.

Cost of Living Crisis

- 2.3 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.
- 2.4 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.

2.5 In addition, in an attempt to control inflation, the Bank of England gradually increased bank rate up to 5.25%. This has now reduced to 4.50%, however, these increases have impacted on borrowers and mortgage holders by reducing their levels of disposable income.

2.6 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.

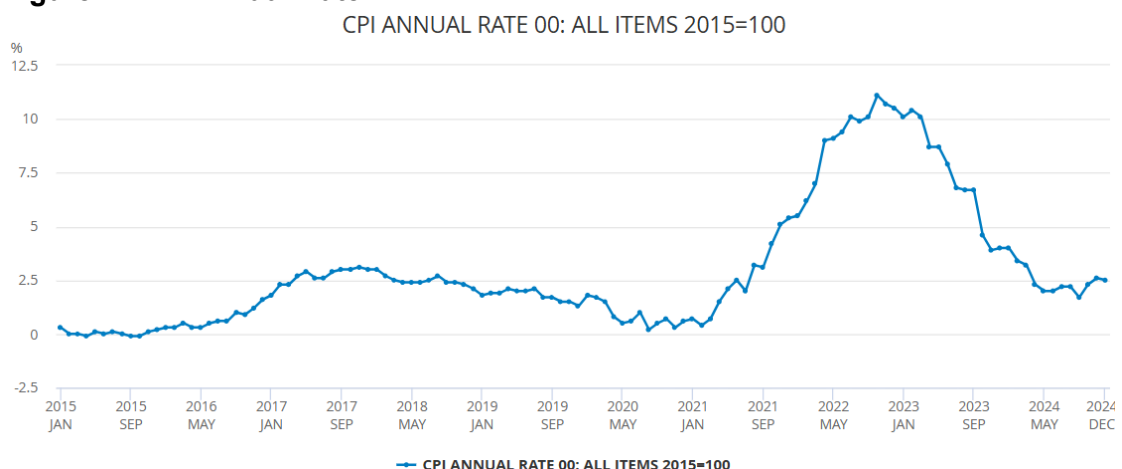
Inflation Expectations

2.7 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.

2.8 The annual inflation rate in the United Kingdom as measured by the Consumer Price Index (CPI) stands at 2.5% as at December 2024, down from 4.0% in December 2023. The Consumer Price Index including owner occupiers' housing cost (CPIH) stands at 3.5% as at December 2024, down from 4.2% in December 2023.

2.9 Inflation climbed steadily from February 2021 until its peak of 11.1% in 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 gradually increased interest rates to help achieve its target rate of inflation of 2.0%, and so inflation has fallen significantly to 2.5% as at December 2024. The Bank of England expects inflation to increase to about 2.8% in the second half of 2025 before falling again.

Figure 1. CPI Annual Rate



Environmental Challenges

- 2.10 The Summer of 2024 has been confirmed by scientists at the Copernicus Climate Change Service as the hottest season the world has experienced since records began in 1880. Exceptional temperatures were felt across much of the world, exacerbating extreme weather events such as heatwaves, droughts, floods and wildfires.
- 2.11 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.
- 2.12 Reading has cut its carbon emissions by 54% since 2005 and the Council has cut its own carbon footprint by 73% since 2008.
- 2.13 Reading is one of only 120 towns and cities in the world to make the most recently published 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 currently shared with only 25 other UK local authorities. 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 its ambitious target of a net zero Reading by 2030.

Demographic Forecasts

- 2.14 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.
- 2.15 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. These changes in demographics are reflected in the increase in demand for Adult and Children's Social Care services set out above.

Unemployment

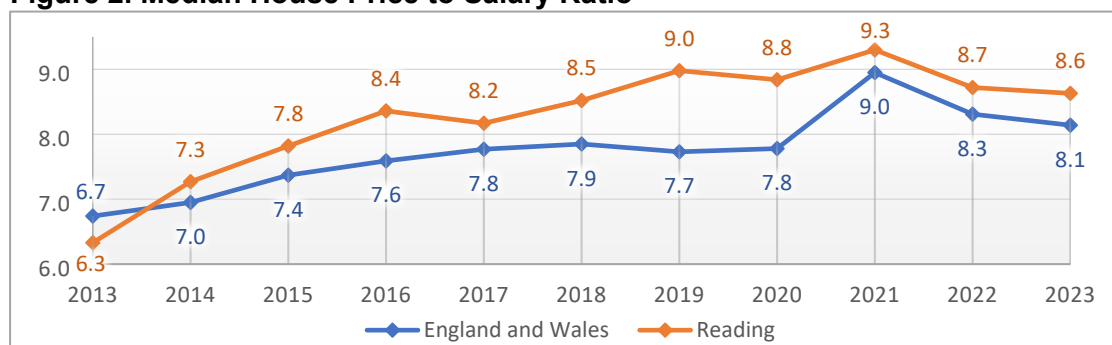
- 2.16 Around 3,800 people aged 16 and over in Reading were unemployed in the year ending June 2023. This is a rate of 3.9%. This was an increase compared to the year ending June 2022 when the unemployment rate was 3.5%. Across the South East, from the year ending June 2022 to the year ending June 2023, there was also a slight increase in the unemployment rate from 3.3% to 3.4%.
- 2.17 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.

Affordability of Homes

- 2.18 The affordability of homes in Reading is a major challenge. The latest available data (2023) puts the average house in Reading at a cost of 8.6 times the average salary in Reading, compared to a cost of around 8.1 times the average salary in England and Wales. This is significantly higher than the median house price to salary ratio in 2013, where an average house in Reading cost 6.3 times the average salary, compared to

6.7 for the rest of England and Wales. This increase is predominantly due to house prices in Reading increasing at a higher rate than salaries.

Figure 2. Median House Price to Salary Ratio



Deprivation

2.19 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. From 2025/26 the Government has started to directly factor in deprivation scores into how councils' core funding is allocated. The degree to which assessed need and inequality might be measured is by reference to the national Index of Multiple Deprivation (IMD).

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

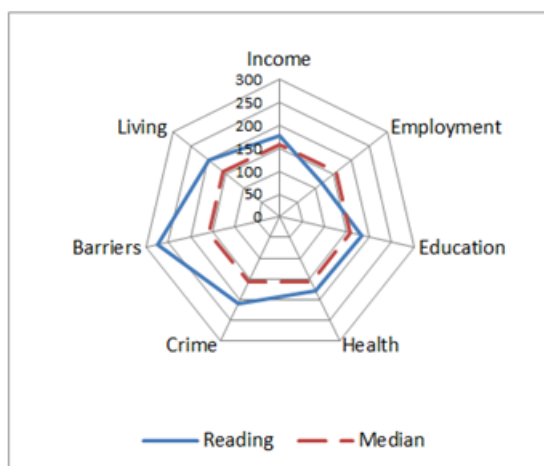
- Income Deprivation (22.5%)
- Employment Deprivation (22.5%)
- Education, Skills, and Training Deprivation (13.5%)
- Health Deprivation and Disability (13.5%)
- Crime (9.3%)
- Barriers to Housing and Services (9.3%)
- Living Environment Deprivation (9.3%)
- Index of income deprivation affecting children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

2.21 Key Headlines, based on the latest 2019 data, are:

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

2.22 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 3. Index of Multiple Deprivation (2019 – latest available)



Interest Rates

- 2.23 When the 2024/25 Budget and 2024/25-2026/27 MTFS was approved in February 2024, the Bank of England Bank Rate stood at 5.25%. It has subsequently decreased in August 2024 to 5.00%; in November 2024 to 4.75% and again in February 2025 to 4.50%. It is expected that interest rates will continue to gradually decrease, although at a slower rate than had been previously anticipated.

Table 1. Interest Rate Forecasts

	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
	%	%	%	%	%	%	%	%	%	%	%	%
Bank Rate	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
5-year PWLB	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10-year PWLB	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25-year PWLB	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50

- 2.24 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 income receivable 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 currently utilising existing cash balances to cashflow Capital Programme expenditure and therefore has less cash available to invest in longer term investments that generate higher levels of interest receivable income. The costs avoided by deferring longer term borrowing whilst borrowing rates remain high are greater than the lost investment opportunities. The Borrowing Strategy will be reviewed as part of the 2025/26 Treasury Management Strategy Statement that will be brought forward for consideration and approval in February 2025.
- 2.25 For planning purposes, the Council has assumed that the Bank of England will gradually decrease interest rates to 3.50% by December 2026. The MTFS assumes an average borrowing rate of 4.30% for 2025/26, decreasing to 3.94% and 3.73% in 2026/27 and 2027/28 respectively.

- 2.26 Current UK interest rate forecasts (including the 20-basis point certainty rate reduction) are outlined in the following table:

Future Changes to the Local Government Finance System

- 2.27 As part of the Local Government Finance Policy Statement, the Government announced its intention to reform the local government finance system from 2026/27, creating a new funding system based on an up-to-date assessment of need and local resources. These reforms are set to be built on the proposals set out in the review of Relative Needs and Resources (also referred to as the 'Fair Funding Review'), using the best available evidence to inform local authority funding allocations.
- 2.28 The Government also announced its intention to 'reset' the business rates retention system, starting in 2026/27. The reset is planned to further allow the Government to match funding to where it is needed most. The reset will apply nationally, but business rates growth generated within designated areas such as Freeports, Enterprise Zones and Investment Zones will be exempt in line with current policy.
- 2.29 It has also been announced that 2026/27 will mark the first multi-year funding Settlement for local government in 10 years – aiming to provide improved planning certainty for local authorities.

3. Expenditure Assumptions

Pay Award

- 3.1 3.0% has been allowed for pay inflation in 2025/26 with 2.3% for 2026/27 and 1.9% for 2027/28.

National Living Wage

- 3.2 In the Autumn Statement the Chancellor announced that the National Living Wage for individuals aged 21 and over will increase by 6.7% to £12.21 an hour from 1st April 2025.

General Inflation

- 3.3 Where services are experiencing specific inflationary pressures, these are included as proposed budgetary changes supported by a corresponding business case.

Pension Fund

- 3.4 The triennial valuation of the Pension Fund took place on 31st March 2022. The primary rate is set as 16.2% for the first year of the MTFS period, and is currently forecast to remain at that rate for the following two years.

Capital Financing

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

4. Significant Impacts on the Council's 2025/26 Budget

Adult Social Care

- 4.1 Across the country, the adult social care sector is facing serious challenges in relation to ever increasing demand, rising costs and workforce challenges. The increases in employer's national insurance contributions and the national living wage due to be implemented in 2025/26 have added a significant financial burden to local authorities and care providers. As a result, a third of providers surveyed by Care England are considering leaving the market altogether, which would cause huge disruption and challenges in an already pressurised sector.
- 4.2 In Reading, the Council has seen an increase in the numbers of people presenting to the service and those people have increased complexity, intensity and acuity of need. Consequently, there are higher numbers of people needing Adult Social Care support, with higher needs on average than those previously approaching the service. As a result, the services delivered are more costly and a net increase of £5.094m for Adult Social Care services is proposed for 2025/26 to address these pressures.

Children Social Care

- 4.3 There are even greater financial pressures in Children's Social Care, with increasing demand on services, increasing complexity of need, reducing numbers of foster carers, and an insufficient supply of adequate residential placements driving up costs.
- 4.4 On 31st March 2014 there were 68,790 children looked after in England. On 31st March 2024, the number stood at 83,630, an increase of more than 22%. According to analysis by the Local Government Association, there are now over 1,500 children in placements each costing the equivalent of over £0.500m every year, while the largest 15 private providers make an average of 23 per cent profit.
- 4.5 Reading is experiencing similar cost pressures. The 2025/26 Budget includes a proposed increase of £5.587m increase in the Brighter Futures for Children (BFfC) contract sum. This includes inflationary increases and a significant growth pressure in respect of placements for Children Looked After.

Dedicated Schools Grant - High Needs Block

- 4.6 High needs funding supports provision for pupils and students with SEND who require additional resources to participate in education and learning, from their early years to age 25 in schools and colleges (excluding students aged 19 to 25 who do not have an Education, Health and Care Plan (EHCP) or students who are over the age of 25) and pre-16 pupils in Alternative Provision (AP) who, because of exclusion, illness, or other reasons, cannot receive their education in mainstream schools. High needs funding is provided to local authorities through the high needs block of the DSG.
- 4.7 High needs block funding has been increasing significantly in recent years, but those increases have not kept pace with increasing costs. As a result, a significant number of local authorities are accumulating deficits on the high needs block. In some cases, those deficits are so significant that they would potentially trigger a s114 notice. As a temporary measure, the Government has issued a statutory override for the Dedicated Schools Grant that excludes DSG deficits from the calculation of General Fund reserves. This override will continue until 31st March 2026.
- 4.8 In Reading, the Council is forecasting a cumulative deficit of £26.503m on the high needs block by 31st March 2025. The deficit is forecast to reach £40.373m by the time

the statutory override is currently due to end in March 2026 and is forecast to reach £53.165m by 31st March 2027. Council reserves will not be sufficient to fund this deficit, potentially triggering the need to issue a s114 notice. It is therefore critical that action is taken to address the deficit.

Homelessness

- 4.9 Homelessness has been increasing both locally and nationally due to the “cost of living crisis” and national legislative changes. Subsequently the use of temporary and paid nightly accommodation has been increasing across the board primarily due to evictions from the private rented sector as landlords become increasingly concerned about their financial position. In Reading the numbers of households in Emergency Accommodation as at the end of December 2024 was 182: the budget assumed a figure of around 70 households. The MTFS includes a net increase of £0.884m in the budget in respect of funding Homelessness pressures.

2024/25 Financial Position

- 4.10 The Quarter 2 Performance and Monitoring Report, presented to Policy Committee in December 2024, is forecasting a net adverse variance of £9.620m. This is despite additional in year savings of £8.580m having been identified in response to pressures identified at Quarter 1. The Quarter 2 forecast predominantly consists of adverse variances in four main areas: £5.941m on Children’s placement demand, £3.054m on Housing Benefit, £1.380m on Adult Social Care packages and £1.067m on Emergency Accommodation. These adverse variances are partially offset by smaller net positive variances across services and Capital Financing totalling £1.822m.
- 4.11 Should an adverse variance crystallise then the balance of the variance will need to be funded by a draw from earmarked reserves as part of 2024/25 outturn processes and the 2024/25 Performance Report to Policy Committee in July 2025.

5. Local Government Finance Settlement 2025/26 & Other Changes from the December 2024 MTFS Update

- 5.1 A one-year Final Local Government Finance Settlement was published on 3rd February 2025. The settlement provides more detail for 2025/26, which for Reading is as follows:

New Homes Bonus

- 5.2 The Council’s 2025/26 allocation for the New Homes Bonus was announced as £0.812m, which is unchanged from what was assumed in the December 2024 MTFS Update. For 2026/27 and 2027/28, 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 £0.635m; £0.002m lower than assumed in the December 2024 MTFS Update to Policy Committee..

Social Care Grant

- 5.3 The settlement announced that the Council’s 2025/26 allocation for the Social Care Grant was announced as £11.467m; £0.142m higher than the £11.325m assumed in the December 2024 MTFS Update.

Revenue Support Grant

- 5.4 Revenue Support Grant (RSG) has been the core general purpose grant from central government for some years now. For 2025/26 RSG has been increased by the September 2023 to September 2024 change in CPI. There is a net increase in RSG for 2025/26 of £0.011m over the level assumed in the December 2024 MTFS Update. This net increase is comprised of an increase of £0.073m, offset by a reduction of £0.062 relating to the impact of grants that has been budgeted for elsewhere being rolled into the Revenue Support Grant from 2025/26 onwards. It has been assumed that this level of funding will increase in line with inflation, by £0.026m in 2026/27 and a further £0.016m in 2027/28.

Domestic Abuse Safe Accommodation Grant

- 5.5 For 2025/26 it was announced that the Domestic Abuse Safe Accommodation Grant would be rolled into the Core Spending Power settlement. The Council's 2025/26 allocation for the grant was announced as £0.444m; £0.088m higher than the £0.356m assumed in the December 2024 MTFS Update.

National Insurance Estimate

- 5.6 The rate of employer National Insurance contributions is increasing from 13.8% to 15.0% and reducing the per-employee threshold at which employers become liable to pay National Insurance to £5,000 from 6th April 2025. In the December 2024 MTFS Update it had been assumed that the impact of these increases would be fully covered by the Government. The settlement announced that the Council's funding allocation for 2025/26 would be £1.572m, which falls short of the Council's £1.663m estimated cost of the changes, resulting in the net pressure being £0.091m greater than assumed in the December 2024 MTFS Update.

Public Health Grant

- 5.7 Allocations in respect of the Public Health Grant for 2025/26 were announced on 7th February 2025. In 2025/26 the Council's allocation is £11.604m, which is an increase of £0.745m from 2024/25. As the grant is ringfenced any increase/decrease to the Council's grant allocation is offset by a corresponding increase/decrease in expenditure. Therefore, the MTFS assumes a nil impact on the bottom line.

Other Changes from the December 2024 MTFS Update

Council Tax

- 5.8 The Government announced as part of the Local Government Finance Policy Statement 2025/26 on 28th November 2024, that the level of increase in Council Tax requiring a local referendum will remain at 3.00% and the Adult Social Care precept will remain at 2.00% for 2025/26. A general Council Tax increase of 2.99% and an additional Adult Social Care precept of 2.00% is proposed across all years of the MTFS period 2025/26-2027/28, subject to confirmation of the referendum limit in subsequent years.
- 5.9 At its meeting on 28th January 2025, Council approved a revised Council Tax Base of 59,566.99 (band D equivalent) properties for 2025/26 – an increase of 1.06% on the 2024/25 Tax Base of 58,944.73.
- 5.10 The Tax Base of 59,566.99 band D equivalents has been updated from the Tax Base of 59,534.11 used in the December 2024 MTFS Update in order to reflect updated

figures in respect of the number of chargeable dwellings, discounts, exemptions, eligible Local Council Tax Reduction Scheme claimants and revised estimates of new build and collection performance. The effect of this is an increase in Council Tax income of £0.069m for 2025/26.

Business Rates

- 5.11 The budget has been updated to reflect the latest available information and assumptions included in the NNDR1 return made to central government in January 2025. This is a complex area exacerbated by the previous Government having deferred the business rates reset. In terms of the local share of business rates retained by the Council this is now estimated to be lower than forecast in the December 2024 MTFS Update by £0.753m for 2025/26.
- 5.12 The new Government announced its intention to 'reset' the business rates retention system, starting in 2026/27. The reset is planned to further allow the Government to match funding to where it is needed most. Consequently, this MTFS assumes that the business rates reset will be implemented for 2026/27.

Council Tax & Business Rates Collection Fund Surplus/Deficit

- 5.13 The Council Tax Base report, approved by Council on 28th January 2025, declared the estimated balance on the Council Tax Collection Fund as at 31st March 2025. The Council's share of the estimated surplus balance is £0.408m.
- 5.14 The NNDR1 return to central government in January 2025 projected an estimated surplus balance on the Business Rates Collection Fund as at 31st March 2025. The Council's share of this surplus is £0.140m.

Additional/Revised Service/Corporate Budgets

- 5.15 Since December, a number of new and revised business cases and technical budget adjustments have been submitted, reviewed and amended e.g. for revised inflation forecasts. This has resulted in a £5.324m net reduction to the 2025/26 budget, but adds net pressures of £1.240m in 2026/27 and net pressures of £0.290m in 2027/28.

Capital Financing

- 5.16 The revenue impact of the proposed Capital Programme has been updated to reflect changes to existing schemes (including re-profiling) and the addition of new schemes. The cumulative effect of these changes on capital financing costs is a reduction of £1.605m across the MTFS period.

Contingency

- 5.17 A Contingency provision of £3.238m has been added across all years of this MTFS period to mitigate against potential increases in demand pressures over and above the increases factored into individual service budgets. This figure includes £0.497m of the Utilities Contingency, which has now been transferred into the corporate contingency. If these pressures do not materialise then the contingency will be transferred to earmarked reserves.

Contribution to/(from) Reserves

- 5.18 The 2025/26 Budget is balanced by an overall £3.945m assumed draw on (contribution from) earmarked reserves, consisting of:

- £1.179m to fund service specific expenditure from specific earmarked reserves. This was already assumed in the December 2024 MTFS Update;
- £2.766m from the Financial Resilience Reserve to balance the 2025/26 budget.

5.19 The projected net draw on earmarked reserves in 2026/27 and 2027/28 relate solely to funding service specific expenditure from specific earmarked reserves.

Summary of Changes

5.20 The changes outlined in paragraphs 5.2-5.19 are summarised in Table 2 below:

Table 2. Summary of Changes from December 2024

	2025/26 £000	2026/27 £000	2027/28 £000
Net Budget (Surplus)/Deficit as at December 2024 Policy Committee	6,414	15,067	15,560
<i>Changes Arising from the Final Local Government Finance Settlement:</i>			
New Homes Bonus	0	2	0
Social Care Grant	(142)	0	0
Revenue Support Grant	(73)	(28)	(16)
Grants Rolled in to Revenue Support Grant	62	0	0
Domestic Abuse Safe Accommodation Grant	(88)	0	0
National Insurance Estimated Increased Costs	1,663	0	0
National Insurance Funding	(1,572)	0	0
Public Health Grant Expenditure	745	287	249
Public Health Grant Income	(745)	(287)	(249)
<i>Other Changes since the December 2024 MTFS Update:</i>			
Changes to Council Tax Base	(69)	(5)	(4)
Changes to Business Rate Base (including S31 Grant)	753	(2,114)	362
Council Tax Collection Fund (Surplus)/Deficit	(408)	408	0
Business Rates Collection Fund (Surplus)/Deficit	(140)	140	0
Additional/Revised Service/Corporate Budgets	(5,324)	1,240	290
Adjustment to Capital Financing Costs	(1,051)	(119)	(435)
Transfer Utilities Contingency to Corporate Contingency	(497)	0	0
Increase/(Decrease) to Corporate Contingency	3,238	0	0
Additional Contribution to/(from) Reserves	(2,766)	2,766	0
Sum of Changes	(6,414)	2,290	197
Cumulative Impact of Changes	(6,414)	(4,124)	(3,927)
Net Budget (Surplus)/Deficit after Changes	0	10,943	11,633

6. Risks

6.1 The main risks to delivering the proposals set out within this MTFS include:

- The ability to contain demand pressures;
- 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.

6.2 Additionally, the Council's 2023/24 accounts are still subject to audit which may mean there could be some movement in the assumed baseline level of reserves.

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 This index, which is based on the latest published data from Central Government (2023/24), shows that the level of reserves held by Reading Borough Council equated to 36.30% of net revenue expenditure. This placed Reading as the 30th highest among 62 Unitary Authorities.

7.3 The Council has shifted towards the "higher risk" end of the scale in terms of the "Change to Reserves" measure as a result of decreasing levels of reserves over the last three years. However, as set out in the main body of the report, this MTFS is forecasting a combined cumulative budget gap of £22.576m over the next three years. This compares to the forecast level of the combined General Fund balance and Budget Stabilisation earmarked reserves of £19.904m as of 31st March 2025. Without urgent action these reserves will be gone within two years. Other earmarked reserves are set aside to fund specific risks, should they materialise, and expenditure funded by ringfenced grants.

8. Savings

8.1 Savings required to balance the 2025/26 budget and assumed within the MTFS include efficiency savings, invest-to-save initiatives and increased income from fees and charges. They are summarised in Tables 3 and 4 below. Further detail is provided in Appendices 3 and 4:

Table 3. General Fund Savings Summary 2025/26 to 2027/28 by Directorate

	2025/26 (£000)	2026/27 (£000)	2027/28 (£000)	Total (£000)
Communities and Adult Social Care	(717)	(604)	(592)	(1,913)
Economic Growth & Neighbourhood Services	(3,168)	(692)	(66)	(3,926)
Resources	(1,629)	(383)	(32)	(2,044)
Chief Executive Services	(40)	(2)	0	(42)
Corporate	(6,154)	2,763	0	(3,391)
Total Council Services	(11,708)	1,082	(690)	(11,316)
Children's Services (BFfC)	(2,634)	(1,770)	(415)	(4,819)
Total	(14,342)	(688)	(1,105)	(16,135)

Table 4. General Fund Savings Summary 2025/26 to 2027/28 by Type

	Efficiency Savings (£000)	Invest to Save Schemes (£000)	Income, Fees & Charges (£000)	Total (£000)
Council Services	(5,936)	(904)	(4,476)	(11,316)
Children's Services (BFfC)	(3,807)	(912)	(100)	(4,819)
Total Savings	(9,743)	(1,816)	(4,576)	(16,135)

- 8.2 In order to balance the MTFS in future years on a sustainable basis, further savings need to be found for 2026/27 and 2027/28.

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Appendix 2 - Summary of the Proposed General Fund Budget 2025/26 to 2027/28

Directorate/Service	Approved Budget 2024/25 £'000	Proposed Budget 2025/26 £'000	Proposed Budget 2026/27 £'000	Proposed Budget 2027/28 £'000
Communities & Adult Social Care				
Commissioning, Transformation & Performance	(3,289)	(3,334)	(3,286)	(3,231)
Adult Social Care Operations	50,207	55,437	60,999	66,129
Safeguarding, Quality & Practice	7,160	7,103	7,096	7,092
Community & Adult Social Care Management	1,704	1,670	1,669	1,669
Housing & Communities	2,725	3,682	3,625	3,623
Public Health	0	0	0	0
Communities & Adult Social Care	58,507	64,558	70,103	75,282
Economic Growth & Neighbourhood Services				
Planning, Transport & Public Protection	125	(547)	57	155
Culture	3,379	2,648	2,266	1,873
Environmental & Commercial Services	20,538	20,877	21,355	21,901
Property & Asset Management	(2,559)	(2,447)	(3,052)	(2,539)
Management & Sustainability	1,234	446	552	732
Economic Growth & Neighbourhood Services	22,717	20,977	21,178	22,122
Resources				
Policy, Change & Customer Services	3,921	3,256	3,127	3,123
Human Resources & Organisational Development	2,196	1,969	1,965	1,943
Procurement & Contracts	517	512	511	511
Finance	5,234	4,739	4,733	4,730
Legal & Democratic Services	3,387	3,276	3,272	3,270
Digital & IT	6,142	6,430	6,315	6,314
Resources	21,397	20,182	19,923	19,891
Chief Executive Services				
Executive Management Team	911	911	911	911
Communications	637	597	595	595
Chief Executive Services	1,548	1,508	1,506	1,506
Children's Services				
Retained by Council	843	855	855	855
Brighter Futures for Children	58,839	64,426	63,878	64,500
Children's Services	59,682	65,281	64,733	65,355
Total Service Expenditure	163,851	172,506	177,443	184,156
Corporate Budgets				
Capital Financing Costs	18,355	17,296	18,448	19,356
Corporate Contingency	0	3,238	3,238	3,238
Movement to/(from) Reserves	(3,084)	(3,945)	(401)	(340)
Other Corporate Budgets	(11,236)	(10,986)	(5,991)	(4,469)
Corporate Budgets	4,035	5,603	15,294	17,785
Net Budget Requirement	167,886	178,109	192,737	201,941
Financed By:				
Council Tax Income	(118,884)	(126,134)	(133,753)	(141,831)
Business Rates Local Share	(32,045)	(34,330)	(44,564)	(44,937)
Section 31 Grant (Business Rates Retention Scheme)	(16,031)	(13,514)	0	0
New Homes Bonus	(1,255)	(812)	(635)	(635)
Revenue Support Grant	(2,652)	(2,771)	(2,842)	(2,905)
Other Government Grants	(1,193)	0	0	0
One-off Collection Fund (Surplus)/Deficit - Council Tax	1,701	(408)	0	0
One-off Collection Fund (Surplus)/Deficit - Business Rates	2,473	(140)	0	0
Total Funding	(167,886)	(178,109)	(181,794)	(190,308)
Over/(Under) Budget	0	0	10,943	11,633

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Appendix 3 - Summary of General Fund Revenue Budget by Service 2025/26 - 2027/28

2025/26	Original Budget 2024/25 £'000	Hierarchy Movements £'000	Virements £'000	Approved Budget 2024/25 £'000	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Proposed Budget 2025/26 £'000
Communities & Adult Social Care										
Commissioning, Transformation & Performance	2,690	0	(5,979)	(3,289)	59	0	(28)	0	(76)	(3,334)
Adult Social Care Operations	46,110	0	4,097	50,207	1,370	4,190	(330)	0	0	55,437
Safeguarding, Quality & Practice	3,567	0	3,593	7,160	0	0	(57)	0	0	7,103
Community & Adult Social Care Management	1,650	0	54	1,704	0	0	(34)	0	0	1,670
Housing & Communities	2,870	0	(145)	2,725	0	1,149	(104)	0	(88)	3,682
Public Health	0	0	0	0	0	0	0	0	0	0
Communities & Adult Social Care	56,887	0	1,620	58,507	1,429	5,339	(553)	0	(164)	64,558
Economic Growth & Neighbourhood Services										
Planning, Transport & Public Protection	(444)	0	569	125	64	193	(560)	(245)	(124)	(547)
Culture	2,914	0	465	3,379	0	91	(772)	0	(50)	2,648
Environmental & Commercial Services	18,950	0	1,588	20,538	752	207	(348)	(252)	(20)	20,877
Property & Asset Management	(3,190)	0	631	(2,559)	0	764	(84)	0	(568)	(2,447)
Management & Sustainability	1,174	0	60	1,234	0	(643)	(11)	0	(134)	446
Economic Growth & Neighbourhood Services	19,404	0	3,313	22,717	816	612	(1,775)	(497)	(896)	20,977
Resources										
Policy, Change & Customer Services	2,509	0	1,412	3,921	0	0	(650)	(15)	0	3,256
Human Resources & Organisational Development	1,929	0	267	2,196	0	3	(117)	0	(113)	1,969
Procurement & Contracts	369	0	148	517	0	0	(5)	0	0	512
Finance	4,745	0	489	5,234	50	0	(395)	0	(150)	4,739
Legal & Democratic Services	2,930	0	457	3,387	0	0	(31)	(80)	0	3,276
Digital & IT	6,653	0	(511)	6,142	196	165	(22)	(51)	0	6,430
Resources	19,135	0	2,262	21,397	246	168	(1,220)	(146)	(263)	20,182
Chief Executive Services										
Executive Management Team	897	0	14	911	0	0	0	0	0	911
Communications	734	0	(97)	637	0	0	(40)	0	0	597
Chief Executive Services	1,631	0	(83)	1,548	0	0	(40)	0	0	1,508
Children's Services										
Retained by Council	843	0	0	843	12	0	0	0	0	855
Brighter Futures for Children	58,839	0	0	58,839	1,278	6,943	(2,450)	(84)	(100)	64,426
Children's Services	59,682	0	0	59,682	1,290	6,943	(2,450)	(84)	(100)	65,281
Total Budget at Service Level	156,739	0	7,112	163,851	3,781	13,062	(6,038)	(727)	(1,423)	172,506
Corporate Budgets										
Capital Financing Costs	18,426	0	(71)	18,355	0	(1,059)	0	0	0	17,296
Corporate Contingency	0	0	0	0	0	3,238	0	0	0	3,238
Movement to/(from) Reserves	(3,084)	0	0	(3,084)	0	(861)	0	0	0	(3,945)
Other Corporate Budgets	(4,195)	0	(7,041)	(11,236)	3,185	3,219	(300)	0	(5,854)	(10,986)
Corporate Budgets	11,147	0	(7,112)	4,035	3,185	4,537	(300)	0	(5,854)	5,603
Total	167,886	0	0	167,886	6,966	17,599	(6,338)	(727)	(7,277)	178,109

2026/27	Proposed Budget 2025/26	Hierarchy Movements	Virements	Proposed Budget 2025/26	Contractual Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Proposed Budget 2026/27
Communities & Adult Social Care										
Commissioning, Transformation & Performance	(3,334)	0	0	(3,334)	61	0	(3)	0	(10)	(3,286)
Adult Social Care Operations	55,437	0	0	55,437	3,369	2,773	(580)	0	0	60,999
Safeguarding, Quality & Practice	7,103	0	0	7,103	0	0	(7)	0	0	7,096
Community & Adult Social Care Management	1,670	0	0	1,670	0	0	(1)	0	0	1,669
Housing and Communities	3,682	0	0	3,682	0	(54)	(3)	0	0	3,625
Public Health	0	0	0	0	0	0	0	0	0	0
Communities & Adult Social Care	64,558	0	0	64,558	3,430	2,719	(594)	0	(10)	70,103
Economic Growth & Neighbourhood Services										
Planning, Transport & Public Protection	(547)	0	0	(547)	0	724	(110)	(10)	0	57
Culture	2,648	0	0	2,648	0	(2)	(380)	0	0	2,266
Environmental and Commercial Services	20,877	0	0	20,877	543	100	(8)	(90)	(67)	21,355
Property and Asset Management	(2,447)	0	0	(2,447)	0	(600)	(5)	0	0	(3,052)
Management & Sustainability	446	0	0	446	0	128	(1)	0	(21)	552
Economic Growth & Neighbourhood Services	20,977	0	0	20,977	543	350	(504)	(100)	(88)	21,178
Resources										
Policy, Change & Customer Services	3,256	0	0	3,256	0	48	(177)	0	0	3,127
Human Resources & Organisational Development	1,969	0	0	1,969	0	0	26	0	(30)	1,965
Procurement & Contracts	512	0	0	512	0	0	(1)	0	0	511
Finance	4,739	0	0	4,739	0	0	(6)	0	0	4,733
Legal & Democratic Services	3,276	0	0	3,276	0	0	(4)	0	0	3,272
Digital & IT	6,430	0	0	6,430	76	0	(2)	(189)	0	6,315
Resources	20,182	0	0	20,182	76	48	(164)	(189)	(30)	19,923
Chief Executive Services										
Executive Management Team	911	0	0	911	0	0	0	0	0	911
Communications	597	0	0	597	0	0	(2)	0	0	595
Chief Executive	1,508	0	0	1,508	0	0	(2)	0	0	1,506
Children's Services										
Retained by Council	855	0	0	855	0	0	0	0	0	855
Brighter Futures for Children	64,426	0	0	64,426	1,123	99	(1,357)	(413)	0	63,878
Children's Services	65,281	0	0	65,281	1,123	99	(1,357)	(413)	0	64,733
Total Budget at Service Level	172,506	0	0	172,506	5,172	3,216	(2,621)	(702)	(128)	177,443
Corporate Budgets										
Capital Financing Costs	17,296	0	0	17,296	0	1,152	0	0	0	18,448
Corporate Contingency	3,238	0	0	3,238	0	0	0	0	0	3,238
Movement to/(from) Reserves	(3,945)	0	0	(3,945)	0	3,544	0	0	0	(401)
Other Corporate Budgets	(10,986)	0	0	(10,986)	2,232	0	0	0	2,763	(5,991)
Corporate Budgets	5,603	0	0	5,603	2,232	4,696	0	0	2,763	15,294
Total	178,109	0	0	178,109	7,404	7,912	(2,621)	(702)	2,635	192,737

2027/28	Proposed Budget 2026/27	Hierarchy Movements	Virements	Proposed Budget 2026/27	Contractual Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Proposed Budget 2027/28
Communities & Adult Social Care										
Commissioning, Transformation & Performance	(3,286)	0	0	(3,286)	62	0	(2)	0	(5)	(3,231)
Adult Social Care Operations	60,999	0	0	60,999	3,554	2,155	(579)	0	0	66,129
Safeguarding, Quality & Practice	7,096	0	0	7,096	0	0	(4)	0	0	7,092
Community & Adult Social Care Management	1,669	0	0	1,669	0	0	0	0	0	1,669
Housing and Communities	3,625	0	0	3,625	0	0	(2)	0	0	3,623
Public Health	0	0	0	0	0	0	0	0	0	0
Communities & Adult Social Care	70,103	0	0	70,103	3,616	2,155	(587)	0	(5)	75,282
Economic Growth & Neighbourhood Services										
Planning, Transport & Public Protection	57	0	0	57	0	0	2	(4)	100	155
Culture	2,266	0	0	2,266	0	(213)	(180)	0	0	1,873
Environmental and Commercial Services	21,355	0	0	21,355	543	(25)	(4)	32	0	21,901
Property and Asset Management	(3,052)	0	0	(3,052)	0	515	(2)	0	0	(2,539)
Management & Sustainability	552	0	0	552	0	190	(1)	0	(9)	732
Economic Growth & Neighbourhood Services	21,178	0	0	21,178	543	467	(185)	28	91	22,122
Resources										
Policy, Change & Customer Services	3,127	0	0	3,127	0	0	(4)	0	0	3,123
Human Resources & Organisational Development	1,965	0	0	1,965	0	0	(2)	0	(20)	1,943
Procurement & Contracts	511	0	0	511	0	0	0	0	0	511
Finance	4,733	0	0	4,733	0	0	(3)	0	0	4,730
Legal & Democratic Services	3,272	0	0	3,272	0	0	(2)	0	0	3,270
Digital & IT	6,315	0	0	6,315	0	0	(1)	0	0	6,314
Resources	19,923	0	0	19,923	0	0	(12)	0	(20)	19,891
Chief Executive Services										
Executive Management Team	911	0	0	911	0	0	0	0	0	911
Communications	595	0	0	595	0	0	0	0	0	595
Chief Executive Services	1,506	0	0	1,506	0	0	0	0	0	1,506
Children's Services										
Retained by Council	855	0	0	855	0	0	0	0	0	855
Brighter Futures for Children	63,878	0	0	63,878	1,037	0	0	(415)	0	64,500
Children's Services	64,733	0	0	64,733	1,037	0	0	(415)	0	65,355
Total Budget at Service Level	177,443	0	0	177,443	5,196	2,622	(784)	(387)	66	184,156
Corporate Budgets										
Capital Financing Costs	18,448	0	0	18,448	0	908	0	0	0	19,356
Corporate Contingency	3,238	0	0	3,238	0	0	0	0	0	3,238
Movement to/(from) Reserves	(401)	0	0	(401)	0	61	0	0	0	(340)
Other Corporate Budgets	(5,991)	0	0	(5,991)	1,522	0	0	0	0	(4,469)
Corporate Budgets	15,294	0	0	15,294	1,522	969	0	0	0	17,785
Total	192,737	0	0	192,737	6,718	3,591	(784)	(387)	66	201,941

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Appendix 4 - Detailed General Fund Budget Changes 2025/26 - 2027/28

Directorate/Service	Contractual Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Communities & Adult Social Care						
Commissioning, Transformation & Performance	182	0	(33)	0	(91)	58
Adult Social Care Operations	8,293	9,118	(1,489)	0	0	15,922
Safeguarding, Quality & Practice	0	0	(68)	0	0	(68)
Community & Adult Social Care Management	0	0	(35)	0	0	(35)
Housing & Communities	0	1,095	(109)	0	(88)	898
Public Health	0	0	0	0	0	0
Communities & Adult Social Care	8,475	10,213	(1,734)	0	(179)	16,775
Economic Growth & Neighbourhood Services						
Planning, Transport & Public Protection	64	917	(668)	(259)	(24)	30
Culture	0	(124)	(1,332)	0	(50)	(1,506)
Environmental & Commercial Services	1,838	282	(360)	(310)	(87)	1,363
Property & Asset Management	0	679	(91)	0	(568)	20
Management & Sustainability	0	(325)	(13)	0	(164)	(502)
Economic Growth & Neighbourhood Services	1,902	1,429	(2,464)	(569)	(893)	(595)
Resources						
Policy, Change & Customer Services	0	48	(831)	(15)	0	(798)
Human Resources & Organisational Development	0	3	(93)	0	(163)	(253)
Procurement & Contracts	0	0	(6)	0	0	(6)
Finance	50	0	(404)	0	(150)	(504)
Legal & Democratic Services	0	0	(37)	(80)	0	(117)
Digital & IT	272	165	(25)	(240)	0	172
Resources	322	216	(1,396)	(335)	(313)	(1,506)
Chief Executive Services						
Executive Management Team	0	0	0	0	0	0
Communications	0	0	(42)	0	0	(42)
Chief Executive Services	0	0	(42)	0	0	(42)
Children's Services						
Retained by Council	12	0	0	0	0	12
Brighter Futures for Children	3,438	7,042	(3,807)	(912)	(100)	5,661
Children's Services	3,450	7,042	(3,807)	(912)	(100)	5,673
Service Total	14,149	18,900	(9,443)	(1,816)	(1,485)	20,305
Corporate Budgets						
Capital Financing Costs	0	1,001	0	0	0	1,001
Corporate Contingency	0	3,238	0	0	0	3,238
Movement to/(from) Reserves	0	2,744	0	0	0	2,744
Other Corporate Budgets	6,939	3,219	(300)	0	(3,091)	6,767
Corporate Budgets Total	6,939	10,202	(300)	0	(3,091)	13,750
Total	21,088	29,102	(9,743)	(1,816)	(4,576)	34,055

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Appendix 4a - Detailed General Fund Budget Changes 2025/26-2027/28 - Directorate of Communities & Adult Social Care

Overall Summary						Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
<u>Service</u>						£'000	£'000	£'000	£'000	£'000	£'000
Commissioning, Transformation & Performance						182	-	(33)	-	(91)	58
Adult Social Care Operations						8,293	9,118	(1,489)	-	-	15,922
Safeguarding, Quality & Practice						-	-	(68)	-	-	(68)
Community & Adult Social Care Management						-	-	(35)	-	-	(35)
Housing & Communities						-	1,095	(109)	-	(88)	898
Public Health						-	-	-	-	-	-
Directorate Total						8,475	10,213	(1,734)	-	(179)	16,775

Summary of MTFS Position				February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
				2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Service Pressures</u>													
Commissioning, Transformation & Performance				88	91		(29)	(30)	62	59	61	62	182
Adult Social Care Operations				4,196	2,753		1,364	3,389	5,709	5,560	6,142	5,709	17,411
Safeguarding, Quality & Practice				-	-		-	-	-	-	-	-	-
Community & Adult Social Care Management				-	-		-	-	-	-	-	-	-
Housing & Communities				-	-		1,149	(54)	-	1,149	(54)	-	1,095
Public Health				-	-		-	-	-	-	-	-	-
Directorate Total				4,284	2,844		2,484	3,305	5,771	6,768	6,149	5,771	18,688

				February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
				2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Service Savings</u>													
Commissioning, Transformation & Performance				(1)	(1)		(103)	(12)	(7)	(104)	(13)	(7)	(124)
Adult Social Care Operations				598	(2)		(928)	(578)	(579)	(330)	(580)	(579)	(1,489)
Safeguarding, Quality & Practice				(2)	(3)		(55)	(4)	(4)	(57)	(7)	(4)	(68)
Community & Adult Social Care Management				-	-		(34)	(1)	-	(34)	(1)	-	(35)
Housing & Communities				(1)	(1)		(191)	(2)	(2)	(192)	(3)	(2)	(197)
Public Health				-	-		-	-	-	-	-	-	-
Directorate Total				594	(7)		(1,311)	(597)	(592)	(717)	(604)	(592)	(1,913)

Directorate Total				4,878	2,837		1,173	2,708	5,179	6,051	5,545	5,179	16,775

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
23	DCASC-2526-02	Amendment	DCASC-2425-02	<u>Commissioning, Transformation & Performance</u> Adult Social Care Contract Inflation	88	91		(29)	(30)	62	59	61	62	182
24					88	91		(29)	(30)	62	59	61	62	182
25					-	-		-	-	-	-	-	-	-
26				<u>Total Budget Pressures</u> Vacancy Factor	-	-		-	-	-	-	-	-	-
27	CORP-2526-02	Amendment	N/A - Technical Adj		(1)	(1)		(27)	(2)	(2)	(28)	(3)	(2)	(33)
28					(1)	(1)		(27)	(2)	(2)	(28)	(3)	(2)	(33)
29				<u>Total Efficiency Savings</u> <u>Total Invest to Save</u> Adult Social Care Income Review	-	-		-	-	-	-	-	-	-
30					-	-		-	-	-	-	-	-	-
31	DCASC-2526-07	New			-	-		(76)	(10)	(5)	(76)	(10)	(5)	(91)
32				<u>Total Income, Fees & Charges</u> <u>Total</u>	-	-		(76)	(10)	(5)	(76)	(10)	(5)	(91)
33					87	90		(132)	(42)	55	(45)	48	55	58

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care Operations														
34	DCASC-2526-01	Amendment	DCASC-2425-01	Adult Social Care Placements Inflation	1,889	1,907		(519)	1,462	3,554	1,370	3,369	3,554	8,293
35				Total Contractual Inflation	1,889	1,907		(519)	1,462	3,554	1,370	3,369	3,554	8,293
36	DCASC-2526-04	Amendment	DACHS-2021-02	Adult Social Care Demography	199	-		359	488	529	558	488	529	1,575
37	DCASC-2526-11	New		Adult Social Care Increased Dependency and Demand	-	-		1,847	-	-	1,847	-	-	1,847
38	DCASC-2526-03	Amendment	DCASC-2425-03	ASC Pressure for Children Transitioning to Adults from BFfC	2,108	846		(323)	687	851	1,785	1,533	851	4,169
39	DCASC-2526-05	New		Supported Care Cost of Care Pressure	-	-		-	752	775	-	752	775	1,527
40			N/A - Technical Adj	Adult Social Care Discharge Fund Expenditure	(629)	-		-	-	-	(629)	-	-	(629)
41			N/A - Technical Adj	Adult Social Care Discharge Fund Grant	629	-		-	-	-	629	-	-	629
42				Total Budget Pressures	2,307	846		1,883	1,927	2,155	4,190	2,773	2,155	9,118
43			DCASC-2425-10	Adult Social Care Provider Payment Efficiency	600	-		-	-	-	600	-	-	600
44	DCASC-2526-13	New		Adult Social Care Placement Budget - Efficiency Opportunities	-	-		(509)	-	-	(509)	-	-	(509)
45	DCASC-2526-06	New		Supported Living Efficiency	-	-		(376)	(575)	(576)	(376)	(575)	(576)	(1,527)
46	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(2)	(2)		(43)	(3)	(3)	(45)	(5)	(3)	(53)
47				Total Efficiency Savings	598	(2)		(928)	(578)	(579)	(330)	(580)	(579)	(1,489)
48					-	-		-	-	-	-	-	-	-
49				Total Invest to Save	-	-		-	-	-	-	-	-	-
50					-	-		-	-	-	-	-	-	-
51				Total Income, Fees & Charges	-	-		-	-	-	-	-	-	-
52				Total	4,794	2,751		436	2,811	5,130	5,230	5,562	5,130	15,922

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
				<u>Safeguarding, Quality & Practice</u>										
53								-	-	-	-	-	-	-
54				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
55					-	-		-	-	-	-	-	-	-
56				Total Budget Pressures	-	-		-	-	-	-	-	-	-
57	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(2)	(3)		(55)	(4)	(4)	(57)	(7)	(4)	(68)
58				Total Efficiency Savings	(2)	(3)		(55)	(4)	(4)	(57)	(7)	(4)	(68)
59					-	-		-	-	-	-	-	-	-
60				Total Invest to Save	-	-		-	-	-	-	-	-	-
61					-	-		-	-	-	-	-	-	-
62				Total Income, Fees & Charges	-	-		-	-	-	-	-	-	-
63				Total	(2)	(3)		(55)	(4)	(4)	(57)	(7)	(4)	(68)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Community & Adult Social Care Management</u>														
64					-	-		-	-	-	-	-	-	-
65				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
66					-	-		-	-	-	-	-	-	-
67				Total Budget Pressures	-	-		-	-	-	-	-	-	-
68	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	-	-		(34)	(1)	-	(34)	(1)	-	(35)
69				Total Efficiency Savings	-	-		(34)	(1)	-	(34)	(1)	-	(35)
70					-	-		-	-	-	-	-	-	-
71				Total Invest to Save	-	-		-	-	-	-	-	-	-
72					-	-		-	-	-	-	-	-	-
73				Total Income, Fees & Charges	-	-		-	-	-	-	-	-	-
74				Total	-	-		(34)	(1)	-	(34)	(1)	-	(35)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Housing & Communities</u>														
75				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
76				Cost of Emergency Accommodation	-	-								
77	DCASC-2526-08	Amendment	DCASC-2425-08	Rent Guarantee Scheme Incentives	-	-		884	(54)	-	884	(54)	-	830
78	DCASC-2526-10	New		Total Budget Pressures	-	-		265	-	-	265	-	-	265
79					-	-		1,149	(54)	-	1,149	(54)	-	1,095
80	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(1)	(1)		(27)	(2)	(2)	(28)	(3)	(2)	(33)
81	DCASC-2526-16	New		Homelessness Support Services	-	-		(76)	-	-	(76)	-	-	(76)
82				Total Efficiency Savings	(1)	(1)		(103)	(2)	(2)	(104)	(3)	(2)	(109)
83					-	-		-	-	-	-	-	-	-
84				Total Invest to Save	-	-		-	-	-	-	-	-	-
85	New	Technical Adj		Domestic Abuse Safe Accommodation Grant	-	-		(88)	-	-	(88)	-	-	(88)
86				Total Income, Fees and Charges	-	-		(88)	-	-	(88)	-	-	(88)
87				Total	(1)	(1)		958	(56)	(2)	957	(57)	(2)	898

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
88				<u>Public Health</u>										
89				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
90	N/A - Technical Adj	Amendment	N/A - Technical Adj	Public Health Grant - Expenditure	-	-		745	287	249	745	287	249	1,281
91	N/A - Technical Adj	Amendment	N/A - Technical Adj	Public Health Grant - income	-	-		(745)	(287)	(249)	(745)	(287)	(249)	(1,281)
92				Total Budget Pressures	-	-		-	-	-	-	-	-	-
93					-	-		-	-	-	-	-	-	-
94				Total Efficiency Savings	-	-		-	-	-	-	-	-	-
95					-	-		-	-	-	-	-	-	-
96				Total Invest to Save	-	-		-	-	-	-	-	-	-
97					-	-		-	-	-	-	-	-	-
98				Total Income, Fees & Charges	-	-		-	-	-	-	-	-	-
99				Total	-	-		-	-	-	-	-	-	-
100				Directorate Total	4,878	2,837		1,173	2,708	5,179	6,051	5,545	5,179	16,775

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Appendix 4b - Detailed General Fund Budget Changes 2025/26-2027/28 - Directorate of Economic Growth and Neighbourhood Services

					Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total	
					£'000	£'000	£'000	£'000	£'000	£'000	
1	Service					64	917	(668)	(259)	(24)	30
2	Planning, Transport & Public Protection					-	(124)	(1,332)	-	(50)	(1,506)
3	Culture					1,838	282	(360)	(310)	(87)	1,363
4	Environmental & Commercial Services					-	679	(91)	-	(568)	20
5	Property & Asset Management					-	(325)	(13)	-	(164)	(502)
6	Management & Sustainability										
Directorate Total					1,902	1,429	(2,464)	(569)	(893)	(595)	

Summary of MTFS Position					February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total	
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
7	Service Pressures														
8	Planning, Transport & Public Protection					107	-		150	724	-	257	724	-	981
9	Culture					406	(518)		(315)	516	(213)	91	(2)	(213)	(124)
10	Environmental & Commercial Services					408	408		551	235	518	959	643	518	2,120
11	Property & Asset Management					(75)	(83)		839	(517)	515	764	(600)	515	679
12	Management & Sustainability					392	422		(1,035)	(294)	190	(643)	128	190	(325)
Directorate Total					1,238	229		190	664	1,010	1,428	893	1,010	3,331	

Summary of MTFS Position					February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total	
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
13	Service Savings														
14	Planning, Transport & Public Protection					(270)	(3)		(659)	(117)	98	(929)	(120)	98	(951)
15	Culture					(541)	(310)		(281)	(70)	(180)	(822)	(380)	(180)	(1,382)
16	Environmental & Commercial Services					(7)	(3)		(613)	(162)	28	(620)	(165)	28	(757)
17	Property & Asset Management					(45)	(2)		(607)	(3)	(2)	(652)	(5)	(2)	(659)
18	Management & Sustainability					(309)	-		164	(22)	(10)	(145)	(22)	(10)	(177)
19	Directorate Total					(1,172)	(318)		(1,996)	(374)	(66)	(3,168)	(692)	(66)	(3,926)

Directorate Total					66	(89)		(1,806)	290	944	(1,740)	201	944	(595)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total	
					2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	All Years £'000	
Planning, Transport & Public Protection															
20			DEGNS-2324-03	Community Transport - Inflationary Increase	10	-		-	-	-	10	-	-	10	
21			DEGNS-2324-04	Concessionary Travel Scheme - Inflationary Increase	97	-		-	-	-	97	-	-	97	
22			DEGNS-2324-09	Local Plan Review and Update	(43)	-		-	-	-	(43)	-	-	(43)	
23				Total Contractual Inflation	64	-		-	-	-	64	-	-	64	
24	DEGNS-2526-01	New		Broad Street Mall	-	-		150	724	-	150	724	-	874	
25			DEGNS-2425-04	Reading Festival Income	43	-		-	-	-	43	-	-	43	
26				Total Budget Pressures	43	-		150	724	-	193	724	-	917	
27			DEGNS-2425-31	Concessionary Travel	(97)	-		-	-	-	(97)	-	-	(97)	
28	DEGNS-2526-03	New		Coroner Apportionment moving to Pop Base and Contract inflation	-	-		(107)	(11)	6	(107)	(11)	6	(112)	
29	DEGNS-2526-06	New		Rationalisation of Pay & Display Assets, Tariff Changes and Emissions Based Parking	-	-		(274)	(91)	-	(274)	(91)	-	(365)	
30	N/A - Technical Adj	Recovery Plan		Cease planning postage to neighbouring consultees	-	-		(7)	-	-	(7)	-	-	(7)	
31	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(3)	(3)		(72)	(5)	(4)	(75)	(8)	(4)	(87)	
32				Total Efficiency Savings	(100)	(3)		(460)	(107)	2	(560)	(110)	2	(668)	
33			DEGNS-2324-05	Introduction of Moving Traffic Enforcement under TMA Powers	(250)	-		-	-	-	(250)	-	-	(250)	
34	DEGNS-2526-04	New		PSH Discretionary Licensing Risks	-	-		5	(10)	(4)	5	(10)	(4)	(9)	
35				Total Invest to Save	(250)	-		5	(10)	(4)	(245)	(10)	(4)	(259)	
36			DEGNS-2425-02	HMO Licensing - Income re-base	80	-		-	-	-	80	-	-	80	
37	N/A - Technical Adj	Recovery Plan		Fees & Charges - Street Trading Pitches	-	-		(12)	-	-	(12)	-	-	(12)	
38	N/A - Technical Adj	Recovery Plan		Fees & Charges - S106 Monitoring Fees	-	-		(19)	-	-	(19)	-	-	(19)	
39	N/A - Technical Adj	Recovery Plan		Fees & Charges - Bio Diversity Net Gain Monitoring Fees	-	-		(12)	-	-	(12)	-	-	(12)	
40	N/A - Technical Adj	Recovery Plan		Fees & Charges - Pavement Café Licenses	-	-		(19)	-	-	(19)	-	-	(19)	
41	N/A - Technical Adj	Recovery Plan		Bus Lane Enforcement	-	-		(10)	-	-	(10)	-	-	(10)	
42	DEGNS-2526-05	New		Removal of School Transport Licensing	-	-		(58)	-	-	(58)	-	-	(58)	
43	DEGNS-2526-31	New		BSIP Bus Services - Ticket Income	-	-		(74)	-	100	(74)	-	100	26	
44				Total Income, Fees and Charges	80	-		(204)	-	100	(124)	-	100	(24)	
Total					(163)	(3)		(509)	607	98	(672)	604	98	30	

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
46				Culture	-	-		-	-	-	-	-	-	-
47				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
48	DEGNS-2526-08	Amendment	DEGNS-2425-05	Hexagon and Studio Theatre	271	(518)		(315)	516	(213)	(44)	(2)	(213)	(259)
49			DEGNS-2425-07	Cessation of Visa Contract with Reading Libraries	135	-		-	-	-	135	-	-	135
50				Total Budget Pressures	406	(518)		(315)	516	(213)	91	(2)	(213)	(124)
51	DEGNS-2526-09	Amendment	DEGNS-2425-06	Leisure Contract Costs Utilities and Inflation	(452)	(308)		19	-	(134)	(433)	(308)	(134)	(875)
52			DEGNS-2324-18	New Directions College	(36)	-		-	-	-	(36)	-	-	(36)
53	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(3)	(2)		(63)	(4)	(4)	(66)	(6)	(4)	(76)
54	N/A - Technical Adj	Recovery Plan		Efficiency savings within Archaeology & Archives	-	-		(35)	-	-	(35)	-	-	(35)
55	DEGNS-2526-24	New		Improved Commercialisation of South Street Theatre	-	-		(16)	(25)	-	(16)	(25)	-	(41)
56	DEGNS-2526-25	New		Reducing the Subsidy to the Hexagon	-	-		(75)	(25)	(40)	(75)	(25)	(40)	(140)
57	DEGNS-2526-26	New		Town Hall Operations	-	-		(56)	-	-	(56)	-	-	(56)
58	DEGNS-2526-30	New		Reading Museum	-	-		(55)	(16)	(2)	(55)	(16)	(2)	(73)
59				Total Efficiency Savings	(491)	(310)		(281)	(70)	(180)	(772)	(380)	(180)	(1,332)
60					-	-		-	-	-	-	-	-	-
61				Total Invest to Save	-	-		-	-	-	-	-	-	-
62			DEGNS-2122-08a	Covid19 income pressure on the Town Hall and recovery plan*	(50)	-		-	-	-	(50)	-	-	(50)
63				Total Income, Fees and Charges	(50)	-		-	-	-	(50)	-	-	(50)
64				Total	(135)	(828)		(596)	446	(393)	(731)	(382)	(393)	(1,506)
* Phased recovery of temporary income reduction due to Covid-19														

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
65	DEGNS-2526-23	Amendment	DEGNS-2425-13	Environmental & Commercial Services										
66				Re3 Waste Disposal Contract Inflation	408	408		344	135	543	752	543	543	1,838
67				Total Contractual Inflation	408	408		344	135	543	752	543	543	1,838
68	DEGNS-2526-15	New		Re3 Contract Transition	-	-		52	100	(25)	52	100	(25)	127
69	N/A - Technical Adj	New		Extended Producer Responsibility Expenditure	-	-		155	-		155	-		155
70				Total Budget Pressures	-	-		207	100	(25)	207	100	(25)	282
71	N/A - Technical Adj	Recovery Plan	DEGNS-2324-Cap06	Purchase of Electric Road Marking Machine	(4)	-		-	-		(4)	-		(4)
72	DEGNS-2526-16	New		Streetlighting Efficiency Saving	-	-		(139)	-		(139)	-		(139)
73	N/A - Technical Adj	Recovery Plan		Streetlighting Energy Power Reduction	-	-		(22)	-		(22)	-		(22)
74	N/A - Technical Adj	Recovery Plan		General Fund-HRA Recharge Realignment (Streetscene)	-	-		(100)	-		(100)	-		(100)
75	CORP-2526-02	Amendment	N/A - Technical Adj	Highways Weedkiller Application Efficiencies	-	-		(13)	-		(13)	-		(13)
76				Vacancy Factor	(3)	(3)		(67)	(5)	(4)	(70)	(8)	(4)	(82)
77	DEGNS-2526-11	New		Total Efficiency Savings	(7)	(3)		(341)	(5)	(4)	(348)	(8)	(4)	(360)
78	DEGNS-2526-14	New		Behaviour, comms and interventions on waste	-	-		14	(90)	32	14	(90)	32	(44)
79				Operational resilience - Recycling & Waste Service	-	-		(266)	-		(266)	-		(266)
80	N/A - Technical Adj	Recovery Plan		Total Invest to Save	-	-		(252)	(90)	32	(252)	(90)	32	(310)
81	DEGNS-2526-34	New		Fees & Charges - Highways Road Marking	-	-		(10)	-		(10)	-		(10)
82	DEGNS-2526-36	New		Allotments Full Cost Recovery	-	-		-	(67)		-	(67)		(67)
83				Container Charges	-	-		(10)	-		(10)	-		(10)
				Total Income Fees and Charges	-	-		(20)	(67)	-	(20)	(67)	-	(87)
84				Total	401	405		(62)	73	546	339	478	546	1,363

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service
Property & Asset Management				
85				
86				Total Contractual Inflation
87			DEGNS-2425-23	Asset Management Additional Resource
88	DEGNS-2526-17	New		160-163 Friar Street
89	DEGNS-2526-18	New		Kennet Wharf
90				Total Budget Pressures
91	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor
92	N/A - Technical Adj	Recovery Plan		Facilities Management Efficiency Savings
93	N/A - Technical Adj	Recovery Plan		DfE Funding - Capital Review
94				Total Efficiency Savings
95				
96				Total Invest to Save
97			DEGNS-2324-Cap17	Acre Business Park
98	N/A - Technical Adj	New		RTL Depot Lease Adjustment
99	N/A - Technical Adj	Recovery Plan		Fees & Charges - Property & Asset Management
100				Total Income, Fees and Charges
101				Total

February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
-	-		-	-	-	-	-	-	-
-	-		-	-	-	-	-	-	-
(75)	(83)		-	-	-	(75)	(83)	-	(158)
-	-		61	-	515	61	-	515	576
-	-		778	(517)	-	778	(517)	-	261
(75)	(83)		839	(517)	515	764	(600)	515	679
(1)	(2)		(43)	(3)	(2)	(44)	(5)	(2)	(51)
-	-		(20)	-	-	(20)	-	-	(20)
-	-		(20)	-	-	(20)	-	-	(20)
(1)	(2)		(83)	(3)	(2)	(84)	(5)	(2)	(91)
-	-		-	-	-	-	-	-	-
-	-		-	-	-	-	-	-	-
(44)	-		-	-	-	(44)	-	-	(44)
-	-		(500)	-	-	(500)	-	-	(500)
-	-		(24)	-	-	(24)	-	-	(24)
(44)	-		(524)	-	-	(568)	-	-	(568)
(120)	(85)		232	(520)	513	112	(605)	513	20

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service
Management & Sustainability				
102				
103				Total Contractual Inflation
104			DEGNS-2324-28	Increase in energy contract management capacity to manage increased risk
105	DEGNS-2526-22	Amendment	DEGNS-2425-15	Utility price inflation
106	DEGNS-2526-21	Amendment	DEGNS-2425-18	Minor Contract Inflation and Business Rates
107				Total Budget Pressures
108	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor
109				Total Efficiency Savings
110				
111				Total Invest to Save
112	DEGNS-2526-20	Amendment	DEGNS-2425-16	Reprofiling of income associated with Advertising Development
113			DEGNS-2324-Cap15	Corporate Solar Programme
114				Total Income, Fees and Charges
115				Total
116				Directorate Total

February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
-	-		-	-	-	-	-	-	-
-	-		-	-	-	-	-	-	-
(30)	-		-	-	-	(30)	-	-	(30)
-	-		(737)	(126)	(74)	(737)	(126)	(74)	(937)
422	422		(298)	(168)	264	124	254	264	642
392	422		(1,035)	(294)	190	(643)	128	190	(325)
(1)	-		(10)	(1)	(1)	(11)	(1)	(1)	(13)
(1)	-		(10)	(1)	(1)	(11)	(1)	(1)	(13)
-	-		-	-	-	-	-	-	-
-	-		-	-	-	-	-	-	-
(167)	-		174	(21)	(9)	7	(21)	(9)	(23)
(141)	-		-	-	-	(141)	-	-	(141)
(308)	-		174	(21)	(9)	(134)	(21)	(9)	(164)
83	422		(871)	(316)	180	(788)	106	180	(502)
66	(89)		(1,806)	290	944	(1,740)	201	944	(595)

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Appendix 4c - Detailed General Fund Budget Changes 2025/26-2027/28 - Directorate of Resources & Chief Executive Services

Overall Summary						Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
						£'000	£'000	£'000	£'000	£'000	£'000
1	Service					-	48	(831)	(15)	-	(798)
2	Policy, Change & Customer Services					-	3	(93)	-	(163)	(253)
3	Human Resources & Organisational Development					-	-	(6)	-	-	(6)
4	Procurement & Contracts					50	-	(404)	-	(150)	(504)
5	Finance					-	-	(37)	(80)	-	(117)
6	Legal & Democratic Services					272	165	(25)	(240)	-	172
7	Digital & IT					-	-	-	-	-	-
8	Executive Management Team					-	-	(42)	-	-	(42)
9	Communications					-	-	-	-	-	-
	Directorate Total					322	216	(1,438)	(335)	(313)	(1,548)

Summary of MTFS Position						February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
						2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
10	Service Pressures					-	-	-	-	48	-	-	48	-	48
11	Policy, Change & Customer Services					-	-	-	-	-	-	-	-	-	-
12	Human Resources & Organisational Development					3	-	-	-	-	-	3	-	-	3
13	Procurement & Contracts					-	-	-	-	-	-	-	-	-	-
14	Finance					50	-	-	-	-	-	50	-	-	50
15	Legal & Democratic Services					-	-	-	-	-	-	-	-	-	-
16	Digital & IT					196	76	-	165	-	-	361	76	-	437
17	Executive Management Team					-	-	-	-	-	-	-	-	-	-
18	Communications					-	-	-	-	-	-	-	-	-	-
	Directorate Total					249	76	-	165	48	-	414	124	-	538

						February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
						2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
19	Service Savings					(213)	(172)	-	(452)	(5)	(4)	(665)	(177)	(4)	(846)
20	Policy, Change & Customer Services					-	(2)	-	(230)	(2)	(22)	(230)	(4)	(22)	(256)
21	Human Resources & Organisational Development					-	(1)	-	(5)	-	-	(5)	(1)	-	(6)
22	Procurement & Contracts					(214)	(2)	-	(331)	(4)	(3)	(545)	(6)	(3)	(554)
23	Finance					(101)	(2)	-	(10)	(2)	(2)	(111)	(4)	(2)	(117)
24	Legal & Democratic Services					(1)	(1)	-	(72)	(190)	(1)	(73)	(191)	(1)	(265)
25	Digital & IT					-	-	-	-	-	-	-	-	-	-
26	Executive Management Team					-	(1)	-	(40)	(1)	-	(40)	(2)	-	(42)
27	Communications					-	-	-	-	-	-	-	-	-	-
	Directorate Total					(529)	(181)	-	(1,140)	(204)	(32)	(1,669)	(385)	(32)	(2,086)

28	Directorate Total					(280)	(105)	-	(975)	(156)	(32)	(1,255)	(261)	(32)	(1,548)

Directorate of Resources

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
Policy, Change & Customer Services														
29					-			-	-	-	-	-	-	-
30				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
31	DOR-2526-CAP01	New		Cemetery Land	-	-		-	48	-	-	48	-	48
32				Total Budget Pressures	-	-		-	48	-	-	48	-	48
33			DOR-2425-01	Customer Experience and Digital Programmes - Savings reprofiling	(196)	(170)		-	-	-	(196)	(170)	-	(366)
34	N/A - Technical Adj	Recovery Plan		Corporate Subscriptions Review				(9)	-	-	(9)	-	-	(9)
35	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(2)	(2)		(74)	(5)	(4)	(76)	(7)	(4)	(87)
36	DCASC-2526-12	New		VCS Spend				(50)	-	-	(50)	-	-	(50)
37	DOR-2526-08	New		Tackling Inequality Strategy (Place Based Pilots)				(230)	-	-	(230)	-	-	(230)
38	DOR-2526-09	New		Executive Assistants Review				(89)	-	-	(89)	-	-	(89)
39				Total Efficiency Savings	(198)	(172)		(452)	(5)	(4)	(650)	(177)	(4)	(831)
40			DOR-2425-06	Implementation of QGIS	(15)	-		-	-	-	(15)	-	-	(15)
41				Total Invest to Save	(15)	-		-	-	-	(15)	-	-	(15)
42					-	-		-	-	-	-	-	-	-
43				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
44				Total	(213)	(172)		(452)	43	(4)	(665)	(129)	(4)	(798)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
<u>Human Resources & Organisational Development</u>														
45					-	-		-	-	-	-	-	-	-
46				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
47			DOR-2324-07	Kennet Day Nursery Budget Pressure:	3	-		-	-	-	3	-	-	3
48				Total Budget Pressures	3	-		-	-	-	3	-	-	3
49	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(1)	(2)		(36)	(2)	(2)	(37)	(4)	(2)	(43)
50	DOR-2526-12	New		HR & OD Restructure	-	-		(50)	-	-	(50)	-	-	(50)
51	N/A - Technical Adj	Recovery Plan		Defer Leadership & Development Programme for 12 months	-	-		(30)	30	-	(30)	30	-	-
52				Total Efficiency Savings	(1)	(2)		(116)	28	(2)	(117)	26	(2)	(93)
53					-	-		-	-	-	-	-	-	-
54				Total Invest to Save	-	-		-	-	-	-	-	-	-
55			DOR-2324-06	Traded Services with HR&OD	1	-		-	-	-	1	-	-	1
56	N/A - Technical Adj	Recovery Plan		Kennet Day Nursery	-	-		(104)	-	-	(104)	-	-	(104)
57	DOR-2526-02	New		Kennet Day Nursery	-	-		(10)	(30)	(20)	(10)	(30)	(20)	(60)
58				Total Income, Fees and Charges	1	-		(114)	(30)	(20)	(113)	(30)	(20)	(163)
59				Total	3	(2)		(230)	(2)	(22)	(227)	(4)	(22)	(253)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
				Procurement & Contracts										
60					-	-		-	-	-	-	-	-	-
61				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
62					-	-		-	-	-	-	-	-	-
63				Total Budget Pressures	-	-		-	-	-	-	-	-	-
64	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	-	(1)		(5)	-	-	(5)	(1)	-	(6)
65				Total Efficiency Savings	-	(1)		(9)	-	-	(5)	(1)	-	(6)
66					-	-		-	-	-	-	-	-	-
67				Total Invest to Save	-	-		-	-	-	-	-	-	-
68					-	-		-	-	-	-	-	-	-
69				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
70				Total	-	(1)		(5)	-	-	(5)	(1)	-	(6)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	
				Finance										
71			Technical Adj	Insurance Premium Inflation	50	-		-	-	-	50	-	-	50
72				Total Contractual Inflation	50	-		-	-	-	50	-	-	50
73					-	-		-	-	-	-	-	-	-
74				Total Budget Pressures	-	-		-	-	-	-	-	-	-
75	DOR-2526-03	Amendment	DOR-2425-13	Finance Service Review	(212)	-		(106)	-	-	(318)	-	-	(318)
76	N/A - Technical Adj	Recovery Plan		Council Tax Leaffie	-	-		(8)	-	-	(8)	-	-	(8)
77	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(2)	(2)		(67)	(4)	(3)	(69)	(6)	(3)	(78)
78				Total Efficiency Savings	(214)	(2)		(181)	(4)	(3)	(395)	(6)	(3)	(404)
79					-	-		-	-	-	-	-	-	-
80				Total Invest to Save	-	-		-	-	-	-	-	-	-
81	N/A - Technical Adj	Recovery Plan		Court Summons Costs	-	-		(150)	-	-	(150)	-	-	(150)
82				Total Income, Fees and Charges	-	-		(150)	-	-	(150)	-	-	(150)
83				Total	(164)	(2)		(331)	(4)	(3)	(495)	(6)	(3)	(504)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
				<u>Legal & Democratic Services</u>										
84					-	-		-	-	-	-	-	-	-
85				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
86					-	-		-	-	-	-	-	-	-
87				Total Budget Pressures	-	-		-	-	-	-	-	-	-
88	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(1)	(2)		(30)	(2)	(2)	(31)	(4)	(2)	(37)
89				Total Efficiency Savings	(1)	(2)		(30)	(2)	(2)	(31)	(4)	(2)	(37)
90	DOR-2526-05	Amendment	DOR-2324-10	Legal Support for Enforcement Work	(100)	-		20	-	-	(80)	-	-	(80)
91				Total Invest to Save	(100)	-		20	-	-	(80)	-	-	(80)
92					-	-		-	-	-	-	-	-	-
93				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
94				Total	(101)	(2)		(10)	(2)	(2)	(111)	(4)	(2)	(117)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Digital & IT														
95			DOR-2425-11	Revenue Increase - Inflation	196	76		-	-	-	196	76	-	272
96				Total Contractual Inflation	196	76		-	-	-	196	76	-	272
97	DOR-2526-06	New		DTAC Increase to MS agreement for Security enhancements	-	-		120	-	-	120	-	-	120
98	DOR-2526-06a	New		SIEM (Security Enhancements – Security Information and Event Management)	-	-		45	-	-	45	-	-	45
99				Total Budget Pressures	-	-		165	-	-	165	-	-	165
100	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	(1)	(1)		(21)	(1)	(1)	(22)	(2)	(1)	(25)
101				Total Efficiency Savings	(1)	(1)		(21)	(1)	(1)	(22)	(2)	(1)	(25)
102	DOR-2526-07	New		DTAC Next Generation Operating Mode	-	-		(51)	(189)	-	(51)	(189)	-	(240)
103				Total Invest to Save	-	-		(51)	(189)	-	(51)	(189)	-	(240)
104					-	-		-	-	-	-	-	-	-
105				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
106				Total	195	75		93	(190)	(1)	288	(115)	(1)	172
107				Directorate Total (Directorate of Resources)	(280)	(104)		(935)	(155)	(32)	(1,215)	(259)	(32)	(1,506)

Chief Executive Services

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	All Years £'000
				Executive Management Team										
108					-	-		-	-	-	-	-	-	-
109				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
110					-	-		-	-	-	-	-	-	-
111				Total Budget Pressures	-	-		-	-	-	-	-	-	-
112					-	-		-	-	-	-	-	-	-
113				Total Efficiency Savings	-	-		-	-	-	-	-	-	-
114					-	-		-	-	-	-	-	-	-
115				Total Invest to Save	-	-		-	-	-	-	-	-	-
116					-	-		-	-	-	-	-	-	-
117				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
118				Total	-	-		-	-	-	-	-	-	-

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	All Years £'000
				Communications										
119					-	-		-	-	-	-	-	-	-
120				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
121					-	-		-	-	-	-	-	-	-
122				Total Budget Pressures	-	-		-	-	-	-	-	-	-
123	CORP-2526-02	Amendment	N/A - Technical Adj	Vacancy Factor	-	(1)		(12)	(1)	-	(12)	(2)	-	(14)
124	DOR-2526-13	New		Events & Mayoralty Suppor	-	-		-	-	-	-	-	-	-
125	N/A - Technical Adj	Recovery Plan		Your Reading Newsletter	-	-		(28)	-	-	(28)	-	-	(28)
126				Total Efficiency Savings	-	(1)		(40)	(1)	-	(40)	(2)	-	(42)
127					-	-		-	-	-	-	-	-	-
128				Total Invest to Save	-	-		-	-	-	-	-	-	-
129					-	-		-	-	-	-	-	-	-
130				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
131				Total	-	(1)	-	(40)	(1)	-	(40)	(2)	-	(42)
132				Directorate Total (Chief Executive Services)	-	(1)	-	(40)	(1)	-	(40)	(2)	-	(42)

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Appendix 4d - Detailed General Fund Budget Changes 2025/26-2027/28 - Children's Services Retained by Council

Overall Summary						Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
Service						£'000	£'000	£'000	£'000	£'000	£'000
1	Children's Services Retained by Council					12	-	-	-	-	12
2	Children's Services Retained by Council Total					12	-	-	-	-	12

Summary of MTFS Position			February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
			2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
Service Pressures			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
3	Children's Services Retained by Council		(10)	-	-	22	-	-	12	-	-	12
4	Children's Services Retained by Council Total		(10)	-	-	22	-	-	12	-	-	12

			February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
			2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
Service Savings			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5	Children's Services Retained by Council		-	-	-	-	-	-	-	-	-	-
6	Children's Services Retained by Council Total		-	-	-	-	-	-	-	-	-	-
7	Children's Services Retained by Council Total		(10)	-	-	22	-	-	12	-	-	12

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
8	N/A - Technical Adj	Amendment	N/A - Technical Adj	Children's Services Retained by Council Total	(10)	-	-	22	-	-	12	-	-	12
9				Adoption Thames Valley Contractual Inflation	(10)	-	-	22	-	-	12	-	-	12
10				Total Contractual Inflation	(10)	-	-	22	-	-	12	-	-	12
11				Total Budget Pressures	-	-	-	-	-	-	-	-	-	-
12				Total Efficiency Savings	-	-	-	-	-	-	-	-	-	-
13				Total Invest to Save	-	-	-	-	-	-	-	-	-	-
14				Total Income, Fees and Charges	-	-	-	-	-	-	-	-	-	-
15				Total	(10)	-	-	22	-	-	12	-	-	12
16				Children's Services Retained by Council Total	(10)	-	-	22	-	-	12	-	-	12
17														
18														
19														

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Appendix 4e - Detailed General Fund Budget Changes 2025/26-2027/28 - Brighter Futures for Children

Overall Summary						Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
<u>Service</u>						£'000	£'000	£'000	£'000	£'000	£'000
1	Brighter Futures for Children					3,438	7,042	(3,807)	(912)	(100)	5,661
2	Brighter Futures for Children Total					3,438	7,042	(3,807)	(912)	(100)	5,661

Summary of MTFS Position			February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
			2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
<u>Service Pressures</u>			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
3	Brighter Futures for Children					1,343	1,157		6,878	65	1,037	10,480
4	Directorate Total					1,343	1,157		6,878	65	1,037	10,480

			February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
			2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
<u>Service Savings</u>			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5	Brighter Futures for Children					(1,134)	(1,077)		(1,500)	(693)	(415)	(4,819)
6	Brighter Futures for Children Total					(1,134)	(1,077)		(2,634)	(1,770)	(415)	(4,819)
7	Brighter Futures for Children Total					209	80		5,378	(628)	622	5,661

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Brighter Futures for Children														
8	N/A - Technical Adj	Amendment	N/A - Technical Adj	Pay & Inflation	605	616		239	65	585	844	681	585	2,110
9	N/A - Technical Adj	Amendment	N/A - Technical Adj	Contract Inflation	434	442		-	-	452	434	442	452	1,328
10				Total Contractual Inflation	1,039	1,058		239	65	1,037	1,278	1,123	1,037	3,438
11	BFCC-2526-01	Amendment	BFCC-2425-01	Children in Care - Placement Demand	-	-		6,639	-	-	6,639	-	-	6,639
12			BFCC-2425-02	Demography	304	99		-	-	-	304	99	-	403
13				Total Budget Pressures	304	99		6,639	-	-	6,943	99	-	7,042
14			BFCC-2425-03	Increase in in-house foster carers	(64)	(107)		-	-	-	(64)	(107)	-	(171)
15			BFCC-2425-05	Development of Edge of Care	(970)	(970)		-	-	-	(970)	(970)	-	(1,940)
16	BFCC-2526-03	New		Primary Mental Health Team Service Reduction	-	-		(300)	-	-	(300)	-	-	(300)
17	BFCC-2526-04	New		School Travel Assistance	-	-		(214)	-	-	(214)	-	-	(214)
18	BFCC-2526-05	New		Family (Early) Help Reductions	-	-		(285)	-	-	(285)	-	-	(285)
19	BFCC-2526-08	New		Service Reductions Business Support /Admin	-	-		(416)	(80)	-	(416)	(80)	-	(496)
20	BFCC-2526-09	New		Consolidation of Nurseries	-	-		(101)	-	-	(101)	-	-	(101)
21	N/A - Technical Adj	New		Closure of BFIC and re-integrating into the Council	-	-		(100)	(200)	-	(100)	(200)	-	(300)
22				Total Efficiency Savings	(1,034)	(1,077)		(1,416)	(280)	-	(2,450)	(1,357)	-	(3,807)
23	BFCC-2526-02	New		BFCC Children's Home	-	-		(84)	(413)	-	(84)	(413)	-	(497)
24	BFCC-2526-CAP02	New		BFCC Children with Disabilities Business Case	-	-		-	-	(415)	-	-	(415)	(415)
25				Total Invest to Save	-	-		(84)	(413)	(415)	(84)	(413)	(415)	(912)
26				Cressingham Children's Home	(100)	-		-	-	-	(100)	-	-	(100)
27				Total Income, Fees and Charges	(100)	-		-	-	-	(100)	-	-	(100)
28				Total	209	80		5,378	(628)	622	5,587	(548)	622	5,661
29				Brighter Futures for Children Total	209	80		5,378	(628)	622	5,587	(548)	622	5,661

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Appendix 4f - Detailed General Fund Budget Changes 2025/26-2027/28 - Corporate Budgets

Overall Summary						Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
Service						£'000	£'000	£'000	£'000	£'000	£'000
1	Corporate					6,939	10,202	(300)	-	(3,091)	13,750
2	Corporate Total					6,939	10,202	(300)	-	(3,091)	13,750

Summary of MTFS Position						February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
						2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
Service Pressures						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
3	Corporate Budgets					7,686	3,273		36	3,655	2,491	7,722	6,928	2,491	17,141
4	Directorate Total					7,686	3,273		36	3,655	2,491	7,722	6,928	2,491	17,141

						February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
						2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
Service Savings						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5	Corporate Budgets					-	-		(6,154)	2,763	-	(6,154)	2,763	-	(3,391)
6	Corporate Budgets Total					-	-		(6,154)	2,763	-	(6,154)	2,763	-	(3,391)
7	Corporate Budgets Total					7,686	3,273		(6,118)	6,418	2,491	1,568	9,691	2,491	13,750

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2024 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	All Years
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000

Corporate Budgets														
8	N/A - Technical Adj	Amendment	N/A - Technical Adj	Pay & Inflation	1,536	2,241		2,099	(9)	1,522	3,635	2,232	1,522	7,389
9			N/A - Technical Adj	Additional LCTRS Support	(450)	-		-	-	-	(450)	-	-	(450)
10				Total Contractual Inflation	1,086	2,241		2,099	(9)	1,522	3,185	2,232	1,522	6,939
11	N/A - Technical Adj	Amendment	N/A - Technical Adj	Capital Financing Costs	655	1,032		(1,714)	120	908	(1,059)	1,152	908	1,001
12	N/A - Technical Adj	Amendment	N/A - Technical Adj	Movement to / (from) Reserves	2,864	-		(3,725)	3,544	61	(861)	3,544	61	2,744
13	N/A - Technical Adj	Amendment	N/A - Technical Adj	ASC Funding Reform Contingency	2,381	-		(2,381)	-	-	-	-	-	-
14	N/A - Technical Adj	Amendment	N/A - Technical Adj	Release Utilities Contingency	497	-		(497)	-	-	-	-	-	-
15	N/A - Technical Adj	Amendment	N/A - Technical Adj	Corporate Contingency	-	-		3,238	-	-	3,238	-	-	3,238
16	N/A - Technical Adj	Amendment	N/A - Technical Adj	Housing Benefit Subsidy	203	-		2,931	-	-	3,134	-	-	3,134
17	N/A - Technical Adj	Amendment	N/A - Technical Adj	Transfers of Grants Rolled into Revenue Support Grant	-	-		62	-	-	62	-	-	62
18	CORP-2526-01	Amendment	DOR-2425-22	External Audit Fees	-	-		23	-	-	23	-	-	23
19				Total Budget Pressures	6,600	1,032		(2,063)	3,664	969	4,537	4,696	969	10,202
20	N/A - Technical Adj	Amendment	N/A - Technical Adj	General Fund-HRA Recharge Realignment	-	-		(300)	-	-	(300)	-	-	(300)
21				Total Efficiency Savings	-	-		(300)	-	-	(300)	-	-	(300)
22					-	-		-	-	-	-	-	-	-
23				Total Invest to Save	-	-		-	-	-	-	-	-	-
24	N/A - Technical Adj	Amendment	N/A - Technical Adj	Social Care Grant	-	-		(1,519)	-	-	(1,519)	-	-	(1,519)
25	N/A - Technical Adj	New		National Insurance Estimated Funding	-	-		(1,572)	-	-	(1,572)	-	-	(1,572)
26	N/A - Technical Adj	New		Extended Producer Responsibility Funding	-	-		(2,763)	2,763	-	(2,763)	2,763	-	-
27				Total Income, Fees and Charges	-	-		(5,854)	2,763	-	(5,854)	2,763	-	(3,091)
28				Total	7,686	3,273		(6,118)	6,418	2,491	1,568	9,691	2,491	13,750
29				Corporate Budgets Total	7,686	3,273		(6,118)	6,418	2,491	1,568	9,691	2,491	13,750

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Appendix 5 - The Housing Revenue Account (HRA) Proposed Budget 2025/26 - 2027/28

1. Background

- 1.1. The HRA is a ring-fenced account which deals with the finances of the Council's social housing stock. Budgets have been prepared in accordance with the budget guidelines and planned programmes of works to housing stock have been updated to take account of progress during 2024/25. The HRA budget must avoid a deficit on reserves over the 30-year HRA Business Plan.
- 1.2. Following the abolition of the statutory limit on HRA borrowing known as the debt cap in October 2019, the HRA is able to undertake prudential borrowing to support the creation and acquisition of long-term assets, as long as it is prudent, affordable, and sustainable within the context of its overall Business Plan.
- 1.3. The Current 30-year Business Plan allows for £70.830m of new borrowing under the prudential code in 2025/26-2027/28. The Plan shows that the HRA is able to fund the proposed capital investment which will raise the peak debt in the HRA from £215.701m to £286.531m in 2027/28. However, the Plan demonstrates that the proposed borrowing is prudent, affordable, and sustainable as the HRA has the capacity to repay £160.000m of this in later years and that the projected outstanding debt level at year 30 is forecast to be £126.531m. The updated 30-Year Business Plan includes the impacts of delivering the current Local Authority New Build Programme and the transfer of housing stock into the HRA from Homes for Reading.

2. HRA 2024/25 Revenue Budget & Medium-Term Financial Strategy (MTFS)

- 2.1. The HRA revenue budget for 2025/26 & MTFS for 2026/27 and 2027/28 is shown in Table 1 below and in more detail in Appendix 5 – Annex A.

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

	2025/26	2026/27	2027/28
	£000	£000	£000
Total Income	(52,838)	(55,571)	(57,671)
Total Expenditure	57,304	59,062	60,327
Net (Surplus)/Deficit	4,466	3,491	2,552
Opening HRA Balances	(24,756)	(20,290)	(16,799)
Net (Surplus)/Deficit	4,466	3,491	2,656
Closing HRA Balances	(20,290)	(16,799)	(14,143)

Planning Assumptions

Rents

- 2.2. In 2025/26 the proposal is to increase rents by 2.7% in line with the CPI figure taken from the nationally published CPI figure each September for the year preceding the rent increase. The CPI rate for September 2024 was 1.7%, therefore the baseline assumption for 2025/26 rent income is a 2.7% increase.
- 2.3. For future years, the rate has been estimated at 3.0% (CPI + 1%), in line with the Bank of England's long term inflation forecast of 2.0%.
- 2.4. Void Rates & Bad Debts are assumed at 2.0%.

- 2.5. The Council needs to consider its rent policy each financial year in the context of the HRA's financial viability. The anticipated effect of the 2025/26 rent proposals is therefore expected to be as follows:

Table 2. Average Weekly HRA Rents

	Bedrooms	Forecast 2024/25	Proposed 2025/26	Change	Change
		£	£	£	%
Average Rent per Week	1 Bed	102.51	105.28	2.77	2.7
Average Rent per Week	2 Bed	123.77	127.11	3.34	2.7
Average Rent per Week	3 Bed	137.96	141.68	3.72	2.7
Average Rent per Week	4 Bed	158.53	162.81	4.28	2.7

- 2.6. For historic reasons current rents are, on average across the stock 7.9% below the social housing formula rent set by Government, known as 'Target Rent'. As previously agreed by the Council, rent levels will be set in line with Target Rent whenever a property is re-let.
- 2.7. Historically, rent collection performance have been in the top quartile compared with the Council's comparator group.
- 2.8. Temporary accommodation is included in the General Fund. Rents are set at 90% of the Local Housing Allowance rate for the relevant unit size.

Right to Buy

- 2.9. 17 property sales assumed in 2025/26. For future years, 2 property sales are assumed per annum, reflecting that discounts available for RTB have been significantly reduced.

Service Charges

- 2.10. Service charges are assumed to increase by 2.7% in 2025/26, in line with the proposed rent increase, and by CPI +1% from 2026/27, but charges cannot exceed full cost recovery.

PFI Credit

- 2.11. Income from Central Government of £3.997m annually relating to the 1,248 properties in North Whitley and managed by Affinity Housing within the PFI Contract until 2034 has been included.

Interest on Balances

- 2.12. Interest on balances is assumed at 3.50% in 2025/26 and it is expected to slowly drop to 1% by 2035/36.

Expenditure

- 2.13. The business plan includes the latest updated 2024/25 forecast outturn. Costs are then increased by RPI in future years in line with the base assumptions outlined in 2.12. The business plan also anticipates any additional costs above the 2024/25 base forecast position where relevant.
- 2.14. The 2025/26 budget includes the following revenue bids:

Table 3. 2025/26 Business Case Summary

Bid	Capital	Revenue (On Going)	Revenue (One Off)
	£000	£000	£000
Stock Condition Survey	0	0	450
HRA Additional Staffing	0	464	0
Total	0	464	450

3. Risk Implications

3.1. Many of the risks identified in respect of the General Fund revenue budget also have relevance for the Housing Revenue Account. Particular risks that pertain additionally to the HRA include:

- Rent collection levels that may be affected by any downturn in the local economy;
- Changes to benefits which may impact on rent collection levels;
- Increases in debt financing costs arising from inflationary and interest cost increases in relation to the new build programme;
- Actual property surveys requiring a level of repair and maintenance above that assumed within the budget; and
- Maintenance cost increases due to higher levels of inflation.

4. Housing Revenue Account Capital Programme

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

New Build & Acquisitions

4.2. The local authority new build programme for the 2025/26 Budget and MTFS covering 2026/27 and 2027/28 is outlined in table 3 below. This includes investment to develop adult social care assets that are being appropriated into the HRA to deliver joint adults and housing needs:

Table 4. Local Authority New Build Programme (LANB)

	2025/26	2026/27	2027/28		
	£000	£000	£000	Units	Location
Homes for Reading	15,750	9,450	6,615	101	
LANB Phase 3	9,936	1,300	150	60	Wensley Road and Southcote Library
LANB Phase 4	22,926	2,341	337	74	Amethyst Lane & Dwyer Road + Others
LANB Assets Review ASC/Housing	16,782	500	0	42	Battle Street & Hexham Road
LAHF	3,019	0	0	5	
Total	67,064	13,591	7,102	282	

4.3. The HRA business plan assumes an additional 282 properties are delivered during the 3 years from 2025/26 to 2027/28.

4.4. The business plan benefits from the additional rental income derived from the new properties, at either social rent (target) for properties part funded by grant and adjusted social rent for all other properties, in line with the 2018 policy decision.

Major Repairs - Existing Homes Renewal

- 4.5. The Council also plans to invest £55.989m in its existing housing stock over the next three years. This includes £36.064m on Major Repairs - Existing Homes Renewal (including Fire Safety Works), £17.747m on Major Repairs – Zero Carbon Retrofit Works and £2.179m on Disabled Adaptations. The major repairs and disabled facility programme (DFG) for the 2025/26 Budget and MTFS covering 2026/27 and 2027/28 are outlined in table 2 below:

Table 5. Major Repairs - Existing Homes Renewal & DFG Programme

	2025/26	2026/27	2027/28
	£000	£000	£000
Major Repairs - Existing Homes Renewal	11,186	11,853	13,025
Major Repairs – Zero Carbon Retrofit Works	9,713	5,553	2,481
Disabled Facility Grant	712	726	741
Total	21,611	18,132	16,247

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

Zero Carbon Retrofit Works

- 4.7. The housing service is investing £17.747m between 2025/26 and 2027/28 in moving towards zero carbon options in terms of retrofitting existing housing stock in line with the Council's Climate Change ambitions. The existing housing stock benefits from past initiatives which have ensured that most properties are above EPC level C. As such the Council is currently not benefitting from any extra Government funding towards zero carbon initiatives which are predominantly targeted at EPC level D and below. The Council is therefore reliant on the Housing Revenue Account to continue to pursue zero carbon options and therefore any reduction in income will limit the impact on what can be achieved.
- 4.8. The major repairs zero carbon retrofit programme includes the following works over the 30-year HRA business Plan:
- Crosswalls Flats/Houses £14.9m.
 - Woodley Crosswalls £0.1m.
 - Kentwood Refurbishments £6.2m.

5. Risk Implications

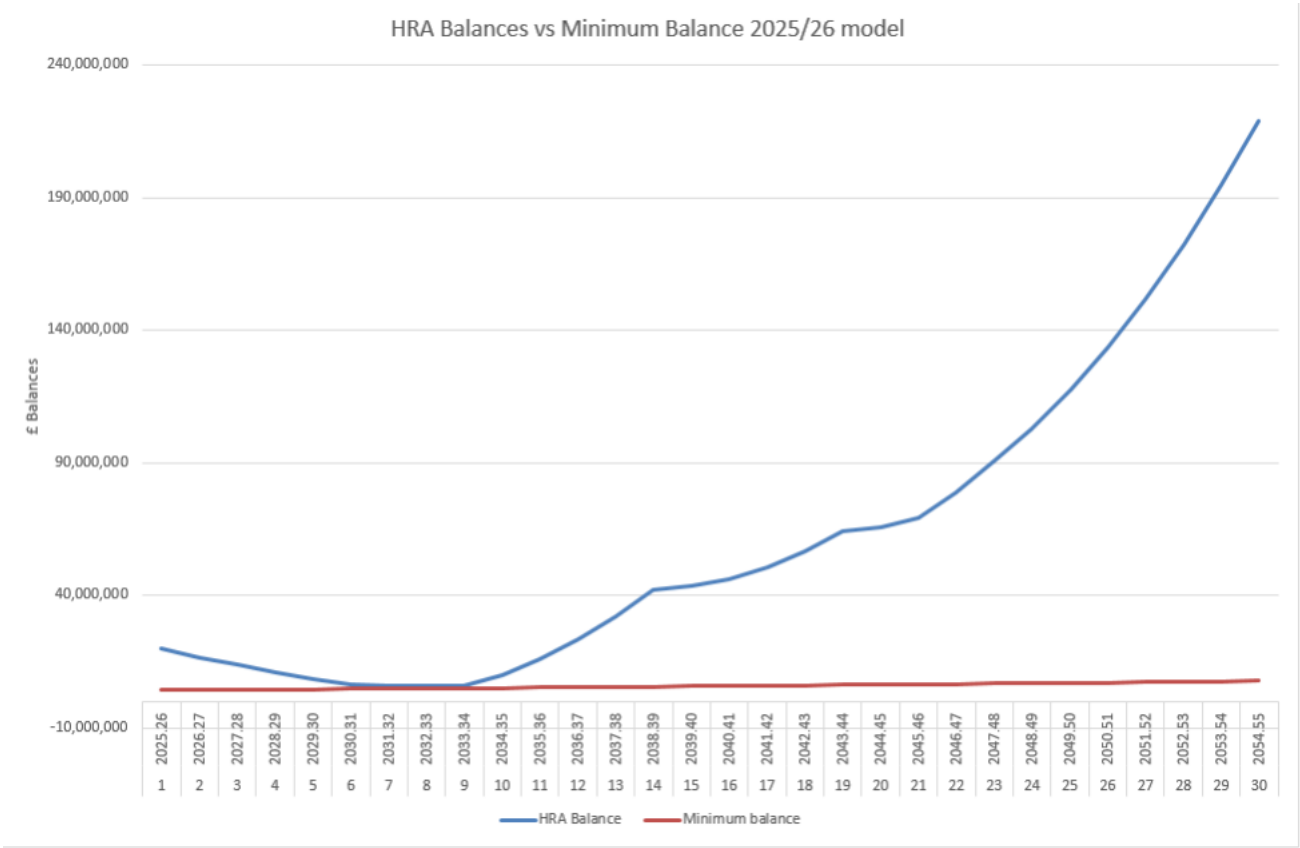
- 5.1. The main risks to the Council's Capital Programme are summarised below:
- Cost overruns would impose additional borrowing costs (and associated financing charges to revenue) if unable to be met from scheme contingencies or other mitigating actions;
 - Slippage in realisation of capital receipts impacts on available financing sources, with the potential to lead to additional capital borrowing. In particular, significant slippage could leave insufficient receipts to fully finance the transformation costs – which impacts pound for pound on the revenue account;
 - Slippage in delivery of spend to save initiatives results in associated revenue savings not being delivered as anticipated; and

- The cost of delivering the capital projects increases due to inflationary pressures.

6. HRA 30 Year Business Plan

- 6.1. The HRA Business plan assumes major repair investment in the existing housing stock, covering planned component replacements (e.g. Kitchens & Bathrooms) and zero carbon initiatives.
- 6.2. The plan assumes investment of £21.182m in zero carbon initiatives up to 2029, based on currently available funding within the HRA.
- 6.3. As mentioned in 4.7 above, as the majority of our homes are rated above EPC level C, Houses within the HRA are not eligible for available government funding at the present time. If funding does become available this would enable more zero carbon initiatives to be carried out.
- 6.4. The current HRA balance is assumed to be £24.731m at the beginning of 2025/26. The base plan assumes that annual deficits will continue to arise whilst the PFI scheme is in place.
- 6.5. The PFI scheme is due to end in 2034/35, at which point the properties return to Reading Borough Council. The business plan assumes that the operating costs of the PFI fall away at this point resulting in a return to annual surpluses for the remainder of the 30 year Business plan.
- 6.6. Additional borrowing is required to part fund the capital programmes. At the beginning of the plan the capital finance requirement is forecast to be £215.701m, additional borrowing of £70.830m is required (all during the MTFS period of 2025/26 to 2027/28), taking peak borrowing to £286.531m.
- 6.7. The plan assumes a loans repayment from 2039/40 once there is a sufficient build-up of the HRA balance. Total repayments in the plan are £160.000m, which reduces the loan balance to £126.531m at the end of the plan.
- 6.8. The local authority new build (LANB) programme continues in the 30 year Business Plan until 2027/28, after which the current plan assumes there is no further investment in new build. Right to Buy sales are projected to continue at the level of 17 for 2025/26. From 2026/27, they are forecast to reduce to 2 per annum.
- 6.9. The business plan long term assumptions for CPI & RPI follow the latest OBR (Office for Budget Responsibility) forecasts.
- 6.10. Repair and build costs are assumed to increase by BCIS (Building cost information service forecast rates).
- 6.11. Rent & Service charges increases in the plan are assumed to increase by 2.7% in 2025/26, in line with the nationally published CPI figure in September 2024 and by CPI + 1% from 2026/27 for the duration of the plan.
- 6.12. The long-term Bank of England prediction on CPI & RPI is 2% and 3% respectively. As the long-term assumption of CPI + 1% is used on Rent & Service charges income, the overall long-term impact in the plan is 3% for both CPI & RPI.
- 6.13. The HRA balance, as shown below, is maintained above the minimum level throughout the duration of the plan. The minimum balance is adjusted in line with CPI annually.

Figure 1. Projected HRA Balance in 30 Year Business Plan



Appendix 5 Annex A - Summary of the Proposed Housing Revenue Account Budget 2025/26 to 2027/28

	Approved Budget 2024/25 £'000	Proposed Budget 2025/26 £'000	Proposed Budget 2026/27 £'000	Proposed Budget 2027/28 £'000
Dwelling Rents	(44,019)	(45,112)	(47,802)	(49,667)
Service Charges	(1,004)	(1,023)	(1,187)	(1,314)
PFI Credit	(4,452)	(4,924)	(4,988)	(5,053)
Other Income	(192)	(196)	(281)	(366)
Interest on Balances	(2,030)	(1,583)	(1,313)	(1,271)
Total Income	(51,697)	(52,838)	(55,571)	(57,671)
Management & Supervision	9,479	10,764	10,570	10,517
Special Services	4,534	4,955	5,055	5,156
Provision of Bad Debt	891	922	977	1,013
Responsive Repairs	4,603	5,332	5,542	5,700
Planned Maintenance	4,391	3,241	3,300	3,512
Major Repairs/Depreciation	15,192	15,621	16,003	16,367
Debt Costs	6,985	8,059	8,952	9,139
PFI Costs	8,254	8,410	8,663	8,923
Total Expenditure	54,329	57,304	59,062	60,327
Net (Surplus)/Deficit	2,632	4,466	3,491	2,656
Forecast Opening HRA Balances	(27,388)	(24,756)	(20,290)	(16,799)
Net (Surplus)/Deficit	2,632	4,466	3,491	2,656
Forecast Closing HRA Balances	(24,756)	(20,290)	(16,799)	(14,143)

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Appendix 6 – The Dedicated Schools Grant Budget Proposals 2025/26

1. Background

- 1.1 School Funding is received through the Dedicated Schools Grant (DSG), and is split into four blocks, each with its own formula to calculate the funding to be distributed to each local authority:
- Schools Block – funds mainstream primary and secondary schools through the school formula, and growth funding for new growing schools/bulge classes.
 - High Needs Block – funds places in special schools, resource units and alternative provision, and top up funding for pupils with Education, Health and Care Plans (EHCPs) in all settings including non-maintained, independent, and further education colleges.
 - Early Years Block – funds nursery schools, nursery classes in mainstream schools, and early year's settings in the Private, Voluntary, and Independent (PVI) sector through the free entitlement from 9 months to 4-year-olds.
 - Central Schools Services Block – funds services provided by the local authority/Brighter Futures for Children centrally for all schools, such as the admissions service.
 - The allocations for 2025/26 were published by the Government on 18th December 2024. Most are now fixed for the year; part of the high needs block will be confirmed later in the year (July 2025), and the early years block will be based on data from future census', although the funding rates are now confirmed.
- 1.2 The DSG must be deployed in accordance with the conditions of grant and the latest School and Early Years Finance and Childcare (England) Regulations. Detailed guidance is contained within various operational guidance documents issued by the Education and Skills Funding Agency (ESFA).
- 1.3 The DSG is a ring-fenced grant, though some funding can be transferred between blocks. Up to 0.5% of the school's block allocation can be transferred to other funding blocks, but only with the agreement of Schools' Forum.
- 1.4 Schools' Forum is consulted on all aspects of the DSG and has five planned meetings a year with officers. All reports and minutes can be found on the following web page: [Schools Forum meeting papers - Reading Borough Council](#)

2. Overall DSG Allocation for 2025/26

- 2.1 Table 1 sets out the DSG funding allocations for 2025/26 as published by the Government on 18th December 2024 and compares to 2024/25 allocations. A more detailed breakdown is in Annex 1. The Council receives its allocation gross and determines how the gross amount is allocated to schools and services. The Government then recoup the amounts for academy schools to pay them direct, leaving the Council with a net allocation for maintained schools and central services.

- 2.2 There is no change to the High Needs funding formula. Funding has increased by £2.194m from 2024/25 (7.0%). Funding for the High Needs Block is not static and is subject to variation within the year; import/exports will be confirmed in July 2025. Any changes to place funding will be confirmed in March 2025.

Table 1. DSG allocations per block

Block	2024/25 Actual (£'000)	2025/26 Initial (£'000)	Change (£'000)	Change (%)
Schools Block	126,102	135,104	9,768	7.7%
Central Schools Services Block	1,152	1,151	(1)	(0.1%)
Early Years Block	21,621	29,074	8,137	38.9%
High Needs Block	31,191	33,385	2,194	7.0%
Total (Gross)	180,066	199,480	19,415	10.8%
Less Recoupment - Schools	(71,171)	(77,572)	(6,401)	
Less Recoupment – High Needs	(4,524)	(4,476)	48	
Total (Net)	104,371	117,432	13,061	

- 2.3 Overall, the gross DSG will increase by £19.415m (10.8%) from £180.066m to £199.480m. This compares to an increase from 2023/24 to 2024/25 of 7.0%. Increases in the schools' block are due to a one-off 2024/25 grant being merged into the base formula budget. Supplementary grants such as the Core Schools Budget Grant (CSBG) and the Teachers Pay Additional Grant (TPAG) together total £8.6m.
- 2.4 October 2024 saw an overall decrease of Reading pupil numbers (78) of which Primary numbers reduced by 135 pupils and partially offset by an increase in Secondary numbers (57).

3. Schools Block Budget for 2025/26

- 3.1 The School's Block has increased by £9.768m to £135.104m (gross), an increase of 7.7%. The increase also includes the inclusion of £8.6m from supplementary grants provided in 2024/25. The rest of the increase is additional funding on a per pupil level (0.9%), allocated through an increase to the funding values.
- 3.2 The schools block allocation is based on Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs). These units are calculated for each local authority by adding together the total formula allocations for each school in each phase using the National Funding Formula (NFF) but using the previous year's data and dividing by the previous year's pupil numbers for each phase. These units are then fixed and are multiplied by the October 2024 census pupil numbers to give the final funding allocation for the following year.
- 3.3 The schools block budget has been set based on the recommendations and decisions made at the January 2025 meetings of the Schools' Forum.
- 3.4 At the January meeting it was agreed to transfer funding from the schools' block allocation to the high needs block, to continue to financially support the RISE Service for all Reading schools. The service supports all Reading schools relating to all Special

Educational Needs. For 2024/25 it was approved by the forum to transfer £0.564m equating to 0.42%.

- 3.5 The overall allocation includes £0.765m is for growth funding. Due to the opening of River Academy (Secondary) in September 2024, the entire growth is being allocated towards the annual growth of the school. Falling rolls in 2025/26 will be allocated from growth fund reserves to help primary schools with temporary low numbers.
- 3.6 The bulk of the funding is allocated to primary and secondary schools using the locally agreed school funding formula. The actual DSG funding received and available may not enable the NFF to be replicated in full due to there being a mismatch between the funding received and what would have been allocated to schools through a hard NFF:
- Differences in the pupil characteristics data from the previous year which is driving the DSG funding compared to the October 2024 census on which the formula funding allocations to schools is based (which may result in funding which is higher or lower than the actual requirement).
 - Increases in business rates bills and other premises costs compared to the historical figures on which the DSG funding is based.
 - Growth funding requirements not met by the allocation, and so a top slice is required.
 - Funding transfers to other blocks (namely high needs).
 - Overspends in the previous financial year which are a first call on resources in the following year. This will only happen for business rates and growth funding.
- 3.7 The National Funding Formula (NFF) continues to get closer with every factor having a lower and upper limit to be used. Reading is proud of its achievement to have moved within less than 1% of the national formula since 2019 and continue to achieve this every year. All factors are set to the NFF rate including area cost adjustments for 2025/26 except for the basic entitlements where we have reduced them by 0.47% for Primary and 0.77% for Secondary to fund the formula with the agreement transfer to the High Needs Block.
- 3.8 Annex 2 shows all the formula factors and their final values compared to the previous year.
- 3.9 Annex 3 shows the formula allocations for each individual school and compares this to the 2024/25. On average, primary schools have gained by 8.42% per pupil and secondary by 8.44% per pupil, though there is a large range with some schools receiving between 4% and 12% due to pupil characteristics changes and minimum funding guarantees.
- 3.10 The Pupil Premium Grant for schools will continue in 2025/26, As of writing this report the funding rates have not been released by the department for Education.

4. Central Schools Services Block Budget for 2025/26

- 4.1 The central school services block has decreased by £0.001m to £1.151m from £1.152m (gross). This includes a reduction of 20% from the Historic element due to the phasing out of funding for historical commitments.
- 4.1 In order to balance the budget in this block, some of the historical commitment budgets have been reduced in order to reflect this funding reduction; these budgets are contributions towards service costs, so will result in these services either having to fund the reduction from elsewhere or reduce the level of service.

5. Early Years Block Budget for 2025/26

- 5.1 The formula used for calculating Early Years Entitlements rates in 2025 to 2026 remains the same as used for 2024 to 2025. following changes were made to the Early Years Block for 2025 to 2026:
- For the 3 and 4-year-old formula, the Minimum Funding Floor (MFF) has been increased to £5.71.
 - Additional funding to reflect increases to teachers' pay from September 2024 has been rolled into 3 and 4-year-old and MNS supplementary funding rates.
 - The Maintained Nursery Schools (MNS) supplementary funding MFF has been increased to £5.27 and the cap remains at £10.
 - The Disability Access Fund (DAF) national rate has been uplifted in line with an age-weighted cost pressure, reflecting the full age range of children taking up the entitlements, that is from 9-months to 4-years-old, instead of the previous approach of uplifting in line with 3 and 4-year-old cost pressures only.
 - The Early Years Pupil Premium national rate has been uplifted to reflect additional investment in the early years budget in 2025 to 2026 to support the most disadvantaged children.
- 5.2 The Department for Education (DfE) are continuing to introduce free entitlement for children aged 9 months up to (and including) 2-year-olds. From September 2025, this will supply entitlement funding for 30 hours for all working parents.
- 5.3 The budgets for the early years block cannot be determined until the draft January 2025 census data is available. Details on the proposed early years budget will therefore be brought to the Schools' Forum in March 2025.
- 5.4 In the summer of 2023, the previous government consulted on the minimum pass-through requirement and outlined their intention to increase this from 95% to 97% once the new entitlements were sufficiently embedded. This change to the minimum pass-through requirement will be introduced, and the government are taking an initial step in introducing that change in 2025/26 by increasing the minimum pass-through requirement for local authorities from 95% to 96%. This means that Local Authorities (LAs) are only allowed to retain 4% off the overall entitlement funding to pay for central services.

- 5.5 Central budgets funded by this block has increased due to national pay inflation and national insurance changes, but the services covered are the same as in 2024/25 and will only equate to 3.7% (below the 4% threshold).
- 5.6 The decision on these budgets was taken to January 2025 Schools' Forum and approved.

6. High Needs Block Budget for 2025/26

- 6.1 The additional high needs funding will be £2.194m (gross). The deficit is currently forecast at around £26.503m. There is the expectation from the ESFA that local authorities whose high needs block is in deficit will continue to work towards reducing the deficit. However, as the number of pupils with EHCPs and costs of their placements continue to increase, most of the additional funding will go towards these increases in costs.
- 6.2 Top up funding makes up the greatest proportion of expenditure in this block that includes Additional Resourced Provision (ARP). This equates to around 90.5% of the expenditure budget. The budget will be based on the current actual average cost of each type of placement (as at January census 2025) with an average inflation rate added and an annual increase in number of placements according to current trends.
- 6.3 The numbers of places in local specialist provision are increasing, with new resource provision places being established and additional places in special schools.
- 6.4 Note that the DSG regulations changed in 2020 and the deficit is now totally separate from local authority funding and reserves via a statutory override in place until March 2026. This means that the deficit must not be funded by the local authority's general reserves and that DSG deficits will over time be recovered from DSG income or potential government reform.
- 6.5 Nationally the High Needs Block is LAs biggest challenge in regard to the Dedicated Schools Grant as the majority of LAs are also in deficit positions. The DfE are reviewing the challenge and has limited any new LAs going into the safety value and the Delivering Better Value programmes. The LAs are waiting for updates from the government on the future of the High Needs Block and Special Educational Needs (SEN) Strategy.

7 Deficit Recovery Plan

- 7.1 The high needs block has been in deficit for several years. Approximately 90% of the high needs block is payments for statutory top up fees for pupils/students with Education Health and Care Plans (EHCPs). This is the area of highest risk due to the unpredictability of the number and level (cost) of plans. It is the continued growth (see Table 2) in both the number and cost of these plans and the fact that the annual high needs block allocation hasn't increased at the same levels has led to the DSG deficit.

Table 2: Numbers of EHCPs

Date	Actual Total Number	Annual Year on Year Increase
15/16: January 2016	1,002	43
16/17: January 2017	1,066	64
17/18: January 2018	1,175	109
18/19: January 2019	1,276	101
19/20: January 2020	1,391	115
20/21: December 2020	1,462	71
21/22: December 2021	1,572	110
22/23: December 2022	1,756	184
23/24: December 2023	1,967	211
24/25: December 2024	1,999	32

- 7.2 As part of the SEN Strategy and Delivering Better Value programme, Reading is seeing a drop of NET growth in EHCPs. The increase from December 2023 to December 2024 was 32 that is way lower than the average (112) between 2016 and 2023. These numbers do not show the continue need of children increasing.
- 7.3 The DSG deficit is now ring-fenced and totally separate from local authority funding and reserves. This means that the deficit must not be funded by the local authority's general reserves. The carry forward of a deficit no longer requires the consent of Schools' Forum. This provides certainty to local authority finances.
- 7.4 The DSG conditions of grant for 2024/25 has not changed from previously and the Council will continue to produce a recovery plan that is reviewed and challenged by the DfE. The plan should be shown to the local Schools' Forum and should verbally kept updated throughout the year.
- 7.5 Due to the additional growth in EHCPs numbers and additional investment of Resource units, the current 2024/25 forecast is showing an expenditure pressure of £14.1m above the income allocation within the High Needs budgets.

Table 3: Current DSG High Needs Block Management Plan (at December 2024)

	2023/24 Outturn £m	2024/25 Jan-25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m
High Needs Expenditure	33.428	40.776	42.778	43.725
High Needs Income	(26.340)	(26.667)	(28.909)	(30.933)
High Needs In-Year	7.088	14.109	13.869	12.792
Add High Needs B/F Deficit	5.306	12.394	26.503	40.373
Year End Position	12.394	26.503	40.373	53.165

- 7.6 The forecasts are showing considerable pressure within this block and continuous work and strategies have been created and are in early implementation to produce savings and cost avoidance for future years. The Needs of the children and schools will always be critical on any changes and the work will improve the quality of Education and the support educational settings will receive.

- 7.7 The Council has created a SEN governance group that includes senior Childrens and Finance staff to review the monthly finances and implemented strategies. This will also be evaluated alongside the DfE.

8 Annexes

Annex 1 - DSG Allocations 2024/25 and 2025/26

Annex 2 - Final Formula Factors and Values 2024/25 to 2025/26

Annex 3 - Final 2025/26 School Formula Allocations for Primary and Secondary Schools

Annex 1 – DSG Allocations 2024/25 and 2025/26

	2024/25 Actual		2025/26 Estimate		Year on Year Change		
	Units / Rate	Funding £'000	Units / Rate	Funding £'000	£'000	%	Notes
Schools Block (SB):							
Primary Unit of Funding (PUF)	£5,155.75		£5,568.74		£412.99		Confirmed
<i>Primary Pupil numbers & funding</i>	13,236.50	68,244	13,102.00	72,962	4,718	6.9%	Confirmed
Secondary Unit of Funding (SUF)	£6,794.86		£7,382.34		£587.48		Confirmed
<i>Secondary Pupil numbers & funding</i>	8,135.00	55,276	8,192.00	60,476	5,200	9.4%	Confirmed
Premises		1,576		1,666	90	5.7%	Confirmed
TOTAL SB excl. Growth		125,097		135,104	10,007	8%	
Growth Funding Factor		1,005		765	(240)	(23.9%)	Confirmed
TOTAL SB		126,102		135,870	9,768	7.7%	

Central School Services Block (CSSB):							
Unit of Funding	£43.48		£45.70		£2.22		Confirmed
<i>Pupil Numbers</i>	21,371.50	929	21,294.00	973	44	4.7%	Confirmed
Historic Commitments		223		178	(45)	(20.0%)	Confirmed (Planned reduction by ESFA)
TOTAL CSSB		1,152		1,151	(1)	(0.1%)	

High Needs Block (HNB):							
Formula		31,267		33,169	1,902	6.1%	Confirmed
Hospital & AP pay grants		315		332	17	5.5%	Confirmed
Place Funding Unit of Funding	£4,913.17		£4,913.23		£0.06		Confirmed
<i>Place Numbers</i>	440.5	2,164	495.5	2,439	275	12.7%	Confirmed
Import/Export Adjustment		(2,700)		(2,700)	0	0.0%	Based on Oct 24 census & Jan 25 ILR
Additional HN Funding		144		144	0	0.0%	
Total HNB		31,191		33,385	2,194	7.0%	

Early Years Block (EYB):							
3- & 4-Year-Old Funding Rate	£6.70		£6.86		£0.16		Confirmed
<i>3- & 4-year-olds numbers & funding</i>	3,512	13,416	3,512	13,734	318	2.4%	To be based on future Census data
2-Year-Old Funding Rate	£9.72		£10.02		£0.30		Confirmed
<i>2-Year-old numbers & funding</i>	827	4,583	1,138	11,484	6,901	150%	To be based on future Census data
Under 2-Year-Old Funding Rate	£13.24		£13.76	14,917	£0.52		Confirmed
<i>Under 2-Year-old numbers & funding</i>	325.8	2,459	951	14,917	12,458	506%	To be based on future Census data
Pupil Premium		153		223	70		To be based on future Census data
Disabled Access Fund		95		120	25		Confirmed
Maintained Nursery Grant		917		1,041	124		To be based on future Census data
Total EYB		21,621		29,074	8,137	38.9%	
Total All Blocks		180,065		199,480	19,415	10.8%	

Annex 2 - Proposed Formula Factors and Values 2023/24 to 2025/26

Formula Values	2023/24			2024/25			2025/26			
	NFF	Reading NFF with ACA	Reading Final	NFF	Reading NFF with ACA	Reading PROPOSED	NFF	Reading NFF with ACA	Reading Final	Note for 2025/26 Actual Values (Reading ACA is 1.03622)
Basic Entitlement										
Primary	£3,394.00	£3,512.11	£3,499.00	£3,562.00	£3,690.45	£3,653.48	£3,847.00	£3,986.34	£3,966.03	NFF with ACA - reduced by 0.5%
Secondary - KS3	£4,785.00	£4,951.52	£4,934.00	£5,022.00	£5,203.09	£5,150.97	£5,422.00	£5,618.38	£5,573.08	NFF with ACA - reduced by 0.8%
Secondary - KS4	£5,393.00	£5,580.68	£5,561.00	£5,661.00	£5,865.14	£5,806.39	£6,113.00	£6,334.41	£6,283.33	NFF with ACA - reduced by 0.8%
Deprivation										
Free School Meals - Primary	£480.00	£496.70	£496.00	£490.00	£507.67	£507.67	£495.00	£512.93	£512.93	As per NFF with ACA
Free School Meals - Secondary	£480.00	£496.70	£497.00	£490.00	£507.67	£507.67	£495.00	£512.93	£512.93	As per NFF with ACA
Free School Meals Ever 6 - Primary	£705.00	£729.53	£730.00	£820.00	£849.57	£849.57	£1,060.00	£1,098.39	£1,098.39	As per NFF with ACA
Free School Meals Ever 6 - Secondary	£1,030.00	£1,065.84	£1,066.00	£1,200.00	£1,243.27	£1,243.27	£1,555.00	£1,611.32	£1,611.32	As per NFF with ACA
IDACI Band A (over 0.6) - Primary	£670.00	£693.31	£693.00	£680.00	£704.52	£704.52	£685.00	£709.81	£709.81	As per NFF with ACA
IDACI Band A (over 0.6) - Secondary	£930.00	£962.36	£962.00	£945.00	£979.08	£979.08	£950.00	£984.41	£984.41	As per NFF with ACA
IDACI Band B (0.5 - 0.6) - Primary	£510.00	£527.74	£528.00	£515.00	£533.57	£533.57	£520.00	£538.83	£538.83	As per NFF with ACA
IDACI Band B (0.5 - 0.6) - Secondary	£730.00	£755.40	£755.00	£740.00	£766.68	£766.68	£745.00	£771.98	£771.98	As per NFF with ACA
IDACI Band C (0.4 - 0.5) - Primary	£480.00	£496.70	£497.00	£485.00	£502.49	£502.49	£490.00	£507.75	£507.75	As per NFF with ACA
IDACI Band C (0.4 - 0.5) - Secondary	£680.00	£703.66	£704.00	£690.00	£714.88	£714.88	£695.00	£720.17	£720.17	As per NFF with ACA
IDACI Band D (0.3 - 0.4) - Primary	£440.00	£455.31	£455.00	£445.00	£461.05	£461.05	£445.00	£461.12	£461.12	As per NFF with ACA
IDACI Band D (0.3 - 0.4) - Secondary	£620.00	£641.57	£642.00	£630.00	£652.72	£652.72	£635.00	£658.00	£658.00	As per NFF with ACA
IDACI Band E (0.25 - 0.3) - Primary	£280.00	£289.74	£290.00	£285.00	£295.28	£295.28	£285.00	£295.32	£295.32	As per NFF with ACA
IDACI Band E (0.25 - 0.3) - Secondary	£445.00	£460.48	£460.00	£450.00	£466.23	£466.23	£450.00	£466.30	£466.30	As per NFF with ACA
IDACI Band F (0.2 - 0.25) - Primary	£230.00	£238.00	£238.00	£235.00	£243.47	£243.47	£235.00	£243.51	£243.51	As per NFF with ACA
IDACI Band F (0.2 - 0.25) - Secondary	£335.00	£346.66	£347.00	£340.00	£352.26	£352.26	£340.00	£352.31	£352.31	As per NFF with ACA
Prior Attainment										
Primary	£1,155.00	£1,195.18	£1,195.00	£1,170.00	£1,212.19	£1,212.19	£1,175.00	£1,217.56	£1,217.56	As per NFF with ACA
Secondary	£1,750.00	£1,810.89	£1,811.00	£1,775.00	£1,839.01	£1,839.01	£1,785.00	£1,849.65	£1,849.65	As per NFF with ACA
English as an Additional Language										
Primary	£580.00	£600.18	£600.00	£590.00	£611.28	£611.28	£595.00	£616.55	£616.55	As per NFF with ACA
Secondary	£1,565.00	£1,619.45	£1,619.00	£1,585.00	£1,642.16	£1,642.16	£1,595.00	£1,652.77	£1,652.77	As per NFF with ACA
Mobility										
Primary	£945.00	£977.88	£978.00	£960.00	£994.62	£994.62	£965.00	£999.95	£999.95	As per NFF with ACA
Secondary	£1,360.00	£1,407.32	£1,407.00	£1,380.00	£1,429.76	£1,429.76	£1,385.00	£1,435.16	£1,435.16	As per NFF with ACA
Lump Sum	£128,000.00	£132,453.33	£114,300.00	£134,400.00	£139,246.46	£139,246.46	£145,100.00	£150,355.52	£150,355.52	As per NFF with ACA
Business Rates (Actual - locally set)	£1,283,350.00		£1,283,350.00	£1,497,409.00		£1,497,409.00	£1,587,253.10		£1,587,253.10	
Split sites basic eligibility funding	£17,149.00		£17,149.00	£53,672.00	£55,636.42	£55,636.42	£54,000.00	£55,955.88	£55,955.88	As per NFF with ACA
Split sites distance funding				£26,886.00	£27,870.01	£27,870.01	£27,000.00	£27,977.94	£27,977.94	As per NFF with ACA
Minimum Per Pupil Level										
Primary	£4,405.00		£4,405.00	£4,610.00		£4,610.00	£4,955.00		£4,955.00	As per NFF
Secondary	£5,715.00		£5,715.00	£5,771.00		£5,771.00	£6,465.00		£6,465.00	As per NFF
(KS3 Only School)	£5,503.00		£5,503.00	£6,331.00		£6,331.00	£6,221.00		£6,221.00	As per NFF
(KS4 Only School)	£6,033.00		£6,033.00	£5,995.00		£5,995.00	£6,831.00		£6,831.00	As per NFF
Max. Minimum Funding Guarantee	0.50%		0.50%	0.50%		0.50%	0.00%		0.00%	Local Decision between -.5% & 0%

Annex 3 - School Formula allocations for Primary and Secondary Schools 2025/26

		2024/25 ACTUAL ALLOCATION					2025/26 INDICATIVE ALLOCATION - before deduction of NNDR and Delegation			Overall Chabge between 2024/25 and 2025/26			
		Formula Allocation	Pupil No's (Oct 2023)	Per Pupil Funding	TPEGC, TPAG & CSBG	Adjusted Allocation	Formula Allocation	Pupil No's (Oct 2024)	Per Pupil Funding	Total	%	Per Pupil	%
LAESTAB	School Name												
8702000	Alfred Sutton Primary School	2,917,321.49	618	4,720.58	168,437.00	3,085,758.49	3,175,438.51	624	5,088.84	258,117.02	8.85%	368.26	7.80%
8702003	Caversham Primary School	1,925,916.40	411	4,685.93	102,695.00	2,028,611.40	2,043,084.00	405	5,044.65	117,167.60	6.08%	358.72	7.66%
8702005	Coley Primary School	1,191,818.23	211	5,648.43	64,597.00	1,256,415.23	1,247,036.57	205	6,083.11	55,218.34	4.63%	434.68	7.70%
8702006	E P Collier Primary School	2,044,537.22	379	5,394.56	108,877.00	2,153,414.22	2,190,002.61	379	5,778.37	145,465.39	7.11%	383.81	7.11%
8702007	Geoffrey Field Junior School	1,892,211.97	353	5,360.37	112,099.00	2,004,310.97	2,078,018.20	352	5,903.46	185,806.23	9.82%	543.09	10.13%
8702008	Geoffrey Field Infant School	1,508,874.55	261	5,781.13	80,695.00	1,589,569.55	1,603,509.36	257	6,239.34	94,634.81	6.27%	458.21	7.93%
8702016	Oxford Road Community School	1,152,610.32	204	5,650.05	65,000.00	1,217,610.32	1,246,504.46	202	6,170.81	93,894.13	8.15%	520.76	9.22%
8702018	Redlands Primary School	1,089,643.53	200	5,448.22	58,469.00	1,148,112.53	1,148,622.89	193	5,951.41	58,979.36	5.41%	503.20	9.24%
8702019	The Hill Primary School	1,872,958.40	396	4,729.69	99,386.00	1,972,344.40	1,998,639.00	393	5,085.60	125,680.60	6.71%	355.90	7.52%
8702020	The Ridgeway Primary School	2,258,143.84	396	5,702.38	122,368.00	2,380,511.84	2,389,899.74	385	6,207.53	131,755.89	5.83%	505.15	8.86%
8702021	Park Lane Primary School	1,981,607.61	397	4,991.45	111,096.00	2,092,703.61	2,078,343.91	385	5,398.30	96,736.29	4.88%	406.84	8.15%
8702024	Wilson Primary School	2,081,959.54	412	5,053.30	111,680.00	2,193,639.54	2,202,463.46	409	5,385.00	120,503.92	5.79%	331.70	6.56%
8702026	Emmer Green Primary School	1,945,239.60	415	4,687.32	103,383.00	2,048,622.60	2,101,452.00	417	5,039.45	156,212.40	8.03%	352.13	7.51%
8702027	Southcote Primary School	2,727,266.04	551	4,949.67	148,393.00	2,875,659.04	2,939,198.19	551	5,334.30	211,932.15	7.77%	384.63	7.77%
8702029	St Michael's Primary School	2,147,376.70	404	5,315.29	121,407.00	2,268,783.70	2,259,237.61	391	5,778.10	111,860.91	5.21%	462.81	8.71%
8702034	Moorlands Primary School	1,706,255.94	308	5,539.79	103,143.00	1,809,398.94	1,721,290.86	284	6,060.88	15,034.92	0.88%	521.09	9.41%
8702036	Thameside Primary School	1,883,815.44	373	5,050.44	105,217.00	1,989,032.44	1,899,974.39	344	5,523.18	16,158.94	0.86%	472.74	9.36%
8702226	Katesgrove Primary School	3,045,419.61	608	5,008.91	160,582.00	3,206,001.61	3,272,618.46	605	5,409.29	227,198.85	7.46%	400.37	7.99%
8702233	Caversham Park Primary School	714,340.10	125	5,714.72	38,996.00	753,336.10	716,678.28	115	6,231.99	2,338.18	0.33%	517.26	9.05%
8702234	Micklands Primary School	1,734,875.65	341	5,087.61	99,519.00	1,834,394.65	1,790,457.65	319	5,612.72	55,581.99	3.20%	525.11	10.32%
8702253	Manor Primary School	1,515,003.05	269	5,631.98	88,887.00	1,603,890.05	1,738,572.46	287	6,057.74	223,569.41	14.76%	425.76	7.56%
8703000	All Saints Church of England Aided Infant School	411,694.96	60	6,861.58	22,314.00	434,008.96	448,885.69	60	7,481.43	37,190.72	9.03%	619.85	9.03%
8703302	St Anne's Catholic Primary School	891,150.01	159	5,604.72	50,589.00	941,739.01	890,387.32	146	6,098.54	-762.69	-0.09%	493.83	8.81%
8703304	English Martyrs' Catholic Primary School	2,030,645.86	405	5,013.94	111,109.00	2,141,754.86	2,094,833.41	389	5,385.18	64,187.55	3.16%	371.24	7.40%
8703305	Christ The King Catholic Primary School	1,683,400.75	301	5,592.69	98,871.00	1,782,271.75	1,756,585.21	285	6,163.46	73,184.46	4.35%	570.76	10.21%
8703360	St Martin's Catholic Primary School	674,502.49	123	5,483.76	37,386.00	711,888.49	801,333.75	136	5,892.16	126,831.25	18.80%	408.40	7.45%
8703361	Whitley Park Primary and Nursery School	2,830,993.19	500	5,661.99	157,004.00	2,987,997.19	2,898,148.58	476	6,088.55	67,155.38	2.37%	426.56	7.53%
8705411	Blessed Hugh Faringdon Catholic School	6,236,283.56	925	6,741.93	361,670.00	6,597,953.56	6,813,799.71	929	7,334.55	577,516.16	9.26%	592.62	8.79%
8702002	All Saints Junior School	555,712.26	98	5,670.53	31,285.00	586,997.26	585,369.30	94	6,227.33	29,657.04	5.34%	556.80	9.82%
8702004	Meadow Park Academy	1,943,181.31	356	5,458.37	116,462.00	2,059,643.31	1,958,722.47	330	5,935.52	15,541.16	0.80%	477.15	8.74%
8702011	Battle Primary Academy	2,123,383.39	417	5,092.05	120,185.00	2,243,568.39	2,229,399.28	402	5,545.77	106,015.89	4.99%	453.72	8.91%
8702012	The Palmer Primary Academy	2,068,382.75	390	5,303.55	116,369.00	2,184,751.75	2,193,994.56	386	5,683.92	125,611.81	6.07%	380.38	7.17%
8702015	Civitas Academy	2,084,381.37	400	5,210.95	109,616.00	2,193,997.37	2,186,083.37	390	5,605.34	101,702.00	4.88%	394.39	7.57%
8702017	The Heights Primary School	1,641,152.00	352	4,662.36	87,338.00	1,728,490.00	1,818,321.00	363	5,009.15	177,169.00	10.80%	346.79	7.44%
8702025	Ranikhet Academy	1,239,003.58	213	5,816.92	74,971.00	1,313,974.58	1,273,957.98	201	6,338.10	34,954.40	2.82%	521.18	8.96%
8702028	New Town Primary School	1,938,972.06	368	5,268.95	104,696.00	2,043,668.06	2,159,291.72	385	5,608.55	220,319.66	11.36%	339.60	6.45%
8702031	Churchend Primary Academy	2,039,236.58	418	4,878.56	115,341.00	2,154,577.58	2,186,985.50	409	5,347.15	147,748.92	7.25%	468.60	9.61%
8702035	St Mary & All Saints Church of England Primary School	1,614,706.07	288	5,606.62	89,964.00	1,704,670.07	1,991,239.58	326	6,108.10	376,533.52	23.32%	501.48	8.94%
8702039	Green Park Village Primary Academy	1,131,750.02	204	5,547.79	0.00	1,131,750.02	1,439,195.06	247	5,826.70	307,445.04	27.17%	278.91	5.03%
8702254	New Christ Church Church of England Primary School	1,054,577.39	195	5,408.09	58,340.00	1,112,917.39	1,155,294.49	199	5,805.50	100,717.09	9.55%	397.41	7.35%
8703300	St John's Church of England Primary School	2,095,484.35	408	5,135.99	113,316.00	2,208,800.35	2,290,349.59	411	5,572.63	194,865.24	9.30%	436.64	8.50%
8704000	UTC Reading	1,499,015.14	194	7,726.88	90,429.00	1,589,444.14	1,212,013.43	140	8,657.24	-287,001.70	-19.15%	930.36	12.04%
8704001	Maiden Erlegh School in Reading	6,173,818.05	892	6,921.32	366,248.00	6,540,066.05	6,668,906.79	885	7,535.49	495,088.74	8.02%	614.17	8.87%
8704002	The WREN School	5,914,899.31	848	6,975.12	346,063.00	6,260,962.31	6,364,418.16	834	7,631.20	449,518.86	7.60%	656.08	9.41%
8704003	Reading Girls' School	6,094,011.19	865	7,045.10	358,749.00	6,452,760.19	6,873,302.29	906	7,586.43	779,291.11	12.79%	541.33	7.68%
8704020	Highdown School and Sixth Form Centre	7,863,163.09	1,264	6,220.86	462,223.00	8,325,386.09	8,128,669.62	1212	6,706.82	265,506.53	3.38%	485.97	7.81%
8705401	Reading School	4,561,864.60	755	6,042.20	272,013.00	4,833,877.60	4,905,672.20	753	6,514.84	343,807.60	7.54%	472.63	7.82%
8705410	King's Academy Prospect	7,846,148.13	1,053	7,451.23	470,576.00	8,316,724.13	8,631,167.95	1058	8,158.00	785,019.83	10.01%	706.77	9.49%
8705413	Kendrick School	3,688,438.00	610	6,046.62	219,650.00	3,908,088.00	4,177,644.00	641	6,517.39	489,206.00	13.26%	470.77	7.79%
8706905	John Madejski Academy	5,694,651.10	733	7,768.96	335,001.00	6,029,652.10	5,472,077.94	651	8,405.65	-222,573.16	-3.91%	636.69	8.20%
8704004	River Academy	738,969.38	105	7,037.80	0.00	738,969.38	2,122,569.48	289	7,344.53	1,383,600.10	187.23%	306.73	4.36%
Primary Total		68,650,536.23	13,182.00	206,393.45	3,790,082.00	72,440,618.23	72,076,850.94	12,848.00	223,762.61	3,426,314.71	4.99%	17,369.17	8.42%
Secondary Total		56,311,261.53	8,244.00	75,978.03	3,282,622.00	59,593,883.53	61,370,241.58	8,298.00	82,392.13	5,058,980.05	8.98%	6,414.10	8.44%
Total ALL Schools		124,961,797.76	21,426.00	282,371.48	7,072,704.00	132,034,501.76	133,447,092.52	21,146.00	306,154.75	8,485,294.76	6.79%	23,783.27	8.42%

Appendix 7a - General Fund Capital Programme 2025/26 - 2029/30

Scheme Name	2024/25 Forecast			2025/26 Forecast			2026/27 Forecast			2027/28 Forecast			2028/29 Forecast			2029/30 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)	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																		
ASC Digital Transformation	251	(93)	158	131	-	131	-	-	-	-	-	-	-	-	-	-	-	-
Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats	941	-	941	6,998	(6)	6,992	1,264	-	1,264	701	-	701	-	-	-	-	-	-
Adult Social Care - Sub Total	1,192	(93)	1,099	7,129	(6)	7,123	1,264	-	1,264	701	-	701	-	-	-	-	-	-
Housing & Communities																		
Provision of Gypsy & Traveller Accommodation	-	-	-	-	-	-	-	-	-	-	-	-	3,455	-	3,455	-	-	-
Harden Public Open Spaces to Prevent Illegal Encampments	35	-	35	25	-	25	25	-	25	25	-	25	25	-	25	25	-	25
Green Homes Scheme - GF element	40	(40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector)	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-
Foster Carer Extensions	325	-	325	275	-	275	200	-	200	-	-	-	-	-	-	-	-	-
Private Sector Renewals	250	-	250	250	-	250	300	-	300	300	-	300	300	-	300	300	-	300
Housing & Communities - Sub Total	1,847	(1,237)	610	1,747	(1,197)	550	1,722	(1,197)	525	1,522	(1,197)	325	4,977	(1,197)	3,780	1,522	(1,197)	325
Community & Adult Social Care - Total	3,039	(1,330)	1,709	8,876	(1,203)	7,673	2,986	(1,197)	1,789	2,223	(1,197)	1,026	4,977	(1,197)	3,780	1,522	(1,197)	325
Economic Growth and Neighbourhood Services																		
Planning, Transportation & Public Protection																		
Air Quality Monitoring	7	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 2	20	(20)	-	1,180	(1,180)	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 3	250	(250)	-	1,900	(1,900)	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 4	74	(74)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 4 extension	-	-	-	-	-	-	508	(508)	-	-	-	-	-	-	-	-	-	-
Berkshire Coroner's Removals	110	(81)	29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bus Service Improvement	11,184	(11,184)	-	4,834	(4,834)	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Transport Plan Development	472	(472)	-	1,900	(1,900)	-	900	(900)	-	989	(989)	-	400	(400)	-	400	(400)	-
National Cycle Network Route 422	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reading West Station	340	(340)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 1 & 2)	17	(17)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Street Trading Infrastructure	-	-	-	70	-	70	-	-	-	-	-	-	-	-	-	-	-	-
Construction of Green Park Station	10	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Car Park Investment Programme (inc P&D, Red Routes & Equipment)	331	(331)	-	326	(326)	-	326	(326)	-	326	(326)	-	326	(326)	-	326	(326)	-
CIL Local Funds - Community	159	(159)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Transport	806	(806)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIL Local Funds -Neighbourhood Allocation	1,498	(1,498)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S106 individual schemes list	988	(988)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defra Air Quality Grant - Go Electric Reading	18	(18)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electric Vehicle Charging Points	866	(866)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zero Emission Bus Regional Areas (ZEBRA) grant to RTL	4,736	(4,736)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clean Bus Technology	98	(98)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Air Quality Grant - AQ sensors awareness & behaviour change	36	(36)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport Demand Management Scheme	-	-	-	-	-	-	-	-	-	-	-	-	600	(600)	-	-	-	-
Planning, Transportation & Public Protection - Sub Total	22,020	(21,991)	29	10,210	(10,140)	70	1,734	(1,734)	-	1,315	(1,315)	-	1,326	(1,326)	-	726	(726)	-

Scheme Name	2024/25 Forecast			2025/26 Forecast			2026/27 Forecast			2027/28 Forecast			2028/29 Forecast			2029/30 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)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Culture																		
Leisure Centre Enhancement	1,934	(39)	1,895	661	-	661	976	-	976	308	-	308	217	-	217	581	-	581
Development of facilities at Prospect Park/Play	19	-	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reading Football Club Social Inclusion Unit to SRLC	-	-	-	1,534	(1,534)	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Leisure Schemes	153	-	153	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Levelling Up Delivery Plan - New performance space at the Hexagon Theatre	1,496	(1,496)	-	6,786	(6,596)	190	9,851	-	9,851	-	-	-	-	-	-	-	-	-
Levelling Up Delivery Plan - New Reading Library at the Civic Centre	6,231	(6,231)	-	7,183	(4,380)	2,803	-	-	-	-	-	-	-	-	-	-	-	-
Abbey Quarter restoration works	25	(25)	-	140	(140)	-	-	-	-	-	-	-	-	-	-	-	-	-
High Street Heritage Action Zone	150	-	150	67	(67)	-	-	-	-	-	-	-	-	-	-	-	-	-
Berkshire Record Office - extension of storage space	30	-	30	362	-	362	10	-	10	-	-	-	-	-	-	-	-	-
Hexagon lighting & emergency lighting replacement	114	-	114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hexagon replacement of PA System	360	-	360	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Directions Ways into work	59	(59)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shared Prosperity Fund	385	(385)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library Improvement Works	200	(200)	-	295	(295)	-	-	-	-	-	-	-	-	-	-	-	-	-
Tilghurst Library Works	2	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture - Sub Total	11,158	(8,437)	2,721	17,028	(13,012)	4,016	10,837	-	10,837	308	-	308	217	-	217	581	-	581
Environmental & Commercial Services																		
Playground equipment and Refreshment: Boroughwide	318	(50)	268	300	(300)	-	-	-	-	-	-	-	-	-	-	-	-	-
New Capital Bid - S106 Kenavon Drive Landscape	-	-	-	31	(31)	-	-	-	-	-	-	-	-	-	-	-	-	-
Victoria Rec	423	(423)	-	50	(50)	-	-	-	-	-	-	-	-	-	-	-	-	-
Restoration of historic Wall at Caversham Court Gardens	40	(40)	-	388	(168)	220	-	-	-	-	-	-	-	-	-	-	-	-
Ecological Works	-	-	-	21	(21)	-	-	-	-	-	-	-	-	-	-	-	-	-
John Rabson skatepark	10	(10)	-	342	(62)	280	-	-	-	-	-	-	-	-	-	-	-	-
Tree Planting	50	-	50	50	(4)	46	50	-	50	50	-	50	50	-	50	50	-	50
Highways Infrastructure Programme	5,791	(1,562)	4,229	6,900	(1,838)	5,062	3,000	(1,838)	1,162	1,838	(1,838)	-	1,838	(1,838)	-	1,838	(1,838)	-
Chestnut Walk Improvements	29	(15)	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Heritage and Culture	117	(117)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Leisure and Play	395	(395)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Highway Signals_Capital Bid	1,003	(949)	54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Invest to save energy savings - Street lighting	760	(746)	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pedestrian Defined Urban Pocket Gardens	75	-	75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pedestrian dropped kerb facilities with tactile pavers	205	-	205	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pedestrian handrails	111	-	111	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pumping Station Upgrade Scheme (new)	38	-	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reading Station Subway	450	(389)	61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Improvements	117	-	117	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cattle Market Car Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Digitised TRO's	150	-	150	150	-	150	-	-	-	-	-	-	-	-	-	-	-	-
Eastern Area Access Works	-	-	-	199	(199)	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Traffic Management and Road Safety Schemes	50	(50)	-	654	(654)	-	150	(150)	-	150	(150)	-	150	(150)	-	150	(150)	-
Oxford Road Corridor Works	-	-	-	299	(299)	-	-	-	-	-	-	-	-	-	-	-	-	-
Traffic Management Schools	-	-	-	431	(431)	-	100	(100)	-	100	(100)	-	100	(100)	-	100	(100)	-
Western Area Access Works	-	-	-	128	(128)	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Maintenance Workshop	1,306	-	1,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Vehicles	1,349	(125)	1,224	100	-	100	-	-	-	2,991	-	2,991	3,681	-	3,681	677	-	677
Environmental & Commercial Services - Sub Total	12,787	(4,871)	7,916	10,043	(4,185)	5,858	3,300	(2,088)	1,212	5,129	(2,088)	3,041	5,819	(2,088)	3,731	2,815	(2,088)	727

Scheme Name	2024/25 Forecast			2025/26 Forecast			2026/27 Forecast			2027/28 Forecast			2028/29 Forecast			2029/30 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)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Property & Asset Management																		
The Heights Permanent Site Mitigation	50	-	50	375	(297)	78	-	-	-	-	-	-	-	-	-	-	-	-
Corporate and Community Buildings	700	-	700	1,000	-	1,000	1,000	-	1,000	1,000	-	1,000	1,000	-	1,000	1,000	-	1,000
1 Dunsfold Fitout for BFIC Family Contact Centre - Development for Community Use	22	(19)	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Katesgrove Community and YOS Refurbishment - Development for Community Use	5	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance & Enhancement of Council Properties	75	-	75	-	-	-	-	-	-	8,725	-	8,725	-	-	-	-	-	-
Acre Business Park	-	-	-	-	-	-	-	-	-	-	-	-	596	-	596	-	-	-
Property & Asset Management - Sub Total	852	(19)	833	1,375	(297)	1,078	1,000	-	1,000	9,725	-	9,725	1,596	-	1,596	1,000	-	1,000
Management & Sustainability																		
Salix Decarbonisation Fund	150	-	150	603	-	603	-	-	-	-	-	-	-	-	-	-	-	-
Salix Re-Circulation Fund	250	(40)	210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Solar Programme	50	(12)	38	1,903	-	1,903	-	-	-	-	-	-	-	-	-	-	-	-
Management and Sustainability - Sub Total	450	(52)	398	2,506	-	2,506	-	-	-	-	-	-	-	-	-	-	-	-
Economic Growth and Neighbourhood Services Total	47,267	(35,370)	11,897	41,162	(27,634)	13,528	16,871	(3,822)	13,049	16,477	(3,403)	13,074	8,958	(3,414)	5,544	5,122	(2,814)	2,308
Resources																		
IT Future Operating Model	2,431	-	2,431	1,289	-	1,289	-	-	-	-	-	-	-	-	-	-	-	-
ICT Tech Refresh	-	-	-	436	-	436	689	-	689	680	-	680	555	-	555	640	-	640
Democratic Hybrid AV	146	-	146	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Management System	77	-	77	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cremator Procurement	100	-	100	707	-	707	-	-	-	-	-	-	-	-	-	-	-	-
Burial Chambers	80	-	80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Burial Space	-	-	-	166	-	166	166	-	166	1,416	-	1,416	1,382	-	1,382	-	-	-
Cemetery Land Acquisition	-	-	-	430	-	430	2,070	-	2,070	-	-	-	-	-	-	-	-	-
Resources Total	2,834	-	2,834	3,028	-	3,028	2,925	-	2,925	2,096	-	2,096	1,937	-	1,937	640	-	640
Economic Growth and Neighbourhood Services (Education Schemes)																		
Additional School Places - Contingency	50	(50)	-	900	(900)	-	350	(350)	-	-	-	-	-	-	-	-	-	-
DFC	222	(222)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SEN Provision - Avenue Centre	100	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Management	414	(414)	-	312	(312)	-	-	-	-	-	-	-	-	-	-	-	-	-
Civitas- Synthetic Sports Pitch	24	(24)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Crescent Road Playing Field Improvements	121	(121)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Critical Reactive Contingency: Health and safety (Schools)	495	(495)	-	300	(300)	-	560	(560)	-	-	-	-	-	-	-	-	-	-
Fabric Condition Programme	980	(980)	-	3,100	(3,100)	-	919	(919)	-	1,612	(1,612)	-	1,612	(1,612)	-	-	-	-
Green Park Primary School	60	(60)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heating and Electrical Renewal Programme	350	(350)	-	2,262	(2,262)	-	100	(100)	-	-	-	-	-	-	-	-	-	-
Initial Viability work for the Free School at Richfield Avenue	4	(4)	-	-	-	-	28	(28)	-	-	-	-	-	-	-	-	-	-
Katesgrove Primary Trooper Potts Building	56	(56)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Modular Buildings Review	500	(500)	-	250	(250)	-	900	(900)	-	-	-	-	-	-	-	-	-	-
Pinecroft-Children who have complex health, physical,sensory,disabilities & challenging behaviour	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cressingham- Community Short Breaks Provision	260	-	260	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision of additional Children's Homes	685	-	685	816	-	816	-	-	-	-	-	-	-	-	-	-	-	-
Children's Home for Children with Disabilities	-	-	-	-	-	-	1,138	-	1,138	-	-	-	-	-	-	-	-	-
Early Years increase to 30 hours provision	270	(270)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dee Park Regeneration - Housing Infrastructure Fund (school)	5,263	(5,263)	-	-	-	-	6,153	(6,153)	-	-	-	-	-	-	-	-	-	-
Public Sector Decarbonisation Funds - School Estate Double Glazing Programme	786	(786)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SCD Units	25	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Fire Risk Assessed remedial Works	310	(310)	-	-	-	-	163	(163)	-	-	-	-	-	-	-	-	-	-
SEN High Needs provision capital allocations	1,500	(1,500)	-	2,199	(2,199)	-	1,990	(1,990)	-	-	-	-	-	-	-	-	-	-
The Heights Temporary School	351	(351)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park Lane Primary School Annexe Replacement	2,270	(2,270)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Growth and Neighbourhood Services (Education Schemes) Total	15,098	(14,151)	947	10,139	(9,323)	816	12,301	(11,163)	1,138	1,612	(1,612)	-	1,612	(1,612)	-	-	-	-
Corporate																		
Delivery Fund (Pump priming for Transformation projects)	3,144	-	3,144	1,500	-	1,500	1,500	-	1,500	1,500	-	1,500	1,500	-	1,500	1,500	-	1,500
Oracle Shopping Centre capital works	100	-	100	100	-	100	100	-	100	100	-	100	100	-	100	100	-	100
Minster Quarter - Brownfield Land Grant Element	500	(500)	-	1,500	(1,500)	-	-	-	-	-	-	-	-	-	-	-	-	-
Minster Quarter	155	-	155	523	-	523	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Total	3,899	(500)	3,399	3,623	(1,500)	2,123	1,600	-	1,600	1,600	-	1,600	1,600	-	1,600	1,600	-	1,600
General Fund Total	72,137	(51,351)	20,786	66,828	(39,660)	27,168	36,683	(16,182)	20,501	24,008	(6,212)	17,796	19,084	(6,223)	12,861	8,884	(4,011)	4,873

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Appendix 7b - HRA Capital Programme 2025/26 - 2029/30

Scheme Name	2024/25			2025/26			2026/27			2027/28			2028/29			2029/30		
	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net	Spend	Funding	Net
	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)	(£,000's)
Disabled Facilities Grants	595	-	595	812	-	812	600	-	600	600	-	600	600	-	600	600	-	600
Housing Management System	148	-	148	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Major Repairs - Existing Homes Renewal	8,528	-	8,528	14,041	-	14,041	12,087	-	12,087	7,894	-	7,894	9,025	-	9,025	9,025	-	9,025
Major Repairs - Zero Carbon Retrofit works	4,429	-	4,429	6,877	-	6,877	3,500	-	3,500	3,400	-	3,400	875	-	875	875	-	875
Acquisitions from Homes for Reading	-	-	-	15,750	-	15,750	9,450	-	9,450	6,615	-	6,615	-	-	-	-	-	-
Single Homelessness Accommodation Programme (SHAP)	1,186	(540)	646	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Homes Provided under Local Authority Housing Fund	1,002	(843)	159	3,019	(846)	2,173	-	-	-	-	-	-	-	-	-	-	-	-
Local authority new build programme for Older people and vulnerable adults	2,572	(2,049)	523	16,782	(8,386)	8,396	500	-	500	-	-	-	18,344	-	18,344	-	-	-
New Build & Acquisitions - Phase 2 - 4	8,875	(4,133)	4,742	32,862	(5,169)	27,693	3,641	-	3,641	487	-	487	-	-	-	-	-	-
Grand Total	27,335	(7,565)	19,770	90,143	(14,401)	75,742	29,778	-	29,778	18,996	-	18,996	28,844	-	28,844	10,500	-	10,500

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Appendix 8 - Flexible Capital Receipts Strategy

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. The Local Government Finance Policy Statement 2025 to 2026 confirmed that the flexible use of capital receipts directive would be extended to 2030 and would also remove the restriction with respect to redundancy costs, that previously limited the use of the flexibility to statutory redundancy costs only, to support authorities in taking forward transformation and invest-to-save projects.
- 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 2024 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 Medium Term Financial Strategy 2025/26-2027/28 contains £11.559m of savings and £4.541m of additional income proposed to be delivered over the forthcoming three years.
- 2.2. This strategy and investment proposals support the delivery of those savings or mitigate future additional spending pressures that would otherwise materialise. The cost of investing in making these savings is included within the General Fund Capital Programme and is, under regulations, funded from the use of capital receipts.

3. Delivery Fund

- 3.1 A report to Council on 26th June 2018 established the Delivery Fund and set out in detail how the £13.576m 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 The table below summarises the forecast budgets and historic actual spend by the Delivery Fund from positions previously presented to Members.

Table 1. Current Delivery Fund to 31st March 2025

	Prior Years (£000)	2023/24 (£000)	2024/25 (£000)	Total (£000)
February 2024				
Capital Receipts Strategy (Allocated)	15,352	4,790	650	20,792
Contingency (Unallocated)	0	0	937	937
Total	15,352	4,790	1,587	21,729
February 2025				
Capital Receipts Strategy (Allocated)	15,352	3,234	3,097	21,682
Contingency (Unallocated)	0	0	46	46
Total	15,352	3,234	3,143	21,729

- 3.4 The change in forecast spend between February 2024 and February 2025 includes the roll forward of underspends from 2023/24, and further re-phasing of 2024/25 budgets together with new spend proposals being approved and others being identified as no longer required.
- 3.5 There is currently £0.046m of unallocated contingency available to fund future delivery fund bids in 2025/26. Any additional bids approved in 2024/25 will reduce the amount of unallocated contingency to roll forward into 2025/26.
- 3.6 The Flexible Capital Receipts Strategy for 2025/26 has been updated to include an expectation that any investment from the Delivery Fund should be recovered by at least an equivalent resulting saving over the current Medium Term Financial Strategy period (2025/26-2027/28).
- 3.7 The Director of Finance has reviewed the current forecast for usable capital receipts and has allocated an initial £1.500m each year for 2025/26-2029/30 to be made available for the Delivery

Fund. These allocations will be reviewed in line with updated capital receipt forecasts and other financing requirements, and any changes will be reported to Policy Committee as part of the quarterly Performance & Monitoring Reports.

- 3.8 The following table sets out the future year Delivery Fund allocations, excluding any amounts to be rolled forward from 2024/25 (which will be confirmed as part of the Quarter 4 Performance Report when the 2024/25 actual position will crystallise):

Table 2. Proposed Delivery Fund 2025/26-2029/30

	2025/26 (£000)	2026/27 (£000)	2027/28 (£000)	2028/29 (£000)	2029/30 (£000)
Capital Receipts Strategy (Allocated)	0	0	0	0	0
Contingency (Unallocated)	1,500	1,500	1,500	1,500	1,500
Total	1,500	1,500	1,500	1,500	1,500

- 3.9 Annex A to this Strategy contains a list of all individual Delivery Fund allocations.

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Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2024/25 Budget (£000)	2025/26 Proposed Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
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 CCG	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) extension	20	-	-	-	-	-	-	20
Reducing Adult Social Care contracts spend	Commissioning Capacity at Senior Level	191	-	-	-	-	-	-	191
Delivery Models for Commissioning, Prevention & Quality Services	Consultancy advice - accommodation pathway	79	-	-	-	-	-	-	79
	Consultancy advice for service shaping	30	-	-	-	-	-	-	30
	Senior Transformation Manager	177	-	-	-	-	-	-	177
Workforce consultancy & Training Programmes (Partners for change)	Workforce consultancy & Training Programmes (Partners for change)	123	-	-	-	-	-	-	123
Transitions - operational consultant	Transitions - operational consultant	21	-	-	-	-	-	-	21
Direct Payments - 2x PA Officers	Direct Payments - 2x PA Officers	94	-	-	-	-	-	-	94
Locum Social Workers x4 Reviewing Team Project	Locum Social Workers x4 Reviewing Team Project	252	-	-	-	-	-	-	252
Investment in Technology Enabled Care at home	Funding for TECH Team	139	-	-	-	-	-	-	139
Enhanced reablement for mental health and learning disability service users	Transformation Partner MH/LD	64	-	-	-	-	-	-	64
Transitions Top Up - Transitions Practitioner	Transitions Top Up - Transitions Practitioner	31	-	-	-	-	-	-	31
Outcome based Service Delivery - Locum Worker and OT	Outcome based Service Delivery - Locum Worker and OT	109	24	-	-	-	-	-	133
PM for outcomes, decision making and outreach.	PM for outcomes, decision making and outreach.	130	-	-	-	-	-	-	130
PM for Front Door, Reading Services Guide and Digital Front Door.	PM for Front Door, Reading Services Guide and Digital Front Door.	64	-	-	-	-	-	-	64
Reducing the number of overdue reviews	Reducing the number of overdue reviews	143	-	-	-	-	-	-	143
Reduce people waiting for Mental Capacity Assessments to move from Appointee to Court Appointed Deputy	Reduce people waiting for Mental Capacity Assessments to move from Appointee to Court Appointed Deputy	49	-	-	-	-	-	-	49
Physiotherapist for community rehabilitation post rapid hospital discharge	Physiotherapist for community rehabilitation post rapid hospital discharge	57	-	-	-	-	-	-	57
Relaunch & expand NHS Health Checks Programme	Relaunch & expand NHS Health Checks Programme	56	-	-	-	-	-	-	56
CHC Resource	CHC Resource	87	-	-	-	-	-	-	87
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)	376	-	-	-	-	-	-	376
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
Social Care Reform	Prog Man, Proj Man & Fin Analyst	-	-	-	-	-	-	-	-
CQC Assurance	Sen. Commissioning Officer, Care Gov. Officer, Senior Performance Analyst, Business Analyst, Guidance Tool	267	323	-	-	-	-	-	590
DACHS VCS Front Door and Online Signposting/Self-Serve Tool & Mosaic Development		37	755	-	-	-	-	-	792

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2024/25 Budget (£000)	2025/26 Proposed Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
Maximising DACHS Income	Additional Debt Recovery staff in ASC, Finance and Legal.	141	198	-	-	-	-	-	339
Adult LD/MH Reablement		42	44	-	-	-	-	-	86
Preparing for Adulthood Enablement Project		-	80						80
Total: Directorate of Communities & Adult Social Care (DCASC)		4,463	1,424	-	-	-	-	-	5,887

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2024/25 Budget (£000)	2025/26 Proposed Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
Working across workstream of Corporate Change Programme to deliver savings and transformation	Project Officer 1	51	-	-	-	-	-	-	51
Review of waste collection delivery models. Also connected to Waste Operations-optimising collection routes; Increase Trade Waste Collection and Disposal service turn over by 100% (£650,000pa to £1.3m)	Specialist advice and support, administration resource, Contract manager costs, Procurement of IT systems, Introduction of revised collection schedule	189	-	-	-	-	-	-	189
Review option of trust model for Arts	Consultancy costs	29	-	-	-	-	-	-	29
Maximising Income from the Town Hall & Museum	Consultancy support to provide commercial advice on business plan and associated staffing structures	26	-	-	-	-	-	-	26
Review existing Parking Permit Charges	Comms Support, IT Support	11	-	-	-	-	-	-	11
Extend residents parking permit areas	Consultant support	89	-	-	-	-	-	-	89
Introduce Bus Lane Enforcement on Kings Road and Forbury Road bus lanes	DLO support to introduce new parking schemes	1	-	-	-	-	-	-	1
Close half of public conveniences - costs related to carrying out a review of the provision	Consultancy costs and costs to improve remaining facilities	12	-	-	-	-	-	-	12
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)	Project management (consultant) of procurement process (if it goes ahead based on 1st stage)	42	9	-	-	-	-	-	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	Project Manager	37	-	-	-	-	-	-	37
Consultancy - report writing	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
Food Waste	Project Manager	83	-	-	-	-	-	-	83
	Consultants to carry out modelling	8	-	-	-	-	-	-	8
	Stickers and Leaflets (Phases 1 & 2)	36	-	-	-	-	-	-	36
	Mailout to all residents	32	-	-	-	-	-	-	32
	Communications time and production	47	-	-	-	-	-	-	47
	Marketing	104	-	-	-	-	-	-	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		77	53	-	-	-	-	-	130
Culture Fundraising Campaign	Consultant	-	20	-	-	-	-	-	20
Whitespace system for Streetscene	Hardware, software licences and implementation costs.	148	24	-	-	-	-	-	172
Streetworks Permit Scheme	Streetworks Permit Scheme	-	100	-	-	-	-	-	100
Total: Directorate of Economic Growth and Neighbourhoods (DEGNS)		2,490	206	-	-	-	-	-	2,696
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

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2024/25 Budget (£000)	2025/26 Proposed Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
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
	Project Officer	86	-	-	-	-	-	-	86
Management and Staffing Review	Contribution to Team Reading costs	10	-	-	-	-	-	-	10
	OD upskilling	11	-	-	-	-	-	-	11
	Business Analysts x 2	138	-	-	-	-	-	-	138
Executive Recruitment Search Fees	Psychometric Assessment Training	17	-	-	-	-	-	-	17
ICT Accelerator	ICT Accelerator	174	-	-	-	-	-	-	174
Modern Workplace Project	Modern Workplace Project	72	-	-	-	-	-	-	72
Finance Transformation	Finance Transformation	187	-	-	-	-	-	-	187
PMO Training	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	Staffing costs for Interim Chief Accountant	338	10	-	-	-	-	-	348
Staffing costs for Finance Transformation Consultant	Staffing costs for Finance Transformation Consultant	30	-	-	-	-	-	-	30
Finance system implementation lead and support	Finance system implementation lead and support	261	-	-	-	-	-	-	261

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2024/25 Budget (£000)	2025/26 Proposed Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
Customer Service and Corporate Improvement Service	Senior Project Manager, Business Analyst x3	346	-	-	-	-	-	-	346
Procurement Training & Support	Support for current and future savings delivery related to Procurement & Contracts	153	164	-	-	-	-	-	317
Strengthen Financial Support	Strategic Finance Business Partner for 2 Years fixed term	105	134	-	-	-	-	-	239
Traded Services within HR&OD	BACS Bureau set up costs	-	-	-	-	-	-	-	-
PMO Team		300	300	-	-	-	-	-	600
Events & Engagement Income generation	Events Assistant	16	14	-	-	-	-	-	30
Finance Transformation	Change Manager	119	130	-	-	-	-	-	249
Finance Transformation - AP Prepayments		82	-	-	-	-	-	-	82
Finance Transformation - Procurement		130	-	-	-	-	-	-	130
EDI Strategy		22	-	-	-	-	-	-	22
Debt Recovery		-	173	-	-	-	-	-	173
Total: Director of Resources (DOR)		6,027	925	-	-	-	-	-	6,952

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2024/25 Budget (£000)	2025/26 Proposed Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
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	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	757	-	-	-	-	-	-	757
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		240	-	-	-	-	-	-	240
SEND Transport Review		100	-	-	-	-	-	-	100
Transformation of SEND System		330	-	-	-	-	-	-	330
School Travel Training		34	241	-	-	-	-	-	275
Finance Transformation		147	-	-	-	-	-	-	147
Transformation Lead		55	162	-	-	-	-	-	217
Children's Social Care Consultant Practitioners		138	139	-	-	-	-	-	277
Total: Childrens (BFFC)		5,606	542	-	-	-	-	-	6,148
Capacity to manage and support Corporate Programme of Change	Managing Change - unallocated funding	-	46	1,500	1,500	1,500	1,500	1,500	7,546
Total: Unallocated / Contingency		-	46	1,500	1,500	1,500	1,500	1,500	7,546
Total: All Projects		18,586	3,143	1,500	1,500	1,500	1,500	1,500	29,229

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Communities and Adult Social Care

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
SOCIAL CARE SERVICES								
Respite Rates - Non-Reading Residents (Other Local Authority)	Weekday - 1:1 Bed	Night	£630.80		£662.30		£31.50	4.99%
Respite Rates - Reading Residents	Weekday - 1:1 Bed	Night	£517.70		£543.60		£25.90	5.00%
LD Day Services (Strathly Close) - Non-Reading Residents (Other Local Authority)	1:1 People who need continuous high level of support & personal care	Day	£252.50		£265.10		£12.60	4.99%
	1:2 People who need high level of support & personal care	Day	£146.10		£153.40		£7.30	5.00%
	1:4 People who need additional specific support or supervision with behaviour and/or personal care	Day	£93.10		£97.80		£4.70	5.05%
LD Day Services (Strathly Close) - Reading Residents	1:1 People who need continuous high level of support & personal care	Day	£197.40		£207.30		£9.90	5.02%
	1:2 People who need high level of support & personal care	Day	£110.60		£116.20		£5.60	5.06%
	1:4 People who need additional specific support or supervision with behaviour and/or personal care	Day	£67.30		£70.70		£3.40	5.05%
The Maples (Older Peoples Day Service)	Day Rate	Day	£52.10		£54.70		£2.60	4.99%
	Day Centre Meals	Meal	£5.50	£6.60	£5.75	£6.90	£0.25	4.55%
	Refreshments Only	Refreshments	£1.20		£1.30		£0.10	8.33%
	Outreach Service - Half Day Rate	Hour	£8.67		£10.00		£1.33	15.34%
Home Care Services - CRT	Use of Reading Borough Council services after reablement period Rate 1	Hour	£21.90		£23.00		£1.10	5.02%
	Use of Reading Borough Council services after reablement period Rate 2	Hour	£44.70		£47.00		£2.30	5.15%
OTHER CHARGES								
Self Funder	Set up charge	Once	£352.70		£370.30		£17.60	4.99%
	Annual Fee	Year	£290.10		£304.60		£14.50	5.00%
Deferred Payment Agreement (DPA)	Set-up Fees (excluding Land Registry fees, property valuation fees if required, cost of specialist legal/financial advice if required, which are recharged at actual cost to the Council on a case by case basis).	Once		Please refer to DoR Legal Services item 'Deferred Payment Agreement Flat Fee'	Please refer to DoR Legal Services item 'Deferred Payment Agreement Flat Fee'			
	Admin set up Fee (Other administrative set-up costs)	Once	£176.10		£184.90		£8.80	5.00%
Deferred Payment Agreement (DPA) & Interim Funding Arrangement	Annual Fee (excluding property valuation fees, Land Registry fees, cost of specialist legal/financial advice which are recharged at actual cost to the Council on a case by case basis if required).	Year	£281.90		£296.00		£14.10	5.00%
Deputies Fees - Statue Law	Category 1 - Work up until the date the Court makes an order		£944.00		£944.00		£0.00	0.00%
	Category 2 - Applications under the Trustee Act		£633.00		£633.00		£0.00	0.00%
	Category 3 - Applications made by an existing Deputy		£633.00		£633.00		£0.00	0.00%
	Category 4 - First year		£982.00		£982.00		£0.00	0.00%
	Category 4 - Second and subsequent years		£824.00		£824.00		£0.00	0.00%
	Category 4 - Where the clients net assets are below £20,300, fee to not exceed 3.5%		Variable		Variable		£0.00	0.00%
	Category 5 - Annual property management		£380.00		£380.00		£0.00	0.00%
	Category 6 - OPG annual report		£274.00		£274.00		£0.00	0.00%
	Category 7 - Basic tax return		£89.00		£89.00		£0.00	0.00%
Deputies Fees	Travel rates - Per hour		£51.00		£51.00		£0.00	0.00%
	Appointeeship fees - Set up fee		£80.00		£84.00		£4.00	5.00%
	Appointeeship fees - Monthly Charge		£60.00		£63.00		£3.00	5.00%
	Deceased work		N/A		£400.00		£0.00	0.00%
	Banking charges		£5.00		£5.30		£0.30	6.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Communities and Adult Social Care

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
SMALL GROUP HOMES - SUPPPORTED LIVING								
Stanshawe Rd	All rooms	Week	£148.00		£152.00		£4.00	2.70%
Parkhurst Dr	Room 1,2,5 & 6	Week	£154.30		£158.50		£4.20	2.72%
	Room 3	Week	£148.00		£152.00		£4.00	2.70%
York Rd	All rooms	Week	£148.00		£152.00		£4.00	2.70%
Wensley Rd	All rooms	Week	£148.00		£152.00		£4.00	2.70%
Alexandra Road	All rooms	Week	£154.30		£158.50		£4.20	2.72%
Northumberland Ave	All rooms	Week	£148.00		£152.00		£4.00	2.70%
Liebenrood Rd	All rooms	Week	£225.70		£231.80		£6.10	2.70%
Argyle Rd	All rooms	Week	£148.00		£152.00		£4.00	2.70%
Corwen Rd	All rooms	Week	£154.30		£158.50		£4.20	2.72%
Appleford Rd	All rooms	Week	£148.00		£152.00		£4.00	2.70%
Great Knollys St	All rooms	Week	£148.00		£152.00		£4.00	2.70%
Bob Green Court	All rooms	Week	£148.00		£152.00		£4.00	2.70%
Focus House	All rooms	Week	£148.00		£152.00		£4.00	2.70%
HOUSING								
Temporary Accommodation Charges - B&B	One Room	Each	Rent + variable service charge per property is charged		Rent + variable service charge per property is charged			
	Two Room	Each						
Temporary Accommodation charges Base Rent - non B&B	One Room/One Bedroom	Each						
	Two Bedrooms	Each						
	Three Bedrooms	Each						
Temporary Accommodation charges Service Charge - non B&B	One Room/One Bedroom	Each						
	Two Bedrooms	Each						
	Three Bedrooms	Each						
Garage Rental (Weekly)								
Category A	Council Tenant	Each	£17.00		£17.00		£0.00	0.00%
	Disabled Council Tenant	Each	£15.80		£15.80		£0.00	0.00%
	Other Borough Resident	Each	£16.92	£20.30	£16.92	£20.30	£0.00	0.00%
	Disabled Borough Resident	Each	£15.83	£19.00	£15.83	£19.00	£0.00	0.00%
Category B	Council Tenant	Each	£12.60		£12.60		£0.00	0.00%
	Disabled Council Tenant	Each	£11.50		£11.50		£0.00	0.00%
	Other Borough Resident	Each	£12.42	£14.90	£12.42	£14.90	£0.00	0.00%
	Disabled Borough Resident	Each	£11.33	£13.60	£11.33	£13.60	£0.00	0.00%
COMMUNITY SAFETY								
Town Safe Radio Membership daytime		Annual membership	£450.00	£540.00	£450.00	£540.00	£0.00	0.00%
Town Safe Associate member		Annual membership	£225.00	£270.00	£225.00	£270.00	£0.00	0.00%
Town Safe External member		Annual membership	£250.00	£300.00	£250.00	£300.00	£0.00	0.00%
Town Safe Night-time full membership		Annual membership	£400.00	£480.00	£400.00	£480.00	£0.00	0.00%
Internal partners		Annual membership	£250.00		£250.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
STRATEGIC TRANSPORT								
Concessionary Fares Replacement Pass	Market Rate	Each	£11.25	£13.50	£11.25	£13.50	£0.00	0.00%
Car Park Charge at MereOak Park & Ride Site	Concession Rate	Each	£0.83	£1.00	£0.83	£1.00	£0.00	0.00%
Access Fee for the Reading Transport Model	Market Rate	Each	£469.17	£563.00	£541.67	£650.00	£72.50	15.50%
Buzz 42 Bus Ticket	Single Ticket	Each	£0.92	£1.10	£1.67	£2.00	£0.75	81.50%
PARKING PERMITS								
Parking Permits	Business	Each	£331.00		£348.00		£17.00	5.10%
	Carer Permit	Each	£0.00		£0.00		£0.00	0.00%
	Carer Permit (Offline)	Each	£0.00		£0.00		£0.00	0.00%
	Charity Discretionary FOC	Each	£0.00		£0.00		£0.00	0.00%
	Charity Discretionary	Each	£145.00		£152.00		£7.00	4.80%
	Charity Visitor (Discretionary)	Each	£26.00		£27.00		£1.00	3.80%
	Charity/Community Agency FOC	Each	£0.00		£0.00		£0.00	0.00%
	Charity/Community Agency	Each	£145.00		£152.00		£7.00	4.80%
	Chester Street Car Park	Each	£0.00		£0.00		£0.00	0.00%
	Disc. Business Visitor Permit	Each	£26.00		£27.00		£1.00	3.80%
	Disc. Resident Visitor Permit FOC	Each	£0.00		£0.00		£0.00	0.00%
	Disc. Resident Visitor Permit	Each	£26.00		£27.00		£1.00	3.80%
	Discretionary (Business)	Each	£398.00		£418.00		£20.00	5.00%
	Discretionary (Nannies)	Each	£398.00		£418.00		£20.00	5.00%
	Discretionary (Resident) 1st	Each	£48.00		£50.00		£2.00	4.20%
	Discretionary (Resident) 2nd	Each	£178.00		£187.00		£9.00	5.10%
	Discretionary (Resident) 3rd	Each	£362.00		£380.00		£18.00	5.00%
	Discretionary (Residents) 1st	Each	£48.00		£50.00		£2.00	4.20%
	Discretionary (Residents) 2nd	Each	£180.00		£189.00		£9.00	5.00%
	Discretionary (Residents) 3rd	Each	£362.00		£380.00		£18.00	5.00%
	Discretionary (Teachers)	Each	£48.00		£50.00		£2.00	4.20%
	Discretionary (Visitor) FOC	Each	£0.00		£0.00		£0.00	0.00%
	Discretionary (Visitor)	Each	£26.00		£27.00		£1.00	3.80%
	Discretionary (Visitors) FOC	Each	£0.00		£0.00		£0.00	0.00%
	Discretionary (Visitors)	Each	£26.00		£27.00		£1.00	3.80%
	Discretionary Business Permit	Each	£398.00		£418.00		£20.00	5.00%
	Discretionary Business Visitor	Each	£26.00		£27.00		£1.00	3.80%
	Emergency cover	Each	£36.00		£38.00		£2.00	5.60%
	Foreign Vehicle	Each	£398.00		£418.00		£20.00	5.00%
	HealthCare Professional Permit	Each	£48.00		£50.00		£2.00	4.20%
	Landlord (Annual Permit)	Each	£398.00		£418.00		£20.00	5.00%
	Landlord (daily)	Each	£8.00		£9.00		£1.00	12.50%
	Medical Practitioner Permit	Each	£48.00		£50.00		£2.00	4.20%
	Resident Permit 1st Permit	Each	£48.00		£50.00		£2.00	4.20%
	Resident Permit 2nd Permit	Each	£180.00		£189.00		£9.00	5.00%
	Resident Permit (Offline) 1st Permit	Each	£48.00		£50.00		£2.00	4.20%
	Resident Permit (Offline) 2nd Permit	Each	£180.00		£189.00		£9.00	5.00%
	Special Vehicle Access	Each	£0.00		£0.00		£0.00	0.00%
	Special Vehicle Permit - Daily	Each	£0.00		£0.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Parking Permits	Temporary - All Zones	Each	£19.00		£20.00		£1.00	5.30%
	Temporary - Resident	Each	£19.00		£20.00		£1.00	5.30%
	Temporary - Resident (Offline)	Each	£19.00		£20.00		£1.00	5.30%
	Temporary - scratchcard	Each	£19.00		£20.00		£1.00	5.30%
	Tradesperson (Annual Permit)	Each	£398.00		£418.00		£20.00	5.00%
	Tradesperson (Daily)	Each	£8.00		£9.00		£1.00	12.50%
	Tradesperson (scratchcard)	Each	£13.00		£14.00		£1.00	7.70%
	Visitor (Business)	Each	£26.00		£27.00		£1.00	3.80%
	Visitor (Charity/Community)	Each	£26.00		£27.00		£1.00	3.80%
	Visitor Resident (Offline) FOC	Each	£0.00		£0.00		£0.00	0.00%
	Visitor Resident (Offline)	Each	£26.00		£27.00		£1.00	3.80%
	Visitor Resident Permit FOC	Each	£0.00		£0.00		£0.00	0.00%
	Visitor Resident Permit	Each	£26.00		£27.00		£1.00	3.80%
NEIGHBOURHOODS - STREET SCENE								
Mooring	Standard	24 hrs.	£8.33	£10.00	£8.33	£10.00	£0.00	0.00%
	Standard	Up to 4hrs	£3.75	£4.50	£3.75	£4.50	£0.00	0.00%
Allotments	Site Category A Standard	Per year Per 25 sqm	£9.00		£10.80		£1.80	20.00%
	Site Category A YRP discount	Per year Per 25 sqm	£8.10		N/A		N/A	N/A
	Site Category A Concession	Per year Per 25 sqm	£1.50		£6.50		£5.00	333.30%
	Site Category B Standard	Per year Per 25 sqm	£6.50		£7.80		£1.30	20.00%
	Site Category B YRP discount	Per year Per 25 sqm	£5.85		N/A		N/A	N/A
	Site Category B Concession	Per year Per 25 sqm	£1.10		£4.70		£3.60	327.30%
	Site Category C Standard	Per year Per 25 sqm	£4.50		£5.40		£0.90	20.00%
	Site Category C YRP discount	Per year Per 25 sqm	£4.05		N/A		N/A	N/A
	Site Category C Concession	Per year Per 25 sqm	£0.75		£3.30		£2.55	340.00%
	Start Up Fees Standard	Each	£49.00		£51.00		£2.00	4.10%
	Shed Rental	Each	£16.50		£17.50		£1.00	6.10%
	Chickens	Per year Per 25 sqm	£16.50		£17.50		£1.00	6.10%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
HIGHWAYS								
Drainage Works	Rodding - Daytime	Each	£85.00		£87.00		£2.00	2.40%
	Rodding - Out of Hours	Each	£94.00		£96.00		£2.00	2.10%
	Jetting - Daytime	Each	£113.50		£116.00		£2.50	2.20%
	Jetting - Out of Hours	Each	£127.00		£130.00		£3.00	2.40%
	Cesspools & Septic Tanks	Per 1000 Gallons	£239.00		£250.00		£11.00	4.60%
	CCTV Surveys	Each	£282.00		£290.00		£8.00	2.80%
	Recovery of property from gullies	Each	£61.00		£65.00		£4.00	6.60%
Out of Hours Call Out	Fixed fee for standby and vehicle costs	Per call out	Price on Application		Price on Application			
Accident Reclaims	Administration Fee	Each	£81.00		£150.00		£69.00	85.20%
	Inspectors Visit	Each	£81.00		£150.00		£69.00	85.20%
Administration Charges	Reproduction of Agreements	Each	£81.00		£150.00		£69.00	85.20%
	Reproduction of plan	Each	£81.00		£150.00		£69.00	85.20%
Footway Crossings	Application Fee - inc 1 visit (Council contractor)	Each	£81.00		£150.00		£69.00	85.20%
	Supervision fee if RBC constructing	Each	£143.50		£150.00		£6.50	4.50%
	Admin fee is RBC constructing	Each	£81.00		£150.00		£69.00	85.20%
	Cost of construction	Cost of Works	Price on Application		Price on Application			
	Using own contractor fee (following 1st site visit) contractor licence	Each	£442.00		£475.00		£33.00	7.50%
	Admin & Site supervision for using own contractor	Each	£143.50		£150.00		£6.50	4.50%
	Cost of construction	Cost of Works	Price on Application		Price on Application			
	Supervision Of Works (Project <£250k)	Cost of Works						
	Design Check & Admin (Project <£250k)	Cost of Works						
	Supervision Of Works (Project >£250k)	Cost of Works						
	Design Check & Admin (Project >£250k)	Cost of Works						
Solicitor Enquiries	Search written response with 1 map	Each	£68.00		£71.50		£3.50	5.10%
	Search additional map request	Each	£31.50		£33.00		£1.50	4.80%
Administration Charges	Reproduction of Agreements	Each	£68.00		£71.50		£3.50	5.10%
	Reproduction of plan	Each	£68.00		£71.50		£3.50	5.10%
Skip Licences	Skip permit application and first 2 weeks	Each	£90.90		£95.50		£4.60	5.10%
	Skip permit fee for each additional week	Each	£41.10		£43.25		£2.15	5.20%
	Labour cost (clean up team) per hour	Each	Price on Application		Price on Application			
	Tipping waste (transportation and disposal cost) per tonne	Each						
A-Boards	Application fee	Each	£119.00		£125.00		£6.00	5.00%
	Annual Licence fee	Each	£86.00		£90.00		£4.00	4.70%
	Recovery of A board from store	Each	£66.00		£75.00		£9.00	13.60%
	Application and licence fee	Each	£75.00		£75.00		£0.00	0.00%
EV Charging Footway Channel	Installation costs	Cost of Works	Price on Application		Price on Application			
Miscellaneous Income	Scaffold / Hoarding Licence Fee - Resident	Up to 4 weeks	£199.00		£210.00		£11.00	5.50%
	Scaffold / Hoarding Licence Fee - Commercial	Up to 4 weeks	£330.00		£347.00		£17.00	5.20%
	Scaffold / Hoarding Licence Fee - Renewal	Further period of up to 4 weeks.	£152.00		£160.00		£8.00	5.30%
	Stopping up of the public highway applications	Each	£931.00		£980.00		£49.00	5.30%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Miscellaneous Income	S171 Licence (e.g. works on highway or store building material on the highway)	Up to 4 weeks	£473.00		£500.00		£27.00	5.70%
		Each additional week or part week	£31.00		£33.00		£2.00	6.50%
	S142 Licence to plant on highway	Each	£229.00		£240.00		£11.00	4.80%
	S177 Projection over highway	Each	£473.00		£500.00		£27.00	5.70%
	Consenting on ordinary watercourse	Each	£50.00		£50.00		£0.00	0.00%
	Swapouts	Each	£452.00		£500.00		£48.00	10.60%
	Application fee for access protection markings to existing footway crossings	Each	£58.00		£75.00		£17.00	29.30%
	Provision of new access protection marking up to 5m long	Each	£30.00		£35.00		£5.00	16.70%
	Provision of new access protection marking each additional metre over 5m	Metre	£6.50		£10.00		£3.50	53.80%
	Refreshing access protection marking up to 5m long	Each	£30.00		£35.00		£5.00	16.70%
	Refreshing access protection marking each additional metre	Metre	£6.50		£10.00		£3.50	53.80%
	Access control/Key for lockable bollard fee	Each	£60.00		£75.00		£15.00	25.00%
	Disabled Box application	Each	£58.00		£75.00		£17.00	29.30%
NEIGHBOURHOODS - WASTE								
Special Collections	Collection of 3 Items	Each	£54.60		£58.00		£3.40	6.20%
	Collection of 3 Items - Concession	Each	£41.00		£43.50		£2.50	6.10%
	Each additional item	Each	£8.70		£9.00		£0.30	3.40%
	Fridge freezers - Domestic fridge/freezer (tall)	Each	£52.40		£55.00		£2.60	5.00%
	Fridge freezers - Concession	Each	£39.30		£41.25		£1.95	5.00%
	Cancellation charge (less than 3 days before collection)	Each	£12.30		£12.50		£0.20	1.60%
	- Half load	1/2 load	Price on Application		Price on Application			
	- Full load	1 Load						
Trade Waste	Trade General sack in multiples of 50	Per 50	£165.00		£174.00		£9.00	5.50%
	Trade recycling sack in multiples of 50	Per 50	£115.00		£121.00		£6.00	5.20%
Bins (Wheeled/other)	Residual 140 Litre - New Development & Replacement	Each	£30.00		£32.00		£2.00	6.70%
	Residual 240 Litre - New Development & Replacement	Each	£65.00		£68.00		£3.00	4.60%
	Residual 360 Litre - New Development & Replacement	Each	£86.50		£90.00		£3.50	4.00%
	Recycling 240 Litre - New Development	Each	£65.00		£68.00		£3.00	4.60%
	Recycling 240 Litre - Replacement	Each	£0.00		£0.00		£0.00	0.00%
	Recycling 360 Litre - New Development & Replacement	Each	£86.50		£90.00		£3.50	4.00%
	Food 180 Litre - New Development & Replacement	Each	£39.00		£41.00		£2.00	5.10%
	Food 240 Litre - New Development & Replacement	Each	£65.00		£68.00		£3.00	4.60%
	Food 23 Litre - New Development	Each	New		£12.00		N/a	0.00%
	Food 23 Litre - Replacement	Each	£0.00		£0.00		£0.00	0.00%
	Food 5 Litre - New Development & Replacement	Each	£0.00		£7.00		£7.00	0.00%
	1100 litre (steel) - Trade Waste	Each	Price on Application		Price on Application			
	1100 litre (Plastic) - Trade Waste	Each						
	Delivery of 1100ltr Bin	Each	£9.00		£9.50		£0.50	5.60%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Green Waste	Green Waste Service Bin	Per annum	£75.00		£75.00		£0.00	0.00%
	Green Waste Service Bin (Concession)	Per annum	£56.25		£56.25		£0.00	0.00%
	Additional Green Waste Service Bin - presented alongside an existing bin.	Per annum	£75.00		£75.00		£0.00	0.00%
	Additional Green Waste Service Bin - presented alongside an existing bin. (Concession)	Per annum	£56.25		£56.25		£0.00	0.00%
	Green Waste Service Bag	Per annum	£30.00		£30.00		£0.00	0.00%
	Green Waste Service Bag (Concession)	Per annum	£22.50		£22.50		£0.00	0.00%
	Additional Green Waste Service Bag - presented alongside an existing bag.	Per annum	£30.00		£30.00		£0.00	0.00%
	Additional Green Waste Service Bag - presented alongside an existing bag (concession)	Per annum	£22.50		£22.50		£0.00	0.00%
	New/Replacement Green Waste Bin	Each	£65.00		£65.00		£0.00	0.00%
	New/Replacement Green Waste Bag	Each	£15.50		£15.50		£0.00	0.00%
	Hazardous Clinical Waste Collections - per property per collection	Each	Price on Application		Price on Application			
Fixed Penalty Rates	Depositing of litter - S.87/88 EPA 1990	Each	£80.00		£500.00		£420.00	525.00%
	Depositing of litter - S.87/88 EPA 1990 (early payment)	Each	N/A		£100.00		N/A	N/A
	Unauthorised disposal of controlled waste (Fly-Tipping) - S.33 EPA 1990	Each	£400.00		£1,000.00		£600.00	150.00%
	Unauthorised disposal of controlled waste (Fly-Tipping) - S.33 EPA 1990 (early Payment)	Each	£200.00		£500.00		£300.00	150.00%
	Failure to comply with duty relating to the transfer of household waste - S.34 (2A) & S.34ZA EPA 1990	Each	£400.00		£600.00		£200.00	50.00%
	Failure to comply with duty relating to the transfer of household waste - S.34 (2A) & S.34ZA EPA 1990 (early payment)	Each	£200.00		£300.00		£100.00	50.00%
	Failure to produce waste documents (waste transfer notes) S.34 (5 & 6) & S.34ZA Environmental Protection Act 1990	Each	£300.00		£300.00		£0.00	0.00%
	Failure to produce authority to transport waste (waste carriers license) S.5/5B Control of Pollution (Amendment) Act 1989	Each	£300.00		£300.00		£0.00	0.00%
	Failure to comply with a commercial waste receptacle notice S.47/47ZA EPA 1990	Each	£110.00		£110.00		£0.00	0.00%
	Failure to comply with a Community Protection Notice S.43 Anti-Social Behaviour, Crime and Policing Act 2014	Each	£100.00		£100.00		£0.00	0.00%
	Exposing vehicles for sale on a road S.3 Clean Neighbourhoods and Environment Act 2005	Each	£100.00		£100.00		£0.00	0.00%
	Repairing vehicles on a road S.4 Clean Neighbourhoods and Environment Act 2005	Each	£100.00		£100.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Exterior Cleansing and Graffiti Removal	Graffiti removal - call out and first hour	Each	Price on Application	Price on Application	Price on Application	Price on Application	Price on Application	Price on Application
	Each additional hour of graffiti removal	Each						
	Emergency biohazard clearance	Minimum per job						
	Machine sweeping	Minimum per job + tipping						
	Fly tip removal	Minimum per job + tipping						
	+ additional labour	Minimum per job						
LIBRARIES								
Children's activity Sessions	Cost recovery fee	Per child	£1.00		£1.00		£0.00	0.00%
Reservations	Selms requests	Item	£3.00		£4.00		£1.00	33.30%
	In stock	Item	£0.00		£0.00		£0.00	0.00%
	From the British Library	Item	£18.00		£25.00		£7.00	38.90%
	Periodical Articles	Item	£18.00		£25.00		£7.00	38.90%
Photocopies	A4	Per sheet	£0.20		£0.20		£0.00	0.00%
	A3	Per sheet	£0.30		£0.30		£0.00	0.00%
Printing from Public Computers	A4 - Black & White	Per sheet	£0.20		£0.30		£0.10	50.00%
	A4 - Colour	Per sheet	£0.30		£0.60		£0.30	100.00%
Replacement Cards	Library Card Replacement	Item	£3.50		£3.70		£0.20	5.70%
Local Studies Camera Licence		Per day	£5.50		N/A		N/A	N/A
Local Studies High Res Scanning		Per image	£2.50		£2.70		£0.20	8.00%
Fee for postal item lost notice		Per letter	£1.50		N/A		N/A	N/A
Admin fee for lost/damaged stock		Per item	£6.00		£6.30		£0.30	5.00%
Vocal Sets Service (RBC Residents)	Borrowing from Reading stock	Set	£6.50		£6.50		£0.00	0.00%
	Overdue charges	Set	£6.50		£6.50		£0.00	0.00%
Vocal Sets Service (Non-RBC Residents)	Borrowing from Reading stock	Set	£12.00		£12.00		£0.00	0.00%
	Overdue charges	Set	£6.50		£6.50		£0.00	0.00%
Drama Sets Service	Borrowing from Reading stock	Set	£6.50		£6.50		£0.00	0.00%
	Overdue charges	Set	As per Adult Book		As per Adult Book			
Book Club Service (RBC Residents)	Annual subscription for group	Group	£22.00		£25.00		£3.00	13.60%
	Overdue charges	Set	As per Adult Book		As per Adult Book			
Book Club Service (Non-RBC Residents)	Annual subscription for group	Group	£35.00		£35.00		£0.00	0.00%
	Overdue charges	Set	As per Adult Book		As per Adult Book			
Lost (in print items)	Full cost of replacement + £5.20 admin fee	Item	Varies by item		Varies by item			
Lost (out of print items) Adult books	£15 + £6.30 Admin fee	Item	£15.00		£16.00		£1.00	6.70%
Lost (out of print items) Children books	£7.50 + £6.30 Admin fee	Item	£7.50		£8.00		£0.50	6.70%
Lost (out of print items) Spoken word	£25 + £6.30 Admin fee	Item	£25.00		£26.50		£1.50	6.00%
Lost (out of print items) other	£27 + £6.30 Admin fee	Item	£27.00		£28.50		£1.50	5.60%
Damaged Items	Varies by item	Item	Varies by item		Varies by item			
Withdrawn Stock	Varies by item	Item	Varies by item		Varies by item			
Charge to post photocopies or prints made	Varies by item, standard postage charge	Item	Varies by item		Varies by item			
Research fee for local history or genealogy enquiries	Research, initial 15 minutes at no charge as part of library offer	Per Hour	£10.00		£10.50		£0.50	5.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Charge for serviced photocopying or serviced microform printing	All per self service price + service charge of 6.50	Transaction	£6.20		£6.50		£0.30	4.80%
Printing from microform	A4 print	Sheet	£1.00		£1.00		£0.00	0.00%
	A3 print	Sheet	£1.00		£1.00		£0.00	0.00%
Copies of Local Studies Images	Email	Image	£3.50		£3.70		£0.20	5.70%
	Printed - glossy paper	Image	£5.50		£5.80		£0.30	5.50%
Copies of Local Studies Images	High Resolution re scanning	Image	£2.70		£2.70		£0.00	0.00%
Library Display Panels	Charity	Booking	£7.50		£7.50		£0.00	0.00%
Library Display Panels	Non-Charity	Booking	£15.00		£15.00		£0.00	0.00%
Hire Charges	Toy Small item	Item	£1.00		£1.00		£0.00	0.00%
	Toy Large item	Item	£1.00		£1.00		£0.00	0.00%
	Toy Large/Very large item	Item	£1.00		£1.00		£0.00	0.00%
Libraries - room hire	Hire of a library space - Charity	Per Hour	£21.00		£21.00		£0.00	0.00%
	Hire of a library space - Non-Charity	Per Hour	£40.00		£42.00		£2.00	5.00%
PRIVATE SECTOR HOUSING								
Licence for house in multiple occupancy	Licence Fee (Accredited Landlord - proof required)	Per application	£800.00		£1,000.00		£200.00	25.00%
	Licence Fee (Non accredited landlords)	Per application	£950.00		£1,250.00		£300.00	31.60%
	Charge per additional sleeping room over 5	Per application	£27.00		£28.00		£1.00	3.70%
	Missed Appointment charge	Per missed appointment	£52.00		£52.00		£0.00	0.00%
Late Application Fee	If needed a licence 12 weeks before the application was made.	Per licence	New		£1,500.00		New	New
Non Statutory Charge	Assistance with completing the on line HMO Licence application	Hourly	£90.00	£108.00	£90.00	£108.00	£0.00	0.00%
Non Statutory Inspection Charge	Fee HMO inspection, report, drawing up plans and assisting with the completion of the licence application form	Up to 6 hours	£540.00	£648.00	£540.00	£648.00	£0.00	0.00%
Non Statutory Inspection Charge	Fee for non-statutory inspection to provide advice and a report. Charge for up to 2 hours and does not include drawing up plans or completing HMO licence application	Up to 2 hours	£180.00	£216.00	£180.00	£216.00	£0.00	0.00%
Administration Charges	Fee for bounced cheque, copy of notices, copy of HMO licence, landlord information pack, HMO licence register	Per transaction	£41.67	£50.00	£41.67	£50.00	£0.00	0.00%
Provision of Factual Statement	Factual Statement	Per statement	£364.17	£437.00	£379.17	£455.00	£15.00	4.10%
Non Statutory Inspection Charge	Inspection and schedule of works for empty homes	Up to 4 hours	£353.33	£424.00	£367.50	£441.00	£14.17	4.00%
Incomplete Application Fee	Fee for applicants that have not provided complete application incl certificates of compliance	Per application	New		£50.00		New	New
Empty Home	Fee for research into and provision of supporting letter for Empty Homes	Per application	New		£150.00	£180.00	New	New

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
LICENSING								
PREMISES LICENCES								
Gambling - Adult Gaming Centre Premises Licence	New application - 1st time of licencing	Per licence	£1,545.00		£1,545.00		£0.00	0.00%
	Annual fee	Per licence	£1,000.00		£1,000.00		£0.00	0.00%
	Variation	Per licence	£1,000.00		£1,000.00		£0.00	0.00%
	Transfer	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Re-instatement	Per licence	£1,100.00		£1,100.00		£0.00	0.00%
	Provisional statement	Per statement	£1,460.00		£1,460.00		£0.00	0.00%
	Provisional statement - holder	Per licence	£1,082.00		£1,082.00		£0.00	0.00%
	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
Gambling - Betting (Other) Premises licence	Notification of change	Per licence	£25.00		£25.00		£0.00	0.00%
	New	Per licence	£1,375.00		£1,375.00		£0.00	0.00%
	Annual fee	Per licence	£550.00		£550.00		£0.00	0.00%
	Variation	Per licence	£910.00		£910.00		£0.00	0.00%
	Transfer	Per licence	£950.00		£950.00		£0.00	0.00%
	Re-instatement	Per licence	£950.00		£950.00		£0.00	0.00%
	Provisional statement	Per statement	£1,336.00		£1,336.00		£0.00	0.00%
	Provisional statement - holder	Per licence	£891.00		£891.00		£0.00	0.00%
Gambling - Bingo Premises licence	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
	Notification of change	Per licence	£25.00		£25.00		£0.00	0.00%
	New	Per licence	£2,500.00		£2,500.00		£0.00	0.00%
	Annual fee	Per licence	£960.00		£960.00		£0.00	0.00%
	Variation	Per licence	£1,225.00		£1,225.00		£0.00	0.00%
	Transfer	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Re-instatement	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Provisional statement	Per statement	£2,571.00		£2,571.00		£0.00	0.00%
Gambling - Casino Premises licence	Provisional statement - holder	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
	Notification of change	Per licence	£25.00		£25.00		£0.00	0.00%
	New - 1st time licence	Per licence	£1,343.00		£1,343.00		£0.00	0.00%
	Annual fee	Per licence	£1,637.00		£1,637.00		£0.00	0.00%
	Variation	Per licence	£1,753.00		£1,753.00		£0.00	0.00%
	Transfer	Per licence	£1,350.00		£1,350.00		£0.00	0.00%
	Re-instatement	Per licence	£1,350.00		£1,350.00		£0.00	0.00%
Gambling - Family Entertainment Centre Premises Licence	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
	Notification of change	Per licence	£25.00		£25.00		£0.00	0.00%
	New	Per licence	£2,040.00		£2,040.00		£0.00	0.00%
	Annual fee	Per licence	£750.00		£750.00		£0.00	0.00%
	Variation	Per licence	£1,000.00		£1,000.00		£0.00	0.00%
	Transfer	Per licence	£950.00		£950.00		£0.00	0.00%
	Re-instatement	Per licence	£950.00		£950.00		£0.00	0.00%
	Provisional statement	Per statement	£2,000.00		£2,000.00		£0.00	0.00%
	Provisional statement - holder	Per licence	£935.00		£935.00		£0.00	0.00%
	Copy of licence	Per statement	£25.00		£25.00		£0.00	0.00%
	Notification of change	Per statement	£25.00		£25.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Gambling - Track premises licence	New	Per statement	£1,987.00		£1,987.00		£0.00	0.00%
	Annual fee	Per statement	£1,000.00		£1,000.00		£0.00	0.00%
	Variation	Per statement	£994.00		£994.00		£0.00	0.00%
	Transfer	Per licence	£950.00		£950.00		£0.00	0.00%
	Re-instatement	Per licence	£950.00		£950.00		£0.00	0.00%
	Provisional statement	Per statement	£2,104.00		£2,104.00		£0.00	0.00%
	Provisional statement - holder	Per licence	£935.00		£935.00		£0.00	0.00%
	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
Unlicensed Family Entertainment Centre	Notification of change	Per licence	£25.00		£25.00		£0.00	0.00%
	New	Per Permit	£300.00		£300.00		£0.00	0.00%
	Renewal	Per Permit	£300.00		£300.00		£0.00	0.00%
	Change of Name	Per Permit	£25.00		£25.00		£0.00	0.00%
Prize Gaming Permit	Copy of Permit	Per Permit	£15.00		£15.00		£0.00	0.00%
	Permit	Per Permit	£300.00		£300.00		£0.00	0.00%
	Renewal	Per Permit	£300.00		£300.00		£0.00	0.00%
	Change of Name	Per Permit	£25.00		£25.00		£0.00	0.00%
Sex Shop Licence	Copy of Permit	Per Permit	£15.00		£15.00		£0.00	0.00%
	Grant/Renewal of Licence	Per licence	£1,276.00		£1,276.00		£0.00	0.00%
Sex Entertainment Licence (SEV)	Grant of Licence	Per licence	£3,038.00		£3,038.00		£0.00	0.00%
	Renewal of Licence	Per licence	£2,297.00		£2,297.00		£0.00	0.00%
	Variation	Per licence	£1,193.00		£1,193.00		£0.00	0.00%
	Transfer	Per licence	£146.00		£146.00		£0.00	0.00%
Film Classification	Film Classification (local film festivals)	Per 15 mins or part thereof (of the film)	£18.00		£18.00		£0.00	0.00%
Street Trading Outside Town Centre	OUT OF TOWN - Grant/ Renewal (Fast Food)	Per stall/Per application	£2,521.00		£2,521.00		£0.00	0.00%
	OUT OF TOWN - Grant/Renewal (sandwich/Ice-cream/retail food)	Per stall/Per application	£937.00		£937.00		£0.00	0.00%
	OUT OF TOWN - Grant/Renewal (Non Food)	Per stall/Per application	£483.00		£483.00		£0.00	0.00%
	OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up 3m (Trading dates listed on licence)	Up to 3 x3 m single trader stall per day	£134.00		£134.00		£0.00	0.00%
	OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up 3m (Trading dates listed on licence)	Up to 3 x3 m single trader stall per day	£102.00		£102.00		£0.00	0.00%
	OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up to 6 m (Trading dates listed on licence)	Up to 6 x6 m single trader stall per day	£214.00		£214.00		£0.00	0.00%
	OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up to 6 m (Trading dates listed on licence)	Up to 6 x6 m single trader stall per day	£150.00		£150.00		£0.00	0.00%
	OUT OF TOWN - Occasional (9-14 days per year) (Trading dates listed on licence)	Single trader	£27.00		£27.00		£0.00	0.00%
	OUT OF TOWN - Occasional (15-45 days per year) (Trading dates listed on licence)	Single trader	£16.00		£16.00		£0.00	0.00%
	OUT OF TOWN - Occasional (46-60 days per year) (Trading dates listed on licence)	Single trader	£8.00		£8.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Street Trading Town Centre	Town Centre - Grant/ Renewal (Broad Street)	Per stall	£6,129.00		£6,374.00		£245.00	4.00%
	Town Centre - Grant/ Renewal (Bridge Street)	Per stall	£6,129.00		£6,374.00		£245.00	4.00%
	Town Centre - Grant/ Renewal (Reading Station)	Per stall	£6,129.00		£6,374.00		£245.00	4.00%
Town Centre Ad-Hoc	Town Centre - Market not under charter 1-14 days per yr.	Up to 3 x3 m single trader stall per day	£15.00		£15.00		£0.00	0.00%
	Town Centre - Market not under charter 15-60 days per yr.	Up to 3 x3 m single trader stall per day	£4.00		£4.00		£0.00	0.00%
	Town Centre - Market not under charter 1-14 days per yr.	>Over 3x3m single trader stall per day	£18.00		£18.00		£0.00	0.00%
	Town Centre - Market not under charter 15-60 days per yr.	>Over 3x3m single trader stall per day	£6.00		£6.00		£0.00	0.00%
	All Street Traders - Variation	Per stall	£278.00		£278.00		£0.00	0.00%
	All Street Traders - Additional Street Trading Assistant	Per assistant	£17.00		£17.00		£0.00	0.00%
	All Street Traders - fee for paying by direct debit - no other instalment system allowed	Per application	£56.00		£56.00		£0.00	0.00%
Scrap Metal	Site Licence - new/renewal	Per 3 year licence	£1,014.00		£1,014.00		£0.00	0.00%
	Collectors Licence -new/renewal	Per 3 year licence	£666.00		£666.00		£0.00	0.00%
	Variation of Site Licence /Collectors Licence	Per licence	£302.00		£302.00		£0.00	0.00%
	Simple Variation (i.e. admin changes) for site Licence or Collector	Per licence	£88.00		£88.00		£0.00	0.00%
Pavement Café	Replacement Licence or badge for collector	Per licence	£18.00		£18.00		£0.00	0.00%
	New licence 2 tables and or 6 chairs	per annum	£300.00		£300.00		£0.00	0.00%
	New licence up to 10 chairs	per annum	£350.00		£350.00		£0.00	0.00%
	New licence over 10 chairs	per annum	£500.00		£500.00		£0.00	0.00%
	Renewal 2 tables 6 chairs	per annum	£100.00		£100.00		£0.00	0.00%
	Renewal up to 10 chairs	per annum	£200.00		£200.00		£0.00	0.00%
	Renewal over 10 chairs	per annum	£350.00		£350.00		£0.00	0.00%
Caravan Site Licence	Grant	Per site	£827.00		£827.00		£0.00	0.00%
	Transfer	Per site	£380.00		£380.00		£0.00	0.00%
	Variation	Per site	£567.00		£567.00		£0.00	0.00%
	Annual Fee (less than 10 units)	Per site	£290.00		£290.00		£0.00	0.00%
	Annual fee (less than 30 units)	Per site	£324.00		£324.00		£0.00	0.00%
	Annual fee (more than 30 Units)	Per site	£358.00		£358.00		£0.00	0.00%
	copies of site licence	Per site	£18.00		£18.00		£0.00	0.00%
Other Fees	Application to be included on the Fit & Proper Person Register	Per site every 5 years	£188.00		£188.00		£0.00	0.00%
	Check & Submit Service	Each	£120.00		£120.00		£0.00	0.00%
	Pre-application advice and site visit	Each	£192.00		£192.00		£0.00	0.00%
	DBS Standard	Per Person	£37.00		£37.00		£0.00	0.00%
	Door Safe log Book	Per book	£18.00		£18.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
TRANSPORT LICENCES								
Hackney Carriage	Hackney carriage Vehicle grant or renewal	Per operator	£400.00		£400.00		£0.00	0.00%
	3 Year Hackney carriage driver new/ renewal (not including disclosure fee)	Per operator	£328.00		£328.00		£0.00	0.00%
Private Hire Operators - 1 Year Grant	Each additional applicant	Per operator	£245.00		£245.00		£0.00	0.00%
	1 -3 Vehicles	Per operator	£806.00		£806.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£1,292.00		£1,292.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£2,572.00		£2,572.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£4,314.00		£4,314.00		£0.00	0.00%
	101+ Vehicles	Per operator	£5,181.00		£5,181.00		£0.00	0.00%
Private Hire Operators - 1 Year Renewal	Each additional applicant	Per operator	£185.00		£185.00		£0.00	0.00%
	1 -3 Vehicles	Per operator	£561.00		£561.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£892.00		£892.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£1,977.00		£1,977.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£3,583.00		£3,583.00		£0.00	0.00%
	101+ Vehicles	Per operator	£4,333.00		£4,333.00		£0.00	0.00%
Private Hire Operators - 5 Year Grant	Each additional applicant	Per operator	£245.00		£245.00		£0.00	0.00%
	1 -3 Vehicles	Per operator	£2,125.00		£2,125.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£3,150.00		£3,150.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£8,020.00		£8,020.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£15,241.00		£15,241.00		£0.00	0.00%
	101+ Vehicles	Per operator	£18,851.00		£18,851.00		£0.00	0.00%
Private Hire Operators - 5 Year Renewal	Each additional applicant	Per operator	£185.00		£185.00		£0.00	0.00%
	1 -3 Vehicles	Per operator	£2,065.00		£2,065.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£3,092.00		£3,092.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£7,917.00		£7,917.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£15,191.00		£15,191.00		£0.00	0.00%
	101+ Vehicles	Per operator	£18,730.00		£18,730.00		£0.00	0.00%
Private Hire Vehicle and Driver	Private Hire Vehicle grant or renewal	Per application	£315.00		£315.00		£0.00	0.00%
	Executive vehicle grant or renewal	Per application	£352.00		£352.00		£0.00	0.00%
	3 Year driver new/renewal (not including disclosure fee)	Per application	£319.00		£319.00		£0.00	0.00%
School Transport	School Transport vehicle (Class IV) vehicle	Per application	£100.00		£100.00		£0.00	0.00%
	3 year ST driver grant/renewal (not incl disclosure fee)	Per application	£240.00		£240.00		£0.00	0.00%
School Transport - 1 Year Grant	Each additional applicant	Per operator	£245.00		£245.00		£0.00	0.00%
	1 -3 Vehicles	Per operator	£445.00		£445.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£836.00		£836.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£1,727.00		£1,727.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£2,251.00		£2,251.00		£0.00	0.00%
	101+ Vehicles	Per operator	£3,141.00		£3,141.00		£0.00	0.00%
School Transport - 1 Year Renewal	Each additional applicant	Per operator	£145.00		£145.00		£0.00	0.00%
	1 -3 Vehicles	Per operator	£345.00		£345.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£570.00		£570.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£1,132.00		£1,132.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£1,513.00		£1,513.00		£0.00	0.00%
	101+ Vehicles	Per operator	£2,290.00		£2,290.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
School Transport - 5 Year Grant	Each additional applicant	Per operator	£245.00		£245.00		£0.00	0.00%
	1 -3 Vehicles	Per operator	£1,245.00		£1,245.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£2,324.00		£2,324.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£4,955.00		£4,955.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£6,763.00		£6,763.00		£0.00	0.00%
	101+ Vehicles	Per operator	£10,351.00		£10,351.00		£0.00	0.00%
School Transport - 5 Year Renewal	Each additional applicant	Per operator	£145.00		£145.00		£0.00	0.00%
	1 -3 Vehicles	Per operator	£1,145.00		£1,145.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£2,058.00		£2,058.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£4,620.00		£4,620.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£6,333.00		£6,333.00		£0.00	0.00%
	101+ Vehicles	Per operator	£9,890.00		£9,890.00		£0.00	0.00%
Other Charges - Vehicle	Vehicle Transfer of ownership -(admin only + issue licence)	Per application	£52.00		£52.00		£0.00	0.00%
	Replace vehicle plate (4 new tags+plate+30 mins)	Per vehicle	£62.00		£62.00		£0.00	0.00%
	temporary replacement Hackney Carriage or Private Hire Vehicle Plate	Per application	£51.00		£51.00		£0.00	0.00%
	HC Taxi livery design + 1 vehicle	Per application	£147.00		£147.00		£0.00	0.00%
	HC Livery - Additional vehicle check	Per vehicle	£42.00		£42.00		£0.00	0.00%
	HC Taxi livery renewal +1 vehicle	Per application	£97.00		£97.00		£0.00	0.00%
	<3 year compliance test - PH, EXEC, HC OR ST	Per application	£37.00		£37.00		£0.00	0.00%
	Aged vehicle check - PH, ST or Executive Vehicles over age 10 years +	Per vehicle	£37.00		£37.00		£0.00	0.00%
	ULEV vehicle	Per vehicle	25% of Standard fee for a		25% of Standard fee for a HC, PH, EXEC, ST vehicle as			
	100% electric vehicle	Per vehicle	50% of Standard fee for a		50% of Standard fee for a HC, PH, EXEC, ST vehicle as			
Other Charges - Driver	Driver knowledge test	Per driver	£47.00		£47.00		£0.00	0.00%
	Rescheduled new driver interview/ (no shows)	Per driver	£17.00		£17.00		£0.00	0.00%
	Change of Application HC to PH or PH to HC	Per application	£35.00		£35.00		£0.00	0.00%
	Replacement badge or licence (incl change of address)	Per driver	£17.00		£17.00		£0.00	0.00%
	Basic DBS (PHO, STO)	Per applicant	£37.00		£37.00		£0.00	0.00%
	DBS Enhanced (HC, PH, ST driver)	Per driver	£56.00		£56.00		£0.00	0.00%
	Driver - Visa Expiry (2 Badges, 1 cert+admin fee)	Per driver	£83.00		£83.00		£0.00	0.00%
Other Charges - Operator	Operator logbook	Per logbook	£4.00		£4.00		£0.00	0.00%
	Admin charge + copy of the licence	Per operator	£52.00		£52.00		£0.00	0.00%
	Copy of the licence	Per Operator	£17.00		£17.00		£0.00	0.00%
Other Charges - General	Bounced Cheque	Each	£35.00		£35.00		£0.00	0.00%
	Admin Charge	Each	£35.00		£35.00		£0.00	0.00%
	Factual Statement	Each	£152.00		£152.00		£0.00	0.00%
	Check and submit taxi application form	Each	£106.00		£106.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
LICENSING Premises & Clubs								
LICENSING Premises Licences Applications (STATUTORY FEES) New Application	Band A (£0 -£4,300)		£100.00		£100.00		£0.00	0.00%
	Band B (£4,301- £33,000)		£190.00		£190.00		£0.00	0.00%
	Band C (£33,001 -£87,000)		£315.00		£315.00		£0.00	0.00%
	Band D (£87,001-£125,00)		£450.00		£450.00		£0.00	0.00%
	Band D (£87,001-£125,00) x2 multiplier for vertical drinking i.e.. nightclub)		£900.00		£900.00		£0.00	0.00%
	Band E (£125,000 +)		£635.00		£635.00		£0.00	0.00%
	Band E (£125,000 +) x3 multiplier for vertical drinking)		£1,905.00		£1,905.00		£0.00	0.00%
LICENSING Premises Licences Applications (STATUTORY FEES) Annual Fee	Band A (£0 -£4,300)		£70.00		£70.00		£0.00	0.00%
	Band B (£4,301- £33,000)		£180.00		£180.00		£0.00	0.00%
	Band C (£33,001 -£87,000)		£295.00		£295.00		£0.00	0.00%
	Band D (£87,001-£125,00)		£320.00		£320.00		£0.00	0.00%
	Band D (£87,001-£125,00) x2 multiplier for vertical drinking i.e.. nightclub)		£640.00		£640.00		£0.00	0.00%
	Band E (£125,000 +)		£350.00		£350.00		£0.00	0.00%
	Band E (£125,000 +) x3 multiplier for vertical drinking)		£1,050.00		£1,050.00		£0.00	0.00%
LICENSING Additional fee based on number of attendees (STATUTORY FEES) New Application	up to 4999		£0.00		£0.00		£0.00	0.00%
	5,000 - 9999		£1,000.00		£1,000.00		£0.00	0.00%
	10,000 - 14,000		£2,000.00		£2,000.00		£0.00	0.00%
	15,000 - 19,999		£4,000.00		£4,000.00		£0.00	0.00%
	20,000 - 29,999		£8,000.00		£8,000.00		£0.00	0.00%
	30,000 - 39,999		£16,000.00		£16,000.00		£0.00	0.00%
	40,000 - 49,999		£24,000.00		£24,000.00		£0.00	0.00%
	50,000 - 59,999		£32,000.00		£32,000.00		£0.00	0.00%
	60,000 - 69,999		£40,000.00		£40,000.00		£0.00	0.00%
	70,000 - 79,999		£48,000.00		£48,000.00		£0.00	0.00%
	80,000 - 89,999		£56,000.00		£56,000.00		£0.00	0.00%
	90,000+		£64,000.00		£64,000.00		£0.00	0.00%
LICENSING Additional fee based on number of attendees (STATUTORY FEES) Annual fee	up to 499		£0.00		£0.00		£0.00	0.00%
	5,000 - 9999		£500.00		£500.00		£0.00	0.00%
	10,000 - 14,999		£1,000.00		£1,000.00		£0.00	0.00%
	15,000 - 19,999		£2,000.00		£2,000.00		£0.00	0.00%
	20,000 - 29,999		£4,000.00		£4,000.00		£0.00	0.00%
	30,000 - 39,999		£8,000.00		£8,000.00		£0.00	0.00%
	40,000 - 49,999		£12,000.00		£12,000.00		£0.00	0.00%
	50,000 - 59,999		£16,000.00		£16,000.00		£0.00	0.00%
	60,000 - 69,999		£20,000.00		£20,000.00		£0.00	0.00%
	70,000 - 79,999		£24,000.00		£24,000.00		£0.00	0.00%
	80,000 - 89,999		£28,000.00		£28,000.00		£0.00	0.00%
	90,000+		£32,000.00		£32,000.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
LICENSING Misc Premises Licences (STATUTORY FEES)	Theft, loss, etc. of premises licence or summary		£10.50		£10.50		£0.00	0.00%
	Application for a provisional statement where premises being built etc.		£315.00		£315.00		£0.00	0.00%
	Notification of change of name or address		£10.50		£10.50		£0.00	0.00%
	Application to vary licence to specify individual as premises supervisor		£23.00		£23.00		£0.00	0.00%
	Application for transfer of premises licence		£23.00		£23.00		£0.00	0.00%
	Interim authority notice following death etc.of licence holder		£23.00		£23.00		£0.00	0.00%
	Right of freeholder etc.to be notified of licensing matters		£21.00		£21.00		£0.00	0.00%
	Application to vary premises licence at community premises to include alternative licence condition		£23.00		£23.00		£0.00	0.00%
	Application for minor variation		£89.00		£89.00		£0.00	0.00%
LICENSING Club Premises - New Application (STATUTORY FEES)	Band A (£0 -£4300)		£100.00		£100.00		£0.00	0.00%
	Band B (£4,301 -£33,000)		£190.00		£190.00		£0.00	0.00%
	Band C (£33,001 -£87,000)		£315.00		£315.00		£0.00	0.00%
	Band D (£87,001 -£125,000)		£450.00		£450.00		£0.00	0.00%
	Band E (£125,000 +)		£635.00		£635.00		£0.00	0.00%
	Copy		£10.50		£10.50		£0.00	0.00%
	Notification of change of name or alteration of rules of club		£10.50		£10.50		£0.00	0.00%
LICENSING Club Premises - Annual Fee (STATUTORY FEES)	Change of relevant registered address of club		£10.50		£10.50		£0.00	0.00%
	Band A (£0 -£4300)		£70.00		£70.00		£0.00	0.00%
	Band B (£4,301 -£33,000)		£180.00		£180.00		£0.00	0.00%
	Band C (£33,001 -£87,000)		£295.00		£295.00		£0.00	0.00%
	Band D (£87,001 -£125,000)		£320.00		£320.00		£0.00	0.00%
	Band E (£125,000 +)		£350.00		£350.00		£0.00	0.00%
LICENSING Personal Licences (STATUTORY FEES)	Grant or renewal of personal licence		£37.00		£37.00		£0.00	0.00%
	Duty to notify change of name or address		£10.50		£10.50		£0.00	0.00%
	Copy		£10.50		£10.50		£0.00	0.00%
LICENSING TEMPORARY EVENT NOTICES (STATUTORY FEES)	Temporary event notice -New		£21.00		£21.00		£0.00	0.00%
	Copy		£10.50		£10.50		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
FOOD & SAFETY								
Courses	Level 2 Food Safety & Hygiene Course (One day)	Per candidate	£87.00		£87.00		£0.00	0.00%
	Level 2 Food Safety in Catering Exam- re-sit fee	Per candidate	£50.00		£50.00		£0.00	0.00%
	Level 2 Food Safety - replacement certificate	Each	£102.00		£102.00		£0.00	0.00%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£973.00		£973.00		£0.00	0.00%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£1,262.00		£1,262.00		£0.00	0.00%
	Additional candidates for level 2 Course on clients premises	Each	£97.00		£97.00		£0.00	0.00%
	Level 3 Supervising food hygiene & safety (min 6 candidates)	Each	£391.00		£391.00		£0.00	0.00%
	Level 3 Supervising food hygiene & safety (2 or more candidates)	Each	£354.00		£354.00		£0.00	0.00%
	Level 3 Supervising food hygiene & safety (up to 10 candidates)	Each	£3,114.00		£3,114.00		£0.00	0.00%
	Preparation & delivery of bespoke Training	Each	£179.00		£179.00		£0.00	0.00%
Food Hygiene Visits	Fee for missed Food Hygiene premises inspection visit where appointment made	Each	£45.00	£54.00	£45.00	£54.00	£0.00	0.00%
	Food Hygiene Rating Scheme re-inspection	Each	£236.00		£236.00		£0.00	0.00%
Food Hygiene Miscellaneous	Fishery Product Inspections per tonne (set by statute) – 1 Euro/ £0.90	Each	£0.90		£0.90		£0.00	0.00%
	Approved Cold Store inspection per hour per Officer	Each	£92.00		£92.00		£0.00	0.00%
	Export Health Certificate/Endorsement + additional fee based on hourly rate for food inspection	Each	£194.00		£194.00		£0.00	0.00%
	Condemned Food Certificate	Each	£167.00		£167.00		£0.00	0.00%
	Administration Fee/Cancellation Fee	Each	£39.00		£39.00		£0.00	0.00%
	Factual Statement to solicitors & others	Each	£190.00		£190.00		£0.00	0.00%
	Additional documents	Each	£125.00		£125.00		£0.00	0.00%
Special treatments	Single treatment Premises (premises +1 operator) One Off payment. (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	Per premises +1 oPerator	£316.00		£316.00		£0.00	0.00%
	Single treatment Operator (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	Per operator - One Off payment	£55.00		£55.00		£0.00	0.00%
	Special Treatment Operator/premises Replacement Certificate (no changes)	Per certificate	£37.50		£37.50		£0.00	0.00%
Safety at Sports Ground	Issue of Safety of Sports Grounds Safety Certificate/amendment to safety certificate/issue of Special Safety Certificate + newspaper advert cost + additional fee for risk based system checks. Fee invoiced quarterly.	Certificate	£250.00	£300.00	£250.00	£300.00	£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
PRIMARY AUTHORITY AND BUSINESS ADVICE								
Primary Authority Business Advice	Commercial property search		£84.00		£84.00		£0.00	0.00%
	Mini Primary Authority fee / minimum annual PA fee	Less than 7 hours advice per year	£652.00		£678.00		£26.00	4.00%
	Medi Primary Authority Fee	Less than 25 hours advice per year	£2,213.00		£2,301.00		£88.00	4.00%
	Pay as You Go standing charge (PAYG)	Per profession	£1,815.00		£1,887.00		£72.00	4.00%
	Primary Authority Advice (Admin Officer)	Per hour	£73.00		£76.00		£3.00	4.10%
	Primary Authority Partnership advice (EHO, TSO, Lice Officer)	Per hour	£88.00		£92.00		£4.00	4.50%
	Primary Authority Set up fee	Per business	£306.00		£318.00		£12.00	3.90%
Business Advice - Regulation Services	Start Up advisory /Reg Services Health Check (Option 2)	Per premises	£178.33	£214.00	£186.00	£223.20	£7.67	4.30%
	Bespoke Service (Option 3) then hourly rate	Per business	£930.00	£1,116.00	£967.00	£1,160.40	£37.00	4.00%
Business Advice	Outside a Primary Authority Partnership	Per hour	£88.33	£106.00	£92.00	£110.40	£3.67	4.20%
TRADING STANDARDS & Coroners								
Petroleum Spirits (set by statute)	Up to 2500 litres	Per licence	£46.00		£48.00		£2.00	4.30%
	2500-50,000 litres	Per licence	£62.00		£65.00		£3.00	4.80%
	Over 50,000 litres	Per licence	£131.00		£137.00		£6.00	4.60%
	Transfer of Licence	Per licence	£8.00		£8.00		£0.00	0.00%
	Petroleum Search	Per search	£80.00		£80.00		£0.00	0.00%
Weights and Measures Verification Fees	Technical Officer Hourly Rate	Per Hour	£48.00		£48.00		£0.00	0.00%
	Weights and Measures Inspector Hourly Rate	Per Hour	£80.00		£80.00		£0.00	0.00%
Explosives (Set by statute)	Licence to store explosives no min separation							
	1 year	Per Licence	£113.00		£113.00		£0.00	0.00%
	2 year	Per Licence	£147.00		£147.00		£0.00	0.00%
	3 Year	Per Licence	£181.00		£181.00		£0.00	0.00%
	4 Year	Per Licence	£215.00		£215.00		£0.00	0.00%
	5 Year	Per Licence	£248.00		£248.00		£0.00	0.00%
	Renewal to store explosives no minimum separation							
	1 Year	Per Licence	£56.00		£56.00		£0.00	0.00%
	2 Year	Per Licence	£90.00		£90.00		£0.00	0.00%
	3 Year	Per Licence	£125.00		£125.00		£0.00	0.00%
	4 Year	Per Licence	£158.00		£158.00		£0.00	0.00%
	5 Year	Per Licence	£193.00		£193.00		£0.00	0.00%
	Variation/Transfer/Replacement	Per Licence	£38.00		£38.00		£0.00	0.00%
Courses British Institute of Inn keeping Awarding Body Courses	Year round to sell fireworks	Per Licence	£500.00		£500.00		£0.00	0.00%
		Per Person	£79.00		£79.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Coroner (Set by Statute)	Paper copy of document under 10 pages	First 10	£5.00		£5.00		£0.00	0.00%
	Additional pages	Each	£0.50		£0.50		£0.00	0.00%
	Document other than email or paper	Each	£5.00		£5.00		£0.00	0.00%
	Inquest transcript of not more than 360 words	Each	£6.20		£6.20		£0.00	0.00%
	for a copy of 361 to 1440 words	Each	£13.10		£13.10		£0.00	0.00%
	for a of the first 1440 of a document exceeding 1440 words	Each	£13.10		£13.10		£0.00	0.00%
	for each 72 words after the first 1440 words or part thereof	Each	£0.70		£0.70		£0.00	0.00%
ENVIRONMENTAL PROTECTION								
Environmental Protection & Nuisance Team	Contaminated Land/Environmental Information Request (Residents)	Per hour	£50.00	£60.00	£50.00	£60.00	£0.00	0.00%
	Contaminated Land/Environmental Information Request (Commercial)	Per hour	£71.67	£86.00	£71.67	£86.00	£0.00	0.00%
	Sound check consultancy	Per hour	£71.67	£86.00	£71.67	£86.00	£0.00	0.00%
	Officer charge	Per hour	£71.67	£86.00	£71.67	£86.00	£0.00	0.00%
Dog Warden	Statutory Stray Fee	Each	£25.00		£25.00		£0.00	0.00%
	Dog picked up but not kennelled	Each	£106.67	£128.00	£106.67	£128.00	£0.00	0.00%
	Dog picked up taken to kennels and returned to owner (new fee)	Each	£182.50	£219.00	£182.50	£219.00	£0.00	0.00%
	Daily Kennel charge	Each	At cost		At cost			
	Animal Warden Initial Response fee	Per call out	£120.00		£144.00		£24.00	20.00%
	Animal Warden Hourly rate	hourly	£72.00		£72.00		£0.00	0.00%
	Veterinary fees will be charged on a cost basis	Fee	At cost		At cost			
Animal Establishments	Kennels & Catteries (exclusive of vets' fees) - New	Per Licence	£705.00		£751.00		£46.00	6.50%
	Kennels & Catteries (exclusive of vets' fees) - Renewal	Per Licence	£622.00		£662.00		£40.00	6.40%
	Pet Shop small annual licence (exclusive of vets' fees) New	Per Licence	£516.00		£550.00		£34.00	6.60%
	Pet Shop small annual licence (exclusive of vets' fees) Renewal	Per Licence	£400.00		£426.00		£26.00	6.50%
	Pet Shop large (exclusive of vets' fees) – more than 75m2 New	Per Licence	£705.00		£751.00		£46.00	6.50%
	Pet Shop large (exclusive of vets' fees) – more than 75m3 Renewal	Per Licence	£622.00		£662.00		£40.00	6.40%
	Pet shop/boarder/breeding licence amendment	Per Licence	£108.00		£115.00		£7.00	6.50%
	small home boarder 1-6 dogs (annual fee) New	Per Licence	£476.00		£507.00		£31.00	6.50%
	small home boarder 1-6 dogs (annual fee) Renewal	Per Licence	£347.00		£370.00		£23.00	6.60%
	larger home boarder 7 + Dogs (annual fee) New	Per Licence	£516.00		£550.00		£34.00	6.60%
	larger home boarder 7 + Dogs (annual fee) Renewal	Per Licence	£400.00		£426.00		£26.00	6.50%
	Animal Breeding Establishments (exclusive of vets' fees) New	Per Licence	£516.00		£550.00		£34.00	6.60%
	Animal Breeding Establishments (exclusive of vets' fees) Renewal	Per Licence	£400.00		£426.00		£26.00	6.50%
	Horse Riding Establishment Licence - New	Per Licence	£705.00		£751.00		£46.00	6.50%
	Horse Riding Establishment Licence - Renewal	Per Licence	£622.00		£662.00		£40.00	6.40%
	Keeping or training animals for exhibition (3 year Licence)	Per Licence	£705.00		£751.00		£46.00	6.50%
	Dangerous Wild Animals Licence or Zoo Licence	Per Licence	Price on Application		Price on Application			

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
LOCAL AIR POLLUTION PREVENTION AND CONTROL (LAPPC)								
Annual Subsistence Charge	Standard process Low	Per Licence	£772.00		£772.00		£0.00	0.00%
	Standard process Medium	Per Licence	£1,161.00		£1,161.00		£0.00	0.00%
	Standard process High	Per Licence	£1,747.00		£1,747.00		£0.00	0.00%
	Permit for Vapour Recovery Part I and Dry Cleaners L	Per Licence	£79.00		£79.00		£0.00	0.00%
	Permit for Vapour Recovery Part I and Dry Cleaners M	Per Licence	£158.00		£158.00		£0.00	0.00%
	Permit for Vapour Recovery Part I and Dry Cleaners H	Per Licence	£237.00		£237.00		£0.00	0.00%
	Permit for Vapour Recovery Part I & II combined L	Per Licence	£113.00		£113.00		£0.00	0.00%
	Permit for Vapour Recovery Part I & II combined M	Per Licence	£226.00		£226.00		£0.00	0.00%
	Permit for Vapour Recovery Part I & II combined H	Per Licence	£341.00		£341.00		£0.00	0.00%
	Vapour Recovery and other Reduced Fees L	Per Licence	£228.00		£228.00		£0.00	0.00%
	Vapour Recovery and other Reduced Fees M	Per Licence	£365.00		£365.00		£0.00	0.00%
	Vapour Recovery and other Reduced Fees H	Per Licence	£548.00		£548.00		£0.00	0.00%
PLANNING								
PLANNING - PRE APPLICATION FEES								
Level 1	Householders advice on house extensions	Each	£180.00	£216.00	£180.00	£216.00	£0.00	0.00%
	Follow up Meetings	Each	£104.60	£125.52	£104.60	£125.52	£0.00	0.00%
	Small business and developers: advice on building works and change of use where the floor area involved is up to 200sqm.	Each	£180.00	£216.00	£180.00	£216.00	£0.00	0.00%
	Follow up Meetings	Each	£104.60	£125.52	£104.60	£125.52	£0.00	0.00%
	Proposals for local community uses - (Free of charge for up to 200sqm)	Each	£166.00	£199.20	£166.00	£199.20	£0.00	0.00%
	Follow up Meetings	Each	£104.60	£125.52	£104.60	£125.52	£0.00	0.00%
	Advertisements	Each	£280.00	£336.00	£280.00	£336.00	£0.00	0.00%
	Follow up Meetings	Each	£104.60	£125.52	£104.60	£125.52	£0.00	0.00%
	Telecommunication installations	Each	£280.00	£336.00	£280.00	£336.00	£0.00	0.00%
	Follow up Meetings	Each	£104.60	£125.52	£104.60	£125.52	£0.00	0.00%
	Listed Building consent /conservation area consent.	Each	£166.00	£199.20	£166.00	£199.20	£0.00	0.00%
	Follow up Meetings	Each	£104.60	£125.52	£104.60	£125.52	£0.00	0.00%
	Trees and Landscaping	Each	£166.00	£199.20	£166.00	£199.20	£0.00	0.00%
	Follow up Meetings	Each	£104.60	£125.52	£104.60	£125.52	£0.00	0.00%
	Works to trees covered by tree preservation orders.	Each	£166.00	£199.20	£166.00	£199.20	£0.00	0.00%
	Follow up Meetings	Each	£104.60	£125.52	£104.60	£125.52	£0.00	0.00%
Level 2	201 - 499sqm	Each	£462.50	£555.00	£462.50	£555.00	£0.00	0.00%
	500 - 1000sqm	Each	£862.50	£1,035.00	£862.50	£1,035.00	£0.00	0.00%
	1 - 3 dwellings	Each	£462.50	£555.00	£462.50	£555.00	£0.00	0.00%
	4 - 9 dwellings	Each	£862.50	£1,035.00	£862.50	£1,035.00	£0.00	0.00%
	10 - 15 dwellings	Each	N/A - now Level 3		N/A - now Level 3		N/A - now Level 3	
	15 - 19 dwellings	Each	N/A - now Level 3		N/A - now Level 3		N/A - now Level 3	
	One Meeting included in above fee, additional Meetings charged by hour.	Each	£130.00	£156.00	£130.00	£156.00	£0.00	0.00%
Business, commercial or other development of 201 sqm to 1000 or up to 19 dwellings.								

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services									
Service		Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
	Level 3 for Small Major Development > 1,001 sqm or 10+ dwellings or other proposals	Pre-application fee minimum. Includes introductory meeting and written advice provided. Additional meetings, team and advice thereafter by hourly rate.	Each	£3,750.00	£4,500.00	£3,750.00	£4,500.00	£0.00	0.00%
	Level 3 for Large Major Development > 5,001 sqm or 20+ dwellings or other proposals	Includes negotiation meeting. Fee for additional advice by negotiation. Officers will advise if PPA appropriate.	Each	£3,750.00	£4,500.00	£3,750.00	£4,500.00	£0.00	0.00%
	Planning Performance Agreements - PPA	Introduction scoping meeting plus drafting and negotiation on PPA if sought from the start. PPA will confirm fee schedule to cover stages of application/	Each	£3,750.00	£4,500.00	£3,750.00	£4,500.00	£0.00	0.00%
	Deed of Variation to S106 Requests	Introduction scoping meeting plus drafting and negotiation on PPA if sought from the start. PPA will confirm fee schedule to cover stages of application/	Each	£700.00	£840.00	£700.00	£840.00	£0.00	0.00%
	Development > 1,001 sqm or 20+ dwellings or other proposals	Minimum fee to consider - hourly rate added for complex cases	Each	By Negotiation		By Negotiation			
	Responses to Enquiries Involving Research	e.g. enquiries about legal status of land or property, enforcement notices, planning history, etc., by negotiation based on an estimate of the time needed.	Each	By Negotiation		By Negotiation			
PLANNING ADMINISTRATION CHARGES									
	Planning History Search	Where more complicated or several addresses	Per application	£50.00		£50.00		£0.00	0.00%
	Copies of Section 106 Agreements	per agreement	Per application	£50.00		£50.00		£0.00	0.00%
	Copies of Planning Decision Notices	A list given of decision notices required	Per application	£50.00		£50.00		£0.00	0.00%
		One decision notice from Microfiche slide	Per application	£50.00		£50.00		£0.00	0.00%
		One decision notice from Microfiche slide plus plans (all on One slide)	Per application	£50.00		£50.00		£0.00	0.00%
		Scanning more than One slide	Per application	£50.00		£50.00		£0.00	0.00%
		Plans and documents for an application that need redacting	Per application	£50.00		£50.00		£0.00	0.00%
	Enquiries for evidence that conditions have been discharged (statutory Fee)	Householders	Per application	£43.00		£43.00		£0.00	0.00%
		All others	Per application	£145.00		£145.00		£0.00	0.00%
	S106 and Community Infrastructure Levy obligation enquiries		Per application	£160.00		£160.00		£0.00	0.00%
	Returning Invalid	Refunds processed and advice given	Per application	10%-20%		10% - 20%		£0.00	0.00%
	Tree Preservation Order Documents		Per application	£50.00		£50.00		£0.00	0.00%
LEISURE									
	Tennis Prospect Park (Artificial-turf)	Adult Standard	Session	£9.17	£11.00	£9.17	£11.00	£0.00	0.00%
		Junior Standard	Session	£5.00	£6.00	£5.00	£6.00	£0.00	0.00%
	Football	Adult One Off Game Standard	Match	£114.17	£137.00	£114.17	£137.00	£0.00	0.00%
		Adult Block 10+ Games Standard	Match	£98.33	£118.00	£98.33	£118.00	£0.00	0.00%
		Adult Block 5+ Teams Standard	Match	£87.50	£105.00	£87.50	£105.00	£0.00	0.00%
		Junior One Off Game Standard	Match	£62.50	£75.00	£62.50	£75.00	£0.00	0.00%
		Junior Block 10+ Games Standard	Match	£45.00	£54.00	£45.00	£54.00	£0.00	0.00%
		Junior Block 5+ Teams standard	Match	£40.00	£48.00	£40.00	£48.00	£0.00	0.00%
	Australian Rules & Gaelic	One Off	Match	£110.00	£132.00	£116.00	£139.20	£6.00	5.50%
	5-a-side football	Adult Peak - single	Per Hour	£51.67	£62.00	£51.67	£62.00	£0.00	0.00%
		Adult Peak - Block	Per Hour	£42.50	£51.00	£42.50	£51.00	£0.00	0.00%
		Junior Peak - single	Per Hour	£30.00	£36.00	£30.00	£36.00	£0.00	0.00%
		Junior Peak - Block	Per Hour	£25.00	£30.00	£25.00	£30.00	£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services									
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %	
MUSEUM									
School Sessions	(Session, loan, membership, talk etc.)	Per event	£165.00		£169.00		£4.00	2.40%	
School session (virtual)		Per event	£83.00		£85.00		£2.00	2.40%	
Welcome and wow talks (schools)	(Session, loan, membership, talk etc.)	Per event	£45.00		£45.00		£0.00	0.00%	
Membership 1 box per half term		Membership	£110.00		£110.00		£0.00	0.00%	
Membership 5 boxes RBC non academy		Membership	£325.00		£335.00		£10.00	3.10%	
Membership 3 boxes RBC non academy		Membership	£249.00		£257.00		£8.00	3.20%	
Membership 5 boxes academy schools		Membership	£325.00		£335.00		£10.00	3.10%	
Membership 3 boxes RBC academy		Membership	£249.00		£257.00		£8.00	3.20%	
Membership 5 boxes non RBC schools		Membership	£325.00		£335.00		£10.00	3.10%	
Membership 3 boxes non RBC schools		Membership	£249.00		£257.00		£8.00	3.20%	
Individual box loan		Per box	£50.00		£50.00		£0.00	0.00%	
Reminiscence		Membership	£105.00		£110.00		£5.00	4.80%	
Museum introduction (adult) (Welcome and Wow)		Per occasion	£60.00		£70.00		£10.00	16.70%	
Talks - Booked privately		Per talk	£85.00		£95.00		£10.00	11.80%	
Long talks - booked privately		Per talk	£155.00		£160.00		£5.00	3.20%	
Photography/filming		Per image/hour	From £18.50		From £19.00		£0.50	2.70%	
Archaeology		Per deposit	From £135	From £162	From £138	From £166	£3.00	2.20%	
Corporate loans		Per loan	£1,000.00	£1,200.00	£1000	£1,200.00	£0.00	0.00%	
Family activities		Per event	From £2.50		From £2.50		£0.00	0.00%	
Talks - Public		Per event	From £5.50		From £6		£0.50	9.10%	
BERKSHIRE ARCHEOLOGY									
Charges for provision of Historic Environment Record data to commercial users	Berkshire Archaeology, DENS	Per Hour	£55.00	£66.00	£60.00	£72.00	£5.00	9.10%	
ARTS VENUES									
Reading Arts - Membership scheme for The Hexagon - Silver Membership	Charged at the discretion of customers, and along the booking pathway.	Per Transaction	£33.33	£40.00	£33.33	£40.00	£0.00	0.00%	
Reading Arts - Membership scheme for The Hexagon - Gold Membership	Charged at the discretion of customers, and along the booking pathway. Price corrected to current rate charged	Per Transaction	£41.67	£50.00	£41.67	£50.00	£0.00	0.00%	
Reading Arts per ticket fee	Charged on all bookings (excl community use)	Per ticket	£2.08	£2.50	£2.92	£3.50	£0.84	40.40%	
Reading Arts - per transaction postage fee for ticket bookings	Across all price points for tickets available from Reading Arts and Venues	Per Transaction	£2.08	£2.50	£2.29	£2.75	£0.21	10.10%	
BUSINESS DEVELOPMENT									
Lamp Column Banner Advertising (Broad Street West)	Single (3 months)	Each	£750.00	£900.00	£750.00	£900.00	£0.00	0.00%	
	Renewal (additional 3 months)	Each	£650.00	£780.00	£650.00	£780.00	£0.00	0.00%	
	Pair (3 Months)	Each	£1,300.00	£1,560.00	£1,300.00	£1,560.00	£0.00	0.00%	
	Renewal (additional 3 months)	Each	£1,000.00	£1,200.00	£1,000.00	£1,200.00	£0.00	0.00%	
	Single (6 months)	Each	£1,300.00	£1,560.00	£1,300.00	£1,560.00	£0.00	0.00%	
	Renewal (additional 6 months)	Each	£1,000.00	£1,200.00	£1,000.00	£1,200.00	£0.00	0.00%	
	Pair (6 months)	Each	£2,300.00	£2,760.00	£2,300.00	£2,760.00	£0.00	0.00%	
	Renewal (additional 6 months)	Each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00	0.00%	

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Roundabout Advertising	Imperial Way - A33	Each	£6,000.00	£7,200.00	£6,000.00	£7,200.00	£0.00	0.00%
	Castle Street - IDR	Each	£6,000.00	£7,200.00	£6,000.00	£7,200.00	£0.00	0.00%
	Caversham Road - Richfield Ave	Each	£5,200.00	£6,240.00	£5,200.00	£6,240.00	£0.00	0.00%
	Chatham Street - IDR	Each	£8,000.00	£9,600.00	£8,000.00	£9,600.00	£0.00	0.00%
	Forbury Reservation	Each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00	0.00%
	Forbury / Kenavon Drive	Each	£4,500.00	£5,400.00	£4,500.00	£5,400.00	£0.00	0.00%
	Hartland / Northumberland	Each	£4,000.00	£4,800.00	£4,000.00	£4,800.00	£0.00	0.00%
	Honiton / Northumberland	Each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00	0.00%
	Norcot / Oxford Road	Each	£8,000.00	£9,600.00	£8,000.00	£9,600.00	£0.00	0.00%
	Liebenrood / Tilehurst Rd	Each	£3,600.00	£4,320.00	£3,600.00	£4,320.00	£0.00	0.00%
	Queens Road reservation	Each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00	0.00%
	Vastern / Caversham road	Each	£3,600.00	£4,320.00	£3,600.00	£4,320.00	£0.00	0.00%
	Vastern / Forbury Road	Each	£4,500.00	£5,400.00	£4,500.00	£5,400.00	£0.00	0.00%
	Vastern / George Street	Each	£8,000.00	£9,600.00	£8,000.00	£9,600.00	£0.00	0.00%
	Whitley / Christchurch	Each	£4,000.00	£4,800.00	£4,000.00	£4,800.00	£0.00	0.00%
	Whitley Wood Lane/Road	Each	£4,000.00	£4,800.00	£4,000.00	£4,800.00	£0.00	0.00%
	Circuit / Southcote Lane	Each	£2,000.00	£2,400.00	£2,000.00	£2,400.00	£0.00	0.00%
	Southcote Lane / Virginia Way	Each	£3,000.00	£3,600.00	£3,000.00	£3,600.00	£0.00	0.00%
Welcome to Reading Signage	Gillette Way / Rosekilm	Each	£4,000.00	£4,800.00	£4,000.00	£4,800.00	£0.00	0.00%
	Discretionary discount <25%	Each	£0.00	£0.00	£0.00	£0.00	£0.00	0.00%
	Single 12 months	Each	£1,200.00	£1,440.00	£1,200.00	£1,440.00	£0.00	0.00%
	Single 6 months	Each	£800.00	£960.00	£800.00	£960.00	£0.00	0.00%
	All 6 months	Each	£3,600.00	£4,320.00	£3,600.00	£4,320.00	£0.00	0.00%
TOWN HALL								
Concert Hall Room Hire	Room Hire	Day From	£3685.00	£4,422.00	£3870.00	£4,644.00	£185.00	5.00%
Concert Hall plus Tech package	Room Hire & Equipment	Day From	£4235.00	£5,082.00	£4450.00	£5,340.00	£215.00	5.10%
Victoria Hall Room Hire	Room Hire	Half Day/Day From	£800.00	£960.00	£840.00	£1,008.00	£40.00	5.00%
Waterhouse Chamber Hire	Room Hire	Half Day/Day From	£342.50	£411.00	£360.00	£432.00	£17.50	5.10%
Soane Space	Room Hire	Half Day/Day From	£275.00	£330.00	£290.00	£348.00	£15.00	5.50%
Jane Austen/Oscar Wilde	Room Hire	Half Day/Day From	£122.50	£147.00	£130.00	£156.00	£7.50	6.10%
Marcus Adams	Room Hire	Day From	£105.00	£126.00	£110.00	£132.00	£5.00	4.80%
Concert Hall Daily Delegate Rate	Catering & room Hire	Day From	£57.50	£69.00	£60.00	£72.00	£2.50	4.30%
Victoria Hall Daily Delegate Rate	Catering & room Hire	Half Day/Day	£33.50	£40.20	£35.00	£42.00	£1.50	4.50%
Waterhouse Daily Delegate Rate	Catering & room Hire	Half Day/Day	£38.00	£45.60	£40.00	£48.00	£2.00	5.30%
Jane Austen/Oscar Wilde Daily Delegate Rate	Catering & room Hire	Half Day/Day	£38.00	£45.60	£40.00	£48.00	£2.00	5.30%
Soane Space Daily Delegate Rate	Catering & room Hire	Half Day/Day	£32.50	£39.00	£34.00	£40.80	£1.50	4.60%
Lectern PA Hire	Equipment	Day	£108.33	£130.00	£115.00	£138.00	£6.67	6.20%
PA Hire	Equipment	Day	£90.00	£108.00	£95.00	£114.00	£5.00	5.60%
Microphone Hire	Equipment	Day	£80.83	£97.00	£85.00	£102.00	£4.17	5.20%
Tech time	Equipment	Per hour	£39.17	£47.00	£40.00	£48.00	£0.83	2.10%
Monitor Hire	Equipment	Day	£54.17	£65.00	£55.00	£66.00	£0.83	1.50%
Additional Projector Screen	Equipment	Day	£24.17	£29.00	£25.00	£30.00	£0.83	3.40%
LCD Projector	Equipment	Day	£75.00	£90.00	£80.00	£96.00	£5.00	6.70%
Laptop Hire	Equipment	Day	£75.00	£90.00	£80.00	£96.00	£5.00	6.70%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Economic Growth and Neighbourhood Services								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Piano Hire	Equipment	Day	£120.00	£144.00	£150.00	£180.00	£30.00	25.00%
Piano Tuned	Equipment	Day	£132.50	£159.00	£135.00	£180.00	£2.50	1.90%
Lectern Hire	Equipment	Day	£20.83	£25.00	£25.00	£30.00	£4.17	20.00%
Flip Chart	Equipment	Each	£20.83	£25.00	£22.00	£26.40	£1.17	5.60%
Display Board	Equipment	Day	£42.50	£51.00	£45.00	£54.00	£2.50	5.90%
Dance Floor	Equipment	Day	£120.00	£144.00	£150.00	£180.00	£30.00	25.00%
Pads & Pens	Equipment	Per Person	£4.33	£5.20	£4.50	£5.40	£0.17	3.90%
Photocopies	Equipment	Each	£0.17	£0.20	£0.20	£0.24	£0.03	17.60%
Late Bar	Equipment	Event	£180.00	£216.00	£200.00	£240.00	£20.00	11.10%
Serving Staff	Equipment	Per hour	£25.00	£30.00	£27.50	£33.00	£2.50	10.00%
Security Staff	Equipment	Per hour	£26.67	£32.00	£30.00	£36.00	£3.33	12.50%
DJ	Equipment	Per event	£541.67	£650.00	£550.00	£660.00	£8.33	1.50%
Stage - Victoria Hall	Equipment	Day	£105.00	£126.00	£115.00	£138.00	£10.00	9.50%
ROYAL BERKSHIRE ARCHIVES								
Copy certificates (baptism, burial, pre 1837 marriage)		Each	£18.00		£19.00		£1.00	5.60%
Copy certificates (post 1837 marriage)		Each	£12.50		£12.50		£0.00	0.00%
Reprographics		Each	£2.50	£3.00	£2.50	£3.00	£0.00	0.00%
Digital Photos		Each	£10.83	£13.00	£10.83	£13.00	£0.00	0.00%
Restoration Service		Half Hour	£17.08	£20.50	£17.08	£20.50	£0.00	0.00%
Research		Half Hour	£17.08	£20.50	£17.08	£20.50	£0.00	0.00%
MODERN RECORDS								
Records Storage	Storage of records by box	Per Box	£9.00	£10.80	£9.00	£10.80	£0.00	0.00%
PLAY SERVICES								
School Support	1:1 Support Session	Per hour	£37.00		£37.00		£0.00	0.00%
	Lunchtime Support Session play focused	Per hour	£28.00		£30.00		£2.00	7.10%
	STEPS - Travel Project	Per hour	£61.00		£61.00		£0.00	0.00%
Staff Support	0-5 Staff Support	Per hour	£21.00		£22.00		£1.00	4.80%
Events	Play in the Park	Per Session	£5.00		£5.50		£0.50	10.00%
	Mini Kickers	Per hour	£3.00		£5.00		£2.00	66.70%
	Walking Football	Per hour	£6.00		£6.00		£0.00	0.00%
	Holiday Events	Per Session	£9.00		£10.00		£1.00	11.10%
Discretionary	Archery for over 50's	Per Session	£10.00		£10.00		£0.00	0.00%
	Bespoke support, Play education attainment sessions	Per session	£70.00		£75.00		£5.00	7.10%
	Team building up to 15	Hourly rate	£85.00		£90.00		£5.00	5.90%
Holiday Clubs Age range 4- 12	8:30am to 1pm	Per Session	£14.17	£17.00	£15.00	£18.00	£0.83	5.90%
	1pm to 5:30pm	Per Session	£14.17	£17.00	£15.00	£18.00	£0.83	5.90%
	9am to 3:30pm	Per Session	£20.83	£25.00	£21.67	£26.00	£0.84	4.00%
	8:30am to 5:30pm	Per Session	£27.50	£33.00	£28.33	£34.00	£0.83	3.00%
Prospect Activity	Low Ropes	Per Person	£4.17	£5.00	£4.58	£5.50	£0.41	9.80%
Prospect Activity	Golf Course	Per Person	£4.17	£5.00	£4.58	£5.50	£0.41	9.80%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
BEREAVEMENT SERVICES								
Reading Crematorium								
Cremation Fee	Adult (over 18) - full service	Each	£995.00		£1,065.00		£70.00	7.00%
	Adult (over 18) - direct witness	Each	£495.00		£495.00		£0.00	0.00%
	Adult (over 18) - early morning	Each	£710.00		£745.00		£35.00	4.90%
	Adult (over 18) - without service (Direct)	Each	£330.00		£330.00		£0.00	0.00%
	Double length service in addition to usual cremation or interment fee	Each	£565.00		£565.00		£0.00	0.00%
	Child (under 18) or stillborn	Each	£0.00		£0.00		£0.00	0.00%
	Sunday/ Bank Holiday Surcharge	Each	Price on Application		Price on Application			
	Body parts		Price on Application		Price on Application			
	Public Health Fee	Each	£685.00		£710.00		£25.00	3.60%
Certified extract from register	Duplicate Cremated remains certificate	Each	£20.00		£21.00		£1.00	5.00%
	Out of England Certificate	Each	£40.00		£42.00		£2.00	5.00%
Book of remembrance	Two-line entry	Each	£73.33	£88.00	£73.33	£88.00	£0.00	0.00%
	Five-line entry	Each	£116.67	£140.00	£116.67	£140.00	£0.00	0.00%
	Five-line entry with illuminated capital	Each	£174.17	£209.00	£174.17	£209.00	£0.00	0.00%
	Five-line entry with floral motif, service badge etc.	Each	£195.83	£235.00	£195.83	£235.00	£0.00	0.00%
	Eight-line entry	Each	£155.83	£187.00	£155.83	£187.00	£0.00	0.00%
	Eight-line entry with illuminated capital	Each	£218.33	£262.00	£218.33	£262.00	£0.00	0.00%
	Eight-line entry with floral motif, service badge etc.	Each	£281.67	£338.00	£281.67	£338.00	£0.00	0.00%
	Full coat of arms 5-8 lines	Each	£359.17	£431.00	£359.17	£431.00	£0.00	0.00%
	Extra Lines up to a maximum of 11	Each	£27.50	£33.00	£27.50	£33.00	£0.00	0.00%
Remembrance card	Copy of a two-line entry	Each	£42.50	£51.00	£42.50	£51.00	£0.00	0.00%
	Copy of a five-line entry	Each	£71.67	£86.00	£71.67	£86.00	£0.00	0.00%
	Copy of a five-line entry with any type of motif	Each	£139.17	£167.00	£139.17	£167.00	£0.00	0.00%
	Copy of an eight-line entry	Each	£100.00	£120.00	£100.00	£120.00	£0.00	0.00%
	Copy of an eight-line entry with any type of motif	Each	£155.00	£186.00	£155.00	£186.00	£0.00	0.00%
Memorial vase and tablet	Purchase of vase and tablet	Each	£244.00	£292.80	£244.17	£293.00	£0.17	0.10%
	Renewal for period of 10 years	Each	£305.00		£320.00		£15.00	4.90%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
Memorial plaques	Replacement single plaque *Fees are doubled in the case of a 12" x 4" double plaque	Each	£100.00	£120.00	£100.00	£120.00	£0.00	0.00%
	Replacement single plaque with motif *Fees are doubled in the case of a 12" x 4" double plaque	Each	£120.00	£144.00	£120.00	£144.00	£0.00	0.00%
	Lease of single plaque space for 10 years	Each	£210.00		£210.00		£0.00	0.00%
	Lease of double plaque space for 10 years	Each	£420.00		£380.00		(£40.00)	(9.50%)
	Renewal of lease for baby plaque	Each	£30.00		£30.00		£0.00	0.00%
	Photo Cameo on Plaque additional cost (added to normal plaque cost)	Each	£100.00	£120.00	£100.00	£120.00	£0.00	0.00%
Hall of Memory Tree Leaf	Lease for 5 years renewal	Each	£76.00		£80.00		£4.00	5.30%
	Replacement leaf	Each	£65.00	£78.00	£65.00	£78.00	£0.00	0.00%
Memorial Tree	Provision of Tree, Surround and stem plaque	Each	£445.00	£534.00	£445.00	£534.00	£0.00	0.00%
	Lease for 10 years	Each	£635.00		£660.00		£25.00	3.90%
Memorial bench	Replacement Bench	Each	£805.00	£966.00	£805.00	£966.00	£0.00	0.00%
	Lease for a 10 years	Each	£714.00		£750.00		£36.00	5.00%
	Replacement plaque for tree or bench	Each	£155.00	£186.00	£155.00	£186.00	£0.00	0.00%
Wall Plaque	Purchase of memorial granite wall plaque	Each	£165.00	£198.00	£165.00	£198.00	£0.00	0.00%
	Lease of space for memorial granite wall plaque	Each	£305.00		£320.00		£15.00	4.90%
Relocating plaque	Moving of Memorial Plaque to new location	Each	£58.00	£69.60	£58.33	£70.00	£0.33	0.60%
Administrative	Administration Fee	Each	£58.00	£69.60	£58.33	£70.00	£0.33	0.60%
Memorial Bed Garden	Replacement plaque and surround	Each	£445.00	£534.00	£445.00	£534.00	£0.00	0.00%
	Lease fee for 10 years	Each	£635.00		£660.00		£25.00	3.90%
Birdbath Memorial Plaques	Replacement Plaque (row 1)	Each	£105.00	£126.00	£105.00	£126.00	£0.00	0.00%
	Replacement Plaque (row 2)	Each	£153.00	£183.60	£153.33	£184.00	£0.33	0.20%
	Replacement Plaque (row 3)	Each	£210.00	£252.00	£210.00	£252.00	£0.00	0.00%
	Replacement Plaque (row 4)	Each	£285.00	£342.00	£285.00	£342.00	£0.00	0.00%
	Replacement Plaque (row 5)	Each	£355.00	£426.00	£355.00	£426.00	£0.00	0.00%
	Renewal of Lease (10 years)	Each	£305.00		£320.00		£15.00	4.90%
Sanctums	Granite Tablet (no motif)	Each	£410.00	£492.00	£410.00	£492.00	£0.00	0.00%
	Lease for further 25 years	Each	£705.00		£750.00		£45.00	6.40%
Baby Grave Galvanised Sculpture	Plaque for baby grave	Each	£125.00	£150.00	£125.00	£150.00	£0.00	0.00%
	Replacement plaque	Each	£70.00	£84.00	£70.00	£84.00	£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
Reading Cemetery								
Henley Road, Reading Cemetery, Caversham Cemetery - Exclusive rights of burial in earth graves (including certificates of grant) New graves and interment fees for persons under the age of 18 are charged directly to the CFF (Children's Funeral Fund for England) and not to residents.	For the exclusive right of burial for 75 years in an earth grave 9 feet by 4 feet:							
	Traditional / mounded concrete lined resident	Each	New		£3,438.00		New	New
	Traditional / mounded concrete lined non-resident	Each	New		£7,040.00		New	New
	Traditional / mounded non-resident	Each	£4,980.00		£4,980.00		£0.00	0.00%
	Traditional / mounded Grave - all sections	Each	£1,660.00		£1,660.00		£0.00	0.00%
	b) The lawn or park Cemetery in an earth grave 9 feet by 4 feet	Each	£1,215.00		£1,306.00		£91.00	7.50%
	Lawn non-resident	Each	£3,645.00		£4,023.00		£378.00	10.40%
	Baby grave - private resident	Each			£650.00		New	New
	Baby grave - private non-resident	Each			£1,950.00		New	New
	d) Desk Vase Tablet cremated remains plot for 2 set of ashes	Each	£645.00		£710.00		£65.00	10.10%
	Desk bar non resident cremated remains	Each	£1,935.00		£1,935.00		£0.00	0.00%
	Please note the following charges payable for exclusive right of burial in any grave or vault will be trebled in the case of any person who was not an inhabitant of the Borough at the time of their death:							
	Extension to lease for exclusive rights of burial for 10yrs period on lawn graves	Each	£250.00		£260.00		£10.00	4.00%
	Extension to lease for exclusive rights of burial for 15 yrs period on lawn graves	Each	£375.00		£390.00		£15.00	4.00%
	Extension to lease for exclusive rights of burial for 25yrs period on lawn graves	Each	£625.00		£650.00		£25.00	4.00%
	Extension to lease for exclusive rights of burial for 10 yrs period on traditional graves	Each	£335.00		£335.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 15 yrs period on traditional graves	Each	£500.00		£500.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 25yrs period on traditional graves	Each	£840.00		£840.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 10 yrs period on Ashes plot for 2 (fee doubled for a plot for 4)	Each			£142.00		New	New
	Extension to lease for exclusive rights of burial for 15 yrs period on ashes plot for 2 (fee doubled for a plot for 4)	Each			£213.00		New	New

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
	Extension to lease for exclusive rights of burial for 25 yrs period on ashes plot for 2 (fee doubled for a plot for 4)	Each			£355.00		New	New
Vaulted or walled graves	Charges to be individually agreed with the Cemeteries Manager according to size and depth of graves where an exclusive right of burial has been purchased for 50 years							
Burials New graves and interment fees for persons aged under 18 years are charged directly to the CFF (Children's Funeral Fund for England) and not to residents/customers.	Dig Fee (including CFF claims) for interment of a Body parts, NVF, Stillborn and child (under 18yrs old)	Each	£305.00		£335.00		£30.00	9.80%
	c) If the body is that of a person aged 18 years or over	Each	£945.00		£1,039.00		£94.00	9.90%
	Traditional interment	Each	£945.00		£1,417.00		£472.00	49.90%
	d) Cremated remains in an existing grave or a cremated remains plot	Each	£160.00		£200.00		£40.00	25.00%
	Dig Fee to be claimed from CFF for interment of cremated remains stillborn to <5 years old	Each	£25.00		£30.00		£5.00	20.00%
	Dig Fee to be claimed from CFF for interment of cremated remains of a child aged 5-17yrs old	Each	£40.00		£45.00		£5.00	12.50%
	f) Cremated Remains returned from elsewhere for Burial	Each	£60.00		£65.00		£5.00	8.30%
	g) For any burial below 6 feet in depth an additional charge will be made per burial	Each	£325.00		£350.00		£25.00	7.70%
	Additional service time where overrun affects next service or requires overtime working.	Each			£200.00		New	New
	Additional depth for child under 18	Each	£195.00		£210.00		£15.00	7.70%
Common grave	In a grave where an exclusive right of burial has not been granted: (Please note the charge payable will be doubled in the case of any person who was not an inhabitant of the Borough)							
	a) If the body is that of a stillborn child or NVF	Each	£0.00		£0.00		£0.00	0.00%
	b) If the body is that of a person under 18 years of age.	Each	£165.00		£335.00		£170.00	103.00%
	c) If the body is that of a person aged 18 years or over (Public Health)	Each	£945.00		£1,039.00		£94.00	9.90%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
Monuments, Gravestones, Tablets and Stone kerbs	For the right to erect any gravestone or monument on a grave space:							
	a) Traditional	Each	£335.00		£335.00		£0.00	0.00%
	b) Lawn, Park and Mayfield Cemetery	Each	£230.00		£230.00		£0.00	0.00%
	c) Park cremated remains section flat stone, baby graves & DVT's	Each	£90.00		£90.00		£0.00	0.00%
	f) Cremated Remains Headstone Section	Each	£90.00		£90.00		£0.00	0.00%
	f) Additional works/inscription	Each	£78.00		£78.00		£0.00	0.00%
Other fees and charges	Transfer of grant of exclusive right of burial	Each	£100.00	£120.00	£100.00	£120.00	£0.00	0.00%
	Search Fee - up to 4 records per enquiry	Each	£18.00	£21.60	£18.00	£21.60	£0.00	0.00%
	Search Fee - for 1 record	Each	£5.50	£6.60	£5.50	£6.60	£0.00	0.00%
	Exhumation of Cremated Remains	Each	£300.00		£300.00		£0.00	0.00%
	Use of chapel prior to burial for stillborn child or a child under 18 years old	Each	£100.00		£100.00		£0.00	0.00%
	Chapel Fee Prior to a Burial for person over 18 years old (including overrun	Each	£565.00		£565.00		£0.00	0.00%
	Administration Fee for Public Health Funeral	Each	£300.00	£360.00	£300.00	£360.00	£0.00	0.00%
	Charge for provision of a Quran grave	Each	Price on Application		Price on Application			
	Bench Maintenance (Powerwash and treatment with teak oil)	Each	£75.00	£90.00	£80.00	£96.00	£5.00	6.70%
	Grave Maintenance	Each	Price on Application		Price on Application			
Webcast Services	Live Webcast (up to 20 viewers)	Each	£35.00	£42.00	£35.00	£42.00	£0.00	0.00%
	Live+On-Demand Webcast for up to 28 days and downloadable	Each	£50.00	£60.00	£50.00	£60.00	£0.00	0.00%
	Physical copy of Webcast recording on DVD, Blu-ray or USB memory stick and audio cd	Each	£50.00	£60.00	£50.00	£60.00	£0.00	0.00%
	Additional Physical copy CD, DVD, Blu-ray or USB	Each	£26.67	£32.00	£26.67	£32.00	£0.00	0.00%
Visual Tributes	Single Photo	Each	£12.50	£15.00	£12.50	£15.00	£0.00	0.00%
	Slideshow (up to 25)	Each	£43.33	£52.00	£43.33	£52.00	£0.00	0.00%
	Photo Tribute (up to 25)	Each	£65.00	£78.00	£65.00	£78.00	£0.00	0.00%
	Additional 25 photos	Each	£23.33	£28.00	£23.33	£28.00	£0.00	0.00%
	Self Build Checking	Each	£20.00	£24.00	£20.00	£24.00	£0.00	0.00%
	Additional Time for tributes etc:							
	Downloadable copy of Pro Photo tribute	Each	£11.67	£14.00	£11.67	£14.00	£0.00	0.00%
	Extra Work required on tributes	Each	£23.33	£28.00	£23.33	£28.00	£0.00	0.00%
	Themed Tribute	Each	£82.50	£99.00	£82.50	£99.00	£0.00	0.00%
	Video Book	Each	£79.17	£95.00	£79.17	£95.00	£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources

Appendix C - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
	Memory Box	Each	£108.33	£130.00	£108.33	£130.00	£0.00	0.00%
Other fees and charges	Retention of Ashes after 2 month	Each	£73.33	£88.00	£73.33	£88.00	£0.00	0.00%
	Bronze Plaque refurbish single (in situ)	Each	£25.00	£30.00	£25.00	£30.00	£0.00	0.00%
	Bronze Plaque refurbish double (in situ)	Each	£41.67	£50.00	£41.67	£50.00	£0.00	0.00%
	Memorial Service Only in chapel	Each	£565.00		£565.00		£0.00	0.00%
	Service over run charge (if affects next service or incurs overtime)	Each	£565.00		£565.00		£0.00	0.00%
Reading Cemetery	NO NEW GRAVE SPACES AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley							
Caversham Cemetery	NO NEW GRAVE SPACES AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley							
REGISTRATION SERVICE								
Registration Service	Notice of marriage or partnership	Per Person	Statutory		Statutory			
Registration Service (First Tuesday of the month)	Registrar's attendance at Register Office marriage or civil partnership	Per couple	Statutory		Statutory			
Registration Service	Registrar's attendance at outside church	Per couple	Statutory		Statutory			
	Attendance at place of detention or house for notice of marriage or partnership	Per couple	Statutory		Statutory			
	Attendance at place of detention or house for notice of marriage or partnership (higher fee if referral to Home Office Immigration is required)	Per couple	Statutory		Statutory			
	Notice of No Impediment (Marriage)	Per couple	Statutory		Statutory			
	Notice of No Impediment (Civil Partnership)	Per couple	Statutory		Statutory			
	Out of Hours pre-arranged appointment fee	Per booking	Statutory		Statutory			
	Civil Partnership Conversion to Marriage - Standard Procedure (Reading Register Office)	Per booking	Statutory		Statutory			
Certificates	Registration Certificate	Per Certificate	Statutory		Statutory			
	Express Service Certificate	Per Certificate	Statutory		Statutory			
	Presentation Wallet	Per Wallet			£3.33	£4.00	New	New
	Celebratory Certificate	Per Certificate			£6.67	£8.00	New	New
Statutory Correction Application Fee	Correction completed by Register office	Per correction	Statutory		Statutory			
	Correction referred to General Register Office	Per correction	Statutory		Statutory			
	Amendment to birth record with 12 months of registration (space 17 amendment)	Per correction	Statutory		Statutory			

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
Foreign Divorce Checking fee	The administration of foreign divorces when giving notice of marriage or CP.	Per Person	Statutory		Statutory			
Citizenship Ceremonies	Individual Citizenship Ceremony at The Town Hall (up to max of 10 people)	Per Person	£125.00	£150.00	£131.67	£158.00	£6.67	5.30%
	Friday & Saturday Individual Citizenship Ceremony at the Town Hall (up to max of 10 people)	Per Person	£148.33	£178.00	£155.83	£187.00	£7.50	5.10%
Approved Premises Marriages - (9am to 5pm)	Monday to Thursday (9am to 5pm)	Per Couple	£350.00	£420.00	£367.50	£441.00	£17.50	5.00%
	Friday & Saturday (9am to 5pm)	Per Couple	£402.50	£483.00	£422.50	£507.00	£20.00	5.00%
	Sunday & Bank Hols (9am to 5pm)	Per Couple	£433.33	£520.00	£455.00	£546.00	£21.67	5.00%
Approved Premises Marriages - After 5pm	Venue: Monday to Thursday	Per Couple	£345.83	£415.00	£394.17	£473.00	£48.34	14.00%
	Venue: Friday & Saturday	Per Couple	£407.50	£489.00	£428.33	£514.00	£20.83	5.10%
	Venue: Sunday & Bank Hols	Per couple	£436.67	£524.00	£458.33	£550.00	£21.66	5.00%
New Ceremony Room: Reading Museum & Town Hall (Marriages / Civil Partnerships)	Monday to Thursday	Per Couple	£187.50	£225.00	£197.50	£237.00	£10.00	5.30%
	Friday & Saturday	Per Couple	£254.17	£305.00	£266.67	£320.00	£12.50	4.90%
	Sunday & Bank Hols	Per Couple	£433.33	£520.00	£455.00	£546.00	£21.67	5.00%
Renewal of Vows & Baby Naming (1 member of staff required)	Monday to Thursday	Per Ceremony	£145.00	£174.00	£156.67	£188.00	£11.67	8.00%
	Friday & Saturday	Per Ceremony	£175.00	£210.00	£183.33	£220.00	£8.33	4.80%
	Sunday & Bank Hols	Per Ceremony	£201.67	£242.00	£211.67	£254.00	£10.00	5.00%
Approval of venues for marriages or Civil Partnerships (up to 2 rooms)	Renewal of marriage or Civil Partnership licence	Per Venue	£1,666.67	£2,000.00	£1,666.67	£2,000.00	£0.00	0.00%
Administrative fee	For services offered on a Saturday such as Notices of Marriage	Per Person	£21.67	£26.00	£22.50	£27.00	£0.83	3.80%
	Changes to booking	Per Person	£41.67	£50.00	£44.17	£53.00	£2.50	6.00%
	Booking Deposit Fee	Per Venue			£46.67	£56.00	New	New
GIS - MAPPING								
Street Naming & Numbering	New addresses	Each	£51.25	£61.50	£54.17	£65.00	£2.92	5.70%
	New streets	Each	£295.50	£354.60	£310.83	£373.00	£15.33	5.20%
LEGAL SERVICES								
Right to Buy	Engrossment Fee (Freehold)	Per Transfer	£77.00	£92.40	£81.67	£98.00	£4.67	6.10%
	Engrossment Fee (Leasehold)	Per Lease	£88.00	£105.60	£93.33	£112.00	£5.33	6.10%
Requisition (LLC1) Postal	Search using LLC1 form only	Per search	£34.70	£41.64	£36.67	£44.00	£1.97	5.70%
Standard Enquiries (CON29) Postal	Search using CON29 form only	Per search	£90.30	£108.36	£95.00	£114.00	£4.70	5.20%
Full Search LLC1 and CON29	Search using LLC1 and CON29 form	Per search	£119.22	£143.06	£125.83	£151.00	£6.61	5.50%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
Copy documents	Copy document	Per request	£26.30		£28.33	£34.00	£2.03	7.70%
Deferred Payment Agreement	Flat fee and hourly rate (pay rate)	Per Agreement	£567.00	£680.40	£595.83	£715.00	£28.83	5.10%
Legal Fees (Commercial)	Legal Services Manager	Per Hour	£315.00	£378.00	£330.83	£397.00	£15.83	5.00%
	Principal Lawyer / Team Leader	Per Hour	£290.00	£348.00	£305.00	£366.00	£15.00	5.20%
	Senior Lawyer	Per Hour	£265.00	£318.00	£278.33	£334.00	£13.33	5.00%
	Lawyer	Per Hour	£210.00	£252.00	£220.83	£265.00	£10.83	5.20%
	Trainees and Paralegals (Grade 6+)	Per Hour	£135.00	£162.00	£141.67	£170.00	£6.67	4.90%
	Trainees and Paralegals (Grade 4- 5)	Per Hour	£100.00	£120.00	£105.00	£126.00	£5.00	5.00%
Legal Fees (Community - voluntary organisations, charities providing services to residents in Reading)	Legal Services Manager	Per Hour	£185.00	£222.00	£185.00	£222.00	£0.00	0.00%
	Principal Lawyer / Team Leader	Per Hour	£160.00	£192.00	£160.00	£192.00	£0.00	0.00%
	Senior Lawyer	Per Hour	£130.00	£156.00	£139.17	£167.00	£9.16	7.10%
	Lawyer	Per Hour	£100.00	£120.00	£110.84	£133.00	£10.84	10.80%
	Trainees and Paralegals (Grade 6+)	Per Hour	£75.00	£90.00	£75.00	£90.00	£0.00	0.00%
	Trainees and Paralegals (Grade 4- 5)	Per Hour	£55.00	£66.00	£55.00	£66.00	£0.00	0.00%
INCOME & RECOVERY								
Council Tax Summons Cost		Per Summons issued	£99.50		£100.00		£0.50	0.50%
Council Tax Liability Order Cost		Per Liability Order issued	£43.00		£43.00		£0.00	0.00%
Business Rates Summons Cost		Per Summons issued	£106.50		£107.00		£0.50	0.50%
Business Rates Liability Order Cost		Per Liability Order issued	£70.00		£70.00		£0.00	0.00%
Civil Penalties Housing Benefits		Per case identified	Statutory		Statutory			
Civil Penalties Council Tax		Per case identified	Statutory		Statutory			
DEMOCRATIC SERVICES								
Admission Appeals - Charge per appeal		Per admission appeal heard	£240.00	£288.00	£250.00	£300.00	£10.00	4.20%
School Exclusion Review Hearing		Per review heard	£1,000.00	£1,200.00	£1,083.33	£1,300.00	£83.33	8.30%

Appendix 9 - Proposed Fees and Charges from 1st April 2025 - Directorate of Resources								
Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2025	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
Admission Appeals - Admin Charge	Withdrawn/Settled (W/S) Appeals	Per admission appeal W/S after papers circulated	£64.00	£76.80	£67.50	£81.00	£3.50	5.50%
CUSTOMER SERVICES								
Blue Badges (New & Renewals)	Disabled Parking Badge	Each	£10.00		£10.00		£0.00	0.00%
COMMUNICATIONS								
Event pitch fee	Charity	Per event	£33.58	£40.30	£35.00	£42.00	£1.42	4.20%
Event pitch fee	Charity with 10% early bird discount	Per event	£30.25	£36.30	£31.67	£38.00	£1.42	4.70%
Event pitch fee	RBC affiliated charity	Per event	£11.17	£13.40	£11.67	£14.00	£0.50	4.50%
Event pitch fee	RBC affiliated charity with 10% early bird discount	Per event	£10.08	£12.10	£10.83	£13.00	£0.75	7.40%
Event pitch fee	Community	Per event	£44.83	£53.80	£46.67	£56.00	£1.84	4.10%
Event pitch fee	Community with 10% early bird discount	Per event	£40.33	£48.40	£42.50	£51.00	£2.17	5.40%
Event pitch fee	Commercial	Per event	£112.00	£134.40	£117.50	£141.00	£5.50	4.90%
Event pitch fee	Commercial with 10% early bird discount	Per event	£100.83	£121.00	£105.83	£127.00	£5.00	5.00%
Event pitch fee	Food trader	Per event	£168.08	£201.70	£176.67	£212.00	£8.59	5.10%
KENNET DAY NURSERY								
3 yrs and over - RBC	AM or PM Sessions are charged at half the daily rate. Siblings are entitled to a £2 per day reduction.	Daily rate (2 sessions)	£63.20		£63.20		£0.00	0.00%
Under 3 yrs - RBC		Daily rate (2 sessions)	£65.20		£65.20		£0.00	0.00%
3 yrs and over - Non RBC		Daily rate (2 sessions)	£69.30		£69.30		£0.00	0.00%
Under 3 yrs - RBC		Daily rate (2 sessions)	£71.30		£71.30		£0.00	0.00%
LEARNING AND WORKFORCE DEVELOPMENT								
Training	Places on training for school staff (1 day)	Per place	£70.00		£74.00		£4.00	5.70%

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Appendix 10 - Equality Impact Assessment of the Budget Proposals

Name of proposal/activity/policy to be assessed: 2025/26 Budget and Medium Term Financial Strategy (MTFS) 2025/26 – 2027/28

Directorate: All

Service: Council-wide

Name and job title of person doing the assessment

Name: Clare Muir

Job Title: Senior Policy Officer

Date of assessment: 23/01/2025

What is the aim of your policy or new service?

The Council still has a significant budget gap across the three years of the MTFS. The Council needs to consider implementing additional savings in a range of areas.

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. A public consultation on the MTFS Update took place between 17th December 2024 to 16th January 2025. It asked for views on:

Council Tax

Should the Council look to increase Council Tax by 2.99% plus 2.00% Adult Social Care precept to reduce the financial gap for 2025/26? 60% supported this.

Budget savings

Which areas, shown in a list would they be MOST/LEAST comfortable with the Council reducing spending on, or increasing income from?

Top 3 MOST comfortable were Home to school transport, Income from fees and charges, Voluntary sector funding.

Top 3 LEAST comfortable were Street cleaning, Homelessness prevention, Facilities in parks and open spaces.

Capital programme

Of a list of capital projects the Top 3 for stopping or scaling back were New performance space at the Hexagon Theatre; John Rabson skatepark, Digitised Traffic Regulation Orders.

Social housing rents

79% supported the Council implementing a 2.7% increase in social housing rents.

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.

Appendix A sets out the budget business cases where the Equality Duty is identified as relevant and summarises the Equality Impact Assessment.

Appendix 10 - Annex A – Budget Business Cases where budget business cases where the Equality Duty is identified as relevant and impact assessment			
Bid Reference	Business Case Title	Proposal	Equality Impact
Revenue			
DCASC-2526-12	VCS Spend	Annual Small Grants Fund (SGF) process reduced from £0.200m p.a. to £0.150m p.a. on an ongoing basis from 2025/26. This approach was trialled for the SGF in 2024/25, along with a number of alterations to the SGF criteria to ensure it is focused on smaller grassroots community groups supporting Reading residents. This trial has proved successful in providing financial support to a broader range of local organisations.	No negative impact identified under the Equality Duty. The range of bids for funding from the SGF clearly shows that organisations that focus on supporting residents protected characteristics are aware and able to put forward proposals for their activities. The ability to fund a greater proportion of bids is a further indicator of the positive impact of the SGF process. The updated criteria for the SGF were developed following feedback from local VCS organisations and we have not received any complaints about the process for this year. We have however improved the information available to potential bidders to ensure that they have the best chance of success in their bids.
DCASC-2526-16	Homelessness Support Services	10% Housing General Fund contribution reduction of £0.076m per annum taken from core funded Homelessness Support Services in scope for MTFS savings.	An Equality impact assessment has been carried out. (Policy Report 17 th March 2025). The provision of the services in Reading will be open to all individuals needing relief from or prevention of rough sleeping. No negative impact identified under the Equality Duty. (EIA available - sensitive).
DEGNS-2526-06	Rationalisation of Pay & Display Assets, Tariff Changes and Emissions Based Parking	Replace or upgrade P&D machines; Implement tariff zone changes; Implement emissions-based parking for Residents Parking and On Street P&D.	An Equality impact assessment has been carried out. (Policy Committee 20 th January 2025) No negative impact identified under the Equality Duty.

Appendix 10 - Annex A – Budget Business Cases where budget business cases where the Equality Duty is identified as relevant and impact assessment			
Bid Reference	Business Case Title	Proposal	Equality Impact
DEGNS-2526-14	Operational Resilience - Recycling & Waste Service	Cease provision of free bulky waste collections. Introduce fee for the collection of a second green waste bin at a single property. Increase green waste collection fee. Reinvest £0.155m of the resulting income in the provision of a late shift, waste collection round, Net benefit of £0.111m.	No negative impact identified under the Equality Duty. Concession discounts will continue to be provided to those customers in receipt of benefits.
DEGNS-2526-34	Allotments Full Cost Recovery	Double the annual fee. Improvement of £0.067m in revenue from 2026/27.	No negative impact identified under the Equality Duty. Concession discounts will continue to be provided.
DOR-2526-08	Tackling Inequality Strategy	To remove the project funding but maintain staffing resources to secure external funding and ensure other funds are targeted to the place based pilots. Future project opportunities will only be possible if supported with external grant funding or through redirecting other existing budgets. There will not be a dedicated place based pilots project budget.	An Equality impact assessment has been carried out. No negative impact identified under the Equality Duty. There are a range of projects that have been or are currently being delivered: • Community Activity Fund – providing a grant based scheme for organisations to bid for • School support programme at JMA • New Directions College ◦ Berkshire Youth Project ◦ Careers Information, Advice and Guidance • Cowsey community engagement and improvement Whilst some of the projects supported groups that share a protected characteristic (Age, in relation to youth based projects) there are a range of projects and therefore they are not being treated differently. In addition, these projects will be completed in

Appendix 10 - Annex A – Budget Business Cases where budget business cases where the Equality Duty is identified as relevant and impact assessment			
Bid Reference	Business Case Title	Proposal	Equality Impact
			accordance with the funding commitments. (EIA available).
DOR-2526-09	Executive Assistants Review	Maintain service offer for Chief Executive, Executive Directors and Director of Public Health. Self-serve or utilise tools such as CoPilot for Directorate meetings. Diary management only for Directors / Deputy / Assistant Directors.	An Equality impact assessment has been carried out. The proposal has a direct impact on the Executive Assistant team members (currently ten individuals all of whom are female). The proposed change will be implemented in line with the Council's Employment Stability Agreement, November 2022. (EIA available - sensitive).
DOR-2526-12	HR&OD Restructure	Restructure HR&OD	An Equality impact assessment has been carried out. No negative impact identified under the Equality Duty. There are staffing changes proposed but no evidence or reason to believe that some groups may be affected differently than others. There is a change in a reporting line for some roles but with no indications that this has any impact on protected characteristic groups. The proposed change will be implemented in line with the Council's Employment Stability Agreement, November 2022. (EIA available - sensitive).
BFFC-2526-03	Primary Mental Health Team Service Reduction	To revise PMHT duties and the revised MHST offer, utilising the Public Health (PH) and ICB funding to mitigate any pressures on delivery, to ensure that mental health support is funded through NHS and PH routes, rather than core BFfC funds.	The proposed change will be implemented in line with the Council's Employment Stability Agreement, November 2022. Equality impact assessment will be finalised as part of the staff consultation required to assess possible impact on emotional health support in a context of growing demand and to identify mitigating action require e.g. more targeted support (March 2025).

Appendix 10 - Annex A – Budget Business Cases where budget business cases where the Equality Duty is identified as relevant and impact assessment			
Bid Reference	Business Case Title	Proposal	Equality Impact
BFFC-2526-04	School Travel Assistance	Further reduction in transport use by rigorously applying new Travel Assistance policy and procedures and promoting wherever possible independent and sustainable travel options.	An Equality impact assessment was carried out as part of the consultation process on the new School Transport policy for September 2024, and adjustments made to policy changes as considered and agreed by July 2024 ACE Committee.
BFFC-2526-05	Family (Early) Help Reductions	Government has secured grant funding ringfenced for family help/hubs, but a review of services is required which may lead to staff reductions.	Equality impact assessment may be required is required. The proposed change will be implemented in line with the Council's Employment Stability Agreement, November 2022.
BFFC-2526-08	Service Reductions Business Support /Admin	Consolidate the work of Business Support/Admin roles in children's services and education to achieve a staff reduction and cost savings.	An Equality impact assessment has been carried out. This proposal has a direct impact on the Business Support team members. 93% of whom are Female. The proposed change will be implemented in line with the Council's Employment Stability Agreement, November 2022. (EIA available - sensitive).
BFFC-2526-09	Consolidation of Nurseries	To bring together management of the BFfC nurseries, The Lodge, and Surestart Whitley (SSWDN) with RBC Kennet Day Nursery.	Equality impact assessment may be required for individual proposals.
Capital			
BFFC-2526-CAP02	BFfC Children with Disabilities Business Case	Develop the site at Strathy Close into a nine bed property, creating five children with disability beds and four adult beds.	No negative impact identified under the Equality Duty.

Appendix 11 – Summary of Response to the Budget Engagement

Report summary

The engagement ran from 17th December 2024 to 16th January 2025.

178 responses were received.

The engagement was promoted via the residents' weekly email, sent to the online citizens' panel and promoted via a number of the Council's working groups and forums.

Results

Should the Council look to increase Council Tax by 2.99% plus 2.00% Adult Social Care precept (an increase of £1.94 per week for a Band D property) to reduce the financial gap for 2025/26?

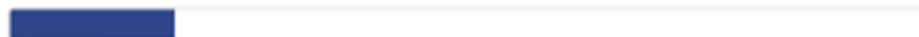


Which areas, shown in the list below, would you be MOST comfortable with the Council reducing spending on, or increasing income from? (Current budget for 2025/26 shown in brackets)



Which areas, shown in the list below, would you be LEAST comfortable with the Council reducing spending on, or increasing income from? (Current budget for 2025/26 shown in brackets)

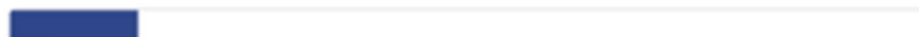
Street cleaning (£1.920 million) 18% (107 choices)



Homelessness prevention (£2.258 million) 15.2% (90 choices)



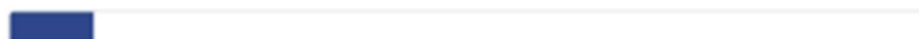
Facilities in parks and open spaces (£0.203 million) 14% (83 choices)



Street lighting (£1.110 million) 13.8% (82 choices)



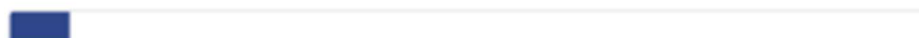
Family Hubs (£2.847 million) 9.3% (55 choices)



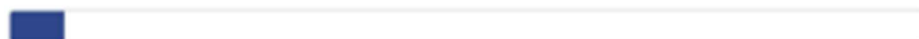
Reading Town Hall and Museum (£0.929 million) 6.9% (41 choices)



Home to school transport (£3.619 million) 6.6% (39 choices)



Voluntary sector funding (£8.173 million) 5.9% (35 choices)



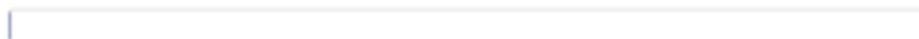
Theatres (£0.353 million) 5.2% (31 choices)



Income from fees and charges (income of £50.751 million) 4.9% (29 choices)



No answer 0.2% (1 choice)

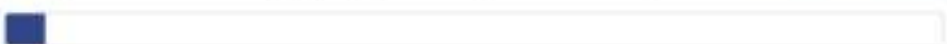


'Other' Areas Suggested Where the Council Could Consider Reducing Spending Include:

Topic	No of responses
Management/pay	5
Benefits	3
Spend on unnecessary services	2
Areas outside of core delivery - such as equality officers/ back-office functions	2
Road maintenance	2
Consultancy fees	2
Housing illegal immigrants/asylum seekers	2
Sending multiple bin collections to one road/ bin collections generally	2
Expenses on outsourced children's services	1
Net zero team	1
Town centre pedestrian area resurfacing	1
Catering/travel costs	1
Supporting those with substance abuse problem	1
Car park charges	1
Special educational needs and disabilities spaces	1
Verge mowing	1
Religious groups	1
Adult Social Care	1
Pensions	1
Monarchy	1
Events and festivals	1
Public Relations	1
Office costs	1
Translation charges	1
Traffic wardens	1
New buses	1
Trimming trees	1
Bus/cycle lanes	1
Home to school transport – could be sponsored by businesses	1

Listed below are a selection of the capital projects in 2025/26 that are not fully funded by grants from central government. Of the projects in this list, are there any that you would stop or scale back? (2025/26 net funding requirement shown in brackets)



Minster Quarter development (£0.523 million)	4.7% (36 choices)
	
Corporate solar energy programme (1.903 million)	4.3% (33 choices)
	
Highways infrastructure programme (£5.062 million)	3.5% (27 choices)
	
Private sector renewals - Adult Social Care home improvements (£0.250 million)	3.4% (26 choices)
	
IT future operating model (£1.289 million)	3.4% (26 choices)
	
Foster carer home extensions (£0.275 million)	3.3% (25 choices)
	
Tree planting (£0.046 million)	2.7% (21 choices)
	
ICT technology refresh (£0.436 million)	2.7% (21 choices)
	
Education management system (£0.707 million)	1.6% (12 choices)
	
None of the above	1% (8 choices)
	
No answer	0.1% (1 choice)
	

The Government has announced a maximum increase of 2.7% on social housing rents, equivalent to £3.45 per week on the average social housing property. Do you support the Council opting for a 2.7% increase in social housing rents?



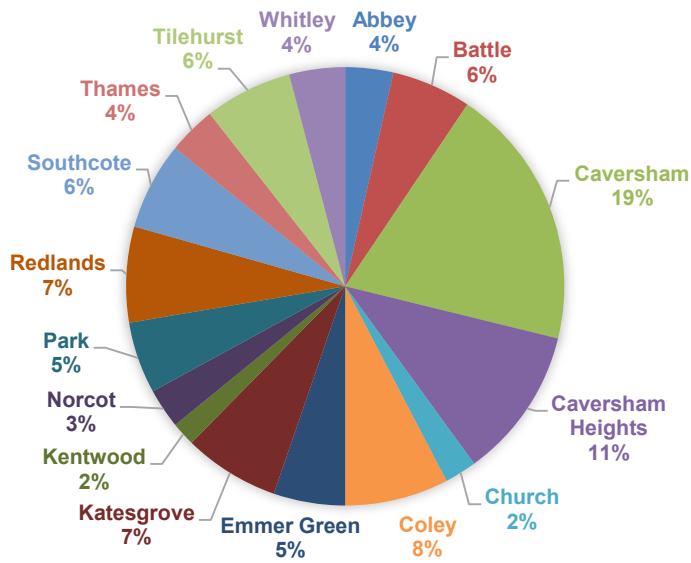
'Further Comments':

Topic	No of responses
Stop increasing/reduce Council Tax	12
Questions hard to understand/ badly worded/not enough info	11
Fix potholes/improve roads & infrastructure	6
Introduce congestion charging	3
Reduce rubbish on streets/fly-tipping	3
Reduce spend in general	2
Invest more in green transport/ public transport	2
Reduce funding/charge for school transport	2
Improve High Street/ Oxford Road environment	2
Lobby Government	2
Focus on most vulnerable	2
Invest in culture to increase tourism	2
Reduce spend on street lighting	2
Spend on services to reduce drug use	2
Tackle homelessness	2
Address root cause of crime/ anti-social behaviour	2
Decrease wages/bonuses/non-important roles (e.g. diversity)	2
Spend on climate measures	2
Amersham Road social housing left to ruin	1
Reduce spend on illegal migrants	1
Spend on school transport	1
Improve town centre safety	1
Reduce private rents	1
Reduce social housing rents	1
Work with business more	1
Open libraries later	1
Decrease social housing support	1
Invest to generate new income streams	1
Reduce outsourcing	1
Reduce IT costs by standardising on one of the major platforms	1
Use the voluntary and community sector better	1
More facilities in town centre for public/young people	1
National planning needs strengthening to mitigate developers avoiding their social obligations	1
Reduce reliance on state provision	1
Merge with other councils	1
Raise income from the wealthy and business	1
Theatre should be self-funding	1
Reduce housing benefit and spend on initiatives to get people into work	1

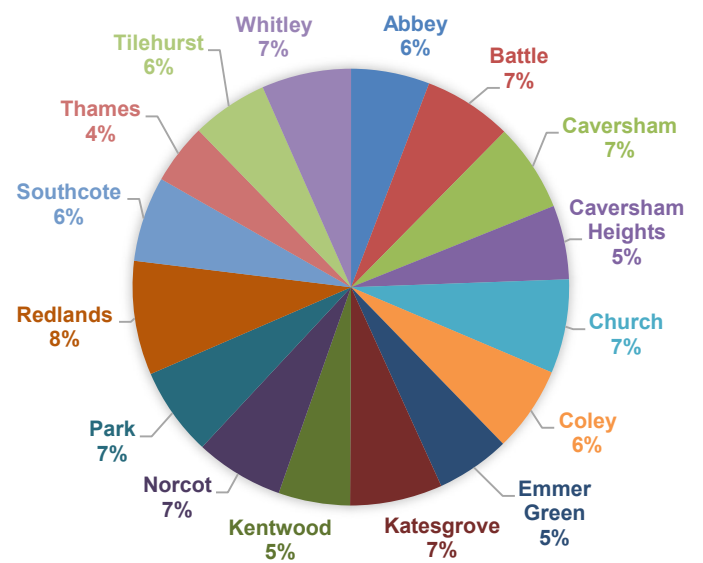
Topic	No of responses
More effective spend on cycle lanes	1
Solar farm at Island Road	1
Reduce need for social care spend	1
Stop subsidies to businesses	1
Asset reallocations	1
Don't spend on Heights playing field	1
Use community volunteering	1
Don't cut cycle lanes	1
Reduce spend on consultants	1
Improve air quality	1
Improve pavements	1
Reduce Adult Social Care	1
Support small businesses	1
Reduce cycle schemes	1
Reduce LGBTQ+ schemes	1
Listen to the voters	1
Review voluntary and community sector spend	1
Reduce spend on Hexagon	1
Increase Council Tax for wealthier residents	1
Stop new house building	1
Build council housing	1
Spend on green spaces	1
Look for partnership opportunities	1
Look for additional funding	1
Close bus/cycle lanes at night	1

Profile of Respondents

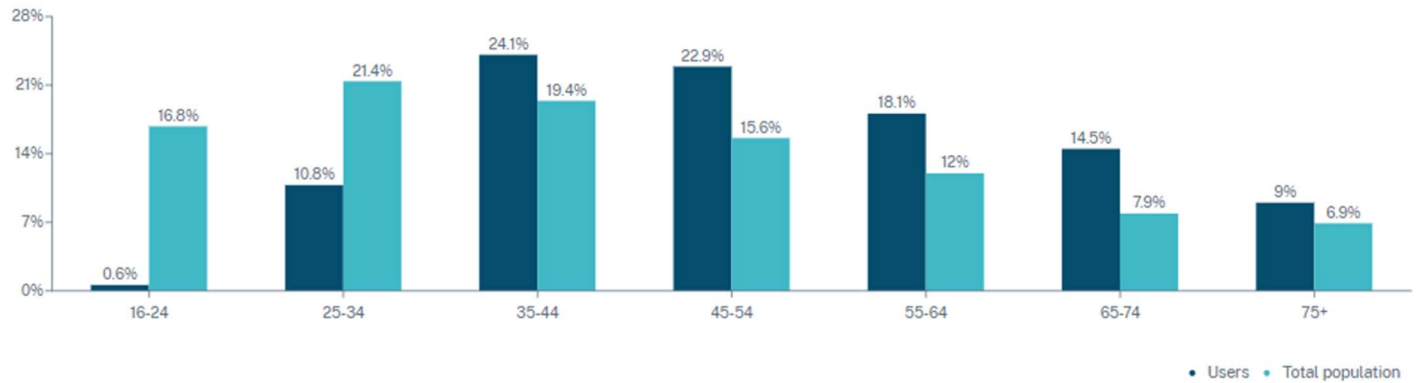
Place of Residence of Respondents



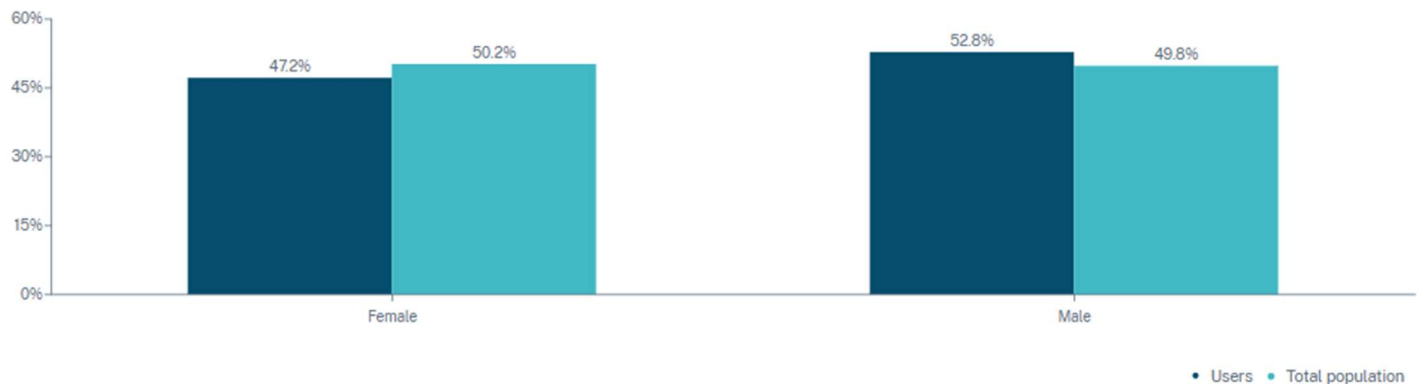
Population of Reading by Ward



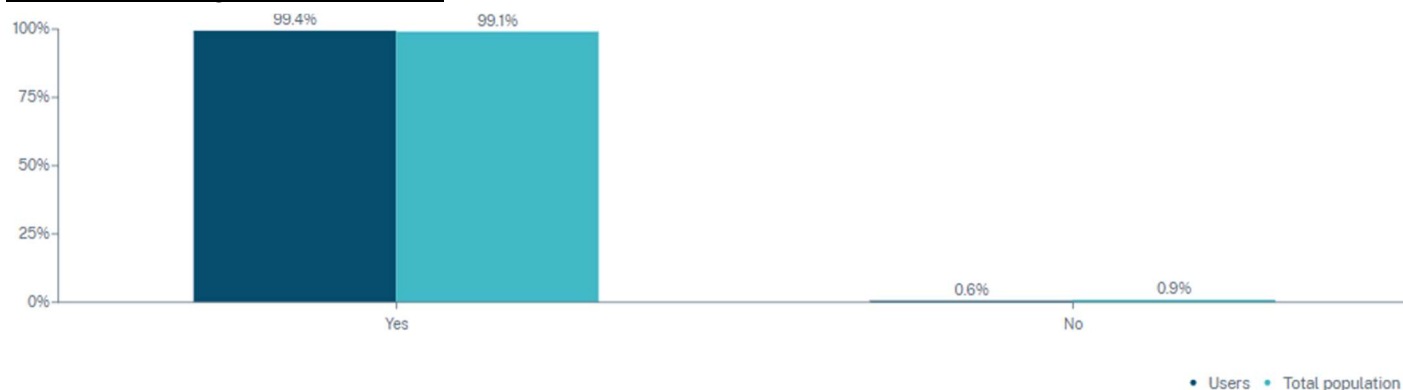
Age of Respondents



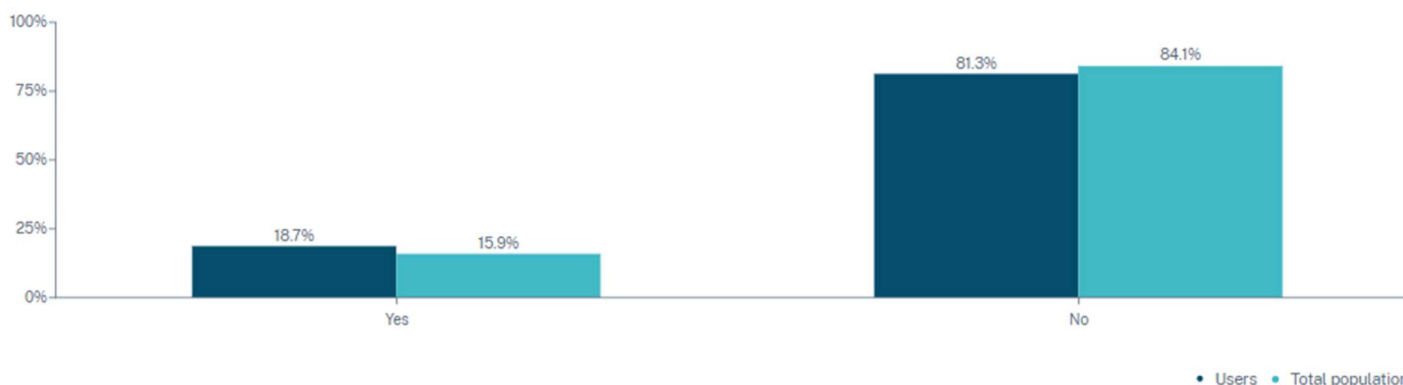
Sex of Respondents



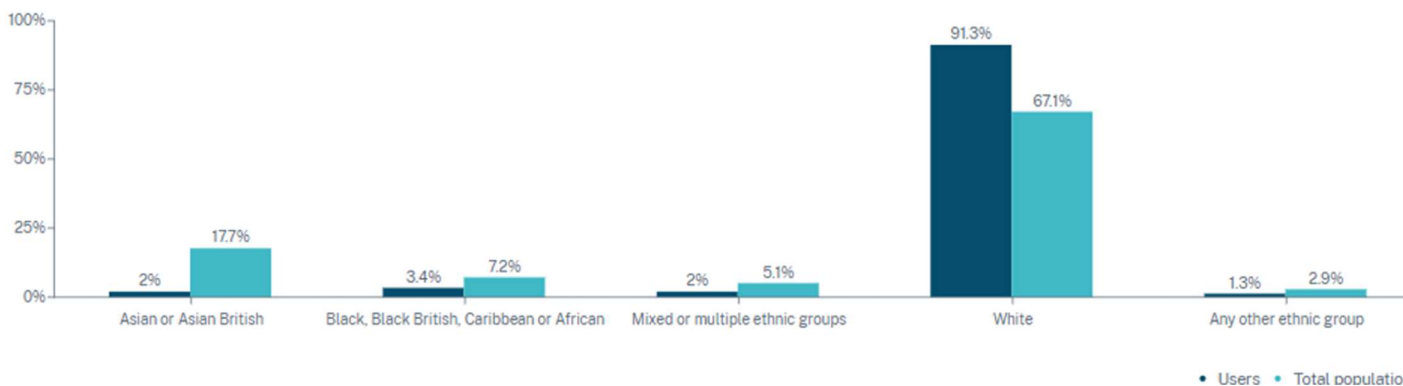
Percentage of Respondents that Answered “Yes” When Asked “Is the Gender You Identify With the Same as Your Sex Registered at Birth?”



Percentage of Respondents that Answered “Yes” When Asked “Do You Have a Disability?”



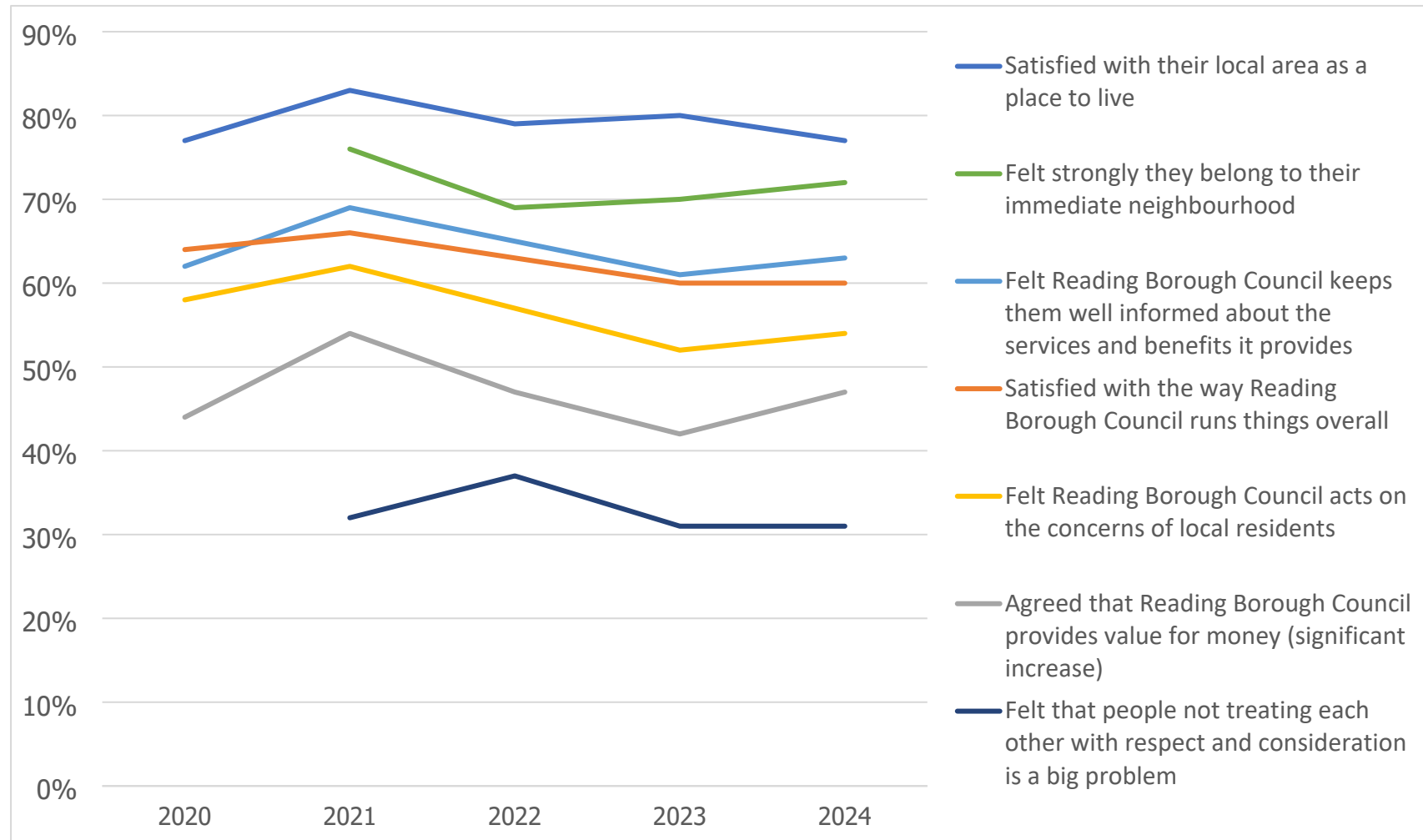
Ethnic Group of Respondents



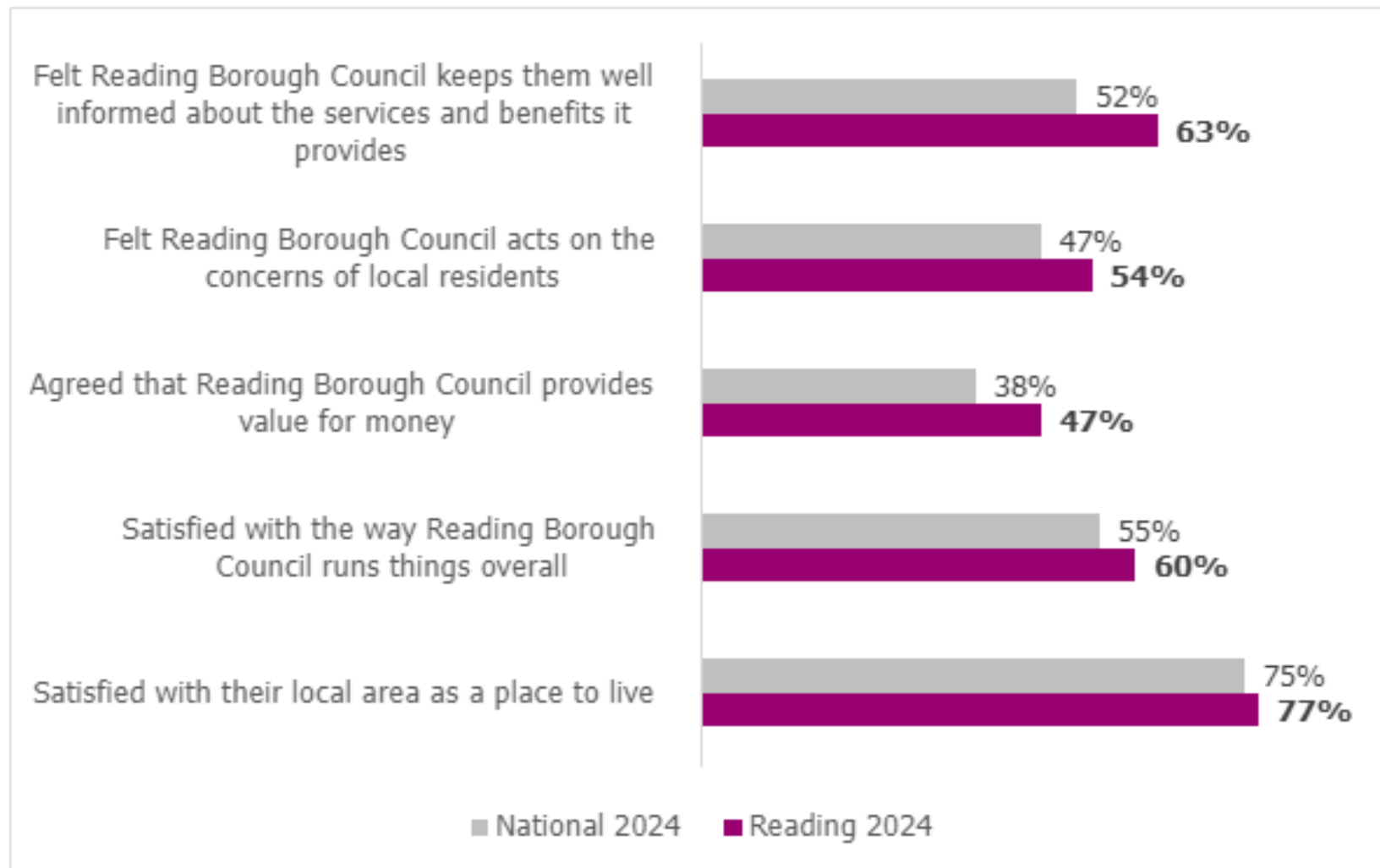
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Appendix 12 – Summary of the Residents Survey 2024

Comparison with previous results



Comparison with LGA national results



Question	2020	2021	2022	2023	2024	LGA June 24¹
RBC						
Percentage satisfied with the way Reading Borough Council runs things overall	64%	66%	63%	60%	60%	55%
Percentage who agreed that Reading Borough Council provides value for money	44%	54%	47%	42%	47%	38%
Percentage who felt Reading Borough Council acts on the concerns of local residents	58%	62%	57%	52%	54%	47%
Percentage who felt Reading Borough Council keeps them well informed about the services and benefits it provides	62%	69%	65%	61%	63%	52%
Local area						
Percentage satisfied with their local area as a place to live	77%	83%	79%	80%	77%	75%
Percentage who felt the Council keeps them well informed about the services and benefits it provides	62%	69%	65%	61%	63%	52%
Percentage who felt strongly they belong to their immediate neighbourhood	n/a	76%	69%	70%	72%	n/a
Percentage who felt that people not treating each other with respect and consideration is a big problem	n/a	32%	37%	31%	31%	n/a

¹ Local Government Association satisfaction survey of a random sample of 1000 respondents, carried out every 4 months

Question	2020		2021		2022		2023		2024		Net change from 2024 ²		LGA June 2024		Net difference with LGA	
Percentage satisfaction with Council Services	Satisfied	Dis-satisfied	Satisfied	Satisfied	Satisfied	Dis-satisfied	Satisfied	Dis-satisfied	Satisfied	Dis-satisfied	Satisfied	Dissatisfied	Satisfied	Dissatisfied	Satisfied	Dissatisfied
Public transport	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	77%	11%	-	-	n/a	n/a	-	-
Parks and green spaces	81%	11%	75%	10%	79%	13%	78%	15%	76%	12%	-2%	-3%	74%	12%	2%	0%
Waste collection service	79%	16%	73%	17%	75%	17%	67%	22%	69%	20%	2%	-2%	77%	15%	-8%	5%
Street cleaning service	67%	22%	66%	19%	61%	24%	59%	29%	55%	30%	-4%	1%	57%	26%	-2%	4%
Schools	61%	9%	55%	7%	58%	12%	55%	11%	59%	10%	4%	-1%	n/a	n/a	-	-
Customer service	54%	16%	53%	14%	50%	18%	47%	17%	48%	18%	1%	1%	n/a	n/a	-	-
Cultural services	56%	15%	52%	14%	60%	14%	62%	13%	58%	14%	-4%	1%	n/a	n/a	-	-
Library services	45%	19%	46%	12%	53%	15%	51%	13%	55%	16%	4%	3%	55%	11%	0%	5%
Sport and leisure services	49%	30%	41%	25%	51%	23%	62%	15%	63%	15%	1%	0%	56%	14%	7%	1%
Road maintenance	34%	56%	39%	45%	40%	42%	36%	51%	38%	45%	2%	-6%	27%	59%	11%	-14%
Services and support for children and young people	40%	21%	37%	20%	41%	23%	41%	22%	38%	20%	-3%	-2%	33%	23%	5%	-3%
Services and support for older people	29%	19%	33%	13%	25%	18%	27%	16%	33%	16%	6%	0%	37%	20%	-4%	-4%
Action on climate change	33%	23%	27%	24%	30%	27%	33%	19%	37%	15%	4%	-4%	n/a	n/a	-	-

² This is the net difference in % satisfied between 2023 and 2024.

Council

25 February 2025



Reading
Borough Council
Working better with you

Title	Capital Strategy 2025/26
Purpose of the report	To make a decision
Report status	Public report
Report author	Stuart Donnelly, Financial Planning & Strategy Manager
Lead Councillor	Councillor Terry, Leader of the Council
Corporate priority	Our Foundations
Recommendations	1. That Council approve the adoption of the Capital Strategy attached as Appendix 1; 2. That Council note the updated Action Plan that forms Annex D of the Capital Strategy (Appendix 1) together with the associated financial implications.

1. Executive Summary

- 1.1. The Chartered Institute of Public Finance and Accountancy' (CIPFA) revised Prudential Code for Capital Finance in Local Authorities 2021 requires local authorities to produce a Capital Strategy on an annual basis which must be approved by Council.
- 1.2. The Capital Strategy 2025/26 attached at Appendix 1 meets the statutory requirements and has been updated where required. However, there are no material changes from the Capital Strategy 2024/25.

2. Policy Context

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

3. The Proposal

- 3.1. The CIPFA 2021 Prudential and Treasury Management Codes require the Council to prepare a Capital Strategy report which sets out the Council's capital requirements arising from policy objectives, as well as the associated governance procedures and risk appetite of the Council.
- 3.2. The Capital Strategy provides a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services; along with an overview of how associated risk is managed and the implications for future financial sustainability. It shows how revenue, capital and balance sheet planning are integrated.
- 3.3. The Strategy is informed by the Council's priorities and links to other key strategy documents notably the Corporate Plan, Medium Term Financial Strategy (MTFS), Treasury Management Strategy, Asset Management Strategy, Corporate Investment Strategy and Carbon Reduction Strategy.

- 3.4. The Capital Strategy sets out among other things, the Council's approach to asset management planning, development, and monitoring of the Capital Programme's delivery.
- 3.5. The figures in the various tables within the Capital Strategy, most particularly the Capital Programme itself, have been updated to reflect the latest position consistent with the MTFS report elsewhere on this agenda. Also, the Action Plan at Appendix 1 Annex D has been refreshed. The Director of Finance will keep this under review during the year and will bring forward any changes that may be required.
- 3.6. The Capital Programme Board, chaired by the Director of Finance, was introduced in December 2022 to increase oversight of the Capital Programme and its delivery. Terms of Reference for the Board are included at Appendix 1 Annex B.
- 3.7. The proposed Action Plan at Appendix 1 Annex D of the Strategy identifies three areas of ongoing work required for the Council to remain compliant with the CIPFA code requirements. These are:
- Developing our knowledge of the Council's existing asset base;
 - Identifying what assets we need in the future;
 - Developing and implementing new systems and processes to enable the transition;
- 3.8. Progress against actions still outstanding are reported on the face of the Action Plan along with revised target completion dates. Work to understand the existing General Fund property asset base has been completed and a three-year rolling programme of review has been implemented to keep the knowledge up to date. In addition, to meet the Consumer Standards requirements regarding the accurate, up to date and evidenced understanding of the condition of the housing assets, work is being undertaken to secure a provider to undertake stock condition surveys and refresh the data set on all the Council's residential housing assets within the Housing Revenue Account (HRA). The Capital Programme Board under the leadership of the Director of Finance has met regularly throughout the year to progress the programme of work identified in the Action Plan.

4. Contribution to Strategic Aims

- 4.1. 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 will be presented to Council in March 2025.
- 4.2. The Capital Strategy provides a link between the Corporate Plan and the development of the Capital Programme as well as setting out the approach taken to asset management to ensure that these fit with the corporate priorities.

5. Environmental and Climate Implications

- 5.1. There are no environmental or climate implications arising directly from the report; these are set out in the 2025/26 Budget and Medium Term Financial Strategy 2025/26 – 2027/28 Report which appears elsewhere on the agenda.

6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 19th December 2024 until 16th January 2025. The feedback from this engagement, alongside the feedback from the Residents' Survey 2024 is set out in the main body and appendices

of the 2025/26 Budget and Medium Term Financial Strategy 2025/26 – 2027/28 Report which appears elsewhere on the agenda.

7. Equality Implications

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2. An initial Assessment of the proposals as set out in the MTFS (including the Capital Programme) has been undertaken and Appendix 10 to the 2025/26 Budget & Medium Term Financial Strategy 2025/26-2027/28 Report, which appears elsewhere on the agenda, sets out the individual budget proposals where specific equality impact assessments will need to be undertaken prior to implementation.
- 7.3. Additionally, when considering changes to service provision, local authorities are under a duty to consult representatives of a wide range of local stakeholders. Authorities must consult representatives of council tax payers, those who use or are likely to use services provided by the authority and those appearing to the authority to have an interest in any area within which the authority carries out functions. The consultation on the MTFS Update proposals assists with this requirement.

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

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

10. Financial Implications

- 10.1. The Council's capital expenditure requirements are set out within the Strategy attached at Appendix 1. The financial implications of the Council's Capital expenditure plans are set out in the 2025/26 Budget and Medium Term Financial Strategy 2025/26 – 2027/28 Report and Treasury Management Strategy Statement which appear elsewhere on the agenda.
- 10.2. All schemes included in the approved Capital Programme over £2.5m, including those planned to start in 2025/26, require spend approval from the responsible Committee or Council, with the exception of expenditure on rolling programmes of routine capital expenditure.

11. Timetable for Implementation

- 11.1. Not applicable.

12. Background Papers

- 12.1. There are none.

Appendices

1. Capital Strategy 2025/26

Appendix 1 – Capital Strategy 2025/26

February 2025

Contents

1. Introduction
2. Context
3. Approach to Capital Investments
4. Asset Management Planning
5. Capital Programme (2025/26 – 2029/30)
6. Financing the Capital Programme
7. Governance
8. Risk Management
9. Treasury Management
10. Action Plan

Annex A - Schedule of Properties Available for Disposal

Annex B - Capital Programme Board Terms of Reference (ToR)

Annex C – Prioritisation Matrix

Annex D - Action Plan

1. Introduction

- 1.1. The Prudential Code for Capital Finance in Local Authorities (2021), published by the Chartered Institute of Public Finance and Accountancy (CIPFA), requires each Local Authority to produce a Capital Strategy on an annual basis. This Capital Strategy document is aimed at meeting those requirements.
- 1.2. As well as meeting the requirements of the Prudential Code, this Strategy also has regard to the statutory guidance on Local Government Investments issued by the Ministry of Housing, Communities and Local Government (MHCLG) in February 2018, and the statutory guidance on the Minimum Revenue Provision (MRP). The purpose of the statutory guidance and the Prudential Code is to ensure that capital investments made by Local Authorities are affordable, prudent and sustainable.
- 1.3. Under the legislative framework the Capital Strategy is one of a suite of four linked strategies, the others being: The Annual Investment Strategy (treasury management), the Treasury Management Strategy and the Minimum Revenue Provision Policy.
- 1.4. In practice the main purpose of the Capital Strategy is to define how Reading Borough Council will maximise the impact of its limited capital resources to support the delivery of its key aims and objectives.

2. Context

- 2.1. The Council's Capital Strategy provides an overview of where and how the Council intends to deploy its capital resources to support delivery of its strategic aims as set out in the Corporate Plan.
- 2.2. The Capital Strategy also needs to be read in conjunction with other strategic documents such as the Medium-Term Financial Strategy, the Council's Asset Management Plans, Treasury Management Strategy Statement (TMSS) and the Commercial Investment Strategy.

Legislative Changes

- 2.3. The Government has been concerned about local authorities investing in the property market purely for financial return for some time and have steadily tightened the rules to restrict such actions. In 2020 the Government announced that it would prevent any local authority which has such investments in its Capital Programme from borrowing from the Public Works Loans Board (PWLB). In response to this the Council's Policy Committee at its meeting on 14th December 2020 removed this activity from its Capital Programme from 2020/21 onwards.

Demographic Changes

- 2.4. 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.
- 2.5. 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.

- 2.6. The Government's Plan for Change, published in December 2024, included a target to increase home building in England by 1.5 million homes during the course of this Parliament. Indicative targets also published in December 2024, as part of the outcome of a consultation on proposed reforms to the National Planning Policy Framework and other changes to the planning system, included a target for Reading of an additional 1028 homes to be built per annum, which the Council will need to monitor against. However the Council's own published Draft Local Plan includes a target for 825 additional homes to be built per annum between 2023 to 2041, based on analysis of the capacity to deliver.
- 2.7. The consultation outcome also announced a change to place even stronger emphasis on the value of brownfield redevelopment. This may have an impact on the centre of Reading which has a large office footprint, particularly post Covid depending on people's ability and preference to work from home.

Technological Changes

- 2.8. The pace of change in technological advancement gets ever faster. The Council has changed the way it uses its office space as a consequence of staff continuing to work flexibly post Covid. We have also invested in technology to change the way in which we engage with the public and deliver services. Examples include the new library app enabling residents to reserve or renew books remotely as well as conveniently manage multiple library accounts and family library 'cards' in one place and the new 'My Reading Account' single sign on solution, allowing residents to access multiple services in one place with one set of credentials. In the future the Council will also explore the use of Artificial Intelligence (AI) and Robotics to enhance service delivery.
- 2.9. The Council also has a role in facilitating change in the wider community. Examples of this might be in providing charging points for electric vehicles, or even providing street furniture which facilitates the use of self-driving vehicles.

Environmental and Climate Change

- 2.10. The Council has declared a Climate Emergency and has set a policy objective of making Reading a carbon neutral town by 2030. This ambition will require further investment in 'green technologies' not only for the Council's own operational sites and housing stock, but to facilitate a step change across the Borough.
- 2.11. Improvements made to date and underway include enhancements to encourage the use of sustainable transport, walking and cycling as attractive alternatives to the private car and reduce resulting congestion, carbon emissions and other air quality issues. Examples include the implementation of the Bus Service Improvement Plan, including a bus rapid transit scheme, new bus lanes, improvements to park and ride facilities and a package of town centre public transport enhancements, bus signal priority measures and improvements for passengers at bus stops. Further examples include working with National Rail and Great Western Railways to construct and improve train stations and multi-modal interchanges, working with Reading Transport Ltd to purchase vehicles and related infrastructure to enable the operation of electric bus services, and Active Travel initiatives to improve walking and cycling networks.
- 2.12. Further carbon neutral initiatives include the generation of solar energy, the use of air source heat pumps to provide leisure centre heating, the use of ground source heat pumps for heating/cooling the new theatre development, electrification of the Council's in-house vehicle fleet, provision of Electric Vehicle (EV charging points) and improved home insulation, etc.

- 2.13. There may also be a need for investment to mitigate the impacts of climate change such as flood defence or increased planting to either absorb water or provide a cooling effect in highly urban areas. The Council is committed to a tree planting programme to increase canopy cover, improve biodiversity and reduce localised flooding.
- 2.14. On 15th October 2019 the Council formally adopted the 'Unite Construction Charter' where the Authority supports the 'Get Britain Building' campaign, which is aimed at supporting and sustaining the British construction industry. As a result, all relevant construction contracts will be required to comply with the Authority's Sustainable Buying Standard for Highways and Construction Materials, which requires structural steel and other relevant materials to be covered by BES 6001 Responsible Sourcing of Construction Product certification, or equivalent.

3. Approach to Capital Investments

- 3.1. The key objectives of capital investment are to:
- Support service delivery in line with the Council's strategic objectives and any statutory requirements;
 - Maintain existing assets to appropriately fulfil their intended function, or maximise their value if they are surplus to requirements and intended for disposal;
 - Facilitate the generation of income from Council Services;
 - Enhance value for money through reducing or avoiding costs;
 - Support regeneration and economic development.
- 3.2. Capital investments will also have regard to the following:
- Be affordable and financially sustainable;
 - Seek to maximise the use of Government grants to support the Capital Programme;
 - Improve environmental impact wherever possible;
 - Maximise community benefits, working in partnership with other agencies if appropriate;
 - Be forward looking in terms of technological developments and social trends;
 - Seek to minimise the risk profile of the investment within the limitations imposed by meeting other criteria.
- 3.3. Any capital bids that do not meet the above objectives will not be supported.
- 3.4. Existing capital assets that do not contribute towards the above objectives will be considered for disposal. However, the Council will aim to maximise the capital receipt from any such disposal and as a consequence, may continue to hold assets awaiting favourable market conditions. Where this is the case the reason for retaining the asset will be made explicit and an action plan/criteria for disposal agreed.
- 3.5. To ensure that capital investment is conducted in line with this Strategy the Council has put in place governance arrangements set out in more detail in Section 7 of this document.

4. Asset Management Planning

- 4.1. The Council has a typical local authority asset portfolio. This consists of operational assets, investment assets and assets held for specific community or regeneration purposes as set out below:
- Operational Assets – supporting core business and service delivery;

- Investment Assets – to provide a financial return to the Council;
- Community Assets – to support specific local community projects;
- Regeneration Assets – enabling strategic place shaping and economic growth.

Operational Assets

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

Land and Buildings

- 4.3. The purchase, on-going management and disposal of General Fund land and buildings is governed by the Asset Management Strategy 2024-2034, which includes the Asset Management Action Plan and the Asset Management Policy.
- 4.4. The Council has historical data on its property portfolio to assess building condition and backlog maintenance which is updated through a rolling programme of condition surveys. The Council retains an annual building maintenance programme funded from revenue. This is primarily a responsive repairs and specific statutory compliance budget.
- 4.5. There is a specific budget within the Capital Programme that relates to the maintenance and improvement of corporate and community buildings. In the period 2025/26-2029/30, this budget is £1.000m per annum. It is primarily directed at operational buildings (non-Housing) and excludes ring fenced funding. This is in addition to specific projects detailed in the Capital Programme.
- 4.6. Under the Council's Asset Management Strategy 2024-2034, any surplus properties are prioritised to be used to maximise revenue or capital resources which can be done in a number of ways on a case by case basis. For example, the Council may choose to seek offers on a freehold, or commercial leasehold basis. Alternatively, surplus land may be suitable to be transferred to the HRA to facilitate the development of affordable housing.
- 4.7. The Council's housing stock, within the Housing Revenue Account (HRA), is subject to a programme of major repairs, planned at £20.918m in 2025/26, in order to ensure the stock is maintained at a suitable standard. The HRA Capital Programme also contains New Build & Acquisition schemes to provide more affordable housing within Reading and a scheme to purchase homes currently owned by the Council's wholly owned housing company, Homes for Reading Ltd. The Council also has plans to build new sheltered homes alongside adult day care services to meet the needs of older people and vulnerable adults. Work is being undertaken to secure a provider to undertake stock conditions surveys on all the councils residential housing assets within the HRA.

Highways Infrastructure

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

summarised and updated in the Annual Status Options Report (ASOR) produced for the highways network.

- 4.10. Delivery of the HAMPS is overseen by the Highways Asset Management Board which meets regularly throughout the year.

Transport

- 4.11. Since 2001, all local transport authorities have been required to produce a Local Transport Plan (LTP) and to keep this under review. The LTP contains the objectives, policies and schemes intended to improve transport in an area, contributing to wider social economic and environmental benefits. The LTP also contains a Strategy Plan and Implementation Plan.
- 4.12. Reading's third Strategy Plan (LTP3) [Local Transport Plan 2011-26.pdf](#) sets out the long term policy approach from 2011 to 2026 and has been subject to review every three years.
- 4.13. Reading's LTP3 Implementation Plan (published separately) sets out an annual budget and delivery programme with reserve schemes for subsequent years. This document is reviewed annually through the committee reporting process and includes an update of the current delivery position of the Strategy Plan in terms of monitoring against objectives.

Vehicles

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

ICT Assets

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

- 4.18. The Digital Transformation Strategy is due to be updated. Whilst the direction of travel will remain largely the same it will aim to uplift technology to the next level by introducing Artificial Intelligence and Robotics as an example.
- 4.19. As part of the Capital Programme 2025/26 to 2029/30 a new ICT Technology Refresh scheme is included to refresh the Council's computer estate and equip staff with technology to maximize performance and efficiency.

Investment Assets

- 4.20. Investment assets can be broken down into two main categories: financial investment assets e.g. bank deposits, and non-financial investment assets, e.g. property.
- 4.21. Financial investments can fall into three categories, as defined by the Statutory Guidance issued under section 15(1)(a) of the Local Government Act 2003: Specified Investments; Non-Specified Investments and Loans. Specified and Non-Specified investments are only likely to be undertaken as part of managing the Council's cash flows and are therefore covered by the Treasury Management Strategy.
- 4.22. Loans may also be used as part of cash flow management processes but may also be used in support of specific service objectives. Loans provided by the Council are subject to the Council's Loans Policy and Minimum Revenue Provision (MRP) Policy. Where loans are provided to support service objectives there may be other social, economic, or environmental issues involved which impact on the nature of the loan provided. These will need to be considered on a case by case basis but may mean that loans are provided on terms that are not fully commercial, although anti-competitive legislation will always need to be taken into account. Even if not established on a fully commercial basis such loans may yield a financial return to the Council.
- 4.23. Reading Borough Council has provided a number of loans to its wholly owned companies as set out in Table 1 below. The portfolio includes £16.900m of loans made to Homes for Reading Ltd where principal repayments due in September 2022 and March 2023 were not made. These loans, including the additional £7.000m due in March 2029, are now scheduled to be repaid over the next few years following the planned sale of properties to the Housing Revenue Account (HRA) prior to the closure of the company. The £5.000m loan to Brighter Futures for Children Ltd (BFFC) is expected to be repaid in autumn 2025.

Table 1. Service Investments - Loans to Wholly Owned Companies

	Principal due to be outstanding at 31/03/2025 (£m)	2025/26 Interest due (£m)	Interest rate (%)
Brighter Futures for Children Ltd	5.000	0.045	1.81
Reading Transport Ltd*	5.587	0.434	5.00
Homes for Reading Ltd	7.000	0.263	3.75
Homes for Reading Ltd	16.900	0.073	6.35

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

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

Table 2. Service Investments - Equity Investments

	Fair Value as at 31/03/2024 (£m)
Homes for Reading Ltd	5.151
Reading Transport Ltd	3.974
Municipal Bonds Agency (MBA)*	0.000
Reading Community Energy Society Ltd	0.060

*The Council's £0.064m investment in the MBA has been valued on a Fair Value basis at £nil in the Council's 2023/24 Financial accounts due to the companies reported negative net worth as at November 2023.

- 4.25. Non-financial investments are non-financial assets held by the Council partly or primarily to generate a financial return. This might be through an appreciation in the capital value of the asset or by delivering a regular income stream in excess of the costs of owning the asset, or both. Although other opportunities might be considered it is likely that such investments will involve the holding of property assets.
- 4.26. In line with many other councils, Reading Borough Council has historically established a small portfolio of investment properties primarily to generate a regular income stream to off-set significant reductions in funding from Government. The approach to developing this portfolio is governed by the Commercial Investment Strategy. In the light of recent developments, e.g. Covid-19 and the reform of PWLB lending terms, the Commercial Investment Strategy relating to the Council's existing commercial assets is being reviewed.
- 4.27. Traditionally property as an investment class has offered relatively high yield and less volatility than financial investments. However, it is an illiquid asset and as such carries the risk of being unable to respond quickly to changes in market conditions.
- 4.28. Central Government have never been entirely comfortable with local authorities entering into the property market for yield and have steadily increased regulation on these activities. In November 2020 HM Treasury announced changes to the rules in respect of borrowing from the Public Works Loans Board (PWLB). Councils purchasing investment assets primarily for yield (PIAPY) no longer have access to borrowing from the PWLB, either for those specific assets, or the rest of their Capital Programme. In addition, updated statutory guidance on the Minimum Revenue Provision (MRP) was issued in April 2024. This guidance confirms the duty to make MRP when the acquisition of an investment property results in an increase to the Capital Financing Requirement (CFR).
- 4.29. The Council last purchased an investment property asset in 2019/20, prior to the November 2020 rule changes on borrowing set out above and has no plans to purchase further property for investment purposes at this time. This does not preclude investment in regeneration schemes the primary purpose of which is to improve the economic, environmental, or social welfare of the borough. In such cases some income may be derived from the regeneration, but it will not be the primary reason for investment. The review of the existing investment property portfolio will need to determine the best course of action for the future, with interim lease events or asset opportunities being assessed on as case by case basis to retain/increase value and reduce cost/risk.
- 4.30. The commercial investment portfolio held by the Council is set out in Table 3 below.

Table 3. Commercial Investment Portfolio

	Annual Rental Yield 2024/25	Capital Value as at 31st March 2024 (as per draft accounts)	Purchase Price including costs	Net Annual Income after Financing Cost
	(£m)	(£m)	(£m)	(£m)
Kennet Wharf, Queens Road	1.295	10.900	21.276	0.702
Adelphi House, Friar Street	0.688	9.310	12.116	0.350
160 - 163 Friar Street Office	0.730	9.200	11.884	0.399
Four 10 TVP	2.276	32.200	39.968	1.162
Acre Business Park	0.253	2.090	N/A	0.253
Albury Close	0.048	0.730	N/A	0.048
16 Bennett Road	0.052	0.960	N/A	0.052
Total	5.342	65.390	85.244	2.966

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

Community and Regeneration Assets

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

Asset Types Defined by the Prudential Code

- 4.33. The 2021 Prudential Code requires investments to be analysed between investments for treasury management, service and commercial purposes. These three categories are defined as:
- Investments for treasury management purposes, or treasury management investments, are those investments that arise from the organisation's cash flows or treasury risk management activity and ultimately represent balances that need to be invested until the cash is required for use in the course of business;
 - Investments for service purposes, or service investments are held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure), or in support of joint working with others to deliver such services;
 - Investments for commercial purposes, or commercial investments, are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services.
- 4.34. The 2021 Prudential Code states that assets should be clearly separated into these categories as each type of investment has very different objectives, criteria and risk characteristics.

- 4.35. In Reading treasury management investments are addressed in the Treasury Management Strategy Statement (TMSS) and therefore not dealt with in any detail in this Capital Strategy, although are recognised as part of the wider Capital Strategy environment.
- 4.36. Reading's investment in commercial property falls within the remit of the Commercial Investment Strategy.
- 4.37. The focus of this Capital Strategy is on service assets as defined by the Prudential Code 2021. However, as the umbrella strategy document it is important that the Capital Strategy recognises the importance of other capital investments and the governance arrangements that apply to them.

5. Capital Programme (2025/26 – 2029/30)

- 5.1. The Capital Programme sets out the Council's proposed capital expenditure. It facilitates the delivery of corporate priorities by:
- Providing investment to improve access to decent housing to meet local needs and help combat homelessness, as well as maintaining existing council dwellings;
 - Supporting delivery of sustainable, local social care services through investment to enable independent and supported living in the local community for both children and adults;
 - Working in partnership with Reading Transport, Network Rail, the Local Enterprise Partnership (LEP) and others in seeking funding and delivering an improved transport network, whilst being mindful of environmental factors;
 - Building schools to meet the future needs of the population and ensuring access to education;
 - Providing investment to deliver low carbon living, reduce pollution and increase recycling;
 - Providing investment in community and leisure provision to meet Reading's needs;
 - Addressing inequality, for example by investing in community safety;
 - Facilitating transformation schemes, ensuring that the Council is fit for the future.
- 5.2. The General Fund and HRA Capital Programmes set out the Council's plan of capital expenditure for future years, including details on the funding of the schemes. The Capital Programme 2025/26 – 2029/30 is set out as part of the 2025/26 Budget and Medium Term Financial Strategy (MTFS) 2025/26-2027/28 Report for Member approval. It identifies £334m to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading. The Programme has a borrowing requirement of £154m after external contributions such as grants, section 106 contributions and Community Infrastructure Levy funding have been applied.
- 5.3. The financing of the Capital Programme is set out in section 6.

Table 4. Capital Expenditure (2024/25 – 2029/30)

	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Communities & Adult Social Care	3.039	8.876	2.986	2.223	4.977	1.522
Economic Growth & Neighbourhood Services	47.267	41.162	16.871	16.477	8.958	5.122
Economic Growth & Neighbourhood Services – Education Schemes	15.098	10.139	12.301	1.612	1.612	0.000
Resources	2.834	3.028	2.925	2.096	1.937	0.640
Corporate	3.899	3.623	1.600	1.600	1.600	1.600
General Fund	72.137	66.828	36.683	24.008	19.084	8.884
HRA	27.335	90.143	29.778	18.996	28.844	10.500
Total	99.472	156.971	66.461	43.004	47.928	19.384

5.4. Highlights of the Capital Programme 2025/26 to 2029/30 include:

- £17m on remodelling provision at the Hexagon Theatre;
- £7m to relocate the Reading Library to the Civic Offices;
- £5m on a Bus Service Improvement Programme;
- £9m on the re-provisioning of social care facilities;
- £15m Investment in the Council's local highways infrastructure (including Bridges) addressing feedback from the residents' survey;
- £3m on schemes to help reduce Reading's carbon footprint;
- £2m on the provision of additional children's homes.
- £16m on retro-fitting carbon reduction measures to Council dwellings (HRA);
- £32m to purchase properties from Homes for Reading Ltd (HRA);
- £76m on the provision of more affordable housing and sheltered homes to meet the needs of older people and vulnerable adults (HRA).

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

- Effective scrutiny of proposed acquisitions;
- Identification of the risk to both the capital sums invested and any returns;
- Understanding the extent and nature of any external underwriting of those risks;
- The potential impact on the financial sustainability of the Council if those risks come to fruition;
- Identification of the revenue liabilities/costs of holding the asset;
- Identification of the assets being held for security against debt and any prior charges on those assets; and
- Where necessary independent and expert advice will be sought.

6. Financing the Capital Programme

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

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

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

6.3. Developer Contributions

- **(Section 106)** – A mechanism which mitigates the impact of the development on the locality and is used to improve existing or build new infrastructure in the local area.
- **(CIL)** – is a levy on new developments the proceeds of which are used to support development in the local area by funding infrastructure or refurbishment of existing provision to alleviate the additional burden a new development places on both local and strategic infrastructure. The Council has agreed a protocol for using CIL as follows:
 - 80% of CIL receipts will be used to support the Capital Programme;
 - 15% will be allocated to areas in which CIL liable development is taking place; and
 - 5% will be allocated to cover administrative costs.

6.4. **Capital Receipts** – money exceeding £10,000, which is received from the sale of an asset. The Council's general policy is that capital receipts are pooled and used to finance future capital expenditure and investment according to priorities, although they may be used to repay outstanding debt on assets financed from loans, as permitted by regulations.

6.5. Although, capital receipts would not usually be spent on revenue, under the current [Flexible use of Capital Receipts](#) direction, it is permissible to treat certain costs as capital expenditure provided these costs are funded from capital receipts received by the Council during the period (2016/17 – 2024/25) specified within the direction. These costs must also meet the definition as laid out in the direction i.e. costs must relate to a scheme to deliver service efficiencies and transformation and have been agreed by Council in advance. The Local Government Finance Policy Statement, announced on 28th November 2024 confirmed that the direction will now be extended until 31st March 2030 and that the restriction with respect to redundancy costs would be removed, but further guidance has yet to be issued.

6.6. The Council's use of Flexible Capital Receipts has been refreshed as part of the proposed 2025/26 – 2027/28 MTFS. The MTFS includes an allocation of capital receipts to support transformation and savings delivery (the Delivery Fund). Regular

monitoring and administration of the Delivery Fund takes place through the Council's Corporate Programme governance arrangements.

- 6.7. Table 5 sets out the latest projection on capital receipts:

Table 5. Capital Receipts Projection (General Fund)

	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Prior Year Brought Forward	7.832	2.830	1.402	1.877	3.051	16.921
Receipts in Year:						
GF Property Disposals	3.707	1.493	3.168	2.424	15.120	0.000
Other Disposals	0.494	0.250	0.250	0.250	0.250	0.250
Balance Available to be Applied	12.033	4.572	4.820	4.551	18.421	17.171
Applied to Fund Delivery Fund	(3.144)	(1.500)	(1.500)	(1.500)	(1.500)	(1.500)
Applied to other GF schemes	(6.059)	(1.670)	(1.443)	(0.000)	(0.000)	(0.000)
Total	2.830	1.402	1.877	3.051	16.921	15.671

- 6.8. A schedule of properties anticipated to be available for disposal during the MTFS period is included at Annex A.
- 6.9. **Revenue Contributions** – The Council can choose to use revenue, from the approved revenue budget or use of earmarked reserves to fund capital expenditure. Given significant decreases in government revenue funding and continuing pressures on the provision of critical demand led services, this type of funding is anticipated to be minimal relative to other capital funding sources in the short to medium term. Members will continue to weigh the relative priorities of capital and revenue projects in allocating revenue resources.
- 6.10. **Prudential Borrowing** – relates to borrowing from either the PWLB or private sector lenders or internal borrowing to fund capital expenditure. This has historically been the main source of financing capital expenditure. The Council is guided by the CIPFA Prudential Code when determining the level of borrowing that is sustainable.
- 6.11. Prudential borrowing to fund capital projects brings with it the need to make a charge to revenue to reflect the cost of borrowing. The basis for this charge, known as Minimum Revenue Provision (MRP) is set out within the Council's Treasury Management Strategy and MRP Policy Statement.
- 6.12. A summary of how the Capital Programme is to be financed is detailed below.

Table 6 - Summary of Capital Programme Funding

General Fund & HRA	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m
Capital Expenditure	99.472	156.971	66.461	43.004	47.928	19.384
Capital Receipts (GF & HRA)	(9.605)	(6.542)	(4.298)	(1.629)	(1.500)	(1.500)
Capital Grants & Other Contributions	(64.264)	(59.477)	(17.391)	(6.212)	(6.223)	(4.011)
Capital Reserves (HRA)	(13.552)	(21.730)	(16.187)	(11.894)	(10.500)	(10.500)
Revenue Contributions	(0.148)	0.000	0.000	0.000	0.000	0.000
Net Borrowing Requirement	11.903	69.222	28.585	23.269	29.705	3.373

7. Governance

Capital Scheme Approval

- 7.1. During 2022/23, a Capital Programme Board chaired by the Director of Finance was introduced to increase oversight of the Capital Programme and its delivery. Terms of Reference for the Board are included at Annex B.
- 7.2. All schemes included in the approved Capital Programme over £2.5m, including those planned to start in 2025/26, require spend approval from the responsible Committee or Council, with the exception of expenditure on rolling programmes of routine capital expenditure.
- 7.3. Any additional schemes that arise during the year will be added to the agreed Capital Programme once the relevant approvals have been obtained.
- 7.4. The Corporate Management Team considers and recommends service bids for capital resources as part of the annual budget setting process and provides strategic direction as to the development and use of property assets. The Capital bids are then considered and formally approved by Policy Committee and ultimately Council.
- 7.5. The Land, Property & Development Board (LPDB) provides oversight and direction in relation to the management of the Council's property assets. The LPD Steering Group, which sits below the LPDB, is an operational group responsible for managing property asset and estate strategy work streams and reporting on the gateway and monitoring position to the LPDB.

Performance Monitoring and Evaluation

- 7.6. Monitoring of the Capital Programme sits alongside the Council's revenue monitoring process with the submission of monthly reports to the Corporate Management Team for review. Detailed project oversight is provided by the Capital Programme Board as set out in Annex B.
- 7.7. Member oversight is achieved through lead Councillor briefings and quarterly reporting to Policy Committee.

- 7.8. All schemes within the Programme have a named project manager. It is the responsibility of individual project managers with support from their finance business partner to review and update expenditure and project delivery forecasts each month.
- 7.9. A gateway process has been developed through the Capital Programme Board to be used for all major capital schemes to allow stakeholders to assess the on-going case for the scheme prior to progress to further stages in the cycle. The gateway review process will allow early identification of areas that may require corrective action and provide validation that a project is ready to progress to the next stage. The Gateway stages are as follows:
- Initial proposal
 - Feasibility
 - Business Case
 - Project initiation
 - Final design/Procurement
 - Contract Award
 - Project Review

Prioritisation & Affordability

- 7.10. Due to competing demands for limited resources, the Council prioritises capital investment based on its overall objectives and a number of different factors including:
- Essential Health and Safety works;
 - Availability of external funding, full or match funding;
 - Invest to save opportunities;
 - Maintenance of the essential infrastructure of the organisation, such as buildings and IT; and
 - The outcome of feasibility studies.
- 7.11. Capital bids for new or amended schemes are submitted as part of the Council's annual budget review process. Business cases are quality assured by the Capital Programme Board and subsequently Corporate Management Team (CMT) prior to being recommended to Members for inclusion in the Capital Programme.
- 7.12. The overall affordability of the Capital Programme is reported on by the Council's Section 151 officer as part of the Council's budget setting process.
- 7.13. The Council has limited capital resources. Therefore, to help in determining how they are utilised, capital bids are assessed against a prioritisation matrix (see Annex C). This process helps to highlight risks and opportunities on a case by case basis and is used to rank projects against a set of agreed criteria.

Treasury Management Governance

- 7.14. The Council follows the requirements of The Local Government Act 2003 (the Act) and supporting regulations in managing its Treasury Management activities.
- 7.15. Audit & Governance Committee is the body responsible for overseeing the governance of the treasury management function within the Council. The Act requires that an annual Treasury Management Strategy be presented to Council for approval. Members also receive quarterly reports, to include an outturn report, in line with the revised Treasury Management Code.

- 7.16. The Council employ MUFG Corporate Markets (formerly known as Link Group) as its treasury management advisors. Other specialist advice is taken on an ad/hoc basis dependant on the nature of the particular project and issue under review. Treasury Management is also subject to regular internal audit.

8. Risk Management

- 8.1. The Council needs to ensure that it has clear ways of mitigating the risks that are inherent in acquiring, managing and disposing of its assets.
- 8.2. In general, the Council seeks to minimise its exposure to risks that are unwanted and unrewarded. The Council's cash position is managed centrally to ensure that there is enough liquidity in the short and medium term to meet cashflow requirements including the Council's running costs, as well as meeting long-term solvency and funding requirements.
- 8.3. The Council is exposed to a range of risks when undertaking capital investment:
- **Financial risks** relate to risk arising from the investment in the Council's assets, cash flow, market volatility, currency etc.
 - **Macroeconomic risks** relate to risk around the growth or decline of the local economy, interest rates, inflation and to a lesser degree, the wider national and global economy amongst others.
 - **Credit and counterparty risks** relate to risk arising from investments, loans to institutions and individuals and counterparties in business transactions.
 - **Operational risks** relate to operational exposures within the organisation, its counterparties, partners and commercial interests.
 - **Strategic risks** relate to key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its goals.
 - **Reputational risks** relate to risks around the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.
 - **Environmental and social risks** relate to the environmental and social impact of the Council's strategy and interests.
 - **Governance risks** relate to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks and balances that balance oversight and efficiency.
- 8.4. The Council aims to minimise and balance its exposure to risk through a range of mitigation strategies to the extent that it is cost-effective to do so. Specifically, the Council has no appetite for reputational risk, governance risk and currency risk and where possible would avoid these risks.
- 8.5. The Council's appetite for these risks is set out below.

Table 6. Council's Risk Appetite

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

Relationship with Other Processes

- 8.6. Risk management is not a stand-alone discipline. In order to maximise risk management benefits and opportunities, it is integrated with existing business processes.
- 8.7. Some of the key business processes with which risk alignment exists are:
- Capital Strategy
 - Corporate Plan
 - Medium Term Financial Strategy
 - Internal Audit Plan
 - Business Planning
 - Performance Management
 - Treasury Management
 - External Audit Review
- 8.8. From a risk management perspective, and in order to ensure the Council's investments are as safe as possible, officers employ a range of due diligence techniques, including: evaluation of tenants by external property advisers; modelling the impact of tenant failure and where necessary securing guarantees.

- 8.9. The Commercial Investment Strategy itself has yet to be reviewed and amended. However, following the decision of Policy Committee to cease further property investments an agent has been appointed to proactively manage and review the current portfolio and to make recommendation on retention or disposal in order to maximise income.
- 8.10. Under the Council's Constitution, risk management is overseen by the Audit and Governance Committee, which reviews the Strategic Risk Register at its meetings. Risk management is an integral aspect of the Council's project management methodology, with projects required pre-initiation to identify risks and how they will mitigate them. The approach to risk management includes planning and identification, monitoring and review for all risks and projects throughout their lifecycle. Risk will always exist in some measure and cannot be removed in its entirety. Therefore, risks need to be considered both in terms of threats to the Council as well as opportunities.
- 8.11. The Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well exist within the organisation or can be brought to bear. As well as having the requisite skills and knowledge to manage its Capital Programme, the Council can access any shortfall in expertise from partners and external advisers when required.

Knowledge and Skills

- 8.12. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure and investment decisions (including treasury management decisions).
- 8.13. The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive local government finance experience. They all follow a Continuous Professional Development (CPD) Plan and attend courses on an ongoing basis to keep abreast of new developments in their field. The Council's Section 151 Officer is the officer with overall responsibility for capital and treasury activities.
- 8.14. The Council will ensure that the resources required to manage the Council's assets and regeneration aspirations are available. Where necessary knowledge and skills are not available internally, the Council will use external advisers and consultants that are specialists in their field such as legal, asset management/valuation, treasury management, credit quality assessment, etc.

9. Treasury Management

- 9.1. The Council's Treasury Management Strategy Statement (TMSS) is approved by Council annually as part of the budget setting process.
- 9.2. There are close links between the Capital Strategy and TMSS. Treasury management sets out the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses.
- 9.3. The Council makes provision for the repayment of debt over the life of the asset that the borrowing is funding. The proposed provision for the repayment of debt over the

period 2025/26 – 2027/28 is forecast to be £65m. The Council's Minimum Revenue Provision Policy is published as part of the Council's Treasury Management Strategy.

- 9.4. Treasury Management Prudential Indicators including the Operational Boundary and Authorised Limits relating to external borrowing are approved by Council annually as part of the Treasury Management Strategy; and are monitored throughout the year by officers and reported quarterly to Audit & Governance Committee.

10. Action Plan

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

Annex A - Schedule of Properties Identified for, or in the Process of Disposal

The Capital receipts assumptions set out in Table 5 of the Capital Strategy are planned to be delivered from the sale of the following assets that are considered to be surplus and available to be sold over the period of the MTFS. Some of the assets below would require further approval before sales could be realised.

Site	Further Information
Market Passageway	Right or way reserved within existing building
Cemetery Arch	Vacant Grade 2 Listed Building
Gosbrook Rd Caversham Nursery	Cleared and vacant former nursery school site
Bridge St, Caversham	Vacant land behind advert hoarding
16 Bennet Road	Site leased for car storage
Crown St / Southampton St	Vacant cleared site in multiple ownership. Advert hoarding on part of RBC land
The Keep	Grade 2 Listed building
Palmer Park Lodge	Residential property located within Palmer Park
10 Oak Tree Road	Strip of land between site boundary and highway
4-6 Broad Street	Long lease extension/variation
Palmer Park WC block	Derelict toilet block
2-4 Buttermarket	Zone A retail
Central Library	1980s purpose built library
Yeomanry House	Vacant Grade 2 Listed Building
Caversham Court offices	2,000 sq ft single and double storey Grade 2 Listed building former offices/outbuildings on 0.15 acre site
Southside – Island Road	Landfill site – former speedway/greyhound stadium

Annex B – Capital Programme Board Terms of Reference (ToR)

Overall Responsibilities of the board

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

Priority Outcomes from the Board

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

Membership of the Board

Chair	Darren Carter	Director of Finance
Members	Emma Gee (Deputy Chair)	Acting Executive Director Economic Growth & Neighbourhood Services
	Melissa Wise	Executive Director Communities & Adult Social Care
	Gavin Handford	Assistant Director Policy, Change & Customer Services
	Luana O'Neill	Joint Acting Assistant Director Procurement & Contracts
	Anna Barefoot	Capital and Treasury Lead
	Charan Dhillon	Assistant Director Property & Asset Management
	Susan Jones	Capital Projects Delivery & Business Improvements Manager
	Zoe Hobbs	Portfolio Management Office (PMO) Manager
Additional Attendance	Assistant Directors/ Programme & Project Managers/leads	Attendance is driven by the focus of the agenda

Frequency of the Board

- Quarterly (more frequently may be required in the lead up to budget setting).

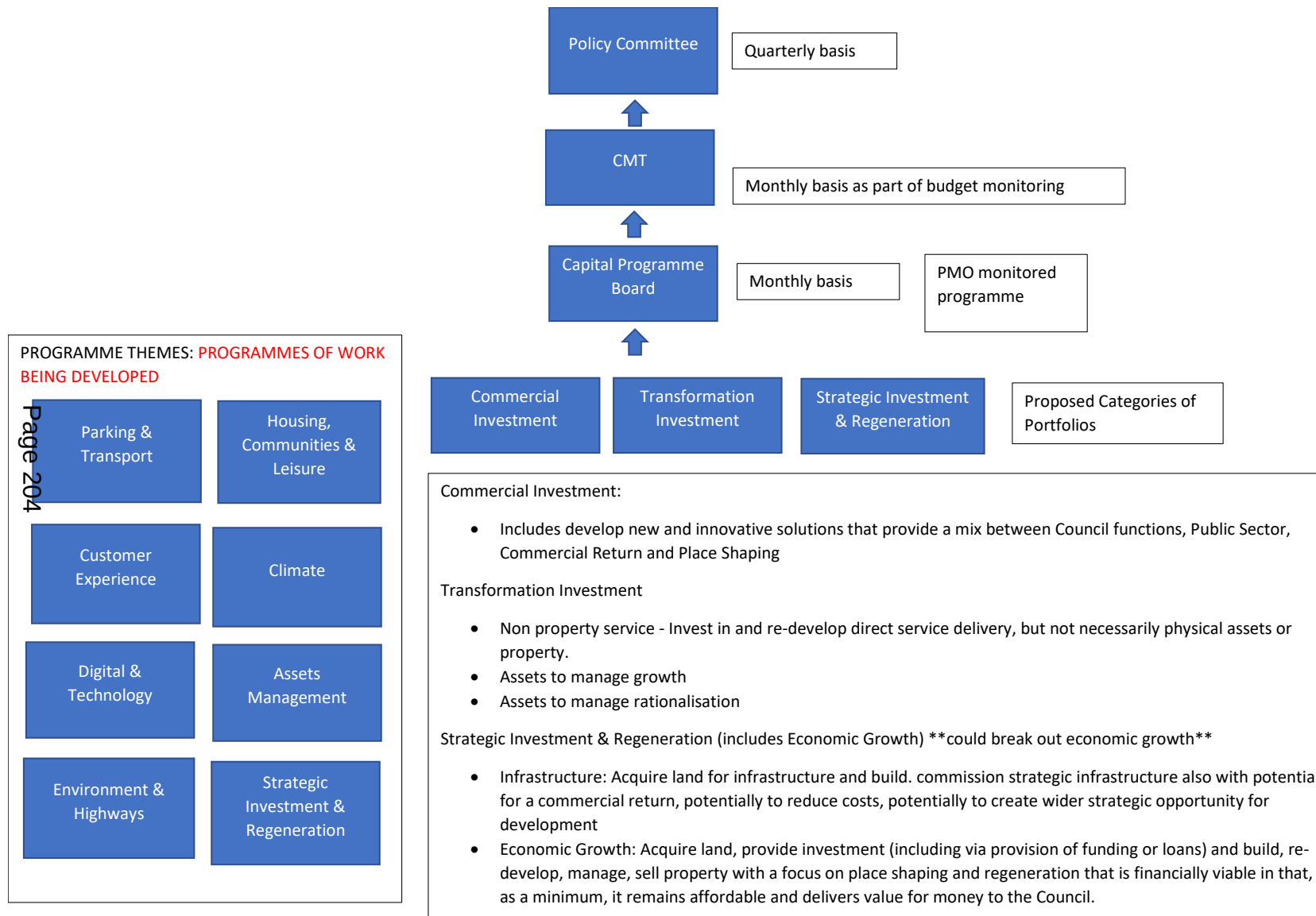
Inputs of the Board – collaborative environment/ use of materials

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

Outputs of the Board

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

Annex B Part 2 – Capital Monitoring through Capital Programme Board



Annex C – Prioritisation Matrix

Budget Prioritisation - Scoring Guidance for Capital Bids		
Criteria	Scoring Method	
Strategic Impact	1. Strategic Fit	Score assesses contribution to each of the Council's corporate plan and other policy objectives (Local Plan, Tackling Inequality Strategy, Local Transport Plan, etc., where:
		3 Specifically identified in Corporate Plan
		2 Identified as a key Project/Activity in the Corporate Plan or directly supports a number of specific outcomes
		1 Low (Indirectly supports at least 1 key outcome)
		0 Will not deliver any identified outcomes
	2. Statutory Implications (Risk of NOT doing)	Score assesses Capital Bids based on a risk to statutory service provision without investment
		3 High Risk (Complete loss of statutory service or inability to respond to impending legislative requirement) (Risk Score 17+)
		2 High Risk (Partial loss of statutory service, complete loss of discretionary service) Risk Score (11-16)
		1 Medium Risk (Partial loss of discretionary service, worsening statutory service) Risk Score (6-10)
		0 No Risk (No discernible impact foreseen, low levels of complaint continue) Risk Score (0-5)
	3. Environmental Impact	Score assesses Capital Bids regarding whether the investment will support the delivery of the Council's climate policy commitments and other environmental goals. The score is defined by climate impact assessment on the following areas 1. Carbon Saving, 2. Improving organisational/community resilience to climate impacts. 3. Environmental Gains. 4. Reduction in noise light or other forms of pollution
		3 Investment has a major positive environmental impact. Scoring in climate impact assessment "deliver significant decrease or high" in one of the four criteria
		2 Investment has a minor positive environmental impact. Scoring in climate impact assessment "low/medium/moderate" in one of the four criteria
		1 Investment has no climate or environmental impact or minor positive impacts are cancelled out by minor negative impacts on environmental factors
		0 Investment has a minor negative environmental impact on environmental factors. Scoring a low/medium/moderate increase and/or reduced resilience.
		-1 Investment has a major negative environmental impact on environmental factors. Scoring a significant increase and or reducing resilience in one of the four categories
	4. Social Impact	This score assesses the Capital Bids in regard to whether the investment will support delivery of equality, social value and public health goals
		3 Investment has a major positive impact on social and equality factors
		2 Investment has minor positive impact on social and equality factors
		1 Investment has no impact on social and equality factors
		0 Investment has a negative impact on social and equality factors
	5. Economic Impact	Score assesses the Capital Bids in regard to whether the investment will support delivery of Reading Economic goals
		3 Investment has a major positive impact on economic factors
		2 Investment has minor positive impact on economic factors
		1 Investment has no impact on economic factors
		0 Investment has a negative impact on economic factors
	6. Condition, H&S risk and Strategic Importance of Asset	3 Expenditure on asset will reduce impact of at least 3 issues - risk to life etc (Risk score 17+)
		2 Expenditure on asset will reduce impact of at least 1 issue (Risk Score 11-16)
		1 Expenditure will have a possibility of reduced impact in at least 1 issue (Risk Score 6-10)
		0 No demonstrated impact on any issues (Risk Score 0-5)
Investment Readiness	7. Fundability	Score assesses level of funding available and/ability to attract external funding/or generate capital receipt:
		3 100% external funding is available (does not necessarily mean scheme will proceed)
		2 50- 99% external funding is available
		1 >0-49% external funding is available
		0 No funding has been identified
	8. Long Term Affordability	Score assesses the Capital Bids in regard to whether there are any resulting revenue implications:
		3 Ongoing revenue savings/income generation repays investment within 3 years or less
		2 Ongoing revenue savings/income generation repays investment within over 3 to 5 years
		1 Ongoing revenue savings/income generation repays investment over the lifetime of asset
		0 No revenue savings/income generation
		-2 Additional on going resources required over existing budgets
	9. Viability (Risk of DOING)	Score assesses bids based on inherent and mitigated risk, likelihood of necessary approvals and permissions, procurement implications and other barriers incl. legal. Should be linked to high level risk assessment
		3 Low Risk (Score 0-5)
		2 Medium Risk (6-10)
		1 High Risk (11-16)
		0 Very High Risk (17+)
	10. Deliverability/ Feasibility	Score assesses bids based on consideration given to resourcing availability (skills and capacity) reliance on partners and timescale for delivery (to inform financial year project falls into)
		3 Includes detailed Project Plan (including resources required, project team and risk matrix)
		2 Includes high-level Project Plan (including resources required, project team and risk matrix)
		1 Project Plan (potential idea of the resources, project team and risk matrix)
		0 No Project Plan

Annex D – Action Plan

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

There are three areas where work is required:

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

2. Developing our knowledge of the existing asset base.

Action	Lead	Progress update	Deadline
Commission work to gain a better understanding of the asset base to include such aspects as: the condition of the assets; their remaining useful life; likely maintenance costs over their remaining useful life; costs of disposal/decommissioning and; costs of replacement if appropriate, etc.	AD Property & Asset Management	The Asset Management Strategy 2024-34 has been presented to CMT for review/approval. The document was drafted working with services across the council to review and agree future direction, taking into account need, condition, climate and cost in relation to Non-Domestic Land and Property Assets.	Complete.

3. Identifying what assets we need in the future

Action	Lead	Progress update	Deadline
Carry out a review of a third of the Council's Non-Domestic Land & Property Assets as per the rolling three-year cycle set out in the Asset Management Strategy 2024-34.	AD Property & Asset Management	New action.	31/12/2025

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

The following areas have been identified where work is required:

- Skills and knowledge

Action	Lead	Progress update	Deadline
Ensure service and finance staff receive appropriate training to carry out their roles. This will include training on the capital investment process itself, project management, capital fundamentals, financial regs and the procurement framework	Director of Finance/AD Procurement & Contracts	Training on the decision making process, including providing spend approval for capital schemes has been provided and a new Decision Hub to record decision making by officers has been established. A short help guide on what constitutes capital expenditure has been issued to relevant staff. This and the increased profile of capital throughout the organisation has led to an increase in queries, the answers to which are being developed into a capital handbook. Training on the Financial Regulations will be provided once the work to update these has been finalised.	31/07/2025

- Governance

Action	Lead	Progress update	Deadline
Update the Constitution and related documents to provide clarity around the capital investment process (approval monitoring, virements, slippage)	Director of Finance	Work is currently being undertaken to update the Financial Regulations within the Constitution.	30/06/2025
Review corporate governance arrangements for Capital across the organisation, including post project review and scheme monitoring arrangements.	Director of Finance	The Capital Programme Board was established in December 2022. It will now need to develop a prioritised programme of work. This will include: • Review of the prioritisation of limited capital resources including the development of a new prioritisation matrix. Done – see Annex C. • Review of the monitoring arrangements for the delivery of capital projects. Done. Deep Dive sessions have been introduced to help update members of the Capital	31/12/2025 for outstanding actions

Action	Lead	Progress update	Deadline
		Programme Board on scheme progress and blockages. The success of these sessions will be reviewed by the Board once the 2024/25 outturn position is known. Further work will then be undertaken to improve the monitoring of the schemes, if necessary. • Review of the governance framework for capital management. Done. • Review of this Capital Strategy • Monitoring of progress of this Action Plan. Done. Progress is monitored by members of the Capital Programme Board. • Develop and implement new Capital Gateway process. Done	
Review and update the Commercial Investment Strategy in the light of new restrictions on borrowing from the PWLB	AD Property & Asset Management/Director of Finance	Avison Young has been appointed to support the development of an evidence-based strategy to understand a range of options for our commercial investment portfolio, developing an implementation plan that sets out how to execute the recommendations set out in the Strategy.	30/06/2025
Update the Asset Management Policy	AD Property & Asset Management	New action.	In line with the Corporate Plan

5. On-going work

- a. In addition, there are areas where on-going work will also be required. This includes:
- i. Implementation of a rolling-programme of asset surveys across the entire asset base.
 - ii. On-going training to ensure new staff have the skills and knowledge to carry out their roles.
 - iii. Regular review of service plans, corporate asset management plan etc to ensure any changes are captured.
 - iv. Carrying out actions identified in the Asset Management Action Plan, which forms part of the Asset Management Strategy 2024-34. Actions are prioritised using a scoring mechanism.

Council

25 February 2025



Reading
Borough Council
Working better with you

Title	Treasury Management Strategy Statement (TMSS) 2025/26
Purpose of the report	To make a decision
Report status	Public report
Report author	Stuart Donnelly, Financial Planning & Strategy Manager
Lead Councillor	Councillor Terry, Leader of the Council
Corporate priority	Not applicable, but still requires a decision
Recommendations	That Council approve: 1. The Treasury Management Strategy Statement for 2025/26 as set out in Appendix 1 Section 2; 2. The Capital Prudential Indicators as set out in Appendix 1 Section 3; 3. The Minimum Revenue Provision (MRP) Policy for 2025/26 as set out in Appendix 1 Section 4; 4. The Borrowing Strategy for 2025/26 as set out in Appendix 1 Section 5; 5. The Annual Investment Strategy for 2025/26 as set out in Appendix 1 Section 6; 6. The Prudential and Treasury Management Indicators as set out in Appendix 1 Annex 1.

1. Executive Summary

- 1.1. The Council's Treasury Management Strategy Statement (TMSS) 2025/26, attached at Appendix 1, sets out the parameters for the Council's planned treasury activity during 2025/26 under which the Council's Treasury Team will manage day to day activity. The TMSS reflects the Council's Capital Programme 2025/26 – 2027/28.
- 1.2. The successful identification, monitoring and control of financial risk are central to the Strategy.
- 1.3. The CIPFA 2021 Prudential Code also requires the Council to prepare a Capital Strategy report which sets out the Council's capital requirements arising from policy objectives, as well as the associated governance procedures and risk appetite.
- 1.4. The Capital Strategy is reported separately from the Treasury Management Strategy Statement and includes non-treasury investments. The CIPFA Treasury Management Code 2021 further breaks down non-treasury investments into:
 - *“Investments for service purposes (or service investments) are taken or held primarily for the provision and for the purposes of delivering public services (including housing, regeneration, and local infrastructure), or in support of joint working with others to deliver such services”.*

- ***“Investment for commercial purposes (or commercial investments) are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services”.***

2. Policy Context

- 2.1. In accordance with the Chartered Institute of Public Finance and Accountancy’s Treasury Management in the Public Services: Code of Practice 2021 and the CIPFA Prudential Code for capital finance in local authorities (2021), the Council is required to approve a Treasury Management Strategy before the start of each financial year. This report fulfils that obligation.

3. Economic Background

- 3.1. The Bank of England’s Monetary Policy Committee (MPC) increased the Bank Rate to 5.25% in August 2023 and it remained at this level until 1st August 2024 when the MPC voted to reduce the Bank Rate by 25 Basis Points (bps) to 5.00%. The MPC voted to reduce rates by a further 25 points on 6th November 2024 in part due to the progress made in reducing inflation. The Bank Rate of 4.75% was maintained at the MPC meeting on 18th December 2024 but was reduced further to 4.50% at the meeting on 6th February 2025.
- 3.2. The annual inflation rate in the United Kingdom as measured by the Consumer Price Index (CPI) stands at 2.5% as at December 2024, down from 4.0% in December 2023. The Consumer Prices Index including owner occupiers’ housing cost (CPIH) stands at 3.5% as at December 2024, down from 4.2% in December 2023.

4. Borrowing

- 4.1. Under the Prudential Code, the Council can borrow to fund capital expenditure if such borrowings are sustainable, affordable, and prudent. In order to comply with the Prudential Code, an authority must not borrow to invest primarily for financial return.
- 4.2. The underlying need to borrow (the net borrowing requirement) for capital purposes is measured by the Capital Financing Requirement (CFR). Usable reserves and working capital are the underlying resources available for investment.
- 4.3. Historically the Council has borrowed to pay for new assets including schools, roads, housing and community facilities etc. The value of the Council’s non-current assets is circa £1.3bn. As at 31st December 2024, the Council had £439.000m of loans outstanding in respect of General Fund and Housing Revenue Account (HRA) assets.
- 4.4. The Council has not taken out any long-term borrowing in 2024/25 to 31st December 2024 but has utilised the temporary borrowing market when required in line with the 2024/25 Borrowing Strategy. As at 31st December 2024, the Council had an outstanding temporary borrowing portfolio of £77.500m as set out in Appendix 1 Annex 3.
- 4.5. Market projections, per Table 11 in Appendix 1, indicate that long-term borrowing costs will continue to reduce further in line with the forecast decreases to the Bank of England Bank Rate from early 2025. Consequently, the Council intends to continue with the strategy of utilising lower cost temporary borrowing in the coming year where required. This strategy will be kept under review with the Council’s Treasury Management Advisors. Longer term borrowing will not be taken out until necessary, or until it makes sense to borrow in advance of need. This strategy will thereby avoid the “cost of carry” (the difference between the cost of borrowing and return on investing the funds).
- 4.6. The Capital Programme 2025/26-2027/28 totals £266.436m (£127.519m General Fund and £138.917m HRA) as set out in Table 1 of Appendix 1. The Programme aims to

improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading.

- 4.7. After accounting for specific grants, s106 contributions and capital receipts, the total borrowing requirement is £121.076m per Table 2 of Appendix 1 (£50.704m General Fund and £70.372m HRA). The cost of borrowing together with any associated revenue savings is included within the Council's Medium-Term Financial Strategy 2025/26 – 2027/28.
- 4.8. After reducing the borrowing requirement by a total Minimum Revenue Provision charge of £64.855m across the period, the Council has a projected increase in its CFR of £56.221m, as set out in Table 3 of Appendix 1.
- 4.9. The Director of Finance has been delegated responsibility for borrowing and works closely with the Council's Treasury Management Team and advisors, Mitsubishi UFJ Group (MUFG) Corporate Markets (formerly known as Link Group, Link Treasury Services Limited), on borrowing decisions taking into account several factors including:
 - The cost of borrowing short or long-term;
 - Anticipated changes in the cost of borrowing;
 - The level of cash balances held under investment;
 - The return on invested balances.
- 4.10. The Council's long-term borrowing (loans over 12 months in length) is from two sources: The Public Works Loans Board (PWLB) and private banks for debt relating to Lender Option Borrower Option loans (LOBO loans currently stand at £5.000m). For short term borrowing the Council will continue to use other sources of finance, e.g. loans from other local authorities that it can borrow from at lower rates of interest than PWLB.
- 4.11. The framework for taking borrowing decisions in the coming year is set out within Borrowing Strategy contained within the Council's TMSS, attached at Appendix 1 Section 5. As set out in paragraph 4.5, the Council intends to continue with the strategy of utilising lower cost temporary borrowing in the coming year where required. Included within the Borrowing Strategy, is the Council's Policy on borrowing in Advance of Need, where the Council may increase its longer term borrowing to cover new capital project expenditure in advance of need to minimise the risk of interest rate fluctuations. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully as part of the overall Borrowing Strategy, to ensure that value for money can be demonstrated, that the costs of borrowing can be met and that the Council can ensure the security of such funds.
- 4.12. The Council's self-imposed limits on sustainable, affordable and prudent borrowing and investment, the Prudential and Treasury Management Indicators that need to be approved by Council are set out in Appendix 1.

5. Investments

- 5.1. The Council's investments for Treasury Management purposes seek to manage fluctuations in cash-flow. Treasury investments can be called on at short-notice and in the main are held in Money Market Funds or short-term fixed rate/fixed term deposits. These are low-risk investments and give higher rates of interest compared to leaving balances in the Council's bank account. The long-term treasury investments held by the Council are in the CCLA property fund.
- 5.2. The level of investments fluctuates throughout the year dependent on cash balances. The balance of treasury investments was £38.636m at the end of December 2024 (per Table 6 in Appendix 1). The average interest rate (simple average interest rate earned on all investments to 31st December 2024) was 4.365% and the average weighted rate of return (weighing the simple average interest rates based on the principal invested) was 5.179%.

5.3. The Council can legally invest in the following funds and instruments:

- Fixed Term Deposits (Government, public sector bodies, Banks and Building Societies)
- Callable deposits (Banks and Building Societies)
- Money Market Funds
- Certificates of Deposit (tradable term deposits)
- Governments Gilts and Treasury Bills
- Corporate Bonds
- Derivatives (where used for risk management)

5.4. The Ministry of Housing, Communities, and Local Government (MHCLG) (formerly known as Department for Levelling Up, Housing and Communities (DLUHC)) published updated guidance on investments in February 2018. The previous edition covered treasury investments only, but the latest edition focuses on non-treasury investments. These are commercial investments such as the purchase of investment properties, investments in subsidiaries or investments for service objectives including regeneration.

5.5. The revised PWLB borrowing terms announced in November 2020, prevent Local Authorities from borrowing from the PWLB for any purpose should their ongoing Capital Programme contain commercial schemes that are primarily investments to generate a financial yield. Consequently, Policy Committee approved the removal of the Capital budget for the Purchase of Commercial Property from its Capital Programme at its meeting in December 2020.

6. Approved Investments and Counterparties

6.1. The counterparty criteria are kept under regular review and are detailed in section 6 of Appendix 1 to this report. The criteria set out the value and duration limits which are applied in the day to day investment of the Council's cash balances.

6.2. The value and duration limits as well as the minimum credit ratings required of individual institutions seek to minimise the Council's exposure to counterparty risk, i.e. limit any potential loss due to the failure of any single institution or group.

6.3. The credit ratings agencies' criteria are relative measures of financial strength, any changes are notified to the Council's Treasury Team on the same day by our treasury advisors, MUFG. Over recent years the agencies have downgraded many financial institutions by removing the implied sovereign support. However, financial institutions have responded by improving their capital ratios to meet new regulatory standards to enable them to withstand market shocks like that experienced during the financial crisis in 2008. This requirement for increased resilience is designed to give higher assurance that institutions will be going concerns in the medium to long term.

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

6.5. CIPFA's Treasury Management Code (2021) requires the Council to set out its policies and practices relating to environmental, social and governance (ESG) investment considerations within its credit and counterparty policies. The framework for taking investment decisions in the coming year is set out in the Council's TMSS, attached at Appendix 1 Section 6 and includes the use of credit rating agencies' criteria, which incorporate Environmental, Social & Governance (ESG) risks alongside more traditional financial risk metrics, and the application of the Freedom House Global Freedom rating system.

- 6.6. The Freedom House Global Freedom rating system is a scored assessment of people's access to political rights and civil liberties in 210 countries and territories. In its annual Freedom in the World report, Freedom House assigns a numerical score and a Free/Partly Free/Not Free status to each country. The Council will only invest in organisations from countries with a 'Free' rating. Ratings will be regularly monitored to determine if ratings have changed.

7. Risk Controls

Investment Risk

- 7.1. The main risk of investing is that the borrower or counterparty defaults on the loan and cannot repay it.
- 7.2. The main controls on investment risk are the application of counterparty criteria which limit the amount and duration of investments with both individual and groups of related counterparties. The criteria are generally based on rating agency evaluations as detailed in Appendix 1 Section 6.

Borrowing Risk

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

8. Contribution to Strategic Aims

- 8.1. 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 will be presented to Council in March 2025.
- 8.2. Delivery of the Council's revenue and capital budgets is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward. The treasury management functions are crucial in ensuring that the Council has access to funds when required and that surplus funds are invested in secure investments.

9. Environmental and Climate Implications

- 9.1. There are no environmental implications arising directly from this report.
- 9.2. As set out in the Council's Annual Investment Strategy (Appendix 1 paragraph 6.18), the Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's Corporate Plan and values. This would include institutions with material

links to environmentally harmful activities (e.g. pollution, destruction of habitat, fossil fuels).

10. Community Engagement

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

11. Equality Implications

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

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 11.2. There are no equality implications arising directly from this report.

12. Other Relevant Considerations

- 12.1. There are none.

13. Legal Implications

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

14. Financial Implications

- 14.1. The financial implications are set out within the main body and Appendix 1 of this report and have been factored into the 2025/26 Budget & Medium Term Financial Strategy 2025/26-2027/28 Report elsewhere on the agenda.

15. Timetable for Implementation

- 15.1. Not applicable.

16. Background Papers

- 16.1. There are none.

Appendices

1. **Treasury Management Strategy Statement (TMSS) 2025/26**

Appendix 1 - Treasury Management Strategy Statement (TMSS) 2025/26

February 2025

Contents

1. Introduction
2. Treasury Management Strategy 2025/26
3. Capital Prudential Indicators 2025/26 – 2027/28
4. Minimum Revenue Provision (MRP) Policy Statement 2025/26
5. Borrowing Strategy 2025/26
6. Annual Investment Strategy 2025/26
7. Annexes
 - Annex 1 – The Capital Prudential and Treasury Indicators 2025/26 – 2027/28
 - Annex 2 – Treasury Management Scheme of Delegation
 - Annex 3 – Debt Portfolio as at 31st December 2024
 - Annex 4 - Investment Portfolio as of 31st December 2024
 - Annex 5 – List of Approved Countries for Investment

1. Introduction

Background

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

Reporting Requirements

- 1.6 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a number of treasury management related strategies and policies for approval by Council.

Treasury Management

- 1.7 The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals, including:
 - a. A forward looking report (this report) covering:
 - the Council's capital plans, (including prudential indicators);
 - a Minimum Revenue Provision (MRP) Policy, (how residual capital expenditure is charged to revenue over time);

- the Treasury Management Strategy (TMSS), (how investments and borrowing are to be organized), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters within which investments are to be managed).
- b. A mid-year treasury management report, delegated to Audit & Governance Committee, this is primarily a progress report and updates Members on the Investment and capital position, amending prudential indicators as necessary and indicating whether any policies require revision.
- c. An annual treasury outturn report, delegated to Audit & Governance Committee, this is a backward-looking review and compares actual prudential and treasury indicators and operations to the estimates within the Strategy.
- 1.8 In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required by the Prudential Code. However, these additional reports do not have to be reported to Council but are required to be adequately scrutinised. As Council have delegated scrutiny of the mid-year and outturn reports to the Audit and Governance Committee, these additional reports are also reported to Audit and Governance Committee.

Capital Strategy

- 1.9 The CIPFA Code also requires the Council to prepare a Capital Strategy Report which includes the following:
- A high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
 - An overview of how the associated risk is managed;
 - The implications for future financial sustainability.
- 1.10 The Capital Strategy is reported separately from the Treasury Management Strategy; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercial investments usually driven by expenditure on an asset.

Non-Treasury Investments

- 1.11 Where the Council has borrowed to fund any non-treasury investment, there should be an explanation of why borrowing was required.
- 1.12 If any non-treasury investment is found to have sustained a loss during the preparation of the final accounts or audit process, the implications will be reported through the procedure set out in the Capital Strategy.
- 1.13 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.
- 1.14 The Council has no plans to undertake new investment in property primarily for yield in the period 2025/26-2027/28. However, the Council's expenditure plans include a capital scheme for the Maintenance & Enhancement of Council Properties. It is anticipated that this capital expenditure will include works to the existing portfolio of commercial properties. The Capital Programme also includes a scheme in respect of the regeneration of Minster Quarter. These types of expenditure remain allowable under the revised PWLB borrowing terms announced in November 2020.

2. Treasury Management Strategy for 2025/26

1.1 The Strategy for 2025/26 covers two main areas:

a. Capital Issues

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

b. Treasury Management Issues

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

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

Training

- 1.3 The CIPFA Treasury Management Code requires the responsible officer (Section 151 Officer) to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny.**
- 1.4 Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making. The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs.”**
- 1.5 Further “Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.”**
- 1.6 This Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. The Council will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The Section 151 Officer will recommend and implement the necessary arrangements, including the specification of the expertise, knowledge and skills required by each role or member of staff.**

- 1.7 The Section 151 Officer will ensure that Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.
- 1.8 The Section 151 Officer will have regular communication with officers and members, encouraging them to highlight training needs on an ongoing basis.
- 1.9 During 2023/24 a member training session was delivered by the Council's Treasury Management advisors, now known as Mitsubishi UFJ Group (MUFG) Corporate Markets (formerly known as Link Group, Link Treasury Services Limited). Appropriate training will continue to be made available to members with sessions being offered at least annually.
- 1.10 The training needs of treasury management officers are periodically reviewed and a record of training received by officers central to the Treasury function will be maintained by the Capital and Treasury Lead.

Treasury Management Consultants

- 1.11 The Council uses MUFG as its external treasury management advisors.
- 1.12 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times. All decisions will be made with due regard to all available information, including, but not solely, that provided by our treasury advisers.
- 1.13 The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed and documented, and subject to regular review.

3. The Capital Prudential Indicators 2025/26 – 2027/28

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

Capital Expenditure

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

Table 1. Capital Expenditure (2024/25 – 2027/28)

	Estimate	2025/26-2027/28 Estimate			
	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Community & Adult Social Care Services	3.039	8.876	2.986	2.223	14.085
Economic Growth & Neighbourhood Services	47.267	41.162	16.871	16.477	74.510
Economic Growth & Neighbourhood Services – Education Schemes	15.098	10.139	12.301	1.612	24.052
Resources	2.834	3.028	2.925	2.096	8.049
Corporate	3.899	3.623	1.600	1.600	6.823
Non-HRA	72.137	66.828	36.683	24.008	127.519
HRA	27.335	90.143	29.778	18.996	138.917
Total	99.472	156.971	66.461	43.004	266.436

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

Table 2. Financing of Capital Expenditure (2024/25 – 2027/28)

General Fund & HRA	Estimate	2024/25-2026/27 Estimate			
	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Capital Expenditure	99.472	156.971	66.461	43.004	266.436
Capital receipts	(9.605)	(6.542)	(4.298)	(1.629)	(12.469)
Capital grants & other contributions	(64.264)	(59.477)	(17.391)	(6.212)	(83.080)
Capital reserves (HRA)	(13.552)	(21.730)	(16.187)	(11.894)	(49.811)
Revenue contributions	(0.148)	0.000	0.000	0.000	0.000
Net Borrowing Requirement	11.903	69.222	28.585	23.269	121.076

Capital Financing Requirement

- 1.17 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the Council's underlying need to borrow, or Net Borrowing Requirement.
- 1.18 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with

each assets life, and so charges the economic consumption of capital assets as they are used.

1.19 The CFR includes other long-term liabilities (e.g. PFI schemes and finance leases). Whilst these increase the CFR and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes.

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

Table 3. CFR Projections

Capital Financing Requirement	Estimate 2024/25 £m	2025/26-2027/28 Estimate			
		2025/26 £m	2026/27 £m	2027/28 £m	Total £m
CFR – General Fund	412.505	403.015	398.679	401.162	
CFR – HRA	215.701	266.092	277.366	283.265	
Total CFR	628.206	669.107	676.045	684.427	
Movement in CFR	(0.307)	40.901	6.938	8.382	56.221
Movement in CFR represented by:					
Net financing need for year	11.903	69.222	28.585	23.269	121.076
Less MRP/VRP* and other financing movements	(12.210)	(28.321)	(21.647)	(14.887)	(64.855)
Movement in CFR	(0.307)	40.901	6.938	8.382	56.221

*Voluntary Revenue Provision

Liability Benchmark

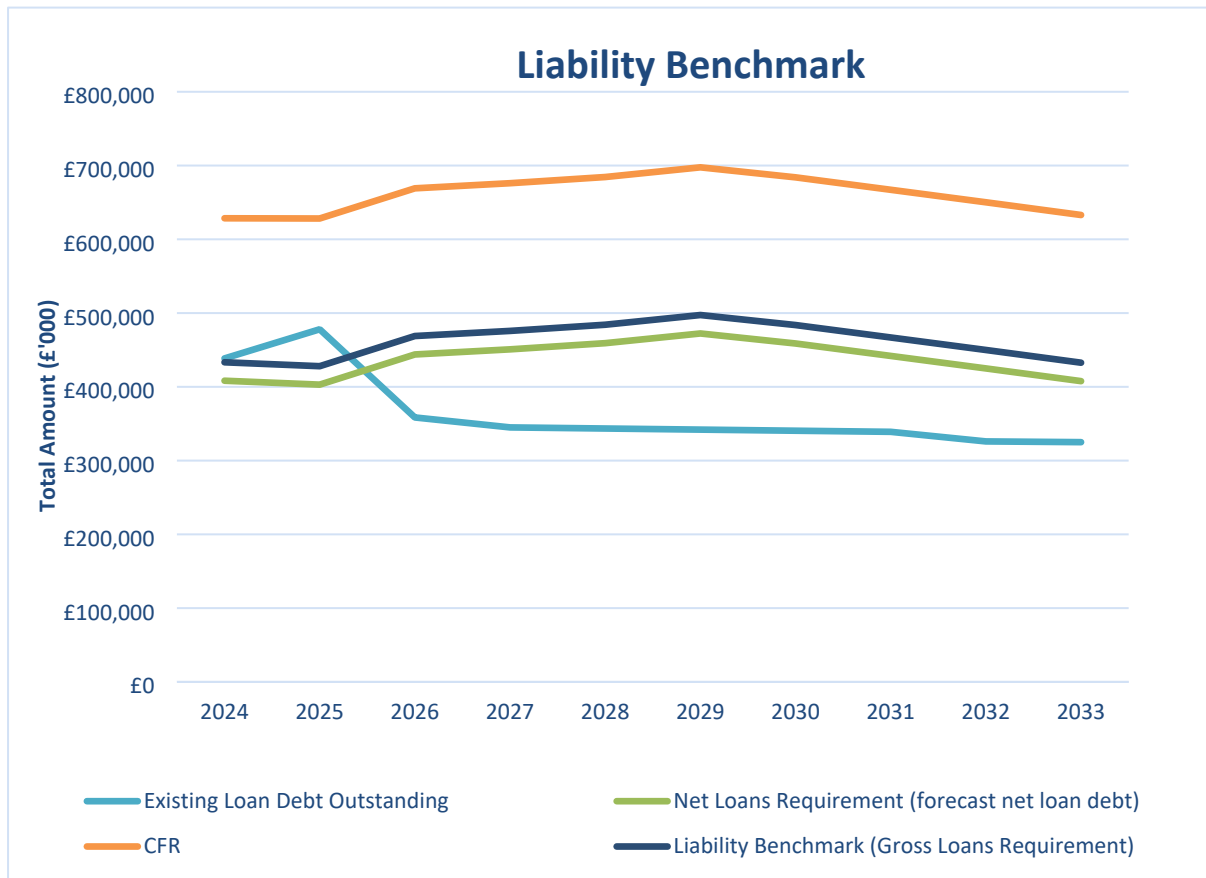
1.21 A third prudential indicator is the Liability Benchmark, which provides a comparison of the existing loan portfolio against the committed borrowing needs. In future periods where external loans are less than the Liability Benchmark this indicates a borrowing requirement and where external loans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

1.22 There are four components to the Liability Benchmark: -

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

1.23 The Liability Benchmark graph below shows that at the end of 2023/24 the Council was in a surplus position where actual loans exceeded the benchmark. A similar position is forecast at the end of 2024/25. This is the result of short-term cashflows where grants

and other funding had been paid to the Council in advance of expenditure being incurred. The forecast for 2026/27 shows the benchmark overtaking the actual loans position. This represents a future borrowing requirement for the Council, which is as expected due to the Council's actual level of borrowing being significantly lower than the Council's projected Capital Financing Requirement, which is projected to increase as outlined above.



4. Minimum Revenue Provision (MRP) Policy Statement

- 1.24 The Council is required to annually set aside revenue funds for the prudential repayment of outstanding capital borrowing in accordance with provisions set out in CIPFA's Prudential Code and MHCLG Statutory Guidance on Minimum Revenue Provision. The setting aside of revenue funds for the future repayment of outstanding borrowing is referred to as a Minimum Revenue Provision (MRP) charge. The Council is also allowed to make additional voluntary payments if required.
- 1.25 As part of the regulatory framework, Council is required to approve its Minimum Revenue Provision (MRP) Policy annually.
- 1.26 The MRP Policy, in accordance with proper practice, considers outstanding capital borrowing to be the Council's Capital Financing Requirement (CFR) rather than external loans taken out to finance capital expenditure. Accordingly, any reference in this Policy to the repayment of capital borrowing relates to the setting aside of resources to reflect movements within the Council's CFR rather than to the physical repayment of external debt.
- 1.27 In April 2024, the MHCLG published a new Statutory Instrument with amended Statutory Guidance on MRP, which applies to accounting periods from 2025/26 onwards. The main intent of the changes was to make explicit that that capital receipts may not be used in place of the revenue charge and that excluding debt associated with certain types of assets is not allowed.
- 1.28 The Council has revised its MRP policy to ensure compliance with the regulations and guidance, with the main changes relating to MRP policy with respect to loans to third parties.

General

- 1.29 Provision for the repayment of outstanding capital borrowing will generally be made in accordance with guidance and regulations to reflect the estimated life over which the capital assets acquired are anticipated to provide useful economic benefit. A schedule setting out expected lives of standard categories of assets is provided below. However, this may be adjusted on an individual asset by asset basis depending on the specific circumstances. The Council's statutory Section 151 officer will, as necessary determine individual asset lives for MRP purposes (in accordance with the overriding requirement to allow for the prudent provision for repayment of debt).

Table 4. Standard Expected Asset Lives

Asset Type	Expected Life (Years)
Major New Builds	40-50
Freehold Land	50
Major Extensions	20-40
Major Refurbishments	20
Major Transport Infrastructure / Regeneration	30
Other Transport Schemes	20
Other Small Capital Schemes	10
Large Vehicles (Refuse Freighters/Buses etc.)	7-10
Other Vehicles	5
Software Licenses	Length of License
Share Capital	20
Capital Grants / Loans to Others	Expected Life of Asset Held by Third Party

- 1.30 Of the four standardised methods set out as examples in the statutory regulations for the calculation of MRP, the Council has adopted the “Asset Life Method - Annuity” as the one which best allows for the prudent repayment of capital borrowing over the life of individual capital assets. MRP is the principal element for the repayment of borrowing. The annuity is the repayment profile determined by the useful life of the asset and an appropriate interest rate.
- 1.31 Assets acquired before 31st March 2011, and with a notional outstanding capital borrowing balance, will continue to have an annual MRP charge levied at 2% of the identified capital debt balance as at 31st March 2011.
- 1.32 Assets under construction including regeneration sites undergoing development, which have yet to fully deliver their expected benefits will not be subject to MRP charges to the Revenue Account until such time as they become operational for a full accounting year. Accordingly, on becoming operational, the charge for MRP will not commence until the following financial year.
- 1.33 Any prior error or change in assumption as to expected future asset life may be adjusted for in the current (or future) financial year, subject to any constraints on such adjustment as set out in the Prudential Code or Statutory Regulations.
- 1.34 Whilst the above sets out the Council’s general MRP principles and Policy, a number of specific instances and circumstances require separate treatment with regard to MRP in order to ensure the charge to revenue is both prudent for the repayment of debt and accurately reflects the economic benefits being realised. These are set out below:

Specific MRP Cases

- 1.35 Capital expenditure financed by finance lease or other service concessions (including Private Finance Initiative schemes) include within their annual payments both an interest and principal repayment element. The principal element included within these payments will be used to represent the MRP charge in accordance with the contractual agreement rather than separately calculating an MRP charge under the usual annuity method.
- 1.36 Capital loans to third parties with terms that include annual principal repayment (either equal instalment or annuity-based) will not be charged a separately calculated MRP charge as the annual principal repayments will be used to reduce the CFR and accordingly reduce the overall capital borrowing.
- 1.37 Short term loans for capital purposes (those with a full repayment date of five years or less) which are classed as non-commercial, and have not been subject to a recognised credit loss, will generate a receipt on their maturity which for capital accounting purposes counts as a capital receipt. On the basis that such capital receipts will be applied to reduce the Capital Financing Requirement – and as such deemed to repay the capital borrowing – no MRP charge will be made on such loans.
- 1.38 Capital loans to wholly-owned subsidiaries which are classed as non-commercial and have not been subject to a recognised credit loss, will not be subject to MRP charges in circumstances where the net worth of the subsidiary is (or is reasonably expected to be in the short to medium term) in excess of the loan and as such a disposal of those assets would provide sufficient funds to fully repaying the outstanding capital borrowing of the Council.
- 1.39 If the Council grants any commercial loans, MRP will be charged in the year after the loan is granted and each year thereafter until the loan matures.

- 1.40 For Council loans granted prior to 7 May 2024, where those loans have been subject to an actual or expected credit loss in the current or any previous financial year then a prudent MRP charge will be made in each financial year.
- 1.41 For Council loans granted on or after 7 May 2024 where those loans are subject to an expected or actual credit loss, then the MRP charge will be at least the amount of the recognised credit loss for the financial year, after adjusting for any previous MRP or capital receipts applied to the loan.
- 1.42 Charges for the provision to repay capital debt relating to share capital for group holdings will be subject to a prudent MRP charge.
- 1.43 Where the Council has outstanding borrowing relating to historic individual and specific investment in property assets, a prudent MRP charge will be made in each financial year.
- 1.44 Surplus assets will be subject to an MRP charge even when there is a likely expectation of generating a capital receipt in the short to medium term.
- 1.45 The Housing Revenue Account (HRA) is not subject to the same statutory annual requirement to make an MRP charge as the General Fund. It is however required to make provision for the repayment of capital debt over the longer term (broadly over the thirty year life of the HRA Business Plan). The HRA Business Plan provides for significant investment in modernising its existing holdings as well as new housing stock, the application of a more flexible and long term strategy for debt repayment eases pressure on HRA balances and enables greater provision of decent homes whilst still allowing the overall level of debt to be repaid over the long term. The Council's Section 151 Officer will continue to ensure that the HRA Business Plan provides for the prudent repayment of debt over the longer term.
- 1.46 Subject to affordability and the sustainability of the budget and Medium Term Financial Strategy, the Council's Section 151 Officer will continue to explore opportunities for the earlier reduction of outstanding debt for both the General Fund and HRA, and where appropriate and subject to available resources, reserve the power to make supplementary MRP contributions over and above the minimum previously determined as prudent, where longer term financial benefits may be derived.

Capital Receipts

- 1.47 Capital receipts may ordinarily be applied to fund capital expenditure or be set aside for the repayment of debt. An exemption currently applies until 31st March 2030 (an extension from 31st March 2025 was announced as part of the Local Government Finance Policy Statement on 28th November 2024) which allows capital receipts to be used to fund revenue expenditure which generates future and ongoing savings and service transformation – referred to as the Flexible Use of Capital Receipts.
- 1.48 The Council's Section 151 Officer will apply General Fund capital receipts so as to optimise the benefit to the Revenue Account whilst being mindful of the long term need to prudently repay capital debt.
- 1.49 To the above end, all capital receipts (unless statutorily or contractually ring-fenced to specific purposes) will be applied to their most beneficial purpose. Where capital receipts are applied to repay debt, such repayments will be applied against the remaining borrowing identified on an asset by asset basis and the MRP liability adjusted accordingly.

MRP Overpayments

- 1.50 Under the MRP guidance, any charges made in excess of the statutory MRP are known as voluntary revenue provision (VRP). VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this Policy must disclose the cumulative overpayment made each year. Up until 31st March 2024 nil overpayments were made, and there is no expectation that any VRP contributions will be made in the period 2024/25-2027/28.

5. Borrowing Strategy 2025/26

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

Current Treasury Management Portfolio Position

- 1.52 The overall treasury management portfolio as at 31st March 2024 and the position as at 31st December 2024 are shown below for both borrowing and investments.

Table 5. Treasury Portfolio (Net Debt)

General Fund & HRA	31 st March 2024		31 st December 2024	
Debt Portfolio	Principal	Average Rate	Principal	Average Rate
	(£m)	%	(£m)	%
Fixed Rate Loans				
PWLB	352.500	3.281	351.500	3.281
Local Authorities	76.000	6.025	77.500	4.889
Market	10.000	4.090	10.000	4.090
Variable Rate Loans				
PWLB	0.000	0.000	0.000	0.000
Total Borrowing Debt	438.500	4.094	439.000	3.789
Total Investments	30.219	5.314	38.636	4.365
Net Debt	408.281		400.364	

- 1.53 The Council's investment portfolio summary as at 31st March 2024 together with the position as at 31st December 2024 is summarised below:

Table 6. Investment Portfolio Summary

	31 st March 2024 (£m)	31 st March 2024 (%)	31 st December 2024 (£m)	31 st December 2024 (%)
Treasury Investments				
Banks	1.719	5.69	0.236	0.61
Money Market Funds (MMF)	13.500	44.67	23.400	60.57
Total Managed In-house	15.219	50.36	23.636	61.18
Total Managed Externally – Property Funds	15.000	49.64	15.000	38.82
Total Treasury Investments	30.219	100.00	38.636	100.00

- 1.54 The Council's forward projections for borrowing are summarised in Table 7 below which shows actual external debt compared to the underlying need to borrow (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

Table 7. Borrowing Estimates

	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
External Debt				
Debt at 1 st April	438.500	473.000	540.222	555.307
Net Change in Debt	34.500	67.222	15.085	21.769
Debt at 31 st March	473.000	540.222	555.307	577.076
PFI Liabilities at 1 st April	20.479	19.175	17.811	16.536
Net Change in PFI Liabilities	(1.304)	(1.364)	(1.275)	(1.549)
PFI Liabilities at 31 st March	19.175	17.811	16.536	14.987
Total Gross Debt at 31 st March	492.175	558.033	571.843	592.063
Capital Financing Requirement	628.206	669.107	676.045	684.427
(Under)/Over Funding of CFR	(136.031)	(111.074)	(104.202)	(92.364)
(Under)/Over Borrowing (exc PFI)	(155.206)	(128.885)	(120.738)	(107.351)

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

Table 8. Analysis of Non-Financial Investment Borrowing

	2024/25 Forecast £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
External Debt for Non-Financial Investments				
Actual Debt at 31 March	66.859	66.859	66.859	66.859
Percentage of Total External Debt	14.14%	12.09%	11.63%	11.78%

- 1.56 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of its CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the subsequent two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 1.57 The Council has complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

Treasury Indicators: Limits to Borrowing Activity

- 1.58 **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Table 9. Operational Boundary

	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Capital Financing Requirement	628.206	669.107	676.045	684.427
Headroom	20.000	20.000	20.000	20.000
Total	648.206	689.107	696.045	704.427

1.59 **The authorised limit for external debt.** This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

1.60 The Authorised Borrowing limits are set out below:

Table 10. Authorised Limit

	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Operational Boundary	648.206	689.107	696.045	704.427
Headroom	40.000	40.000	40.000	40.000
Total	688.206	729.107	736.045	744.427

Prospects for Interest Rates

1.61 The Council has appointed MUFG as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. MUFG provided the following forecasts on 11th November 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Table 11. Interest Rate Projections (%)

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

1.62 The forecast reflects a view that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. MUFG forecast the next reduction in Bank Rate to be made in February and for a pattern to evolve whereby rate cuts are made quarterly and in keeping with the release of the Bank's Quarterly Monetary Policy Reports (February, May, August and November).

Borrowing Strategy

- 1.63 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated in 2025 even if some rate cuts arise.
- 1.64 The most cost effective borrowing currently is internal borrowing which involves running down cash balances and foregoing interest earned (at historically low rates), in lieu of taking out new borrowing at a higher rate. The Council will look to utilise temporary and short term borrowing, if a borrowing need arises, as this is a cheaper option than long term borrowing at present. However, in view of the overall forecast for long term borrowing rates to remain at high levels over the next few years, consideration will also be given to weighing the short term advantage of internal, temporary and short term borrowing against potential longer term costs if the opportunity is missed for taking loans at rates which will be higher in future years.
- 1.65 Against this background and the risks within the economic forecast, the Treasury Team will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. If during the period there was a significant risk of a sharp rise in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years. If it was felt that there was a significant risk of a sharp fall in borrowing rates, then borrowing may be postponed.
- 1.66 Any decisions will be reported subsequently to the Audit & Governance Committee.

Policy on Borrowing in Advance of Need

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

Debt Rescheduling

- 1.69 Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.
- 1.70 Any rescheduling will be reported to Members in a treasury report at the earliest meeting following its action.
- 1.71 The Authority holds £5.000m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The Council will take the option to repay LOBO loans if there is a financial benefit in doing so.

Approved Sources of Long and Short-term Borrowing

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

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

6. Annual Investment Strategy 2025/26

Investment Policy – Management of Risk

1.73 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Council’s Capital Strategy.

1.74 The Council’s Investment Policy has regard to the following:

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

1.75 The Council’s investment priorities are security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council’s risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate (from an internal as well as external perspective), the Council will consider the value available in periods over 12 months with high credit rated financial institutions, as well as wider range fund options.

1.76 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by:

- i. The application of minimum acceptable **credit criteria** to generate a list of creditworthy counterparties. This also enables diversification and the avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
- ii. Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
- iii. Reviewing other information sources including the financial press, share price etc. pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- iv. The Council defining the **types of investment instruments** that the Treasury Management Team are authorised to use as follows:
 - **Specified investments** - those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** - those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before

being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity. For example, an 18-month deposit would still be non-specified even if it has only 11 months left until maturity.

- v. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments to £30m of the total investment portfolio.
 - vi. **Lending limits,** (amounts and maturity) for each counterparty will be set through applying the matrix in Table 12.
 - vii. Setting a £30m limit for the amount of investments which are invested for **longer than 365 days.**
 - viii. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating.**
 - ix. Engaging **external consultants,** to provide expert advice on how to optimise an appropriate balance of security, liquidity, and yield, given the risk appetite of the Council in the context of the expected level of cash balances and need for liquidity throughout the year.
 - x. All investments will be denominated in **sterling.**
 - xi. As a result of the change in accounting standards for 2022/23 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. In November 2018, MHCLG concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31st March 2023. A further extension to the over-ride to 31st March 2025 has been announced by the Government. The only pooled investment on the Council's portfolio is the £15.000m invested with the CCLA Property Fund.
 - xii. Based on the latest valuation (as at 31st December 2024), the investment is worth £14.042m, which represents an indicative loss of £0.958m that would need to be recognised in 2025/26 should the statutory override end. The Council has set aside an earmarked reserve of £1.200m to mitigate against the impact of this statutory override ending. Any future year movements in value (gains or losses) of the investment would be compared to £14.042m. For context, as set out in Annex 4, the current interest rate earned on this investment is 5.36% which would equate to £0.804m annually. In total, this investment has earned the Council £6.900m of gross interest (£6.000m net of management fees) over the period from 1st April 2015 to 30th September 2024. This investment is reviewed regularly by Officers and the current view is that this investment should be retained.
- 1.77 However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year

- 1.78 The above criteria are unchanged from last year. There are no proposed changes for 2025/26.

Creditworthiness Policy

- 1.79 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security and monitoring their security; and
 - It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 1.80 The Council's Section 151 Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either Specified or Non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 1.81 Credit rating information is supplied by the Council's treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. Notification of a negative rating Watch applying to a counterparty with the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 1.82 The criteria for providing a pool of high quality investment counterparties, (both Specified and Non-specified Investments) is set out in Table 12 below, as are the time and monetary limits for institutions on the Council's counterparty list:

Table 12. Investment Criteria

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

UK Government (irrespective of credit rating)	N/A	Unlimited	50 Years
UK Local Authorities (irrespective of credit rating)	N/A	£20m (each)	50 Years
UK Registered Providers of Social Housing whose published long-term credit rating is A- or higher	A-	£5m (each)	2 Years
UK Registered Providers of Social Housing whose published long-term credit rating is lower than A- or without a long-term credit rating	N/A	£2m (each)	1 Year
	Fund rating	Cash Limit	Time
Money Market Funds	AAA	£20m (each)	liquid
Pooled Funds (including pooled property funds)	AAA	£30m (total)	liquid

- 1.83 The credit rating of counterparties is monitored regularly. The Council receives credit rating information including changes, rating watches and rating outlooks from MUFG as and when ratings change, following which the Council's schedule of approved counterparties is promptly updated – on occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately and if required new counterparties which meet the criteria will be added to the list by the Council's Section 151 Officer.

Creditworthiness

- 1.84 Significant levels of downgrades to Short-Term and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. Nonetheless, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK

Credit Default Swap (CDS) Prices

- 1.85 Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. MUFG, our treasury advisers, monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its portal.

Other Limits

- 1.86 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.
- a) **Non-specified investment limit.** The Council has determined that it will limit its maximum total exposure to non-specified investments to £30.000m.
 - b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. In addition, the Council will apply the Freedom House Global Freedom rating system to inform decision making and

will only invest in organisations from countries with a 'free' rating. The list of countries that qualify using these criteria as at the date of this report are set out in Annexe 3 to this appendix. This list will be added to, or deducted from, by officers should ratings change in accordance with this Policy.

c) **Other limits.** In addition:

- no more than £20.000m will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

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

Investment Strategy

1.88 **In-house fund** Investments will be made with reference to the core balance and cash flow requirements and the interest rate outlook. Greater returns are usually obtainable by investing for longer periods.

1.89 Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

1.90 The Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's Corporate Plan and values. This would include institutions with material links to:

- human rights abuse (e.g. child labour, political oppression)
- environmentally harmful activities (e.g. pollution, destruction of habitat, fossil fuels)
- socially harmful activities (e.g. tobacco, gambling)

1.91 Further, the Council will only invest in countries deemed as "Free" as per the Freedom House Global Freedom rating system.

Investment Return Expectations

1.92 The current forecast shown in Table 11, includes a forecast Bank Rate to fall to a low of 3.50%. Bank Rate projections to December 2027 are set out in Table 11 above.

Investment Treasury Indicator and Limit

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

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

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

	2025/26 £m	2026/27 £m	2027/28 £m
Principal sums invested for longer than 365 days	30.000	30.000	30.000
Current investments as at 31 st December 2024 in excess of one year maturing in each year	Nil*	Nil*	Nil*

*As of 31st December 2024, the Council has £15.000m invested in pooled property funds which have no fixed maturity, as set out in Table 6.

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

Policy on Apportioning Interest to the HRA

- 1.96 Reform of the Housing Revenue Account Subsidy system was completed at the end of 2011/12, the Council was required to pay MHCLG £147.800m. Prior to 2012/13 The Council would recharge interest expenditure and income attributable to the HRA in accordance with determinations issued by MHCLG. The Council subsequently adopted a policy that it would continue to manage its debt as a single pool using a similar regime to that applied prior to self-financing and which would not result in a material change to the average interest rate paid by the Council.
- 1.97 During 2016/17 and 2017/18 the methodology was adjusted to recognise that in essence the £147.800m of loans the Council borrowed at the time of self-financing were primarily taken for HRA debt, and therefore the operation of the single pool should not lead to the average interest rate charged to the HRA being less than the average rate on the remaining part of those loans.
- 1.98 The HRA also has a notional cash balance which may be positive or negative. This balance is measured each month and interest transferred between the General Fund and HRA at the net average rate earned by the Council on its portfolio of treasury investments (excluding the CCLA Property Fund) and short-term borrowing.

End of Year Investment Report

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

External Fund Managers

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

7. Annexes

Annex 1 – Prudential and Treasury Indicators

Annex 2 – Treasury Management Scheme of Delegation

Annex 3 – Debt Portfolio as of 31st December 2024

Annex 4 – Investment Portfolio as of 31st December 2024

Annex 5 – List of Approved Countries for Investment

Annex 1 - The Capital Prudential and Treasury Indicators 2025/26 – 2027/28

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

Capital Expenditure

	Forecast 2024/25 £m	2025/26-2027/28 Estimate			
		2024/25 £m	2025/26 £m	2026/27 £m	Total £m
General Fund	72.137	66.828	36.683	24.008	127.519
HRA	27.335	90.143	29.778	18.996	138.917
Total	99.472	156.971	66.461	43.004	266.436

Affordability Prudential Indicators

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

Ratio of Financing Costs to Net Revenue Stream

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

	2024/25	2025/26	2026/27	2027/28
	Estimate (%)	Estimate (%)	Estimate (%)	Estimate (%)
General Fund	10.93	9.69	9.58	9.59
HRA	12.86	14.05	15.16	15.15
Total	11.40	10.75	10.89	10.87

Maturity Structure of Borrowing

- These gross limits are set to reduce the Council's exposure to large, fixed rate sums falling due for refinancing and are required for upper and lower limits. Council is asked to approve the limits in the following table.

Maturity structure of fixed interest rate borrowing 2025/26		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	20%
2 years to 5 years	0%	20%
5 years to 10 years	0%	30%
10 years to 20 years	0%	40%
20 years to 30 years	0%	50%
30 years to 40 years	0%	60%
40 years to 50 years	0%	60%

Maturity structure of variable interest rate borrowing 2024/25		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

Annex 2 - Treasury Management Scheme of Delegation

i) Council

- receiving and reviewing reports on treasury management policies, practices, and activities;
- approval of/amendments to the Council's adopted clauses, Treasury Management Policy Statement and Treasury Management Practices;
- approval of annual Strategy.

ii) Audit & Governance Committee

- Receive and recommend to Council amendments to the Council's adopted clauses, Treasury Management Policy Statement and Treasury Management Practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

iii) Section 151 Officer

- reviewing the Treasury Management Policy and Procedures and making recommendations to the responsible body.

Annex 3 – Debt Portfolio as at 31st December 2024

Class	Type	Start Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Loan	Temporary Borrowing - Fixed	15/08/24	15/04/25	West Yorkshire Police and Crime Commissioner	Maturity	4.7500%	10,000,000.00
Loan	Temporary Borrowing - Fixed	28/08/24	22/04/25	Blackburn with Darwen Borough Council	Maturity	4.7500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	05/09/24	07/04/25	Merseyside Fire and Rescue Authority	Maturity	4.7500%	2,000,000.00
Loan	Temporary Borrowing - Fixed	05/09/24	07/04/25	North Hertfordshire District Council	Maturity	4.7500%	2,000,000.00
Loan	Temporary Borrowing - Fixed	05/09/24	15/04/25	Hyndburn Borough Council	Maturity	4.7500%	2,000,000.00
Loan	Temporary Borrowing - Fixed	27/09/24	28/04/25	West Yorkshire Combined Authority	Maturity	4.9000%	5,000,000.00
Loan	Temporary Borrowing - Fixed	11/10/24	11/04/25	South Kesteven District Council	Maturity	4.8500%	3,000,000.00
Loan	Temporary Borrowing - Fixed	17/09/24	17/04/25	Stroud District Council	Maturity	4.9000%	2,500,000.00
Loan	Temporary Borrowing - Fixed	19/09/24	24/04/25	Fermanagh & Omagh District Council	Maturity	4.7750%	2,000,000.00
Loan	Temporary Borrowing - Fixed	23/09/24	23/04/25	Liverpool City Region Combined Authority	Maturity	4.9000%	5,000,000.00
Loan	Temporary Borrowing - Fixed	01/11/24	01/05/25	Tendring District Council	Maturity	4.7500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	01/10/24	01/04/25	Leicester, Leics and Rutland Fire Authority	Maturity	4.7500%	3,000,000.00
Loan	Temporary Borrowing - Fixed	09/10/24	15/04/25	Middlesbrough Teesside Pension Fund	Maturity	4.7500%	15,000,000.00
Loan	Temporary Borrowing - Fixed	08/11/24	06/05/25	Fermanagh & Omagh District Council	Maturity	4.7500%	2,000,000.00
Loan	Temporary Borrowing - Fixed	09/12/24	09/06/25	Chichester District Council	Maturity	5.3500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	11/12/24	03/04/25	South Ribble Borough Council	Maturity	5.4000%	4,000,000.00
Loan	Temporary Borrowing - Fixed	24/04/24	06/01/25	Cornwall Council	Maturity	5.2800%	5,000,000.00
Temporary Borrowing - Fixed Total						4.8852%	77,500,000.00
Loan	Fixed	26/03/18	25/03/68	PWLB	Maturity	2.2800%	15,000,000.00
Loan	Fixed	27/09/18	27/09/43	PWLB	Maturity	2.8200%	15,000,000.00
Loan	Fixed	27/09/18	27/09/49	PWLB	Maturity	2.7900%	15,000,000.00
Loan	Fixed	11/03/19	11/03/66	PWLB	Maturity	2.3800%	15,000,000.00
Loan	Fixed	13/03/19	13/03/37	PWLB	Maturity	2.4200%	5,000,000.00
Loan	Fixed	13/03/19	13/03/57	PWLB	Maturity	2.4200%	5,000,000.00
Loan	Fixed	01/04/19	01/04/64	PWLB	Maturity	2.2000%	10,000,000.00
Loan	Fixed	01/10/19	02/10/62	PWLB	Maturity	1.6400%	5,000,000.00
Loan	Fixed	01/10/19	01/10/63	PWLB	Maturity	1.6300%	5,000,000.00

Loan	Fixed	07/10/19	07/10/66	PWLB	Maturity	1.6300%	5,000,000.00
Loan	Fixed	07/10/19	08/10/68	PWLB	Maturity	1.6300%	5,000,000.00
Loan	Fixed	11/03/20	25/09/69	PWLB	Maturity	2.0700%	15,000,000.00
Loan	Fixed	13/05/05	25/09/51	PWLB	Maturity	4.1500%	2,000,000.00
Loan	Fixed	11/01/06	25/09/55	PWLB	Maturity	3.9000%	5,000,000.00
Loan	Fixed	23/01/06	25/09/55	PWLB	Maturity	3.7000%	5,000,000.00
Loan	Fixed	23/05/06	25/09/47	PWLB	Maturity	4.2000%	2,000,000.00
Loan	Fixed	19/07/06	25/03/52	PWLB	Maturity	4.2500%	20,000,000.00
Loan	Fixed	20/09/06	25/09/51	PWLB	Maturity	4.2000%	5,000,000.00
Loan	Fixed	28/09/06	25/09/52	PWLB	Maturity	4.0500%	10,000,000.00
Loan	Fixed	08/03/07	25/03/53	PWLB	Maturity	4.2500%	10,000,000.00
Loan	Fixed	08/03/07	25/03/54	PWLB	Maturity	4.2500%	10,000,000.00
Loan	Fixed	05/08/08	25/03/58	PWLB	Maturity	4.4800%	2,000,000.00
Loan	Fixed	15/08/08	25/09/57	PWLB	Maturity	4.3900%	6,000,000.00
Loan	Fixed	02/12/08	25/09/58	PWLB	Maturity	4.1200%	10,000,000.00
Loan	Fixed	20/08/09	25/03/59	PWLB	Maturity	4.2000%	5,000,000.00
Loan	Fixed	31/08/10	25/03/60	PWLB	Maturity	3.9200%	10,000,000.00
Loan	Fixed	14/07/11	25/03/26	PWLB	EIP	3.5900%	750,000.00
Loan	Fixed	15/09/11	25/03/31	PWLB	EIP	3.3500%	3,250,000.00
Loan	Fixed	28/03/12	25/03/51	PWLB	Maturity	3.5300%	12,000,000.00
Loan	Fixed	28/03/12	25/09/26	PWLB	Maturity	2.9700%	12,000,000.00
Loan	Fixed	28/03/12	25/03/50	PWLB	Maturity	3.5300%	15,000,000.00
Loan	Fixed	28/03/12	25/03/41	PWLB	Maturity	3.4900%	15,000,000.00
Loan	Fixed	28/03/12	25/03/61	PWLB	Maturity	3.4800%	15,000,000.00
Loan	Fixed	28/03/12	25/03/32	PWLB	Maturity	3.3000%	12,000,000.00
Loan	Fixed	28/03/12	25/09/41	PWLB	Maturity	3.4900%	15,000,000.00
Loan	Fixed	28/03/12	25/09/51	PWLB	Maturity	3.5200%	3,000,000.00
Loan	Fixed	28/03/12	25/03/62	PWLB	Maturity	3.4800%	15,000,000.00
Loan	Fixed	28/03/12	25/03/41	PWLB	EIP	2.9900%	16,500,000.00
Loan	Fixed	06/12/05	06/12/55	Barclays Bank plc (Market)	Maturity	3.9900%	5,000,000.00
Fixed Total						3.2536%	356,500,000.00
Loan	LOBO	30/01/08	31/01/78	Dexia (Market)	Maturity	4.1900%	5,000,000.00
LOBO Total						4.1900%	5,000,000.00
Loan Total						3.5523%	439,000,000.00

Annex 4 - Investment Portfolio as at 31st December 2024

Class	Type	Start / Purchase Date	Maturity Date	Counterparty	Rate	Principal O/S (£)
Treasury Investments						
Deposit	MMF	N/A	N/A	Aberdeen Standard Liquidity Fund	5.060%	18,900,000.00
Deposit	MMF	N/A	N/A	Federated Short Term Sterling Prime Fund	5.070%	4,500,000.00
Deposit	Current Account	N/A	N/A	Lloyds Bank	2.000%	236,322.98
Deposit	Property Fund	30/03/15	N/A	CCLA Local Authorities Property Fund	5.330%	15,000,000.00
Treasury Investments Total					5.180%	38,636,322.98
Non-Treasury Investments						
Deposit	Fixed	25/03/2021	24/03/2026	Brighter Futures for Children Ltd	1.810%	5,000,000.00
Deposit	Fixed	29/09/2017	26/09/2022	Homes for Reading Ltd	3.250%	1,100,000.00
Deposit	Fixed	23/01/2018	26/09/2022	Homes for Reading Ltd	3.380%	400,000.00
Deposit	Fixed	28/02/2018	26/09/2022	Homes for Reading Ltd	3.590%	800,000.00
Deposit	Fixed	20/03/2018	26/09/2022	Homes for Reading Ltd	3.580%	700,000.00
Deposit	Fixed	25/04/2018	24/03/2023	Homes for Reading Ltd	3.620%	800,000.00
Deposit	Fixed	11/05/2018	24/03/2023	Homes for Reading Ltd	3.570%	800,000.00
Deposit	Fixed	29/08/2018	24/03/2023	Homes for Reading Ltd	3.480%	2,000,000.00
Deposit	Fixed	24/09/2018	24/03/2023	Homes for Reading Ltd	3.410%	3,000,000.00
Deposit	Fixed	11/12/2018	24/03/2023	Homes for Reading Ltd	3.190%	4,000,000.00
Deposit	Fixed	07/02/2019	24/03/2023	Homes for Reading Ltd	3.380%	2,000,000.00
Deposit	Fixed	29/06/2018	24/03/2023	Homes for Reading Ltd	3.510%	1,300,000.00
Deposit	Fixed	16/04/2019	24/03/2029	Homes for Reading Ltd	3.750%	7,000,000.00
Deposit	Fixed	30/04/2019	30/04/2029	Reading Transport Ltd	5.000%	3,949,000.00
Deposit	Fixed	15/08/2019	30/07/2029	Reading Transport Ltd	5.000%	500,000.00
Deposit	Fixed	08/04/2018	01/07/2023	Reading Transport Ltd	5.000%	490,000.00
Deposit	Fixed	03/06/2018	01/07/2023	Reading Transport Ltd	5.000%	207,000.00
Deposit	Fixed	29/07/2018	01/07/2023	Reading Transport Ltd	5.000%	164,000.00
Deposit	Fixed	20/01/2020	01/01/2024	Reading Transport Ltd	5.000%	151,000.00
Deposit	Fixed	21/08/2020	01/10/2024	Reading Transport Ltd	5.000%	700,000.00
Non-Treasury Investments Total					3.926%	35,061,000.00
Total Investments *						73,697,322.98

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

Annex 5 – List of Approved Countries for Investment

1. The below list of approved countries for investment is based on the lowest available rating from all ratings agencies (as at 17th January 2025).

AAA

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

AA+

- Canada
- Finland
- United States of America

AA

- France

AA-

- Belgium
- United Kingdom

Council

25 February 2025



Reading
Borough Council
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Title	Council Tax Setting 2025/26
Purpose of the report	To make a key decision
Report status	Public report
Report author	Stuart Donnelly, Financial Planning & Strategy Manager
Lead Councillor	Councillor Terry, Leader of the Council
Corporate priority	Our Foundations
Recommendations	That Council approve: - The following amounts that have been calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992: (i) £476,131,500 Gross Revenue Expenditure (being the estimated aggregate expenditure of the Council in accordance with section 31A (2) of the Act); (ii) £349,997,200 Gross Revenue Income (being the estimated aggregate income of the Council for the items set out in section 31A (3) of the Act); (iii) £126,134,300 Net Revenue Expenditure (being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated in accordance with Section 31A (4) of the Act, as the Council's Council Tax Requirement for the year. (Item R in the formula in section 31A (4) of the Act)); (iv) £2,117.52 Reading Borough Council band D Council Tax (being the amount at (iii) above (Item R) divided by the Council's tax base 59,566.99 (Item T) calculated in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year. This represents an increase of 4.99% in the Council's own tax). That Council notes: - That the net tax base of 59,566.99 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) for 2025/26 was agreed by Full Council on 28th January 2025;

	3. That the band D Council Tax for Reading Borough Council is £2,117.52 as shown in Table 2 of the report; 4. That including the Fire and Police authority precepts; the Overall Council Tax by property valuation band is as set out in Table 3 of the report.

1. Summary

- 1.1. The purpose of this report is to approve the calculations for determining the Council's Council Tax requirement for the year 2025/26 in accordance with the Local Government Finance Act 1992.
- 1.2. The report also sets out the Council Tax amounts for each property valuation band in the Borough including precepts notified from the Office of the Police & Crime Commissioner for Thames Valley and the Royal Berkshire Fire & Rescue Service.
- 1.3. This report has been prepared with reference to the following documents:
- Local Government Finance Act 1992;
 - Approval of The Local Council Tax Support Scheme and the Council Tax Base for 2025/26 Report - approved by Council on 28th January 2025;
 - Referendums Relating to Council Tax Increases (Principles) (England) Report 2025/2026;
 - The 2025/26 Budget & Medium Term Financial Strategy 2025/26 - 2027/28 Report - approved by Policy Committee on 17th February 2025.

2. Policy Context

- 2.1. The Local Government Finance Act 1992 sets out the specific amounts to be calculated and approved when setting the Council Tax. This report allows the Council to meet its legislative duty to set the Council Tax for each property band.
- 2.2. Council at its meeting on 28th January 2025 approved the Council Tax Base for 2025/26 as 59,566.99 band D equivalent properties for the whole Council area [Item T in the formula in Section 31B of the Local Government Finance Act 1992 as amended (the "Act")].

3. The Proposal

Council Tax Calculations

- 3.1. The calculation of Council Tax involves several stages, and the Local Government Finance Act 1992 requires figures to be calculated including and excluding precepts. The following tables set out the required calculations.
- 3.2. The Council, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, sets its own band D amount by dividing its Council Tax requirement (as set out in Appendix 1 of the budget report which appears elsewhere on the agenda) by the agreed number of band D equivalent properties (its Tax Base) as shown in Table 1 below:

Table 1. Calculation of Reading Borough Council's band D Council Tax 2025/26

(i) Council Tax Requirement	£126,134,300
(ii) Tax Base (Number of band D equivalent properties)	59,566.99
(iii) Basic Amount of Council Tax (band D) – (i) divided by (ii)	£2,117.52

- 3.3. Reading's basic amount of Council Tax for a band D property for 2025/26 is £2,117.52 which represents an overall increase of 4.99% on the 2024/25 figure of £2,016.88; an increase of £100.64 (approximately £1.93 per week).
- 3.4. In accordance with Sections 31 to 36 of the Local Government Finance Act 1992, the Council's basic amount of Council Tax by property valuation band for 2025/26 is as shown in Table 2 below:

Table 2. Reading Borough Council - Council Tax by Property Valuation Band 2025/26

Valuation Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Council	1,411.68	1,646.96	1,882.24	2,117.52	2,588.08	3,058.64	3,529.20	4,235.04

- 3.5. Local Authorities can increase Council Tax in 2025/26 by a core amount of up to 3.0%, without holding a local referendum. In addition, councils with Adult Social Care responsibilities can increase their Council Tax by a further 2.0%, on top of the core amount, provided it is spent exclusively on Adult Social Care.
- 3.6. The Council's basic amount of Council Tax for 2025/26 is therefore not determined to be excessive in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992.

Major Preceptors

- 3.7. The Office of the Police and Crime Commissioner for the Thames Valley and The Royal Berkshire Fire & Rescue Service set their precepts for 2025/26 at their respective meetings on 24th January 2025 and 19th February 2025.
- 3.8. The Police Precept is £16.874m and the Fire precept £5.141m, in accordance with Section 40 of the Local Government Finance Act 1992.
- 3.9. The basic amounts of Council Tax by property valuation band for 2025/26 of each of the respective precepting authorities are set out in Table 3 below together with the overall Council Tax charge per property band (before any exemptions or discounts that may be applied):

Table 3. Overall Council Tax Including Major Preceptors 2025/26

Valuation Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Council	1,411.68	1,646.96	1,882.24	2,117.52	2,588.08	3,058.64	3,529.20	4,235.04
Police	188.85	220.33	251.80	283.28	346.23	409.18	472.13	566.56
Fire	57.54	67.13	76.72	86.31	105.49	124.67	143.85	172.62
Total	1,658.07	1,934.42	2,210.76	2,487.11	3,039.80	3,592.49	4,145.18	4,974.22

- 3.10. The overall band D charge for 2025/26 (including major preceptors) of £2,487.11 represents an increase of £119.64 (5.05%) on 2024/25 – the constituent elements are set out in Table 4 below:

Table 4. Change in Overall band D Council Tax Charge

Major Preceptor	2024/25	2025/26	Change	Percentage	Overall
	£	£	£	%	%
Council	2,016.88	2,117.52	100.64	4.99%	4.25%
Police	269.28	283.28	14.00	5.20%	0.59%
Fire	81.31	86.31	5.00	6.15%	0.21%
Total	2,367.47	2,487.11	119.64	5.05%	5.05%

4. Contribution to Strategic Aims

- 4.1. Full details of the Council's current 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 will be presented to Council in March 2025.
- 4.2. Council Tax is levied to fund service delivery as laid out in the 2025/26 Budget & Medium-Term Financial Strategy 2025/26-2027/28 report.

5. Environmental and Climate Implications

- 5.1. 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. Reading has cut its carbon emissions by 54% since 2005 and the Council has cut its own carbon footprint by 73% in since 2008. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.
- 5.2. There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 19th December 2024 until 16th January 2025. The feedback from this engagement, alongside the feedback from the Residents' Survey 2024 is set out in Appendices 11 and 12 of the 2025/26 Budget & Medium-Term Financial Strategy 2025/26-2027/28 Report elsewhere on the agenda.
- 6.2. The highest proportion of properties in Reading are classed as band C and below, with 40.7% of properties classed as band C. The Reading element of the Council Tax for this band for 2025/26 will be £1,882.24, an increase of approximately £1.71 per week. The overall Council Tax charge for this band (including Police and Fire) will be £2,210.76.
- 6.3. The number of properties in each valuation band is set out in Table 5 below:

Table 5. Number and Distribution of Properties by Council Tax Banding

Band	Number of Properties in Band	Proportion	Amount Payable as a Proportion of band D
A	7,268	9.4%	6/9
B	14,997	19.4%	7/9
C	31,494	40.7%	8/9
D	12,196	15.8%	9/9
E	5,922	7.7%	11/9
F	3,368	4.4%	13/9
G	1,909	2.5%	15/9
H	97	0.1%	18/9
Total	77,251	100.0%	

7. Equality Implications

- 7.1. An equality impact assessment has been undertaken for the budget proposals set out in the Medium-Term Financial Strategy report.
- 7.2. As well as the Council's current Council Tax Reduction Scheme there are statutory discounts and exemptions available to residents who may otherwise struggle to pay their Council Tax, details are available on the Council's website.

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

- 9.1. Section 30 of the Local Government Act 1992 places a duty on the Council, as the billing authority, to set the Council Tax for all the property bands for 2025/26. Any amount must be set before 11th March in the financial year preceding that for which it is set but is not invalid merely because it is set on or after that date.

10. Financial Implications

- 10.1. The financial implications are set out in the main body of the report.
- 10.2. The 2.00% increase to Council Tax in respect of the Adult Social Care Levy will raise £2.403m in Council Tax income that will contribute towards the increased budget provision for Adult Social Care as set out within the 2025/26 Budget and 2025/26-2027/28 Medium-Term Financial Strategy Report.

11. Timetable for Implementation

- 11.1. Council Tax Bills for 2025/26 are scheduled to be issued from 5th March 2025 (electronic bills) and 11th March 2025 (postal bills).

12. Background Papers

- 12.1. There are none.

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Council

25 February 2025



Reading
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Title	2023/24 Auditor's Annual Report - KPMG
Purpose of the report	To note the report for information
Report status	Public report
Report author	Mark Sanders, Chief Accountant
Lead Councillor	Cllr Ellie Emberson, Lead Councillor for Corporate Services and Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	1. That Council notes the Auditor's Annual Report for 2023/24.

1. Executive Summary

- 1.1. The Council's external auditors KPMG are required to provide an Auditor's Annual Report to those charged with governance which details the work they have undertaken during the previous financial year and any key issues arising.
- 1.2. Council is asked to note this report prior to formal approval of the 2023/24 Statement of Accounts elsewhere on tonight's agenda.

2. Policy Context

- 2.1. The Council has a statutory requirement to publish draft and audited accounts each financial year and gains valuable assurance from the independent work of both the internal audit team and the external auditor KPMG who regularly report progress to the Audit and Governance Committee.

3. Auditor's Report

- 3.1. KPMG's report is included as an appendix and is prepared in line with the requirements set out in the Code of Audit Practice.
- 3.2. A draft version of this report was presented to the Audit and Governance Committee on 21 January 2025 where it was noted that the audit process was very nearly complete. There have been no significant or new issues arising since that date.
- 3.3. The final version included tonight confirms that overall the audit process has been completed as expected, and that KPMG are expecting to issue their opinion on the accounts by the statutory backstop date of 28 February 2025, subject to Council approving the Annual Governance Statement and Annual Accounts.
- 3.4. The Council's accounts will be 'disclaimed' for 2023/24 as part of the nationally agreed process to bring audit opinions back up to date. There are no specific issues arising that would complicate this process, and KPMG continue to work with the Council's finance team to undertake a return to timely annual 'unqualified' audit opinions as soon as possible.

- 3.5. KPMG's report also provides commentary on the Council's arrangements to secure the continuous improvement of value for money in the use of resources.

4. Contribution to Strategic Aims

- 4.1. The external audit process includes receiving the Auditor's Annual Report as part of the governance arrangements in place to consider the approval of the annual Statement of Accounts.

5. Environmental and Climate Implications

- 5.1. None arising.

6. Community Engagement

- 6.1. Auditor reports are provided on a regular basis to the Audit and Governance Committee, and the Council opens its draft accounts and draft annual governance statement for public inspection. There are no issues arising from public consultation.

7. Equality Implications

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 7.2. An Equality Impact Assessment (EIA) is not relevant to this report.

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

- 9.1. None arising.

10. Financial Implications

- 10.1. There are no direct financial implications arising from this report

11. Timetable for Implementation

- 11.1. Not relevant.

12. Background Papers

- 12.1. There are none.

Appendices

1. **KPMG – Auditor's Annual Report 2023/24**



Auditor's Annual Report for Reading Borough Council

Year ended 31 March 2024

—

February 2025

Contents



Key Contacts

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This report is addressed to Reading Borough Council ('the Council'). We take no responsibility to any member of staff acting in their individual capacities, or to third parties.

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

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01

Executive Summary

Executive Summary

Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 2023-24 audit of Reading Borough Council (the 'Council'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office and is required to be published by the Council alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. In line with this we provide conclusions on the following matters:



Accounts - We provide an opinion as to whether the accounts give a true and fair view of the financial position of the Council and of its income and expenditure during the year. We confirm whether the accounts have been prepared in line with the CIPFA/LASSAC Code of Practice in Local Authority Accounting ('the Code').



Narrative report - We assess whether the narrative report is consistent with our knowledge of the Council.



Value for money - We assess the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Council's use of resources and provide a summary of our findings in the commentary in this report. We are required to report if we have identified any significant weaknesses as a result of this work.



Other powers - We may exercise other powers we have under Local Audit and Accountability Act. These include issuing a Public Interest Report, issuing statutory recommendations, issuing an Advisory Notice, applying for a judicial review, or applying to the courts to have an item of expenditure declared unlawful.

In addition to the above, we respond to valid objections received from electors.

Findings

We have set out below a summary of the conclusions that we provided in respect of our responsibilities.

Accounts	We issued a disclaimed opinion on the Council accounts on [Date]. [Wording to be added on conclusion of audit] We have provided further details of the key risks we identified and our response on page 8.
Narrative report	We did not identify any significant inconsistencies between the content of the narrative report and our knowledge of the Council.
Value for money	We are required to give an opinion as to whether the Council has appropriate arrangements in place to secure economy, efficiency, and effectiveness in the use of resources. Our opinion is that the Council does have appropriate arrangements in place. We identified no significant weaknesses in respect of arrangements to secure economy, efficiency, and effectiveness in the use of resources. Further details are set out on page 11.
Other powers	See overleaf.

Executive Summary



There are several actions we can take as part of our wider powers under the Local Audit and Accountability Act:

Public interest reports

We may issue a Public Interest Report if we believe there are matters that should be brought to the attention of the public.

If we issue a Public Interest Report, the Council is required to consider it and to bring it to the attention of the public.

We have not issued a Public Interest Report this year.

Judicial review/Declaration by the courts

We may apply to the courts for a judicial review in relation to an action the Council is taking. We may also apply to the courts for a declaration that an item of expenditure the Council has incurred is unlawful.

We have not applied to the courts this year.

Recommendations

We can make recommendations to the Council. These fall into two categories:

1. We can make a statutory recommendation under Schedule 7 of the Local Audit and Accountability Act. If we do this, the Council must consider the matter at a general meeting and notify us of the action it intends to take (if any). We also send a copy of this recommendation to the relevant Secretary of State.
2. We can also make other recommendations. If we do this, the Council does not need to take any action, however should the Council provide us with a response, we will include it within this report.

We made no recommendations under Schedule 7 of the Local Audit and Accountability Act.

Advisory notice

We may issue an advisory notice if we believe that the Council has, or is about to, incur an unlawful item of expenditure or has, or is about to, take a course of action which may result in a significant loss or deficiency.

If we issue an advisory notice, the Council is required to stop the course of action for 21 days, consider the notice at a general meeting, and then notify us of the action it intends to take and why.

We have not issued an advisory notice this year.

In addition to these powers, we can make performance improvement observations to make helpful suggestions to the Council. Where we raise observations we report these to management and the Governance Committee. The Council is not required to take any action to these, however it is good practice to do so and we have included any responses that the Council has given us.

02

Audit of the financial statements

Audit of the financial statements



KPMG provides an independent opinion on whether the Council's financial statements:

- Give a true and fair view of the financial position of the Council as at 31 March 2024 and of Council's income and expenditure for the year then ended; and
- Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

We conduct our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. We also fulfil our ethical responsibilities under, and ensure we are independent of the Council in accordance with, UK ethical requirements including the FRC Ethical Standard. We are required to ensure that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Our audit opinion on the financial statements

We have not expressed an opinion on the financial statements.

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Council to publish its financial statements and our opinion thereon for the year ended 31 March 2024 by 28 February 2025 (the "Backstop Date").

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas include, but were not limited to, [to be added at conclusion of work].

In addition, we have been unable to obtain sufficient appropriate evidence over the disclosed comparative figures for the year ended 31 March 2023 due to the Backstop Date. Therefore, we were unable to determine whether any adjustments were necessary to the opening balances as at 1 April 2023 or whether there were any consequential effects on the Council's income and expenditure for the year ended 31 March 2024.

Any adjustments from the above matters would have a consequential effect on the Council's net assets and the split between usable reserves and unusable reserves as at 31 March 2024 and 31 March 2023, the Collection Fund and on its income and expenditure and cash flows for the years then ended.

The full audit report is included in the Council's Annual Report and Accounts for 2023/24 which can be obtained from the Council's website.

Further information on our audit of the financial statements is set out overleaf.

THIS IS AN EXAMPLE: TEXT MAY BE AMENDED IN THE FINAL VERSION

Audit of the financial statements



The table below summarises the key financial statement audit risks that we identified to our audit opinion as part of our risk assessment and how we responded to these through our audit.

Significant financial statement audit risk	Procedures undertaken	Findings
Valuation of land and buildings There is a risk that the amount in the accounts does not accurately represent the fair value of the asset.	We critically assessed the independence, objectivity and expertise of the valuers used and the instructions provided to them, in developing the valuation of the Council's properties at 31 March 2024 (£362 million at 31 March 2024, of which £129.9 million was subject to valuation in year); We compared the accuracy of the data provided to the valuers for the development of the valuation of assets valued in year to underlying information; We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used; We challenged the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement; We agreed the calculations performed of the movements in value of land and buildings and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code; and Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.	We did not identify any material misstatements relating to this risk. We raised a recommendation relating to increased management review of valuation outputs. We considered the estimate to be balanced based on the procedures performed.
Valuation of investment property There is a risk that the amount in the accounts does not accurately represent the fair value of the asset.	Procedures performed are the same as those performed for land and buildings above, except investment property is valued differently, so we have evaluated in line with the relevant standards and the CIPFA Code. The Council has a £65.4 million portfolio, primarily consisting of industrial estates and office space.	We challenged management regarding the underlying valuation of investment properties resulting in an adjustment posted by management of £7.81 million. This was due to a difference in expected yield identified by our valuation specialist. We also raised a recommendation relating to increased management review of valuation outputs. We still consider the estimate to be slightly optimistic based on the procedures performed.

Audit of the financial statements



Significant financial statement audit risk	Procedures undertaken	Findings
Management override of controls Management are in a unique position to manipulate or circumvent the systems in place.	Assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias. Evaluated the selection and application of accounting policies. In line with our methodology, evaluated the design and implementation of controls over journal entries and post closing adjustments. Assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates. We analysed all journals through the year and focused our testing on those with a higher risk.	We did not identify any material misstatements relating to this risk.
Valuation of post retirement benefit obligations The amount estimated for pension liability in the accounts is not accurate.	Understood the processes and controls the Council have in place to set the assumptions used in the valuation; Assessed the actuary and the methodology/key assumptions made; Checked and re-calculated using data provided by the Council; Challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data; Confirmed the accounting treatment and disclosures made are accurate and in line with the CIPFA Code.	We have completed our work on post retirement benefit obligations and found the valuation to be balanced.

03

Value for Money

Value for Money



Introduction

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or 'value for money'. We consider whether there are sufficient arrangements in place for the Council for the following criteria, as defined by the National Audit Office (NAO) in their Code of Audit Practice:



Financial sustainability: How the Council plans and manages its resources to ensure it can continue to deliver its services.



Governance: How the Council ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness: How the Council uses information about its costs and performance to improve the way it manages and delivers its services

Approach

We undertake risk assessment procedures in order to assess whether there are any risks that value for money is not being achieved. This is prepared by considering the findings from other regulators and auditors, records from the organisation and performing procedures to assess the design of key systems at the organisation that give assurance over value for money.

Where a significant risk is identified we perform further procedures in order to consider whether there are significant weaknesses in the processes in place to achieve value for money.

We are required to report a summary of the work undertaken and the conclusions reached against each of the aforementioned reporting criteria in this Auditor's Annual Report. We do this as part of our commentary on VFM arrangements over the following pages.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We make performance improvement observations where we identify opportunities to improve in areas where we have not identified any weaknesses.

Summary of findings

	Financial sustainability	Governance	Improving economy, efficiency and effectiveness
Commentary page reference	13	15	17
Identified risk of significant weakness?	✗ No	✗ No	✓ Yes
Actual significant weakness identified?	✗ No	✗ No	✗ No
2022-23 Findings	No significant weakness identified	No significant weakness identified	Significant weakness identified
Direction of travel	↔	↔	↓ Reduction in risk

Value for Money

National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to this Council.

Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused Councils to cut services and change the way that services are delivered in order to remain financially viable. Some Councils have initiated innovative plans to raise new funds, such as through increasing commercial activity. Some have questioned whether commercialisation activities open Councils to excessive risk or could be a poor use of taxpayer monies.

Some Councils have issued what are known as “section 114” notices, in this instance a declaration that they cannot generate sufficient resources to meet the costs they need to incur. In some instances, this has resulted in a need for exceptional financial support from central government (such as approval to sell council buildings to meet costs) and severe cutbacks to services.

Education

Many schools are now the responsibility of academy trusts, however some schools are still controlled and overseen by the local Council. Dedicated funding is provided by central government to run schools, however due to cost pressures many Councils have overspent against their central government allocation, particularly in relation to “high needs” expenditure (i.e. to support students with special educational needs and disability (SEND)). In response to this, the Department for Education has created the “safety valve” arrangement, where Councils are given additional funding whilst education costs are brought under control, with an expectation that schools reserves are brought back to break-even over time. When the safety valve arrangements end, some Councils are concerned that structural sustainability issues will not be resolved, and Councils will be financially unviable.

Infrastructure assets

Councils make use of their infrastructure assets data to support decisions in relation to roads, parks, and pavements they are responsible for. Some Councils have experienced issues with the quality of their records for infrastructure. From a financial reporting perspective, temporary arrangements have been put in place to ensure financial statements can be prepared whilst infrastructure records are improved. However, if records are not up to date, Councils will struggle to identify assets they are responsible for and when assets are life-expired and require replacement. That may result in a worsening quality of infrastructure that everyone depends on.

Local context

The Council has the same issues as most unitary authorities with demand for services and significant rises in inflation in the year ended outstripping the revenue streams used to fund them and the requirement to use reserves to fill the funding gap.

The Council's reserves in 2023/24 concluded with £66 million in the General Fund (inclusive of earmarked reserves), so it is possible to utilise reserves and continue services without significant changes in the medium term. However, management acknowledge the funding gap increases greatly into 2026/27 and has already begun planning for efficiencies and changes in delivery to mitigate the future challenges.

The Council has been on a journey of improvement, particularly in terms of governance, over the past few years. Some services are still requiring improvement according to reporting from the Regulators, which caused a significant weakness identified and reported by the previous auditors and a risk of significant weakness as part of our risk assessment process for 2023/24. Our findings in relation to this risk are noted on page 19.

Financial Sustainability



How the Council plans and manages its resources to ensure it can continue to deliver its services.

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Conclusion on financial sustainability

We did not identify a risk of significant weakness in the area of financial sustainability. This is due to the procedures performed during our risk assessment identifying the Council to have appropriate and effective processes in place to deliver financial sustainability in 2023/24.

Delivery of the financial plan and position on reserves

The Council set a balanced budget for the 23/24 financial year, recognising in the Medium Term Financial Plan that savings were required in order to achieve this, with total assumed savings in the budget of £8.118 million (£2.823million brought forward from 2022/23). The 2023/24 Quarter 4 Performance Report states that that 52% of the total identified savings were achieved, with a net adverse variance in the actual outturn position of £6.099 million, funded from the Financial Resilience Reserve.

The reserves position is positive compared to other similar authorities as noted in the below extract from the CIPFA Resilience Index 2022-23 and other benchmarking (discussed in the *Improving Economy, Efficiency and Effectiveness* section).



Source: CIPFA Resilience Index 2022-23

The total General Fund for the year saw a small increase of £173k, leaving a balance of £8.39 million (£8.22 million 2022/23). The Council do also maintain earmarked General Fund reserves of £57.8 million for various purposes, many of which can be utilised should it be required. The primary drivers for the adverse variance to budget were a 14% increase in Children Looked After (CLA) causing a £8.506 million overspend and a significant increase in families presenting as homeless, responsible for a variance against budget of £1.459 million.

Financial Sustainability

Capital programme progress

The Council set a capital development programme totalling £50.129 million for 2023/24 in the General Fund and further HRA capital spending of £33.564 million approved. Provisional outturn against the General Fund balance was £45.6 million, with the larger projects including £7.1 million in the Highways Infrastructure Programme and £6.071 million on Leisure Centre Procurement.

Approval of financial plans and monitoring of Financial results

Guidance is issued by the finance team to Assistant Directors on an annual basis, typically shortly after the previous financial year end. This includes guidance for Budget Managers to propose a budget with efficiencies, supported by Finance Business Partners. Business cases are reviewed and challenged by the Corporate Management Team (CMT) and are then taken through a Lead Member group challenge process, in turn scrutinised at the Policy Committee. Following the finalisation of proposals, a final budget is produced and approved through the Policy Committee and recommended to full Council for final approval. The 2023/24 Budget & Medium-Term Financial Strategy 2023/24-2025/6 was approved by Council on 28 February 2023.

We reviewed internal audit's Annual Assurance Report, where the Council was given 'Limited Assurance'. This is partly due to 44% of audit receiving limited or no assurance in the year 2023/24. Although the report identifies deficiencies and agreed recommendations to mitigate these, we do not consider these to be severe enough to be classified as a significant weakness over financial sustainability. The Council should endeavour to improve identified areas, particularly those that will improve financial management.

Forward look

The Medium Term Financial Strategy 2024/25-2026/27 shows savings required across the period of £8.5 million in order to balance the MTFS, with £4.6 million due in 2024/25.

The Council's 24/25 Quarter 1 Performance and Monitoring Report suggests a net variance of £4.987 million against budget and only 41% of identified savings in the 24/25 Budget are on track for delivery by the year end, underlying the on-going challenges faced.

Key financial and performance metrics:	2023-24 (£m)	2022-23 (£m)
Planned surplus/(deficit)	Breakeven	Breakeven
Actual surplus/(deficit) ¹	(6.099)	4.191
Usable reserves*	66.1	78.4
Year-end cash position	24.2	54.2

¹ to the Council's Revenue Budget, not the Statement of Accounts

*includes earmarked General Fund Reserves, General Fund balance of £8.4 million 23/24 (£8.5 million 22/23)

Governance

How the Council ensures that it makes informed decisions and properly manages its risks.

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Conclusion on governance arrangements

We did not identify a risk of significant weakness in the area of governance. This is due to the procedures performed during our risk assessment identifying the Council to have appropriate and effective processes in place to monitor and assess risk.

Risk management

The Council's guiding governance document is the Constitution, last updated in May 2024, which clearly lays out the structure and responsibilities of the Council, Councillors, its various Committees and interaction with citizens, as well as outlining the ethics and corporate governance policies. This is built on with the Council's risk management policy, which further formalises the risk management structures within the authority.

There are five levels of risk register operated within the Council. Lower level risk registers are reviewed by operational and/or directorate management teams, with the opportunity to promote the risk to the Strategic Risk Register. Roles and responsibilities for various registers, identification of risk, and practicalities of raising a risk are clearly defined. Our review of the risk register found that this was sufficiently detailed to effectively manage key risks and we identified evidence of review within the Audit & Governance Committee throughout the year.

Fraud, Laws and Regulation and Officer compliance

The effectiveness of internal controls is monitored by the Audit & Governance Committee, through reporting from Internal Audit and Counter Fraud. The programme of work for each organisation is approved at the start of the financial year by the Audit & Governance Committee, following input by the CMT. Any recommendations raised by Internal Audit or the Counter Fraud teams are reported to the Audit & Governance Committee. Our review of the Audit Committee papers confirmed that there were appropriate discussions and follow up of recommendations for both Internal Audit and Counter Fraud.

We have reviewed internal audit's report on Employee Gifts & Hospitality and Declarations of Interest, where 'No Assurance' was given. KPMG also noted issues with maintenance of declarations of interests as part of external audit procedures. We have raised an Other recommendation in this area, although we do not believe this is indicative of a significant weakness overall.



Governance

View from the Regulators

The Council is subject to a number of inspections by the regulator. We have outlined the key metrics in the table to the right.

We have touched on some of the key conclusions from the annual internal audit cycle in the previous page and in our work over *Financial Sustainability*. The Annual Assurance report does not cover core financial systems in 2023/24 due to the change in systems. Although it identifies several areas of improvement, which the Council should action in order to reduce weaknesses in governance, we do not believe this in itself constitutes significant weakness. The direction of travel regarding internal audit opinions however will continue to be of interest into 2024/25.

The latest Children's services inspection from Ofsted was 22 April 2024, however picks up a theme of a number of years, whereby the Children's services are assessed as 'Requires improvement to be good'. We have reviewed this further as part of our conclusion on *Improving economy, efficiency and effectiveness* as it relates to improving delivery of services primarily.

	2023-24	2022-23
Key areas for improvement reported in the Annual Governance Statement	Review of procurement governance to align with transformation programmes; monitoring mandatory training; strengthen arrangements for monitoring and recording declarations of interests, gifts and hospitality; target improvement of response times to FOI and enquiries; implement recommendations from the Housing Repairs Taks Force; review governance of the Climate Programme Board and embed climate action across the organisation.	Cyber Essentials Plus certification; deliver phase 2 of the Finance Transformation Plan; catch up on completion/sign off Statutory Accounts; introduction of new Manager Induction training; address issues in MOSAIC payments audit; Directorate of Adult Care & Health Services transformation programme to continue and DACHS Commissioning Board to continue delivering up to date spot contracts for external provision.
Head of Internal Audit Opinion	Limited assurance	Reasonable assurance
Ofsted rating	Children's Services – April 2024 Requires Improvement.	Children's Services – last rating 2019 Requires Improvement
Care Quality Commission rating	No overall rating – individual services rated as 'Good'	No overall rating – individual services rated as 'Good'

Improving economy, efficiency and effectiveness



How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

Conclusion on arrangements for improving economy, efficiency and effectiveness

We identified a risk of significant weakness in this area as part of our risk assessment process. This was driven primarily by an Ofsted inspection of Children's services, published 12 July 2024, that had a conclusion of 'Requires Improvement'.

We have outlined our response to this risk on page 19.

We have concluded that there is not significant weakness in arrangements to improve economy, efficiency and effectiveness.

Assessing Value for Money and Opportunities for Improvement

The Council had a target of £5.3 million regarding cost savings for the financial year 2023/24, which we noted above having not been met in year. Efficiencies are built into the budgeting process as previous outlined above. A similar level of savings were included in budgets for 2024/25 with £4.6 million of savings. The Council is on track to make just 41% of these as at Q1.

Typically cost saving performance is reported as part of regular reporting to the Council and Corporate Management Team, allowing the Council to assess the level of value for money being achieved. All approved savings proposals generate a monthly savings tracker that is reported monthly as part of the budget monitoring process and included within the Quarterly Performance and Monitoring Report, reported through the Policy Committee and the Corporate Management Team also have a monthly meeting dedicated to performance.

Monitoring of Performance of Services

Performance reporting and monitoring of efficiency plans occur at various levels, with each major saving identified in a Directorate reported through the Policy Committee and up to Council. The Audit & Governance Committee review the Strategic Risk Register quarterly and Council also have oversight of the position annually through the Budget and the associated Chief Finance Officer's Report on the Robustness of the Council Budget.

The Corporate Plan also includes performance measures, key projects and initiatives and other non-financial metrics which also are reported to the Policy Committee as part of the Quarterly Performance and Monitoring Report. All collated information is subject to initial scrutiny by the CMT.

Improving economy, efficiency and effectiveness



Benchmarking

The Council operate limited independent benchmarking activities on a case by case basis and review national benchmarking performed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA).

As part of our initial review, we have assessed the outputs from the Local Authority Data Explorer (Oflog), the CIPFA Financial Resilience Index and the LGA Inform Value for Money Profiles. The Oflog data shows that the Council's level of band D council tax rates are higher than average for England and similar local authorities and non-ringfenced reserves as a percentage of net revenue expenditure and as a percentage of service spend is around the average nationally.

We have reviewed the CIPFA outputs for the Council. Current benchmarking on the CIPFA Financial Resilience Index is based on 2022-23 data, however we expect the inputs to be similar for 2023/24 and its indicators of financial stress suggest the authority is lower risk compared to its Nearest Neighbours and other Unitary Authorities, with areas such as the 'Reserves Sustainability Measure' and 'Level of Reserves' at the lower end of risk among the grouping.

The LGA Inform Value for Money Profiles were also reviewed by KPMG. We reviewed multiple metrics, including 'Total non schools reserves as a percentage of net current expenditure' among others. Although these show a reduction in overall reserves and an increase in net service spend per head, alongside increases in children social care and other demand-led services, the Council trends in the same direction as the mean for all English single tier local authorities. There is one slight outlier, which is Total expenditure on housing services per head and Reading shows as one of the highest of single tier authorities and remaining above average, even with a reduction year on year.

Partnership Working, including Managing Outsourced Services

The Council have two long standing Private Finance Initiatives (PFIs):

- i. North Whitley Housing PFI: a thirty year contract to maintain 1,250 dwellings, now in year 20. This represents a regular outlay of c£7.9 million annually.
- ii. Waste PFI: this is a twenty five year contract between Reading, alongside Wokingham and Bracknell Forest, and RE3 Limited, now in year 17. This represents a regular outlay of c£3.2 million annually.

Although taken together, these represent a significant annual outlay to the Council, they are smaller in terms of annual payment than many PFIs seen nationally to deliver similar services, partly through collaboration with other neighbouring authorities in the case of the waste contract. This remains one of the larger 'unalterable' costs in the annual budget.

The Council also has a number of local partnerships (including the recently established Berkshire Prosperity Board) and those required through the provisions of services alongside local NHS bodies and other Councils in the region.

Value for Money – risk of significant weakness



Children's services

Risk that value for money arrangements may contain a significant weakness linked to improving economy, efficiency and effectiveness.

Significant Value for Money Risk

As reported in the latest Ofsted report relating to children's services, there is a risk that the Council does not have in place adequate arrangements to offer consistently good services.

Our response

We will perform the following procedures:

1. Consider the development of the Council arrangements in place to establish the required improvements per the Ofsted report.
2. Understand the process for identifying drivers and actioning the change required per the action plan.
3. Conduct interviews with senior management and those in the directorate to understand the issues and how they are progressing to resolution.

Our findings

Findings

Although the latest report still shows 'Requires improvement to be good', two of the four sub-categories have improved to 'Good' from the original report having all four in the headline domain.

We met with the Executive Director for Children's Services who was confident the services are moving in the right direction and supported this with communications with Ofsted showing further improvement to the action plan.

The transformation programme underway is also expected to yield further results and there are numerous methods of monitoring and governance in place to improve quality, whilst also maintaining a value for money focus.

As the trajectory of travel is positive and the rating is still a weakness to rectify, we do not think on balance that this represents a significant weakness for 2023/24.

Conclusion

Based on the findings above we have not identified any significant weakness in arrangements.

Action plans responding to the prior year weakness identified have been reviewed and monitored throughout the year and are showing improvement.

Improving economy, efficiency and effectiveness risk



Arrangements for children's services – additional review

The Council received a report from Ofsted in 2019, which concluded services 'Requires improvement to be good'. This follows from a 2016 report showing Reading's children's services were 'Inadequate'. The previous year's Value for Money conclusion stated the further focused visit in 2022/23 did not show enough improvement and a significant weakness was reported.

In our conclusion we have interviewed the Director of Finance and the Executive Director of Children's Services, as well as reviewed relevant governance and reporting, including Ofsted's focused visit in 2023/24 and the full report that landed just after the period, being inspected in April 2024, however highly relevant to the arrangements in place during the period.

In this, the Council's ratings improved to 'Good' for two of the four sub-categories and Ofsted note that significant progress has been made in some areas. Although the report notes services are still not consistently good, the trajectory of travel is clearly improvement and there is a body of evidence to show that the Council continues to monitor, govern and arrange for improvement across the economy, efficiency and effectiveness of these services.

There is an on-going continuous improvement plan with KPIs and regular monitoring. A number of Committees receive monitoring and provide scrutiny, including the Adult Social Care, Children's Services and Education Committee.

The Council's Children's services are run through its subsidiary, Brighter Futures for Children. This area of the budget does have challenges financially, although these are echoed across the national picture, where all similar Councils have seen a spike in caring for children. In Reading's case, this involves an older population of around fifty children that have complex needs accounting for 80% of the spend. In general rising costs appear to be due to more demand than supply available, thus higher payments to achieve placements or continue existing residential schemes.

Financially there are three Panels to manage placements at Director level, with financial oversight, but aimed primarily at achieving the best quality of outcome for those being placed.

There is also evidence of an increasingly joined up approach in informal partnerships between Councils, such as 'Berkshire West Safeguarding Children Partnership', a collaboration hosted by Reading that includes West Berkshire and Wokingham neighbouring unitaries and the local ICB and Police force. This allows for region-wide strategies to tackle Children's services issues and allocate funding and resources more holistically.

Value for Money: Recommendations



The recommendations raised as a result of our work in respect of value for money in the current year are as follows:

#	Grading	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	Other	Issue As part of the financial statements audit and internal audit’s annual assurance report, deficiencies were found in the Employee Gifts & Hospitality and Declarations of Interest register. Impact The Council may be vulnerable to conflicts of interest. There is a risk of undue influence over decisions where undeclared interests, gifts or hospitality are not identified. This also exposes the Council to accusations of undue influence, where decisions are made without these considerations, regardless of whether this has or has not been exercised. Recommendation The Council should apply a more rigorous approach to declarations of interests and gifts & hospitality, with centralised and regularly updated/reviewed registers. To ensure these are kept up-to-date, these could be tracked through the Audit and Governance Committee.	The Council will review and improve the arrangements for managing Employee Gifts & Hospitality and the Declarations of Interest register. Progress on implementing audit findings will continue to be included in regular performance reports to the Audit and Governance Committee. Officer: Monitoring Officer Due Date: 31/3/25

Value for Money: Recommendations



Below we have set out our findings from following up recommendations raised identified in prior years by your previous auditor:

#	Grading	Issue, Impact and Recommendation	Update as of January 2025	Management Response/Officer/Due Date
1	Key	Issue Improving economy, efficiency and effectiveness: Failure to significantly improve external inspection findings of Children's services which mean that the service is assessed as having under-performed for a number of years. Recommendation We recommend that the Council continue to implement the actions required by Ofsted and critically assess performance in this key area of service provision including the acceleration of the pace of change to ensure that all children's circumstances improve.	KPMG: Management have put in place governance that has driven an increase in two of the four domains in the most recent report to 'Good' – although it still shows 'requires improvement' overall, this demonstrates implementation of actions and progress, therefore we do not feel this should remain a significant weakness in 2023/24.	Further to the decision in January 2025 to bring back in house the services provided by Brighter Futures for Children - estimated to be transferred during Autumn 2025 but by no later than 1 April 26 - the Council will continue to prioritise these services which will include setting up an independently chaired Improvement Board.
2	Other	Issue Governance: How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud Recommendation We recommend that management ensure that the remediation and improvement implement in the key controls surrounding key reconciliation of accounts payable, accounts receivable, general ledger, payroll and bank reconciliation and review and approval in the accounts payable and accounts receivable processes are continuously being applied and monitored. Further, we also recommend the continuous improvement of controls around intercompany accounting arrangements between the Council and Brighter Futures for Children.		The Council transferred back the Brighter Futures for Children finance team on 1 April 2024 which now forms part of the Council's Finance Service. All key process and controls are monitored by the Finance Leadership Team who ensure staff agree all relevant intercompany transfers between the Council and Brighter Futures for Children



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Council

25 February 2025



Reading
Borough Council
Working better with you

Title	Annual Governance Statement
Purpose of the report	To make a decision
Report status	Public report
Report author	Michael Graham, Assistant Director for Legal and Democratic Services
Lead Councillor	Cllr Ellie Emberson, Lead Councillor for Corporate Services and Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	1. That the Annual Governance Statement for 2023/2024 be approved. 2. That the Assistant Director of Legal and Democratic Services be authorised to make minor amendments to the Statement, in consultation with the Leader and Chief Executive, prior to signature by the Leader and Chief Executive.

1. Executive Summary

- 1.1. The Council is responsible for ensuring that financial management is adequate and effective and that the Council has a sound system of internal control, which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.
- 1.2. The Accounts and Audit Regulations require local authorities to prepare and publish an Annual Governance Statement (AGS) each financial year, which accompanies the authority's financial statements.
- 1.3. The Annual Governance Statement is a key record of the overall effectiveness of governance arrangements within the Authority. The statement reflects the latest guidance from CIPFA/SOLACE on a strategic approach to governance and demonstrates how the key governance requirements have been met.

2. Policy Context

- 2.1. The Council's AGS for 2023/24 is attached at Appendix 1
- 2.2. Essentially, it outlines for the Council:
 - the scope of governance responsibilities
 - the purpose of the governance framework
 - a description of the governance framework against the CIPFA/SOLACE Framework for *"Delivering Good Governance in Local Authorities"*
 - arrangements for reviewing the effectiveness of the governance framework
 - governance issues that need to be addressed

- 2.3. The preparation of the Statement has built on previously established arrangements, which involves the collating of information from a number of sources, both internal and external. The information is analysed, and a draft Statement is produced, discussed with key officers, and any amendments identified are then made.
- 2.4. To support the Annual Governance review, each directorate is required to complete a Directorate Governance Statement in relation to systems and processes operational within their areas during the year. These are signed off by the relevant Executive Director. The Directorate Statements demonstrate that Directorates have evaluated and assessed their internal control environment.
- 2.5. The Council receives a substantial amount of assurance from the work that is undertaken by its Internal Audit Service and its External Auditors (KPMG). The role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal control processes are operating effectively. The role of External Audit is to review the financial statements, obtain evidence that they are materially correct and provide an opinion as to whether these represent a true and fair view of the financial position of the Council. In addition, External Audit provide a value for money opinion assessing whether proper arrangements are in place for securing financial resilience and challenging how the Council secures economy, efficiency and effectiveness.
- 2.6. The Audit and Governance committee receive reports and updates from both Internal and External auditors throughout the year and consider their impact on the control environment.
- 2.7. Members will be aware that the audit of the 2023/24 Statement of Accounts is currently underway, and that Government has issued a backstop date of 28 February 2025 for external auditors to provide an audit opinion. Our auditors KPMG are on track to complete their work, subject to Council approving the AGS and the accounts at its meeting on 25 February 2025.
- 2.8. One of the assurance statements the Council receives is the annual opinion of the Chief Internal Auditor in respect of the control framework. The opinion of the Chief Internal Auditor in respect of audit work completed in 2023/24 was reported to the Audit and Governance Committee on 17 July 2024 (Minute 6 refers) and gives Limited Assurance on the internal control environment based on the areas audited. The main areas for improvement together with an update on the progress made to address concerns are detailed in the Annual Governance Statement, and in overall terms the Council's officers are implementing the control improvements identified.

3. The Proposal

- 3.1. The statement covers the period up to the publication of the accounts, but as the Statement is signed by the Leader of the Council and the Head of Paid Service, it would be sensible to authorise minor amendments that may be needed before then. The need for material amendment is not currently anticipated. External Audit will review the statement for consistency with their knowledge of the Council but does not "audit" it as such.

4. Contribution to Strategic Aims

- 4.1. The Council's Corporate Plan has established three themes for the years 2022/25. These themes are:
 - Healthy Environment
 - Thriving Communities
 - Inclusive Economy
- 4.2. These themes are underpinned by "Our Foundations" explaining the ways we work at the Council:

- People first
 - Digital transformation
 - Building self-reliance
 - Getting the best value
 - Collaborating with others
- 4.3. 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.
- 4.4. The concept of Governance is cross-cutting and relevant to all Services of the Council and to all of our public facing services. As such it is relevant to the Council's ability to be able to deliver on all of its Corporate Priorities. Good Governance is also strongly linked to the Corporate Priority foundation of "Getting the best value".

5. Environmental and Climate Implications

- 5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 5.2. There is nothing within this report which is of relevance for the Council's strategic priority of Climate Change.

6. Community Engagement

- 6.1. It is not anticipated that there will be public consultation on the Annual Governance Statement. It will however be in the public domain at this Committee, and is written in such a way to be accessible for members of the public to understand the Council's approach to Corporate Governance

7. Equality Implications

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2. An Equality Impact Assessment (EIA) is not relevant to this report. There is no reason to think that any section of society will be adversely affected by the development of better Governance policies and procedures across the Council.

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

- 9.1. Covered in the main body of the report.

10. Financial Implications

- 10.1. There are no direct financial implications arising from this report

11. Timetable for Implementation

- 11.1. Not relevant.

12. Background Papers

12.1. There are none.

Appendices

1. Annual Governance Statement 2023/24

Annual Governance Statement 2023/2024

INTRODUCTION

The CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016) requires local authorities to publish an Annual Governance Statement, and to be responsible for ensuring that:

- Their business is conducted in accordance all relevant laws and regulations
- Public money is safeguarded and properly accounted for
- Resources are used economically, efficiently, and effectively to deliver agreed priorities and benefit local people.

The Council also has a duty to:

- make arrangements to secure continuous improvement in the way in which its functions are exercised
- put in place proper arrangements for the governance of its affairs, and
- implement and maintain effective processes of internal control, including appropriate arrangements to manage risk.

The Council's Audit and Governance Committee reviews governance arrangements, risk registers and quarterly performance reports. Their role is to recommend improvements or interventions if expected performance is not being achieved, or if gaps in current governance arrangements have been identified.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, cultures and values which underpin how the Council is controlled and managed internally, and how it engages with taxpayers, service users and the wider community. The governance framework as described in the Council's Constitution enables the Council to monitor delivery of its strategic objectives and assess whether those objectives are securing service improvements and value for money. Systems of internal control and risk management are a significant part of the governance framework and are designed to manage risk down to a reasonable level. Some risks can never be eliminated entirely, however, and these processes provide only reasonable and not absolute assurance of effectiveness.

KEY ELEMENTS OF THE COUNCIL'S GOVERNANCE FRAMEWORK

The Council operates a committee-based system of governance with four standing committees broadly aligned to the Council's departmental structure. Their remit includes obtaining assurance that Corporate Plan priorities, and the Budget and Policy Framework approved by Council each year, are delivered in their relevant areas. There are no separate scrutiny committees or call-in provisions. However:

- the Standards Committee investigates specific allegations of misconduct
- the Audit and Governance Committee is tasked with reviewing and considering improvements to corporate governance in general; and
- all standing committees can undertake scrutiny of relevant functions where they think it appropriate.

Key elements of the governance framework at Reading Borough Council are:

Decision Making

- All meetings are held in public and are mostly webcast and available to watch after the event
- Decisions are recorded on the Council website
- All Council decisions are supported by detailed officer reports which are open to the public unless they qualify as legally "exempt" from publication

Risk Management

- Risk registers identify operational and strategic risks
- Key risks are considered by Directorate Management Teams
- Strategic risks are reported to the Audit & Governance Committee quarterly and overseen by Corporate Management Team

Corporate Management Team (CMT)

CMT are responsible for the overall management of the Council

- Head of Paid Service is the Chief Executive who is responsible for all Council staff and for leading CMT
- The Executive Directors lead the majority of services which are delivered to the public
- Director of Finance is the Council's s.151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money

- Monitoring Officer is the Council's Assistant Director of Legal & Democratic Services who with the Chief Executive is responsible for ensuring legality and promoting high standards of public conduct
- Director of Public Health, is a shared appointment with West Berkshire District Council, responsible for the overall objectives for public health (health protection, health improvement, healthcare public health) in Reading and West Berks and for reporting on the outcomes of this work.

HOW WE COMPLY WITH THE CIPFA/SOLACE FRAMEWORK

The Council has arrangements in place to meet all relevant requirements of the CIPFA/Solace Framework. The seven “core principles” underpinning the Framework are set out below together with a summary of new or enhanced arrangements introduced in 2023/24.

Principle 1 Behaving with integrity and respecting the rule of law	Codes of Conduct for members and officers reinforce a public service ethos and high standards of behaviour in line with the Nolan principles. These are supported by more detailed guidance such as, Anti-Fraud, Bribery and Corruption Strategies, as well as Whistleblowing Procedures and a Procurement Code. The Monitoring Officer and Section 151 Officer both have specific responsibilities to ensure that Council decisions meet legal and financial requirements. The three principal statutory officers (and their deputies) meet regularly to review matters of significance for overall corporate governance. This supplements the work of CMT. The Statutory Officer Group will continue to meet regularly throughout the year to ensure the effective discharge of the Council's business and functions.
Principle 2 Ensuring open and comprehensive stakeholder engagement	The Council consults regularly with stakeholders, taxpayers and service users. The Consultation Hub on the Council's website enables local people to find, participate in, and view outcomes from, any consultation activities that interest them. In addition, 20 different committees and forums are in place to represent local views on a range of subjects including transport, disabled access, children's services and community safety. The Council publishes a twice-yearly residents' newsletter and utilises online communication channels such as e-bulletins, Twitter, Facebook, and YouTube. Citizens also have rights to attend Council committees to ask questions, present petitions and speak on items of local importance. The Council provides a support function for councillors to allow them to hold local surgeries and to be able to process casework from residents.
Principle 3 Defining outcomes in terms of sustainable economic, social and environmental benefits:	The Corporate Plan sets out the Council's strategic vision, which is for Reading to realise its potential and to ensure that everyone who lives and works here can share the benefits of its success. The Corporate Plan sets out programmes of work under three pillars healthy environment, thriving communities and inclusive economy. These key objectives are designed to be both financially and environmentally sustainable and have been developed in consultation with partners and local people. This Plan has been reviewed in 2024 with a view to publication of a new plan aligned to the Medium-Term Financial Strategy (MTFS). The MTFS makes a realistic assessment of financial resources available to the Council to allocate to services and projects, and the Budget and Policy Framework approved by Council each year sets out revenue and capital spending limits, savings and efficiency targets as well as key improvement priorities for the forthcoming year. The Council uses key performance indicators (KPIs) and other methods such as monthly performance and risk management reports at CMT, Policy Committee and Audit and Governance Committee to check budget and performance monitoring and to report progress against deliverables in the Corporate Plan.

Principle 4 Determining the intervention necessary to achieve intended outcomes:	CMT meet monthly to monitor performance. Monthly performance reports track the performance of priority Council activities and services through a suite of KPIs and also considers risks, achievements, and issues. CMT monitor remedial actions being taken where slippage or under-performance occurs. Reporting on the delivery of major change programmes happens at series of cross-cutting internal Boards, the outcomes of which feed into the CMT performance reporting cycle. Senior management and councillors (Policy Committee), ensure the Council remains focused on achieving its agreed objectives and priorities. The four standing committees are responsible for ensuring that actions approved as part of the Budget and Policy Framework are delivered in each service area. The Financial and Performance Monitoring reports to Policy Committee summarise the financial position to date against budget and delivery of agreed savings targets.
Principle 5 Developing capacity, including the capability of leadership and individuals within the Council:	The TEAM Reading values underpin the way we work day-to-day. The Team Reading People Strategy sets out how we aim to achieve this and create an organisation that provides excellent services to Reading. Maximising capacity by working collaboratively is a key component of the Corporate Plan and several longstanding partnership working arrangements are in place. The Constitution sets out how the governance aspects of these arrangements should operate in practice. The Learning and Workforce Development Team has a specific role and remit to improve the capability and capacity of Council officers by offering a range of skills and qualification-based training opportunities.
Principle 6 Managing risks and performance through strong internal control and financial management:	Corporate risk registers are updated quarterly, with significant risks reviewed by senior management and members. Risk Management Training had been delivered to councillors providing guidance on how to review and challenge reports when received as part of promoting good governance. Internal Audit assess the overall quality of internal control and make recommendations for improvement as necessary. The Council has a strong track record in financial management, delivering services within budget and producing annual accounts within statutory deadlines.
Principle 7 Implementing good practices in transparency, reporting and audit to deliver effective accountability:	The Council follows Government guidance on providing clear and accurate information and has developed both its website and the format of Council reports to improve transparency and accessibility. Papers (including performance reports) and minutes of meetings, key decisions, and all items of expenditure and contracts awarded over £500 are published on the Council's website. All Council meetings are held in public, and minutes of meetings and webcasts are available on the Council's website. Public questions are allowed at Committees and at Council meetings.

REVIEW OF EFFECTIVENESS

CMT is responsible for putting in place adequate governance arrangements and effective systems of internal control. The Council uses several ways to review and assess the effectiveness of governance arrangements, as set out below:

Inspections and Assessments

External Assessments during 2023/2024:

A number of [OFSTED inspections](#) of Children's Services took place during 2023/24. These services are delivered by Brighter Futures for Children (BFfC) Ltd.

September 2023 – Focused Visit of Children in Care.

Inspectors noted BFfC senior leaders have made improvements to services for children in care, noting that most children in care in Reading live in stable homes which meet their needs; children in care, including disabled children and unaccompanied asylum-seeking children, receive child-focused support from committed social workers; social workers know their children well and have insight into how best to build relationships with each of the children they support

Ofsted noted three areas of improvement during the visit:

- The quality and impact of management oversight and supervision.
- The quality and impact of audit processes to improve social work practice.
- The impact of the corporate parenting panel on driving progress for all children.

Inspectors felt that BFfC plans are clear about what is needed to make further progress. In response, work has included:

- Resetting cultural expectations of benefits and importance of supervision through coaching, workshops, and guidance.
- Reintroducing moderated internal audits to improve social work practice.
- Embedding changes to corporate parenting panel, embedded engagement and advocacy and enhanced and published our offer to children in care and care leavers.

Cressingham Short Breaks Provision: Inspection dates: 14 and 15 November 2023

Overall experiences and progress of children and young people: Good

How well children and young people are helped and protected: Good

The effectiveness of leaders and managers: Good

Pinecroft Residential Home: Inspection dates: 11 and 12 March 2024

Overall experiences and progress of children and young people: Good

How well children and young people are helped and protected: Good

The effectiveness of leaders and managers: Outstanding

Assurances from Internal and External Audit

Public Sector Internal Audit Standards require the Chief Auditor to provide an assessment of the overall adequacy and effectiveness of the Council's control environment. This opinion is expressed using a scale ranging from Substantial to Reasonable, then Limited and finally No Assurance.

The [annual report](#) and opinion of the Chief Internal Auditor for 2023/24 was presented to the Audit and Governance Committee on 17 July 2024. It states that the Council's internal control environment and systems of internal control in the areas audited were to be classed as "Limited Assurance". The following areas influenced the annual assurance opinion:

- The number of audits receiving a negative assurance opinion, as well as a combination of advisory work (not detailed audit reviews) and investigations undertaken. 44% of audits received limited or no assurance in 2023-24, compared to 26% in 2022-23, and 38% in 2021-22

Issues Identified in 2023/2024	Progress made since audit
Employee gifts & Hospitality in declarations of interest	A comprehensive action plan has been produced and follow-up audit completed. The Council's Personnel Committee on 21 November 2024 approved changes to the Gifts and Hospitality and Code of Conduct as recommended by the Audit and the policy changes will be communication to all appropriate staff and stakeholder groups.
Housing Repairs	A Housing Repairs Oversight Board chaired by the Executive Director is monitoring progress against the detailed action plan that is in place.

Continuing Health Care	Single tracker of all CHC applications and where they are in the process Assistant Director oversight of all CHC cases and quarterly meetings held with managers on the progress of those CHC cases CHC Social Worker in place to ensure consistency and quality of CHC applications
Coroners Service	Action has been taken to address the majority of the audit findings, with significant improvements in Governance arrangements, updates to the Joint Apportionment, review of contracts and monitoring and updates to staff structures. The final workstream being actioned relates to the Joint Arrangement (JA) and the need to ensure all Berkshire authorities are being updated. Legal Services are progressing the JA.
Community Infrastructure Levy	Actions arising from the audit have been substantively completed or processes changed in consultation with other stakeholders to ensure that the recommendations from the audit are being carried out. Activity includes improvements to procedures, reporting of debt recovery to accountancy and the AD and improvements in reconciliations.
Reading Foundation of Art	Work has been ongoing between the council and the trustees of the Foundation to agree heads of terms on which a new Service Agreement can be made. This process is not yet concluded, after which Legal colleagues will need to formally draft the Agreement which will then need to be agreed by the Foundation's trustees.
Fuel System	Controls to have now been put in place to improve the security of fuel and to safeguard the Council against the risk of theft of fuel, however improvements to fuel consumption monitoring and reporting remain work in progress.
Payments to Adult Social Care Providers	Management recommendations have been implemented except for a requirement to improve the payment remittance information available to providers. To address this, work is underway on developing new functionality through enhancing the Mosaic system and implementing a provider portal which will enhance management oversight of provider payments.
Cyber Security	An internal audit for Cyber Security provided seven recommendations for improvement. The council needs to enforce the reading of the ICT usage policy and completion of mandatory Cyber and GDPR training, with the ICT policy being rewritten for easier understanding by Q4 2024/25. Cyber security training is now closely monitored; a manager's dashboard enhances visibility of staff compliance, and non-compliant employees risk suspension from ICT systems. Progress has been made on Cyber Essentials Plus assessments, reducing vulnerabilities, though legacy applications remain an issue. Active monitoring of the threat environment, a strategic review of Active Directory, and SharePoint security have been completed. For mobile devices, recent supplier changes revealed challenges with retrieving devices from leavers, prompting follow-up actions to integrate them fully into current policies.

KPMG were appointed as the Council auditors from 2023/24. For prior years Ernst & Young (EY) provided assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing and improving value for money. The 2020/21 Statement of Accounts has been formally signed off by EY. This took place on 8 April 2024 with the Council receiving an unqualified opinion for the second year in a row, which marked a significant improvement in the operation and quality of the Council's processes and quality of the accounts.

We published the draft 2021/22 accounts at the latter end of November 2023 and the public inspection period commenced on 22 November 2023 and concluded on 10 January 2024. We published the draft 2022/23 accounts on 28 February 2024 and the public inspection period commenced on 29 February 2024 and concluded on 12 April 2024. Following the Government's plan to address the significant English national backlog in external audit opinions, both the 2021/22 and 2022/23 Statement of Accounts are expected to be disclaimed by EY.

The Council has seen positive improvement in processes and the timely production of accounts is far more feasible than in previous years. It must be noted that our issues are not isolated and the majority of councils across the country are finding it difficult to either complete their accounts on time and/or have them audited in a timely manner.

The Council would continue to prepare its accounts as promptly and to the best quality possible, in accordance with the appropriate CIPFA guidance. Inevitably, it would require dealing with the disclaimed 2021/22 and 2022/23 accounts as part of future audit process with KPMG.

Compliance with the Financial Management Code

The self-assessment review against the CIPFA Financial Management Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. All local authorities were required to demonstrate full compliance against the 6 principles within the Code from 1 April 2021. A report was presented to Audit and Governance Committee in April 2024. It is the opinion of the Director of Finance that the Council is financially stable and has an adequate level of General Balances and Earmarked Reserves that are based on a risk assessment as part of the Directors S.25 Local Government Act 2003 concerning robustness of estimates. Notwithstanding this, in striving for financial management excellence the Council has developed a set of actions for improvement including:

- Developing a robust savings delivery plan to close the current forecast budget gap in future years that arises primarily from the forecast impact of the Business Rates Retention Scheme Reset (currently forecast to affect 2025/26 onwards).
- Consider the further expansion of the period covered by the Capital Strategy & Capital Programme to ensure a longer-term view of the Council's financial sustainability is understood.
- Improve the linkages between Service Plans, the Corporate Plan and the MTFS.

- Review the matrix used to assess individual capital business cases and improve how the matrix scores are used in the decision-making process. Improve the quality of revenue and capital business cases. Determine a preferred best practice methodology for assessing investment option appraisals, and document and communicate to all relevant stakeholders to ensure a consistent and common approach for both revenue and capital investment decisions.
- Develop and implement improved reporting arrangements to the Council's leadership team to include the CIPFA resilience index, reserve assessments, commercial investments, and loans to the council's wholly owned companies.
- Catch up on the Statement of Accounts audit process so that the annual Outturn Report and Statement of Accounts are aligned and prepared and presented in a timely manner to enable timely strategic financial decisions to be made.

Self-assessment and review of key performance indicators

Assistant Directors and Executive Directors have completed Annual Assurance Statements in respect of governance and internal control arrangements for their respective areas. The Chief Internal Auditor works with Directorate Management Teams to confirm that expected governance arrangements have been in place throughout the year. Assistant Directors and Executive Directors also confirm that Codes of Conduct, Financial Regulations, and other corporate processes have operated as expected by undertaking self-assessments of governance arrangements.

In addition, the Chief Executive has implemented a Statutory Officers Group to monitor governance issues on a monthly basis with the Executive Director of Resources, Chief Finance Officer and Monitoring Officer.

The Council uses several key outcomes to confirm the adequacy of governance arrangements. These KPIs are outlined in the table below:

Issues Identified	Performance in 2023/2024
Formal reports by Chief Finance Officer or Monitoring Officer	None issued in 2023/24
Outcomes from Standards Committee or Monitoring Officer Investigations	The monitoring officer received 9 complaints about member conduct in 2023/2024. None of them proceeded beyond Stage 0 of the complaints procedure.
Proven frauds carried out by councillors or members of staff	None in 2023/2024
Objections received from local electors	None in 2023/2024

Local Government and Social care Ombudsman referrals upheld	10 of 13 complaints investigated were upheld (data 1 April 2023 to 31 March 2024).
Information Commissioner referrals upheld	There were no cases investigated by the ICO during the year that were upheld.
Internal audit reports	Six high risk areas identified as shown in the preceding table above
Freedom of Information requests (performance)	1,391 requests were received in 2023/2024. 71.67% were responded to within the statutory timeframe (20 days)
Annual Accounts	2020/2021 signed off – not qualified, 2021/2022 and 2022/2023 draft accounts published
Group activities*	No governance issues to address in 2023/24. The Council continues to receive appropriate information about the performance of its companies through the Policy Committee which acts as the designated shareholder committee for the Council

* Note: The Council operates several companies:

- Reading Transport Ltd – the operating company for Reading Buses, which itself has a number of subsidiaries. (100% share ownership).
- Homes for Reading Ltd – provision of private sector lettings. (100% share ownership).
- Brighter Futures for Children Ltd – provision of Children's Services. (Sole member).
- Reading Hampshire Property Partnership Ltd – provision of property and construction related consultancy and procurement. (49% share ownership).

The Council also has involvement in two other not for profit partnerships as a member: First, Reading UK CIC delivering economic development for the Borough. In July 2022, this company rebranded to REDA (Reading's Economy and Destination Agency). Secondly, IESE Ltd providing management consultancy in the public sector.

Financial Transformation Programme

The new finance system (e5) successfully went live on the 15 December 2023 and will be at the cornerstone of organising, planning, and controlling financial activities to manage resources efficiently and it is imperative that business processes work with the new Finance System,

otherwise efficiencies and improvements will not be achieved. The finance service has been developing improved budget monitoring reports designed to make it easier for budget holders to manage their budgets and financial commitments.

CHANGES TO THE GOVERNANCE FRAMEWORK

There have been a number of key changes in senior management during the last year.

- Melissa Wise was appointed Executive Director for Communities and Adult Social Care in July 2023. The new Directorate now incorporates Housing and Community Services following a focussed restructure of the Service to align it more closely with Public Health outcomes and Housing needs.
- Frances Martin, Executive Director for Economic Growth and Neighbourhood Services (DEGNS) left the Council in May 2023 and was replaced by Keith Townsend from September 2023 to March 2024, with Emma Gee continuing the role on an acting up arrangement thereafter.

KEY GOVERNANCE ISSUES

Last year's Annual Governance Report highlighted eleven key areas for improvement. The table below sets out action taken to address these issues during 2023/24:

Issues Identified		Performance in 2023/2024
1	Implement new Contract Procedure Rules and supporting the Council's Hub and Spoke model for Procurement	The Contract Procedure Rules were updated in October 2023 and are subject to a refresh over Q4 24/25. The Hub and Spoke model is expected to be reviewed and updated during 2025/26.
2	Roll out of new systems in Housing Management and Customer Services and Casework	During 2023/24 efforts were focused on the design and configuration of the first phase of the new housing management system followed by extensive testing to support a service wide go-live at the beginning of May 2024. The second phase of the implementation will be undertaken during 2024/25 which brings enhanced functionality and additional services for the customers self-service portal. The Customer Services and Casework system has also seen significant development and testing during the year, with a phased approach being adopted to implementation carrying forward to 2024/25.

3	Ensure further performance improvements on Information Rights are embedded	We recognise further improvements are required, we started reporting overdue cases to CMT on a weekly basis, whilst this gained traction and performance improved for while, unfortunately the implementation of the Arcus system and the initial lack of reporting functionality has hindered our ability to have oversight of cases in order to check and chase officers. We have put together a new FOI action plan for the Customer Relations and Information Governance Team to carry out training, better reporting and provide senior management oversight along with raising awareness through Comms of the importance of responding to FOI's on time, across the organisation.
4	Review of governance arrangements for companies wholly owned by RBC being undertaken to check and, where necessary, strengthen governance arrangements.	A review of the Reading Transport Limited Articles of Association was undertaken during the year with a view to requesting formal approval by the Policy Committee during 2024/25. Following a report to Policy Committee in January 2024, the decision was taken to close the wholly owned company Homes for Reading Ltd and the Company's properties are to be transferred to the Council's Housing Revenue Account. This will happen on a phased basis as existing tenancies come to an end.
5	Corporate cyber resilience exercise will take place in 2023/24 to review and strengthen governance in this area.	Significant progress has been made in bringing the organisations Business Continuity plans up to date via workshops which includes Cyber Resilience planning. We have completed one Cyber Resiliency workshop with the Elections team, and plan to roll these out across departments in 2024/25.
6	The impact of the constitution review is being monitored and any further changes will be made in 2023/24. These changes are now being aligned with a review of Finance Regulations and Contract Procedure Rules.	A review was carried out during the year with a view to presenting the new Finance Regulations and Contract Procedure Rules to Council in early 2025.
7	A new Adult Social Care Strategy is being developed in response to the Striving For Excellence Assurance Work.	This strategy is being developed with key feedback from residents and other stakeholder being an integral part of the strategy development. It is anticipated that this will be delivered during early 2025/26
8	Budget holders to be trained on the e5 system and rollout	Training was provided for all staff undertaking transactional finance activities when e5 went live. Budget Holders have continued to be supported by finance teams to manage their budgets, and to supplement this new budget monitoring functionality has been developed and rolled out to finance staff in the first instance to become familiar. This is in the process of being rolled on a phased basis during Q3 and Q4 2024/25.
9	Review the new Decision Hub to ensure delegations and spend limits are understood	New Decision Hub functionality has been implemented and training rolled out to users.

10	All staff to complete mandatory e-learning training including health and safety, information governance, cyber security, Prevent and Safeguarding.	All mandatory e-learning completion is monitored and promoted on a regular basis, through newsletters and direct reporting through management teams through to annual refresher reminders.
11	Ensure all staff complete the required level of Health & Safety training	Health and Safety training is reported regularly to managers and forms part of overall completion monitoring to ensure staff undertake the appropriate level of training. Managers are reminded to complete annual risk assessments who are supported with advice from the Health and Safety team.

CONCLUSION

The Council is satisfied that appropriate governance arrangements are in place however it remains committed to maintaining and where possible improving these arrangements. The following items are noted for improvement in 2024/25:

Action	Implementation Date	Responsible Officer
Review of procurement Hub and Spoke governance and practices to ensure all activities are aligned to the latest transformation / change programmes.	31/3/25	Assistant Director, Procurement and Contracts
Continue to embed monitoring arrangement to maximise completion of mandatory leading	30/9/24	Assistant Director – HR and OD
Strengthen arrangements for monitoring and recording declarations of interests, gifts and hospitality	31/3/25	Director of Finance / Assistant Director of HR And OD
Targeted work to improve response times to FOIs and enquiries and learning to be gathered from complaints	31/3/25	All Directors
Implement the recommendations following the Housing Repairs Task Force and improvement plan, and achieve/maintain all relevant safety standards for the housing stock	31/7/24	DCASC
Review governance of the Climate Programme Board and reporting lines to ensure climate action is embedded across the organisation	30/6/24	DEGNS

Signed on behalf of Reading Borough Council by:

..... Councillor Liz Terry, Leader of the Council

..... Jackie Yates, Chief Executive

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Council

25 February 2025



Reading
Borough Council
Working better with you

Title	2023/24 Statement of Accounts
Purpose of the report	To make a decision
Report status	Public report
Report author	Mark Sanders, Chief Accountant
Lead Councillor	Cllr Ellie Emberson, Lead Councillor for Corporate Services and Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	1. That the 2023/24 Statement of Accounts be approved. 2. That the Director of Finance (as S.151 Officer) be authorised to make minor amendments to the 2023/24 Statement of Accounts, in consultation with the Lead Councillor for Corporate Services and Resources.

1. Executive Summary

- 1.1. The Council is responsible for approving the annual Statement of Accounts. This includes placing reliance on the work of the Council's Internal Audit Team, the external auditor KPMG and the work of the Audit and Governance Committee to focus on the adequacy of governance, risk and control arrangements that are in place, and that any issues arising are managed and resolved by the Council's senior managers.
- 1.2. KPMG is expected to issue a 'disclaimed' audit opinion by the statutory backstop date of 28 February 2025 which is as expected following the Government's approach to recovering from the national backlog in audit opinions.
- 1.3. Any adjustments identified during the audit have been corrected, and there are no matters arising from the public inspection period which is now closed.
- 1.4. The accounts are disclaimed purely as a result of KPMG having insufficient time to provide assurance on 'unaudited' opening balances and prior year comparisons before the backstop date. A full audit for 2023/24 has been undertaken and there are no significant issues arising.

2. 2023/24 Statement of Accounts

- 2.1. This report should be considered alongside the Annual Governance Statement and the Auditor's Annual Report (KPMG) elsewhere on tonight's agenda.
- 2.2. Members will be aware that the draft statement of accounts and external audit progress updates are routinely reported to and considered by the Audit and Governance Committee.
- 2.3. In order to recover from a significant national backlog of audit opinions, the Government has issued a series of backstop dates by when audit opinions must be given. The previous two sets of accounts for 2021/22 and 2022/23 were 'disclaimed' by the Council's previous auditor EY in November 2024 as part of this process. This had a

significant impact on the work that KPMG could complete in order to meet the next backstop date of 28 February 2025.

- 2.4. The Council's finance team has worked with KPMG to support a full audit process this year, however as the opening balances and prior year comparators were not audited by EY (as they were part of the 22/23 disclaimed accounts), KPMG have not been able to place reliance on them and therefore intend to issue a 'disclaimed' audit opinion on our 2023/24 accounts.
- 2.5. In order for the Council to receive an unqualified audit opinion as soon as possible, additional work has been completed this year which can now be relied upon during next year's audit.
- 2.6. The Accounts have been prepared on a going concern basis and all balances and reserves are consistent with the data that is being used to manage the Medium Term Financial Strategy.
- 2.7. At time of drafting this report, there remain minor roundings and typos that the Council will resolve by final publication. All amendments will be signed off with KPMG as a matter of course.

3. Contribution to Strategic Aims

- 3.1. The external audit process includes the approval of the annual Statement of Accounts results and the publication of accurate, transparent financial information which gives a true and fair view of Reading Borough Council's economic performance and financial stability.

4. Environmental and Climate Implications

- 4.1. None arising.

5. Community Engagement

- 5.1. The Public Inspection period has concluded and there are no implications to report.

6. Equality Implications

- 6.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to—
 - eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 6.2. An Equality Impact Assessment (EIA) is not relevant to this report.

7. Other Relevant Considerations

- 7.1. There are none.

8. Legal Implications

- 8.1. Part Five of the Accounts and Audit Regulations 2015 requires authorities to allow the public to inspect the accounts for a single period of 30 working days and stipulates that this must include the first 10 working days of June of the financial year immediately following the financial year to which the accounts relate. The Council was unable to comply with this requirement in respect of 2023/24 as the accounts were not ready for inspection.

9. Financial Implications

9.1. There are no direct financial implications arising from this report

10. Timetable for Implementation

10.1. Not applicable.

11. Background Papers

11.1. There are none.

Appendices

1. 2023/24 Statement of Accounts

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Aerial photo by www.jsaerial.co.uk

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Narrative Report

An introduction to Reading

Reading is the county town of Berkshire. It is situated in the Thames Valley between Slough and Bristol, 40 miles west of London. Evidence of settlement here dates back to the 8th century and by 1525 Reading had grown to be the 10th wealthiest town in England.

Badly affected by the dissolution of the monasteries under Henry VIII, and later by the English Civil War, Reading re-grew rapidly throughout the industrial revolution and flourishes in modern times as a major commercial and retail centre with a net inward commuter flow of 6,000 people each day.

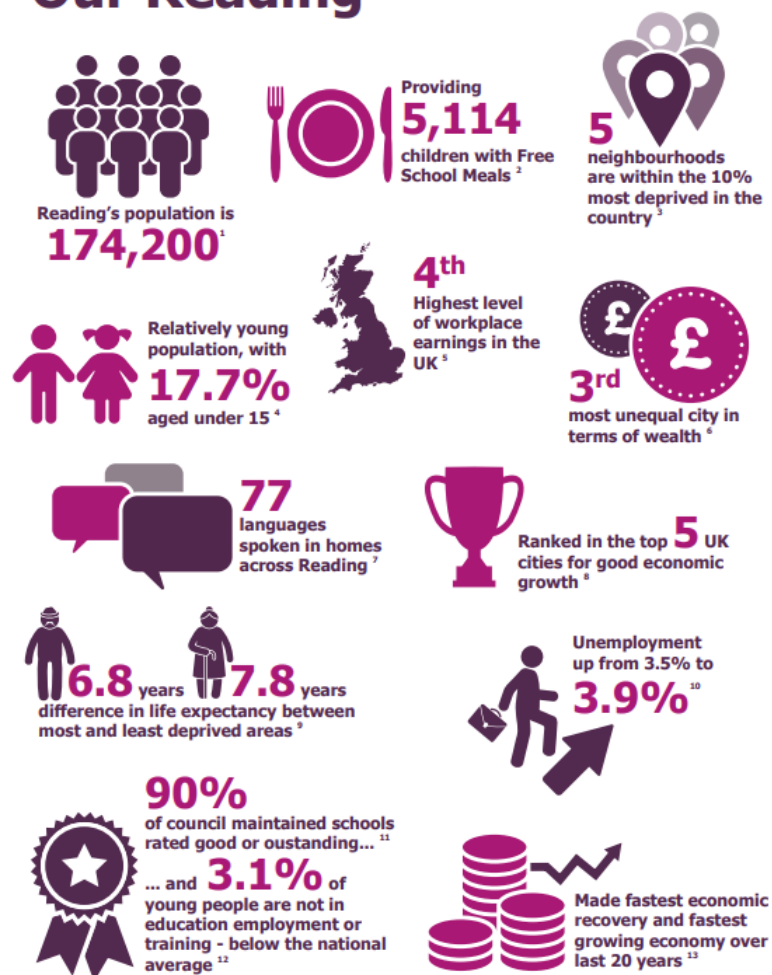
Reading ranks amongst the UK's top 10 locations for economic success and wellbeing, when measured by factors such as employment levels, health, income and skills.

The town also offers a wealth of cultural, sporting and leisure opportunities including over 100 parks and open spaces.

Every year it hosts the Reading Festival, one of the country's major music events, as well as the Reading Beer Festival, Reading Pride, and the Reading Half Marathon.

Oscar Wilde, famously imprisoned here between 1895 and 1897, wrote "The Ballad of Reading Gaol" shortly after his release.

Our Reading



1.ONS Census 2021 2. School Census 2023/24 3. Index of Multiple Deprivation 2019 ONS 4.ONS Census 2021 5.Centre for Cities 2022 6.Centre for Cities, gpi co-efficient 2016 7.ONS Census 2021 8.Demos-PWC Good Growth for Cities Index 2019 9.Institute of Health Equity/PHE 2018-2020 10.ONS Jun-22 to Jun-23 11.Ofsted 2023 12.OIE, Dec-23 13.Ernst & Young Economic Forecast

Our Achievements

We are proud of the achievements and investments we have delivered over the past 12 months and will continue to build on these successes:



Resurfaced over 700 roads totalling over 1 million square metres over the last 4 years.



Caversham Court Gardens has been awarded the prestigious Green Flag award and Green Heritage Accreditation for 2023.



Secured £1.1m for adult social care services to apply cutting edge technology to help adults with health conditions live independently and safely in their homes.



Opened the North Street Affordable Homes development, made up of 36 one and two bed flats, and one three bed flat.



Opened Reading Green Park station, the first new train station in Reading in over 100 years.



Successfully launched digital residents' parking, making it quicker and easier to apply for and renew parking permits.



Helped 239 Reading households to benefit from cheaper electricity by having solar panels installed through the Solar Together initiative.



Reading Borough's carbon footprint has reduced by 51% since 2005 – the 8th largest reduction in the UK. The Council has cut its own carbon footprint by 74% since 2008/09.



New Directions College was awarded the 'Excellence in Apprenticeships' award by the Institute of Leadership and Management.



Approval to introduce six new bus lanes to ease congestion and improve air quality.



Introduced 'Tap on Tap off' payment on Reading Buses, making your journey quicker and more convenient, and ensuring you only pay the cheapest on the day adult ticket price.



Secured Planning Committee approval for work to begin on the brand-new Central Library for Reading at the Civic Offices, primarily funded by Levelling Up funding from central government.



Improved our approach to SEND provision, with 111 more places in local schools.



Opened the new Rivermead Leisure Centre – part of the Council's investment of over £40m in low carbon leisure facilities.



Delivered over 3,000 health checks in 2023, in partnership with the NHS.



Opened 15 new affordable homes for key workers at the former Arthur Hill Pool site, as part of the Council's £110m investment in over 400 new homes between 2021 and 2025.



3 new playgrounds opened for play at Lulworth Road, Coley Recreation Ground, and South Whitley Recreation Ground.

Our Vision

"Our Vision is to help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success."

To make this vision happen, this Plan groups the Council's work into three themes:

- **Healthy Environment**
- **Thriving Communities**
- **Inclusive Economy**

Within the Council, we are driven by the principles of TEAM Reading:



Together

We work together as one team with colleagues and partners to deliver great services

Our Foundations

Our foundations underpin how our services are delivered. They are:

- **Customers first:** Our Customer Experience Strategy puts our customers at the heart of service design and delivery, and we seek regular feedback through consultations and our residents' survey.
- **Digital transformation:** Both internally and externally, we're transforming how we work using the power of digital technology. We're modernising services and harnessing new technology to make it easier for residents to interact with us. We're improving our website, streamlining processes and making more services available online.
- **Building self-reliance:** We work with others to build the ability of individuals and communities to solve their own problems and withstand the shocks that come their way. We provide support to those who need it – but our first priority is always to help people live independently for as long as possible.
- **Getting the best value:** We strive for value for money in everything we do, and we are focussed on delivering the Council's three-year Savings and Investment Programme. But the best deal is not always the cheapest – it's the one that protects people, jobs, the environment and the budget. So, we're also evolving our procurement practices to enhance the social value in all we do.
- **Collaborating with others:** We are stronger in partnership and we collaborate with organisations from major corporations to local groups; with the business sector, charities, education institutions, health and social care, the police, faith groups, and the voluntary sector in Reading and across the Thames Valley to achieve our vision for Reading. We are building on the work done during the pandemic to consolidate partnerships and ensure a stronger network to support the most vulnerable.

Efficient

We drive efficiency and value for money in everything we do

Ambitious

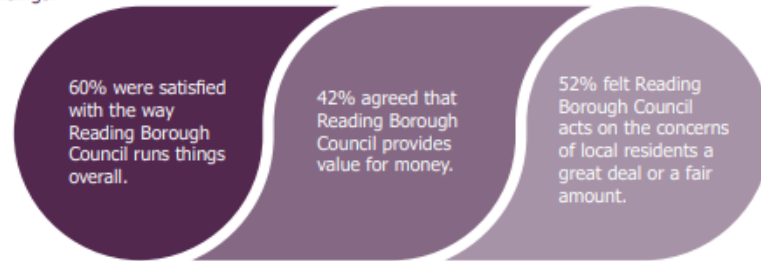
We are ambitious in our plans and in what we want to achieve

Make a difference

We are here to make a difference to the residents, communities and businesses of Reading

Residents' Survey Results

In summer 2023, the Council undertook a survey with a representative sample of 1,000 Reading residents to gauge levels of satisfaction with the local area, the Council and the services it provides, in order to inform corporate and service planning. Here is a summary of the key findings:



The residents' survey highlighted several areas for improvement. We set out below what we are doing in response:

- **Roads and pavements** - we have resurfaced over 700 roads totalling over 1 million square metres since the start of our programme of investment 4 years ago, along with over 100 pavements and footways. We are investing a further £8m between 2022/23 and 2026/27, with over 200 sections of roads planned to be resurfaced over the coming year.
- **Traffic congestion** - we are continuing to roll out incentive schemes in partnership with bus operators whilst delivering required improvements to infrastructure, such as bus lanes, as part of the £26 million Bus Service Improvement Plan (BSIP) grant funding secured from Government. Building on the delivery of the new station at Green Park and the refurbishment of Reading West Station, other key infrastructure developments are being undertaken such as the investment in cycling improvements on Shinfield Road and Bath Road and enhancements for pedestrians.
- **Levels of crime** - the three year Community Safety and Serious Violence Strategy has seven priorities including reducing community-based drug activity, reducing knife violence, and tackling violence against women and girls. The priority delivery groups are established and will deliver a number of actions through working in partnership across these key areas.
- **Affordable housing** - from 2021 to 2025 we are investing £110 million in the delivery of 400 homes.
- **Cleaner streets** - our Environmental Enforcement Team continue to investigate incidents of littering and fly-tipping and issue fixed penalty notices to act as a deterrent. CCTV coverage of recycling facilities has significantly reduced incidents of misuse and abuse. Our free bulky waste collection service continues to be popular, with booking slots being made available daily at 4pm, one week in advance. For Reading town centre and Oxford Road, our street cleansing and waste collection services are rescheduling their resources to ensure waste is cleared from the streets in a timely fashion, with dedicated resources allocated to the provision of enhanced cleansing standards.
- **Parking** - we continue to address smaller-scale parking issues raised or observed through the Waiting Restriction Review programmes and consider further rollout of resident permit parking schemes where there is demonstrable majority local support to do so. We have also commissioned a review of the Council's Town Centre Parking and Assets Strategy.



Our Themes

We've listened to what residents, businesses and our partners and stakeholders have said about their experience of Reading, and their hopes and aspirations for the town.

In this year's residents' survey we heard that the majority of residents are satisfied with how the Council runs services in Reading, but would like to see more action taken on key issues. Through consultation on our major change initiatives – such as the Local Transport Plan and the Climate Emergency Strategy – we know we have the support of residents and partners to make the changes we all want to see.

We will make this change happen by focusing on three interconnected themes:



2023/24 Budget

The 2023/24 budget for Reading Borough Council was agreed by Council on 28 February 2023 and forms part of the Council's Medium Term Financial Strategy (MTFS).

Reading is a unitary authority and accounts for its expenditure in three categories:

General Fund Revenue Account

This includes day to day spending on all services. It is funded by the council taxpayer, government grant and other sources of income.

Housing Revenue Account (HRA)

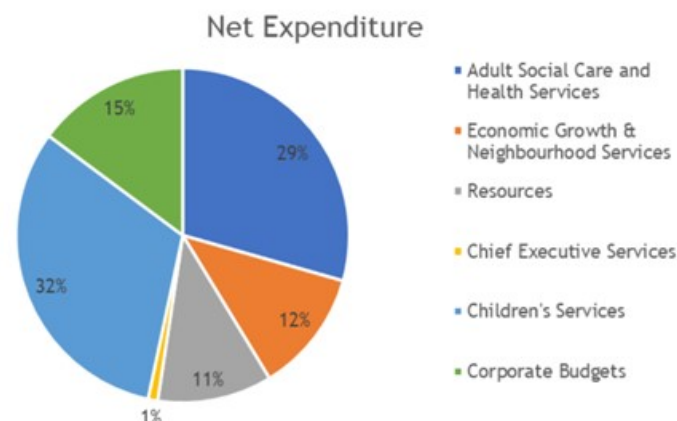
This is a ring-fenced budget for expenditure on the Council's Housing stock and is funded by council tenants' rents.

Capital

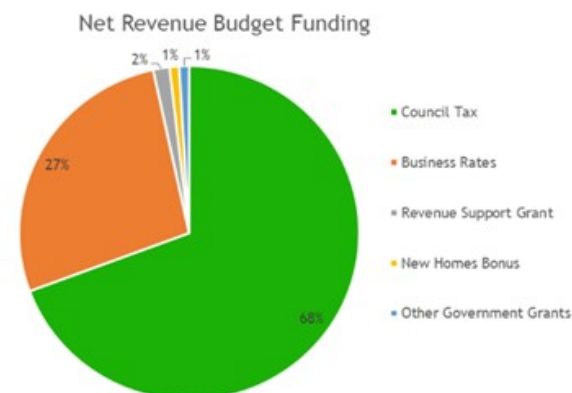
This is the expenditure incurred to make improvements to the Council's assets or for the purchase or creation of new assets. The Council has two capital programmes, one for the General Fund and one for the Housing Revenue Account. Capital is funded by grants, contributions from developers, capital receipts (the sale of capital assets), revenue and prudential borrowing.

For 2023/24, the Council has a net revenue budget of £164.4m, a General Fund Capital Programme of £106.7m, Housing Revenue Account budget of £49.2m and HRA Capital Programme of £56.9m.

The Chart below set out the relative proportions of the net budget spent in each of the key service areas for 2023/24.



The chart below shows the net funding for the General Fund revenue budget of £164.4m



Financial Performance 2023/24

General Fund Revenue

The financial outturn for 2023/24 was presented to Policy Committee on 8 July 2024.

There was a net adverse variance of £6.099m on General Fund revenue expenditure, and this will be funded from the Financial Resilience Reserve. The comparison of budget to actual for each service was broken down as follows:

£4.2m of ongoing savings were delivered against a target of £8.1m. £2.8m of non-delivered savings were carried forward.

The General Fund reserve balance was increased to £8.4m and General Fund earmarked reserves were £57.8m, giving total General Fund reserves of £66.2m.

Housing Revenue Account

Net expenditure on the Housing Revenue Account was £1.5m worse than expected. The final drawdown from reserves to £7.9m. The HRA reserve stood at £27.4m.

Capital Expenditure

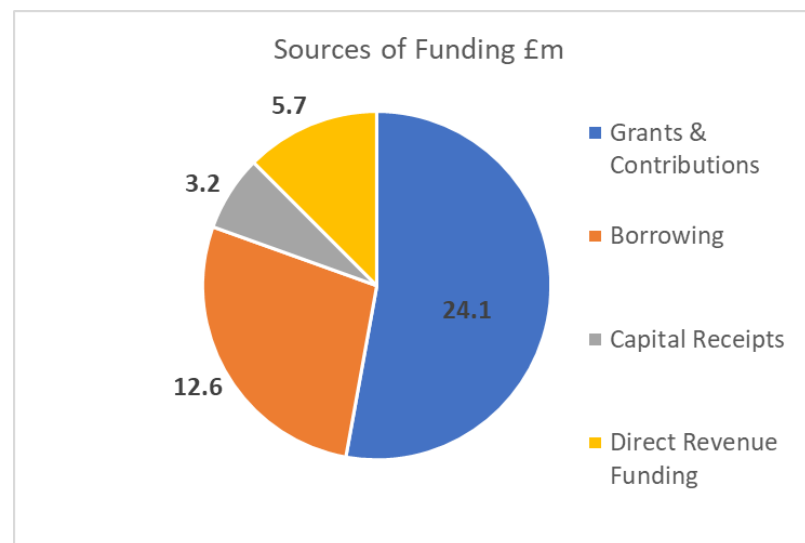
General Fund capital expenditure amounted to £45.6m and HRA capital expenditure was £31.6m, giving total capital expenditure for the year of £77.1m.

Capital expenditure for the year was £77.1m, including:

- Major Repairs – Existing Homes £11.4m
- New Build Housing £11.3m

- Highways Infrastructure £7.0m
- Homes Provided under Local Authority Housing Fund £6.5m
- Leisure Centres £6.0m
- Replacement Vehicles £4.0m
- Delivery Fund £3.2m
- Corporate and Community Buildings £1.9m

Funding of General Fund capital expenditure:



Performance of Council owned companies

The Council's year-end Balance Sheet includes investments in limited companies and joint ventures. Its three principal interests are Brighter Futures for Children, Reading Transport Limited, and Homes for Reading. All three are wholly owned subsidiaries of the Council. A summary of the most recent audited accounts for 2023/24 is as follows:

	Reading Transport Ltd £'000	Homes for Reading £'000	Brighter Futures for Children £'000
Turnover	55,800	1,400	113,300
Profit/(Loss)	2,900	1,500	(5,075)

Commercial Investments

Reading Borough Council has a small portfolio of investment properties:

Property	Annual Rental Yield Mar 24 £'000	Capital Value Mar 24 £'000	Purchase Price £'000
Kennet Wharf	1,271	9,600	21,276
Adelphi House	688	8,750	12,116
160-163 Friar St	735	8,200	11,884
Four 10 TVP	2,277	27,250	39,968

Schools and the High Needs Block

Schools maintained by the Council are recognised on the Balance Sheet as the balance of control lies with the Council.

The **Schools Earmarked Reserve** has been established to hold balances held by Schools under the delegation scheme. The Schools surplus of £1.780m comprises the unspent revenue balances held by schools in surplus, offset by the overdrawn revenue balances of schools in deficit. This part of the balance can only be used by the Schools and is not available to the Council for general use.

The Balance Sheet

The balance sheet is a position statement at the end of the year. It shows what the Council owns (assets) and what it owes to others (liabilities).

Usable reserves and balances have been built up over time and can be used to fund future service costs or capital expenditure. Unusable reserves cannot be accessed and relate primarily to statutory accounting adjustments for capital transactions and pensions. A summary of the balance sheet as at 31 March 2024 is:

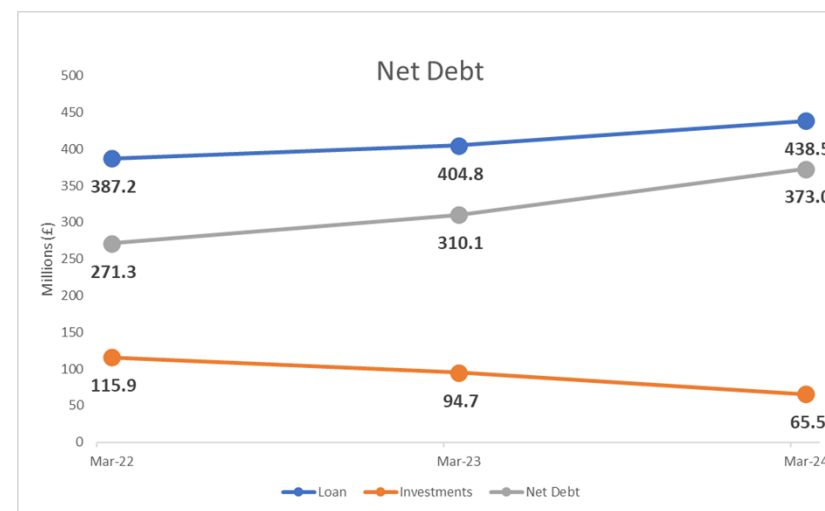
	March 2023 £'000	March 2024 £'000
Long-term Assets	1,284,935	1,254,841
Current Assets	121,181	107,247
Current Liabilities	(135,162)	(189,361)
Long-term Liabilities	(552,004)	(495,849)
Net Assets	718,950	676,878
Usable Reserves	(225,640)	(206,919)
Unusable Reserves	(493,310)	(469,959)
Total Reserves	(718,950)	(676,878)

Treasury Management

The Council has a small treasury management function, ensuring that funds are invested to achieve a return whilst maintaining adequate cash balances to meet liabilities as they fall due.

The position on loans and investments across the last 3-years is shown below:

New borrowing undertaken during 2023/24 totalled £101m. Principal repayments on loans totalling £67.340m were made. The net change in the gross borrowing position between 31 March 2023 and 31 March 2024 was an increase of £33.660m.



Pensions

The Council offers retirement pensions to its staff under a statutory scheme and makes contributions on their behalf to the Council's Local Government Pension Scheme which is administered by the Royal County of Berkshire Pension Fund.

Although pension benefits are not payable until employees retire, the Council has a commitment to make payments and must account for them in the year in which the future entitlements are earned. Accounting Standards require future pension liabilities to be recognised on the Council's balance sheet as the employing body rather than in the pension fund's accounts.

There is a net pensions deficit in the balance sheet of £117.1m at 31 March 24, the equivalent deficit figure for 2022/23 was £160.0m. In April 2023 the Council made an up-front payment of employer's contributions payable to the scheme of £17.4m for the three years 2023/24 to 2025/26 to secure a cashflow discount.

Looking ahead

A balanced budget for 2024/25 was set by Council in February 2024, including a budgeted net contribution from reserves of £3.084m and with planned savings of £8.465m across the 3-years of the MTFS.

A guide to the Financial Statements

The following form the main components of the Statement of Accounts:

The **Comprehensive Income and Expenditure Statement** shows the net cost of providing Council services in line with International Financial Reporting Standards.

The **Movement in Reserves Statement** shows the movement on different reserves and balances held by the Council, analysed between general, earmarked and unusable reserves.

The **Balance Sheet** shows the value of Council assets and liabilities at the year end.

The **Cashflow Statement** summarises changes in cash and cash equivalents during the year.

The **Expenditure and Funding Analysis** reconciles the full cost of providing services with the amounts funded by taxation.

The **Housing Revenue Account** (HRA) accounts for the Council's "landlord" role.

The **Group Accounts** summarise the financial position of the Council and its subsidiaries.

The Notes provide more detail about individual transactions and balances.

The **Annual Governance Statement** explains the arrangements put in place for corporate governance and for the general management of the Council's affairs.



A handwritten signature in black ink, appearing to read 'Darren Carter', written over a horizontal line.

Darren Carter
Director of Finance
Section 151 Officer
Reading Borough Council

Date – 12/09/2024

Annual Governance Statement 2023/2024

INTRODUCTION

The CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016) requires local authorities to publish an Annual Governance Statement, and to be responsible for ensuring that:

- Their business is conducted in accordance all relevant laws and regulations
- Public money is safeguarded and properly accounted for
- Resources are used economically, efficiently, and effectively to deliver agreed priorities and benefit local people.

The Council also has a duty to:

- make arrangements to secure continuous improvement in the way in which its functions are exercised
- put in place proper arrangements for the governance of its affairs, and
- implement and maintain effective processes of internal control, including appropriate arrangements to manage risk.

The Council's Audit and Governance Committee reviews governance arrangements, risk registers and quarterly performance reports. Their role is to recommend improvements or interventions if expected performance is not being achieved, or if gaps in current governance arrangements have been identified.

THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, cultures and values which underpin how the Council is controlled and managed internally, and how it engages with taxpayers, service users and the wider community. The governance framework as described in the Council's Constitution enables the Council to monitor delivery of its strategic objectives and assess whether those objectives are securing service improvements and value for money. Systems of internal control and risk management are a significant part of the governance framework and are designed to manage risk down to a reasonable level. Some risks can never be eliminated entirely, however, and these processes provide only reasonable and not absolute assurance of effectiveness.

KEY ELEMENTS OF THE COUNCIL'S GOVERNANCE FRAMEWORK

The Council operates a committee-based system of governance with four standing committees broadly aligned to the Council's departmental structure. Their remit includes obtaining assurance that Corporate Plan priorities, and the Budget and Policy Framework approved by Council each year, are delivered in their relevant areas. There are no separate scrutiny committees or call-in provisions. However:

- the Standards Committee investigates specific allegations of misconduct
- the Audit and Governance Committee is tasked with reviewing and considering improvements to corporate governance in general; and
- all standing committees can undertake scrutiny of relevant functions where they think it appropriate.

Key elements of the governance framework at Reading Borough Council are:

Decision Making

- All meetings are held in public and are mostly webcast and available to watch after the event
- Decisions are recorded on the Council website
- All Council decisions are supported by detailed officer reports which are open to the public unless they qualify as legally "exempt" from publication

Risk Management

- Risk registers identify operational and strategic risks
- Key risks are considered by Directorate Management Teams
- Strategic risks are reported to the Audit & Governance Committee quarterly and overseen by Corporate Management Team

Corporate Management Team (CMT)

CMT are responsible for the overall management of the Council

- Head of Paid Service is the Chief Executive who is responsible for all Council staff and for leading CMT
- The Executive Directors lead the majority of services which are delivered to the public
- Director of Finance is the Council's s.151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money

- Monitoring Officer is the Council's Assistant Director of Legal & Democratic Services who with the Chief Executive is responsible for ensuring legality and promoting high standards of public conduct
- Director of Public Health, is a shared appointment with West Berkshire District Council, responsible for the overall objectives for public health (health protection, health improvement, healthcare public health) in Reading and West Berks and for reporting on the outcomes of this work.

HOW WE COMPLY WITH THE CIPFA/SOLACE FRAMEWORK

The Council has arrangements in place to meet all relevant requirements of the CIPFA/Solace Framework. The seven “core principles” underpinning the Framework are set out below together with a summary of new or enhanced arrangements introduced in 2023/24.

Principle 1 Behaving with integrity and respecting the rule of law	Codes of Conduct for members and officers reinforce a public service ethos and high standards of behaviour in line with the Nolan principles. These are supported by more detailed guidance such as, Anti-Fraud, Bribery and Corruption Strategies, as well as Whistleblowing Procedures and a Procurement Code. The Monitoring Officer and Section 151 Officer both have specific responsibilities to ensure that Council decisions meet legal and financial requirements. The three principal statutory officers (and their deputies) meet regularly to review matters of significance for overall corporate governance. This supplements the work of CMT. The Statutory Officer Group will continue to meet regularly throughout the year to ensure the effective discharge of the Council's business and functions.
Principle 2 Ensuring open and comprehensive stakeholder engagement	The Council consults regularly with stakeholders, taxpayers and service users. The Consultation Hub on the Council's website enables local people to find, participate in, and view outcomes from, any consultation activities that interest them. In addition, 20 different committees and forums are in place to represent local views on a range of subjects including transport, disabled access, children's services and community safety. The Council publishes a twice-yearly residents' newsletter and utilises online communication channels such as e-bulletins, Twitter, Facebook, and YouTube. Citizens also have rights to attend Council committees to ask questions, present petitions and speak on items of local importance. The Council provides a support function for councillors to allow them to hold local surgeries and to be able to process casework from residents.
Principle 3 Defining outcomes in terms of sustainable economic, social and environmental benefits:	The Corporate Plan sets out the Council's strategic vision, which is for Reading to realise its potential and to ensure that everyone who lives and works here can share the benefits of its success. The Corporate Plan sets out programmes of work under three pillars healthy environment, thriving communities and inclusive economy. These key objectives are designed to be both financially and environmentally sustainable and have been developed in consultation with partners and local people. This Plan has been reviewed in 2024 with a view to publication of a new plan aligned to the Medium-Term Financial Strategy (MTFS). The MTFS makes a realistic assessment of financial resources available to the Council to allocate to services and projects, and the Budget and Policy Framework approved by Council each year sets out revenue and capital spending limits, savings and efficiency targets as well as key improvement priorities for the forthcoming year. The Council uses key performance indicators (KPIs) and other methods such as monthly performance and risk management reports at CMT, Policy Committee and Audit and Governance Committee to check budget and performance monitoring and to report progress against deliverables in the Corporate Plan.

Principle 4 Determining the intervention necessary to achieve intended outcomes:	CMT meet monthly to monitor performance. Monthly performance reports track the performance of priority Council activities and services through a suite of KPIs and also considers risks, achievements, and issues. CMT monitor remedial actions being taken where slippage or under-performance occurs. Reporting on the delivery of major change programmes happens at series of cross-cutting internal Boards, the outcomes of which feed into the CMT performance reporting cycle. Senior management and councillors (Policy Committee), ensure the Council remains focused on achieving its agreed objectives and priorities. The four standing committees are responsible for ensuring that actions approved as part of the Budget and Policy Framework are delivered in each service area. The Financial and Performance Monitoring reports to Policy Committee summarise the financial position to date against budget and delivery of agreed savings targets.
Principle 5 Developing capacity, including the capability of leadership and individuals within the Council:	The TEAM Reading values underpin the way we work day-to-day. The Team Reading People Strategy sets out how we aim to achieve this and create an organisation that provides excellent services to Reading. Maximising capacity by working collaboratively is a key component of the Corporate Plan and several longstanding partnership working arrangements are in place. The Constitution sets out how the governance aspects of these arrangements should operate in practice. The Learning and Workforce Development Team has a specific role and remit to improve the capability and capacity of Council officers by offering a range of skills and qualification-based training opportunities.
Principle 6 Managing risks and performance through strong internal control and financial management:	Corporate risk registers are updated quarterly, with significant risks reviewed by senior management and members. Risk Management Training had been delivered to councillors providing guidance on how to review and challenge reports when received as part of promoting good governance. Internal Audit assess the overall quality of internal control and make recommendations for improvement as necessary. The Council has a strong track record in financial management, delivering services within budget and producing annual accounts within statutory deadlines.
Principle 7 Implementing good practices in transparency, reporting and audit to deliver effective accountability:	The Council follows Government guidance on providing clear and accurate information and has developed both its website and the format of Council reports to improve transparency and accessibility. Papers (including performance reports) and minutes of meetings, key decisions, and all items of expenditure and contracts awarded over £500 are published on the Council's website. All Council meetings are held in public, and minutes of meetings and webcasts are available on the Council's website. Public questions are allowed at Committees and at Council meetings.

REVIEW OF EFFECTIVENESS

CMT is responsible for putting in place adequate governance arrangements and effective systems of internal control. The Council uses several ways to review and assess the effectiveness of governance arrangements, as set out below:

Inspections and Assessments

External Assessments during 2023/2024:

A number of [OFSTED inspections](#) of Children's Services took place during 2023/24. These services are delivered by Brighter Futures for Children (BFfC) Ltd.

September 2023 – Focused Visit of Children in Care.

Inspectors noted BFfC senior leaders have made improvements to services for children in care, noting that most children in care in Reading live in stable homes which meet their needs; children in care, including disabled children and unaccompanied asylum-seeking children, receive child-focused support from committed social workers; social workers know their children well and have insight into how best to build relationships with each of the children they support

Ofsted noted three areas of improvement during the visit:

- The quality and impact of management oversight and supervision.
- The quality and impact of audit processes to improve social work practice.
- The impact of the corporate parenting panel on driving progress for all children.

Inspectors felt that BFfC plans are clear about what is needed to make further progress. In response, work has included:

- Resetting cultural expectations of benefits and importance of supervision through coaching, workshops, and guidance.
- Reintroducing moderated internal audits to improve social work practice.
- Embedding changes to corporate parenting panel, embedded engagement and advocacy and enhanced and published our offer to children in care and care leavers.

Cressingham Short Breaks Provision: Inspection dates: 14 and 15 November 2023 Overall

experiences and progress of children and young people: Good

How well children and young people are helped and protected: Good The effectiveness of leaders and managers: Good

Pinecroft Residential Home: Inspection dates: 11 and 12 March 2024

Overall experiences and progress of children and young people: Good

How well children and young people are helped and protected: Good The effectiveness of leaders and managers: Outstanding

Assurances from Internal and External Audit

Public Sector Internal Audit Standards require the Chief Auditor to provide an assessment of the overall adequacy and effectiveness of the Council's control environment. This opinion is expressed using a scale ranging from Substantial to Reasonable, then Limited and finally No Assurance.

The [annual report](#) and opinion of the Chief Internal Auditor for 2023/24 was presented to the Audit and Governance Committee on 17 July 2024. It states that the Council's internal control environment and systems of internal control in the areas audited were to be classed as "Limited Assurance". The following areas influenced the annual assurance opinion:

- The number of audits receiving a negative assurance opinion, as well as a combination of advisory work (not detailed audit reviews) and investigations undertaken. 44% of audits received limited or no assurance in 2023-24, compared to 26% in 2022-23, and 38% in 2021-22

Issues Identified in 2023/2024	Progress made since audit
Employee gifts & Hospitality in declarations of interest	A comprehensive action plan has been produced and follow-up audit completed. The Council's Personnel Committee on 21 November 2024 approved changes to the Gifts and Hospitality and Code of Conduct as recommended by the Audit and the policy changes will be communication to all appropriate staff and stakeholder groups.
Housing Repairs	A Housing Repairs Oversight Board chaired by the Executive Director is monitoring progress against the detailed action plan that is in place.

Continuing Health Care	Single tracker of all CHC applications and where they are in the process Assistant Director oversight of all CHC cases and quarterly meetings held with managers on the progress of those CHC cases CHC Social Worker in place to ensure consistency and quality of CHC applications
Coroners Service	Action has been taken to address the majority of the audit findings, with significant improvements in Governance arrangements, updates to the Joint Apportionment, review of contracts and monitoring and updates to staff structures. The final workstream being actioned relates to the Joint Arrangement (JA) and the need to ensure all Berkshire authorities are being updated. Legal Services are progressing the JA.
Community Infrastructure Levy	Actions arising from the audit have been substantively completed or processes changed in consultation with other stakeholders to ensure that the recommendations from the audit are being carried out. Activity includes improvements to procedures, reporting of debt recovery to accountancy and the AD and improvements in reconciliations.
Reading Foundation of Art	Work has been ongoing between the council and the trustees of the Foundation to agree heads of terms on which a new Service Agreement can be made. This process is not yet concluded, after which Legal colleagues will need to formally draft the Agreement which will then need to be agreed by the Foundation's trustees.
Fuel System	Controls to have now been put in place to improve the security of fuel and to safeguard the Council against the risk of theft of fuel, however improvements to fuel consumption monitoring and reporting remain work in progress.
Payments to Adult Social Care Providers	Management recommendations have been implemented except for a requirement to improve the payment remittance information available to providers. To address this, work is underway on developing new functionality through enhancing the Mosaic system and implementing a provider portal which will enhance management oversight of provider payments.
Cyber Security	An internal audit for Cyber Security provided seven recommendations for improvement. The council needs to enforce the reading of the ICT usage policy and completion of mandatory Cyber and GDPR training, with the ICT policy being rewritten for easier understanding by Q4 2024/25. Cyber security training is now closely monitored; a manager's dashboard enhances visibility of staff compliance, and non-compliant employees risk suspension from ICT systems. Progress has been made on Cyber Essentials Plus assessments, reducing vulnerabilities, though legacy applications remain an issue. Active monitoring of the threat environment, a strategic review of Active Directory, and SharePoint security have been completed. For mobile devices, recent supplier changes revealed challenges with retrieving devices from leavers, prompting follow-up actions to integrate them fully into current policies.

KPMG were appointed as the Council auditor from 2023/24. For prior years Ernst & Young (EY) provided assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing and improving value for money. The 2020/21 Statement of Accounts has been formally signed off by EY. This took place on 8 April 2024 with the Council receiving an unqualified opinion for the second year in a row, which marked a significant improvement in the operation and quality of the Council's processes and quality of the accounts.

We published the draft 2021/22 accounts at the latter end of November 2023 and the public inspection period commenced on 22 November 2023 and concluded on 10 January 2024. We published the draft 2022/23 accounts on 28 February 2024 and the public inspection period commenced on 29 February 2024 and concluded on 12 April 2024. Following the Government's plan to address the significant English national backlog in external audit opinions, both the 2021/22 and 2022/23 Statement of Accounts are expected to be disclaimed by EY.

The Council has seen positive improvement in processes and the timely production of accounts is far more feasible than in previous years. It must be noted that our issues are not isolated and the majority of councils across the country are finding it difficult to either complete their accounts on time and/or have them audited in a timely manner.

The Council would continue to prepare its accounts as promptly and to the best quality possible, in accordance with the appropriate CIPFA guidance. Inevitably, it would require dealing with the disclaimed 2021/22 and 2022/23 accounts as part of future audit process with KPMG.

Compliance with the Financial Management Code

The self-assessment review against the CIPFA Financial Management Code is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. All local authorities were required to demonstrate full compliance against the 6 principles within the Code from 1 April 2021. A report was presented to Audit and Governance Committee in April 2024. It is the opinion of the Director of Finance that the Council is financially stable and has an adequate level of General Balances and Earmarked Reserves that are based on a risk assessment as part of the Directors S.25 Local Government Act 2003 concerning robustness of estimates. Notwithstanding this, in striving for financial management excellence the Council has developed a set of actions for improvement including:

- Developing a robust savings delivery plan to close the current forecast budget gap in future years that arises primarily from the forecast impact of the Business Rates Retention Scheme Reset (currently forecast to affect 2025/26 onwards).
- Consider the further expansion of the period covered by the Capital Strategy & Capital Programme to ensure a longer-term view of the Council's financial sustainability is understood.
- Improve the linkages between Service Plans, the Corporate Plan and the MTFS.

- Review the matrix used to assess individual capital business cases and improve how the matrix scores are used in the decision-making process. Improve the quality of revenue and capital business cases. Determine a preferred best practice methodology for assessing investment option appraisals, and document and communicate to all relevant stakeholders to ensure a consistent and common approach for both revenue and capital investment decisions.
- Develop and implement improved reporting arrangements to the Council's leadership team to include the CIPFA resilience index, reserve assessments, commercial investments, and loans to the council's wholly owned companies.
- Catch up on the Statement of Accounts audit process so that the annual Outturn Report and Statement of Accounts are aligned and prepared and presented in a timely manner to enable timely strategic financial decisions to be made.

Self-assessment and review of key performance indicators

Assistant Directors and Executive Directors have completed Annual Assurance Statements in respect of governance and internal control arrangements for their respective areas. The Chief Internal Auditor works with Directorate Management Teams to confirm that expected governance arrangements have been in place throughout the year. Assistant Directors and Executive Directors also confirm that Codes of Conduct, Financial Regulations, and other corporate processes have operated as expected by undertaking self-assessments of governance arrangements.

In addition, the Chief Executive has implemented a Statutory Officers Group to monitor governance issues on a monthly basis with the Executive Director of Resources, Chief Finance Officer and Monitoring Officer.

The Council uses several key outcomes to confirm the adequacy of governance arrangements. These KPIs are outlined in the table below:

Issues Identified	Performance in 2023/2024
Formal reports by Chief Finance Officer or Monitoring Officer	None issued in 2023/24
Outcomes from Standards Committee or Monitoring Officer Investigations	The monitoring officer received 9 complaints about member conduct in 2023/2024. None of them proceeded beyond Stage 0 of the complaints procedure.
Proven frauds carried out by councillors or members of staff	None in 2023/2024
Objections received from local electors	None in 2023/2024

Local Government and Social care Ombudsman referrals upheld	10 of 13 complaints investigated were upheld (data 1 April 2023 to 31 March 2024).
Information Commissioner referrals upheld	There were no cases investigated by the ICO during the year that were upheld.
Internal audit reports	Six high risk areas identified as shown in the preceding table above
Freedom of Information requests (performance)	1,391 requests were received in 2023/2024. 71.67% were responded to within the statutory timeframe (20 days)
Annual Accounts	2020/2021 signed off – unqualified, 2021/2022 and 2022/2023 accounts disclaimed
Group activities*	No governance issues to address in 2023/24. The Council continues to receive appropriate information about the performance of its companies through the Policy Committee which acts as the designated shareholder committee for the Council

* Note: The Council operates several companies:

- Reading Transport Ltd – the operating company for Reading Buses, which itself has a number of subsidiaries. (100% share ownership).
- Homes for Reading Ltd – provision of private sector lettings. (100% share ownership).
- Brighter Futures for Children Ltd – provision of Children’s Services. (Sole member).
- Reading Hampshire Property Partnership Ltd– provision of property and construction related consultancy and procurement. (49% share ownership).

The Council also has involvement in two other not for profit partnerships as a member: First, Reading UK CIC delivering economic development for the Borough. In July 2022, this company rebranded to REDA (Reading’s Economy and Destination Agency). Secondly, IESE Ltd providing management consultancy in the public sector.

Financial Transformation Programme

The new finance system (e5) successfully went live on the 15 December 2023 and will be at the cornerstone of organising, planning, and controlling financial activities to manage resources efficiently and it is imperative that business processes work with the new Finance System,

otherwise efficiencies and improvements will not be achieved. The finance service has been developing improved budget monitoring reports designed to make it easier for budget holders to manage their budgets and financial commitments.

CHANGES TO THE GOVERNANCE FRAMEWORK

There have been a number of key changes in senior management during the last year.

- Melissa Wise was appointed Executive Director for Communities and Adult Social Care in July 2023. The new Directorate now incorporates Housing and Community Services following a focused restructure of the Service to align it more closely with Public Health outcomes and Housing needs.
- Frances Martin, Executive Director for Economic Growth and Neighbourhood Services (DEGNS) left the Council in May 2023 and was replaced by Keith Townsend from September 2023 to March 2024, with Emma Gee continuing the role on an acting up arrangement thereafter.

KEY GOVERNANCE ISSUES

Last year's Annual Governance Report highlighted eleven key areas for improvement. The table below sets out action taken to address these issues during 2023/24:

Issues Identified	Performance in 2023/2024
1 Implement new Contract Procedure Rules and supporting the Council's Hub and Spoke model for Procurement	The Contract Procedure Rules were updated in October 2023 and are subject to a refresh over Q4 24/25. The Hub and Spoke model is expected to be reviewed and updated during 2025/26.
2 Roll out of new systems in Housing Management and Customer Services and Casework	During 2023/24 efforts were focused on the design and configuration of the first phase of the new housing management system followed by extensive testing to support a service wide go-live at the beginning of May 2024. The second phase of the implementation will be undertaken during 2024/25 which brings enhanced functionality and additional services for the customers self-service portal. The Customer Services and Casework system has also seen significant development and testing during the year, with a phased approach being adopted to implementation carrying forward to 2024/25.

3	Ensure further performance improvements on Information Rights are embedded	We recognise further improvements are required, we started reporting overdue cases to CMT on a weekly basis, whilst this gained traction and performance improved for while, unfortunately the implementation of the Arcus system and the initial lack of reporting functionality has hindered our ability to have oversight of cases in order to check and chase officers. We have put together a new FOI action plan for the Customer Relations and Information Governance Team to carry out training, better reporting and provide senior management oversight along with raising awareness through Comms of the importance of responding to FOI's on time, across the organisation.
4	Review of governance arrangements for companies wholly owned by RBC being undertaken to check and, where necessary, strengthen governance arrangements.	A review of the Reading Transport Limited Articles of Association was undertaken during the year with a view to requesting formal approval by the Policy Committee during 2024/25. Following a report to Policy Committee in January 2024, the decision was taken to close the wholly owned company Homes for Reading Ltd and the Company's properties are to be transferred to the Council's Housing Revenue Account. This will happen on a phased basis as existing tenancies come to an end.
5	Corporate cyber resilience exercise will take place in 2023/24 to review and strengthen governance in this area.	Significant progress has been made in bringing the organisation's Business Continuity plans up to date via workshops which includes Cyber Resilience planning. We have completed one Cyber Resiliency workshop with the Elections team, and plan to roll these out across departments in 2024/25.
6	The impact of the constitution review is being monitored and any further changes will be made in 2023/24. These changes are now being aligned with a review of Finance Regulations and Contract Procedure Rules.	A review was carried out during the year with a view to presenting the new Finance Regulations and Contract Procedure Rules to Council in early 2025.
7	A new Adult Social Care Strategy is being developed in response to the Striving For Excellence Assurance Work.	This strategy is being developed with key feedback from residents and other stakeholder being an integral part of the strategy development. It is anticipated that this will be delivered during early 2025/26
8	Budget holders to be trained on the e5 system and rollout	Training was provided for all staff undertaking transactional finance activities when e5 went live. Budget Holders have continued to be supported by finance teams to manage their budgets, and to supplement this new budget monitoring functionality has been developed and rolled out to finance staff in the first instance to become familiar. This is in the process of being rolled on a phased basis during Q3 and Q4 2024/25.
9	Review the new Decision Hub to ensure delegations and spend limits are understood	New Decision Hub functionality has been implemented and training rolled out to users.

10	All staff to complete mandatory e-learning training including health and safety, information governance, cyber security, Prevent and Safeguarding.	All mandatory e-learning completion is monitored and promoted on a regular basis, through newsletters and direct reporting through management teams through to annual refresher reminders.
11	Ensure all staff complete the required level of Health & Safety training	Health and Safety training is reported regularly to managers and forms part of overall completion monitoring to ensure staff undertake the appropriate level of training. Managers are reminded to complete annual risk assessments who are supported with advice from the Health and Safety team.

CONCLUSION

The Council is satisfied that appropriate governance arrangements are in place however it remains committed to maintaining and where possible improving these arrangements. The following items are noted for improvement in 2024/25:

Action	Implementation Date	Responsible Officer
Review of procurement Hub and Spoke governance and practices to ensure all activities are aligned to the latest transformation / change programmes.	31/03/2025	Assistant Director, Procurement and Contracts
Continue to embed monitoring arrangement to maximise completion of mandatory leading	30/09/2024	Assistant Director – HR and OD
Strengthen arrangements for monitoring and recording declarations of interests, gifts and hospitality	31/03/2025	Director of Finance / Assistant Director of HR And OD
Targeted work to improve response times to FOIs and enquiries and learning to be gathered from complaints	31/03/2025	All Directors
Implement the recommendations following the Housing Repairs Task Force and improvement plan, and achieve/maintain all relevant safety standards for the housing stock	31/07/2024	DCASC
Review governance of the Climate Programme Board and reporting lines to ensure climate action is embedded across the organisation	30/06/2024	DEGNS

Signed on behalf of Reading Borough Council by:

.....Councillor Liz Terry, Leader of the Council

.....Jackie Yates, Chief Executive

Independent Auditor's Report to the Members of Reading Borough Council

{to be completed following the outcome of the external audit}

Statement of Responsibilities

Responsibilities of the Council

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, for 2023/24, the Chief Financial Officer is the Director of Finance.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Arrange for the approval of the Statement of Accounts at the conclusion of the audit. In this Council, the approval is delegated to the Audit and Governance Committee.

Responsibilities of the Chief Financial Officer

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (The Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Local Authority Code.

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Approval of the Accounts

This Statement of Accounts gives a true and fair view of the financial position of the Council at 31 March 2024 and its income and expenditure for the year ended 31 March 2024.

Darren Carter
Director of Finance (S151 Officer)
DATE.....

Financial Statements

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

	2022/23			Service Area	Note	2023/24		
	Gross Expenditure	Gross Income	Net Expenditure			Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000			£'000	£'000	£'000
Page 339	97,442	(49,415)	48,027	Adult Care and Health Services		107,358	(55,592)	51,766
	42,448	(25,686)	16,762	Resources		41,683	(23,220)	18,463
	7,800	(6,029)	1,771	Chief Executive Services		8,109	(6,606)	1,503
	47,364	(48,687)	(1,323)	Corporate		50,575	(50,585)	(10)
	160,341	(100,031)	60,310	Children, Education and Early Help Services		182,169	(116,492)	65,677
	93,907	(49,410)	44,497	Environment and Neighbourhood Services		94,060	(43,780)	50,280
	40,243	(42,834)	(2,591)	Housing Revenue Account		45,252	(46,419)	(1,167)
	489,545	(322,092)	167,453	Costs of Services		529,206	(342,694)	186,512
		(4,148)		Other Operating Expenditure	10			21,543
		31,691		Financing and Investment Income and Expenditure	11			22,763
		(186,423)		Taxation and Non-Specific Grant Income	12			(188,840)
		8,573		(Surplus) or Deficit on Provision of Services				41,978
		(318,084)		Remeasurements of the Net Defined Benefit Liability	44			(21,623)
		(20,196)		(Surplus) or Deficit on Revaluation of Property, Plant and Equipment				21,717
		(338,280)		Other Comprehensive Income and Expenditure				94
		(329,707)		Total Comprehensive Income and Expenditure				42,072

Please Note: This table and all others within this document are subject to some rounding of figures. Where necessary some previous year figures may have been restated to match 2023/2024 reporting structure (primarily a change of reporting of Resources, Chief Executive Services & Corporate)

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

2023/24	REVENUE RESERVES						CAPITAL RESERVES			Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
	General Fund balance £'000	Earmarked General Fund Reserves £'000	Total General Fund balances £'000	Housing Revenue Account (HRA) £'000	Earmarked HRA Reserves £'000	Total HRA Balances £'000	Capital Receipts Reserve £'000	Major repairs Reserve £'000	Capital Grants Unapplied Account £'000			
Balance at 31 March 2023	(8,221)	(70,132)	(78,353)	(35,334)	(9,916)	(45,250)	(31,584)	(8,749)	(61,704)	(225,640)	(493,310)	(718,950)
(Surplus)/Deficit on provision of services	36,803		36,803	5,175		5,175				41,978		41,978
Other Comprehensive Income and Expenditure			-			-				-	94	94
Total Comprehensive Income and Expenditure	36,803	-	36,803	5,175	-	5,175	-	-	-	41,978	94	42,072
Adjustments between accounting basis and funding basis under regulations	(18,655)	-	(18,655)	3,163	-	3,163	(1,086)	(3,037)	2,298	(17,317)	17,317	-
Net (increase)/decrease before transfers to/(from) earmarked reserves	18,148	-	18,148	8,338	-	8,338	(1,086)	(3,037)	2,298	24,661	17,411	42,072
Transfers to/(from) earmarked reserves	(18,321)	12,381	(5,940)	(392)	392	-				(5,940)	5,940	-
(Increase)/decrease for the year	(173)	12,381	12,208	7,946	392	8,338	(1,086)	(3,037)	2,298	18,721	23,351	42,072
Balance at 31 March 2024	(8,394)	(57,751)	(66,145)	(27,388)	(9,524)	(36,912)	(32,670)	(11,786)	(59,406)	(206,919)	(469,959)	(676,878)

2022/23 Restated	REVENUE RESERVES						CAPITAL RESERVES			Total Usable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
	General Fund balance	Earmarked General Fund Reserves	Total General Fund balances	Housing Revenue Account (HRA)	Earmarked HRA Reserves	Total HRA Balances	Capital Receipts Reserve	Major repairs Reserve	Capital Grants Unapplied Account			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
Balance at 31 March 2022	(7,500)	(85,052)	(92,552)	(40,264)	(10,147)	(50,411)	(12,818)	(6,957)	(62,746)	(225,484)	(163,759)	(389,243)
(Surplus)/Deficit on provision of services	5,551		5,551	3,019		3,019				8,571		8,571
Other Comprehensive Income and Expenditure			-			-				-	(338,280)	(338,280)
Total Comprehensive Income and Expenditure	5,551	-	5,551	3,019	-	3,019	-	-	-	8,571	(338,280)	(329,709)
Adjustments between accounting basis and funding basis under regulations	10,443		10,443	2,141		2,141	(18,766)	(1,792)	546	(7,428)	7,428	-
Net (increase)/decrease before transfers to/(from) earmarked reserves	15,993	-	15,993	5,161	-	5,161	(18,766)	(1,792)	546	1,142	(330,852)	(329,709)
Transfers to/(from) earmarked reserves	(16,714)	14,920	(1,794)	(231)	231	-	-		496	(1,298)	1,298	-
(Increase)/decrease for the year	(721)	14,920	14,199	4,930	231	5,161	(18,766)	(1,792)	1,042	(156)	(329,554)	(329,709)
Balance at 31 March 2023	(8,221)	(70,132)	(78,353)	(35,334)	(9,916)	(45,250)	(31,584)	(8,749)	(61,704)	(225,640)	(493,310)	(718,950)

Balance Sheet

2022/23 £'000	Balance Sheet	Note	2023/24 £'000
1,031,359	Property, Plant & Equipment	22	1,007,223
132,984	Infrastructure	23	137,168
2,541	Heritage Assets	24	3,376
67,775	Investment Property	25	57,580
5,968	Intangible Assets	26	7,228
23,575	Long-term Investments	29	23,080
20,733	Long-term Debtors	34	19,186
1,284,935	Non-Current Assets		1,254,841
-	Assets held for sale		329
383	Inventories	31	441
66,591	Short-term Debtors	34	82,308
54,207	Cash and Cash Equivalents	33	24,169
121,181	Current Assets		107,247
(33,009)	Short-term Borrowing	29	(79,518)
(86,767)	Short-Term Creditors	35	(93,159)
(9,150)	Revenue Receipts in Advance	35	(9,075)
(4,904)	Short-Term Provisions	36	(6,256)
(1,304)	PFI Short-Term Liabilities and Deferred Income	42	(1,325)
(28)	Deferred Income		(28)
(135,162)	Current Liabilities		(189,361)
-	Long-Term Provisions	36	-
(369,485)	Long-Term Borrowing	29	(357,485)
(160,003)	Liability relating to defined benefit pension scheme	44	(117,072)
(21,843)	PFI Long-Term Liabilities and Deferred Income	42	(20,518)
(673)	Other Long Term Liabilities		(774)
(552,004)	Long Term Liabilities		(495,849)
718,950	Net Assets		676,878
(225,640)	Usable Reserves	37	(206,919)
(493,310)	Unusable reserves	38	(469,959)
(718,950)	Total Reserves		(676,878)

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2022/23 £'000	Cash Flow	Note	2023/24 £'000
8,572	Net (surplus) or deficit on the provision of services		41,978
(35,608)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	45	(52,585)
41,719	Adjustments for items included in the net surplus on the provision of services that are investing and financing activities	45	33,334
14,683	Net cash flows from Operating Activities		22,727
36,753	Investing Activities	46	35,365
(37,092)	Financing Activities	47	(28,054)
14,343	Net (increase) or decrease in cash and cash equivalents		30,038

68,551	Cash and cash equivalents at the beginning of the reporting period		54,207
(14,344)	Net increase or (decrease) in cash and cash equivalents		(30,038)
54,207	Cash and cash equivalents at the end of the reporting period	33	24,169

Notes to the Statement of Accounts

Note 1 – Significant Accounting Policies

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position as at 31 March 2024.

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 (as amended), which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts has been prepared on a "going concern" basis.

ii. Events after the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the statement of accounts is authorised for issue.

Where an event occurring after the balance sheet date provides evidence of conditions that existed at the balance sheet date, the amounts recognised in the statement of accounts are adjusted.

Where an event that occurs after the balance sheet date is indicative of conditions that arose after the balance sheet date, the amounts recognised in the statement of accounts are not adjusted, but where this would have a material effect, it is disclosed in the notes to the accounts.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

iii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

Revenue from contracts with service recipients, whether for services or the provision of goods is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

When **revenue or expenditure is recognised**, but the cash has not transferred, a debtor or creditor for the relevant amount is included in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The Council has set a general de minimis level for accruals that are calculated manually at year end, this is to avoid additional time and cost in the preparation of the accounts. The level has been set at £5,000 for 2023/24 and is reviewed annually.

iv. **Interest Income & Expense**

Interest income and expenses are accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

Interest expense on a qualifying asset can be capitalised.

v. **Exceptional Items**

Exceptional items are material items which derive from individual events that fall within the ordinary activities of the Council and are identified as exceptional items by virtue of their size, nature or incidence. These items are disclosed separately in the accounts.

vi. **Cash and Cash Equivalents**

Cash is represented by cash in hand and on-demand deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in not more than seven days from the acquisition date and are readily convertible to known amounts of cash with insignificant risk of value change.

In the Balance Sheet, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

iv. Council tax and non-domestic rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including Government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the comprehensive income and expenditure statement is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Council's general fund. Therefore, the difference between the income included in the comprehensive income and expenditure statement and the amount required by regulation to be credited to the general fund is taken to the collection fund adjustment account and included as a reconciling item in the movement in reserves statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the financing and investment income and expenditure line in the comprehensive income and expenditure statement. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

vii. Employee Benefits

Benefits Payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits (e.g., cars) for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g., time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. Costs are charged on an accruals basis to the Corporate Support Services segment in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of the benefits or when the Council recognises the costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pension Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

Employees of the Council may be members of one of three separate pension schemes:

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- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pension Scheme (LGPS), administered by the Royal Borough of Windsor and Maidenhead.
- The National Health Service Pension scheme.

All the above schemes provide defined benefits to members (e.g., retirement lump sums and pensions).

However, the arrangements for the Teachers' Pension Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot be identified to the Council. These schemes are, therefore, accounted for as if they are Defined Contributions Schemes and no liability for future payment of benefits is recognised in the Balance Sheet. Children, Education and Early Help Services and Adult Care and Health Service lines in the Comprehensive Income and Expenditure Statement are charged with the employer's contributions payable to the Teachers' and NHS Pension schemes in year.

The Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is accounted for as a defined benefits scheme.

The liabilities of the Royal County of Berkshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e., an assessment is made of the future payments that will be made in relation to retirement benefits earned to date by scheme members based on assumptions about mortality rates, employee turnover, etc., and projected earnings of current members.

Liabilities are measured on an actuarial basis discounted to present value using the projected unit method. The discount rate used is determined in reference to the market yields of high-quality corporate bonds at 31 March.

The assets of the Royal County of Berkshire Pension Fund, attributable to the Council, are included in the Balance Sheet at their fair value:

- **quoted securities** – current bid price
- **unquoted securities** – professional estimate
- **unitised securities** – current bid price
- **property** – market value

The change in the net pensions liability is analysed into the following components:

Service costs comprising:

Current Service Cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Increases in Liabilities resulting years of the service earned in the year – are allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts for the service for which the employees worked.

Past Service Cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement [note that the treatment of past service costs will depend on the decisions of the authority about how they are allocated to service segments.

Net interest on the net defined benefit liability (asset), - i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments

Contributions paid to the Royal County of Berkshire Pension Fund - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

The return on Plan Assets - excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure.

Actuarial Gains and Losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.

Pensions Reserve - the amount chargeable to the General Fund for providing pensions for employees is the amount payable for the year in accordance with the statutory requirements governing each pension scheme. Where this amount does not match the amount charged to the Surplus or Deficit on the Provision of Services for the year the difference is taken to the Pensions Reserve via the Movement in Reserves Statement.

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits - The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and are accounted for on the same basis as Defined Benefit Schemes, and using the same policies as applied to the Local Government Pension Scheme.

Viii. Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost.

Financial Liabilities

Financial liabilities are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the comprehensive income and expenditure statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognized.

For most of the borrowings that the authority has, this means that the amount presented in the balance sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the comprehensive income and expenditure statement is the amount payable for the year according to the loan agreement.

The fair value for PWLB and non-PWLB loans are defined in Note 30.

However, the bonds issued by the Council are carried at a lower amortised cost than the outstanding principal and interest is charged at a marginally higher effective rate of interest than the rate payable to bondholders, as a material amount of costs incurred in its issue is being financed over the life of the stock.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is deducted from, or added to, the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The authority holds financial assets measured at:

- amortised cost, and
- fair value through profit or loss (FVPL)

The Council's business model is to hold investments to collect contractual cash flows financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest⁴²) and interest credited to the CIES is the amount receivable using the effective

interest rate. Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in CIES.

Financial assets measured at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets that are measured at FVOCI are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value.

The Council holds shares in the Municipal Bonds Agency. The characteristics of the instrument would result in the instrument being classed as Fair Value through Profit and Loss with unrealised gains and losses being taken to the CIES. However, the business model for holding the instrument is to hold for the long-term rather than for trading. Consequently, the instrument has been designated as Fair Value through Other Comprehensive Income.

All gains and losses due to changes in fair value are accounted for through a reserve account (the Financial Instruments Revaluation Reserve) with the balance debited or credited to the CIES when the instrument is disposed of.

Financial Assets measured at Fair Value Through Profit and Loss (FVTPL)

Financial assets that are measured at FVPL are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses and any gains/losses that arise on the derecognition of the asset are recognised.

Any gains/losses that arise on the derecognition of the asset are debited/credited to the Financing and Investment Income and Expenditure line in the CIES.

ix. Government Grants and Contributions

Whether paid on account, by instalment or in arrears, Government grants and third-party contributions are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments; and
- the contributions or grants will be received.

Income is only recognised in the Comprehensive Income and Expenditure Statement once any conditions attached to the contribution or grant have been met. A condition can stipulate how an asset purchased with grant can be used, or a service provided, with the risk of having to repay the grant to the awarding body if the conditions are not complied with.

Grants and contributions received where the conditions have not been satisfied are carried on the Balance Sheet as creditors. When conditions are satisfied or there are no conditions, the grant or contribution is credited to the relevant service line (for revenue grants and contributions) or Taxation and Non-Specific Grant (for non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

A Business Improvement District (BID) scheme applies across the whole of the Council. The scheme is funded by a BID levy paid by non-domestic ratepayers. The Council acts as principal under the scheme, and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the Comprehensive Income and Expenditure Statement.

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

Income from CIL charges, with the exception of amounts applied in accordance with the CIL regulations to meet administrative expenses, must be applied to fund infrastructure to support the development of the area in accordance with the Community Infrastructure Levy Regulations 2010, as amended.

Where CIL charges to be applied to fund capital expenditure have been received prior to the commencement date for the chargeable development, the CIL charges shall be recognised initially in the Grants Receipts in Advance Account until such a time that the chargeable development commences and then the charges are recognised as income. Where CIL charges have been recognised as income in the Comprehensive Income and Expenditure Statement, but have yet to be applied to fund infrastructure, the CIL charges shall be transferred to Usable Reserves (Capital Grants Unapplied Account). When the CIL charges are applied to capital expenditure the CIL charges shall be transferred from the General Fund (or the Capital Grants Unapplied Account) to the Capital Adjustment Account.

Where CIL charges are to be applied to fund revenue expenditure (such as but not limited to administration expenses), the CIL charges shall not be transferred out of the General Fund.

x. Inventories and Work in Progress (WIP)

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Work in Progress is subject to an interim valuation at the year-end and recorded in the Balance Sheet at cost plus any profit reasonably attributable to the works.

xi. Interests in Companies and Other Entities

Companies

The Council has interests in three subsidiary companies, which:

- are carried on the Council Balance Sheet at historic cost less any provision for impairment; and
- where material and actively trading they have been consolidated into the Council's Group Accounts on a line-by-line basis after first re-aligning accounting policies with the Council where appropriate and eliminating intra-Group transactions.

Schools

Schools maintained by the Council are recognised on the Balance Sheet as the balance of control lies with the Council. Consequently, all those schools' assets, liabilities, reserves and cash flows are recognised in the Council's financial statements (and not the Group Accounts). Voluntary Aided and Voluntary Controlled schools are not recognised on the Council's Balance Sheet as the balance of control for those schools lies with the respective dioceses. Academies are also not recognised on the Balance Sheet as they are controlled by Academy Trusts.

xii. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the comprehensive income and expenditure statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the general fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the general fund balance. The gains and losses are therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account and (for any sales proceeds greater than £10,000) the capital receipts reserve.

xiii. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal and replaced by a long-term debtor in the Balance Sheet valued on the future income due under the finance lease.

Income from lessees is apportioned between:

- a charge to write down the lease debtor for the acquisition of the leased item; and
- finance income (i.e., interest) which is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Unapplied Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

IFRS 16

The CIPFA LASAAC Local Authority Code Board has agreed to defer the implementation of IFRS 16 Leases in the Code of Practice on Authority Accounts in the UK (the Code) until the 2024/25 financial year.

This aligns with the decision at the Government's Financial Reporting Advisory Board to establish a new effective date of 1 April 2024 for the implementation of IFRS 16.

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset remains on the Council's Balance Sheet. Rental income is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the term of the lease, regardless of the pattern of payments.

Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

Council as Lessee

Finance Leases

The Council does not have property, plant or equipment held under finance leases.

Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a rent-free period at the commencement of the lease).

xiv. Overhead and support service recharges

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

xv. Prior period adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

xvi. Property, Plant and Equipment

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially valued at cost comprising:

- the purchase price.
- costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (where appropriate).

The Council does not have a de minimis level for capitalisation of assets.

The Council does not capitalise borrowing costs incurred while assets are under construction.

The cost of assets acquired other than by purchase is deemed to be their fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the comprehensive income and expenditure statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the comprehensive income and expenditure statement, they are reversed out of the general fund balance to the capital adjustment account in the movement in reserves statement.

Assets are held on the Balance Sheet according to the following valuations bases:

Asset type	Valuation basis
Infrastructure, community assets, vehicles, plant and equipment	Depreciated historic cost. Infrastructure is subject to statutory override and shown at net book value.
Council Offices	Current Value, determined as the amount that would be paid for the asset
Council Dwellings	Current value determined using Existing Use Value for Social Housing (EUV-SH)
School Buildings	Current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value.
Assets under Construction	Historic cost
Surplus Assets	Fair value, estimated at highest and best use from a market participant's perspective.
All other Property, Plant and Equipment assets	Current value, determined as the amount that would be paid for an asset based on its Existing Use Value (EUV)

Where there is no market-based evidence of current value due to the specialised nature of the asset, Depreciated Replacement Cost (DRC) is used as an estimate of current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amounts are not materially different from the current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the revaluation reserve to recognise

unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service, adjusted for depreciation that would have been charged if the loss had not been recognised.

Where decreases in value are identified, they are accounted for by:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only – the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed annually at year-end to determine whether there is any indication they may have been impaired. Where indications exist and possible differences are estimated to be material, the recoverable amount of the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall:

- Initially as a charge against the Revaluation Reserve where there is a credit balance for the asset to the extent of the credit balance; and
- Then as a charge to the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful economic lives. An exception is made for assets without a determinable finite useful life i.e., Freehold Land and certain selected Community Assets, and assets that are not yet available for use i.e. Assets Under Construction.

Depreciation is calculated on the following bases:

- **Dwellings and Other Buildings** – straight-line allocation over the useful life of the property as estimated by a qualified valuer.
- **Vehicles, Plant, Furniture and Equipment** – straight-line allocation over their useful economic lives, as estimated at the time of purchase by a suitably qualified officer. Assets acquired under finance leases are depreciated over their lease term.
- **Infrastructure** – straight-line allocation over 5 to 40 years depending on the type of asset.

Where an item of property, plant or equipment comprises major components whose cost is significant in relation to the total cost of the item, those components are depreciated separately.

Revaluation gains are also depreciated with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based upon the historical cost; this amount being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Where a receipt from the disposal of an asset exceeds £10,000 the income is recognised as a capital receipt. Receipts for assets disposed of at less than £10,000 are credited to the relevant service line in the Comprehensive Income and Expenditure Statement.

The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment (or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the

Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Heritage Assets

Heritage assets are considered tangible assets which have historical geophysical, artistic, scientific, technology or environmental qualities held for their contribution to culture and knowledge.

Heritage assets are measured in the Balance Sheet at insurance value based on market value. Impairment reviews are carried out annually to assess any physical depletion of the assets.

Any impairment is recognised and measured in accordance with the authority's general policies on impairment. Heritage assets held by the Council are deemed to have indefinite lives and are not depreciated. Disposals will be treated in the same manner as other Property, Plant and Equipment.

The exception to this is the Abbey Ruins which are held at historic cost less depreciation/impairment.

Componentisation

The component is a part of a larger asset that is separately identified and depreciated, for the purposes of assisting more accurate financial reporting and asset management.

Significant Component Factors:

- Different useful life from the Parent Asset
- Different value to the Parent Asset
- Economic/service benefit to the Council that is materially different to the rest of the asset.

The Componentisation takes place at acquisition, valuation and enhancement of the parent asset.

The following assets have been componentised:

We componentise Council Dwellings both the separation of the land value, and internal components. Where components are replaced, the Council will derecognise the replaced components within the accounts.

xvii. Service Concessions

Service concessions e.g., Private Finance Initiatives (PFI) and similar contracts are contracts to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. The Council recognises the assets used under the contracts on its Balance Sheet within Property, Plant and Equipment, because ownership of the property, plant and equipment will pass to the Council at the end of the contract terms for no additional charge.

The original recognition of these assets at current value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the authority.

The amounts payable to the PFI operators each year are analysed into five elements:

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- **Fair value of services** received during the year – debited to the relevant service in the CIES.
- **Finance cost** – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line on the CIES.
- **Contingent rent** – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the CIES.
- **Payment towards liability** – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- **Lifecycle replacement costs** – a proportion of the amount's payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

xviii. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised where the Council has a legal or constructive obligation arising from a past event that will probably require settlement by a transfer of economic benefits (cash or service potential), and where a reliable estimate can be made of the amount required to settle the obligation.

Provisions are charged as an expense to the appropriate Service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When a payment for expenditure against a provision is made, the expenditure is charged directly to that provision. All provisions are reviewed each year. Where some or all of the payment required to settle a provision is expected to be recovered from another party, e.g., from an insurance claim, this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

No provision is made for debts that are secured except in exceptional circumstances. Of all remaining debts, excluding financial instruments where an expected credit loss model is applied, the Council makes a provision for bad debts based upon continuous reviews of likely recovery undertaken by service managers and supporting finance staff.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

No liability is recognised if an outflow of economic resources is not probable or quantifiable. Such situations are not recognised in the Balance Sheet but are disclosed as contingent liabilities where the outflow of resources may be significant and is possible.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the balance sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xix. Reserves

The Council sets aside specific amounts for future policy purposes or to fund contingencies. Reserves are created by appropriating amounts from the General Fund Balance and/or the Housing Revenue Account Balance in the Movement in Reserves Statement.

When expenditure to be financed from the Reserve is incurred, it is charged to the appropriate Service line in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The Reserve is then appropriated back to the General Fund Balance or Housing Revenue Account Balance in the Movement in Reserves Statement so that there is no overall charge against Council Tax in respect of the costs incurred.

Certain reserves are kept managing the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council. Reserves are further explained in the relevant notes to the accounts.

xx. Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Legislation requires defined items of revenue expenditure charged to services within the Comprehensive Income and Expenditure Statement to be treated as capital expenditure. All such expenditure is transferred from the General Fund Balance via the Movement in Reserves Statement to the Capital Adjustment Account and is included in the Capital Expenditure and Capital Financing disclosure in Note 28.

During the period 1 April 2016 to 31 March 2025 the Council are allowed under guidance published by MHCLG the flexible use of capital receipts on areas of revenue cost to reform which generate ongoing savings to the Council. In the case where revenue spend is identified as meeting the criteria to use flexible capital receipts the Council will meet the cost of the reform through capital receipts generated during the same financial year. Where the Council has determined to meet this cost from capital receipts a transfer to the Capital Adjustment Account reverses the amounts charged to the Comprehensive Income and Expenditure Statement via the Movement in Reserves Statement so there is no impact on the level of Council Tax.

xxi. Value Added Tax (VAT)

The Comprehensive Income and Expenditure Statement excludes amounts relating to VAT. It is included as an expense only if it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income within the Comprehensive Income and Expenditure Statement.

Note 2 – Accounting Standards Issued but Not Yet Adopted

The Code of Practice requires that the Council discloses the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e., on or before 1 January 2024 for 2023/24). The 2023/24 Code will highlight the following amendments:

IFRS 16: Leases

IFRS 16 will require local authorities that are lessees to recognize a lease in their balance sheet as a right-of-use asset with a corresponding lease liability (there are exemptions for low-value and short-term leases). CIPFA/LASAAC have deferred implementation of IFRS 16 for local government to 1 April 2024. The Council will continue to review its' lease arrangements to assess the impact of the change.

Note 3 – Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1 Accounting Policies, the Council has made judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

There is a high degree of uncertainty regarding future levels of funding for Local Government. The Council's medium term financial strategy assesses the on-going pressures from reduced funding and increased demand for services, which are mitigated by further savings and use of reserves. The Council takes the view that this uncertainty is not yet sufficient indication that the value of the Council's assets might need to be impaired due to reduced levels of service provision or the need to close associated facilities.

The Council is engaged in two PFI contracts. After an assessment under the requirements of IFRIC 12, it has been determined that both arrangements are controlled by the Council. The Accounting Policies relating to PFI schemes have therefore been applied to these two contracts with the associated assets recognised within the Council's year-end Balance Sheet.

The Council has a number of properties for which it receives rental income. The nature of these holdings has been assessed against the Code requirements for Investment Properties in line with IAS 40 Investment Property, and the definition of this asset class. Properties that are held principally for the rental incomes received, or for increases in the capital value of the building, have been treated as Investment Properties, with the income and expenditure resulting from them included within the 'Investment Income' line in the Comprehensive Income and Expenditure Statement (CIES).

The Council has completed a school-by-school assessment across the different schools operated within the Borough to determine the individual accounting treatments. Judgements have been made to determine the arrangements in place and the accounting treatment of the Non-Current Assets. As a result, the Council recognises school assets for Community schools on the Balance Sheet. The Council does not recognise assets relating to Academies, Voluntary Aided (VA), Voluntary Controlled (VC) or Free Schools as the view has been adopted that these entities were deemed to be owned by the relevant Dioceses or Trust following consultation and review. School assets are recognised as a disposal from the Council's Balance Sheet on the date on which a school converts to Academy status, not on the date of any related announcement, nor is any impairment recognised by the Council prior to conversion.

The Council has to determine whether individual leases are Operating or Finance in nature, based upon assessment criteria as outlined in IAS 17 Leases and IFRIC 4 Determining whether or not an arrangement contains a lease. The relevant accounting policy applied to the lease is based upon the outcome of this assessment. The requirements for determining the treatment of leases are changing in 2024/25 when IFRS 16 comes into force and currently an assessment is being made to the 2023/24 position to establish what impact this will have.

Based upon the criteria described in the Code, the Council has undertaken a detailed review to assess the extent of Group accounting relationships. The Council has identified the entities that it consolidates, on the basis of materiality, in relation to the financial statements. Reading Transport Limited (RTL), Homes for Reading (HfR) and Brighter Futures for Children (BFfC) are deemed to constitute a material Group interest and these wholly owned subsidiaries have been consolidated within the Group Accounts. The Council has several interests in other entities which have been deemed as falling outside the scope of consolidation on the grounds of significant influence and control in line with the Code. Furthermore, the Council's interests in these entities in aggregate are not sufficiently substantial to warrant consolidation within the Group Accounts.

In 2018/19 the Council transferred a number of staff to the newly established Council subsidiary, Brighter Futures for Children Ltd. As part of the transfer agreement the Council provided an indemnity to the company in respect of all costs, liabilities, contributions and expenses which relate to any deficits in the Local Government Pension Fund from time to time. Management's view is that this indemnity provides a constructive obligation on the Council to meet the post-employment benefits of staff who transferred to the company at the transfer date of 1 December 2018. Accordingly, the Council has accounted for the liabilities arising in Note 44 and in accordance with IAS 19.

Note 4 – Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are based upon historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2024 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £1.289m for every year that useful lives had to be reduced.

Valuation of HRA dwellings

The valuation of HRA Dwellings has been split between land and buildings. Land values do not depreciate. The proportion of total HRA Dwellings value attributable to land has been derived by multiplying the residential land rate per hectare by the hectareage occupied by HRA Dwellings; the remaining balance of the total value is attributable to buildings and is depreciated. The annual depreciation charge would increase by £0.211m for a 1% shift in the overall proportion of Dwellings value in favour of buildings over land and would reduce by the same for a 1% shift in favour of land value over buildings.

Pension Liability

Estimation of the net liability to pay pensions depends on complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about these assumptions and judgments and has provided the sensitivity analysis shown below for 2023/24:

Impact on the defined benefit obligation	Increase in assumption £'000	Decrease in assumption £'000
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(10,353)	11,524
Rate of increase in salaries (increase or decrease by 0.1%)	676	(670)
Rate of inflation (increase or decrease by 0.1%)	10,147	(9,892)
Longevity (increase or decrease by 1 year)	25,164	(24,164)

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £10.353m. See Note 44 for more details of the LGPS Pension Scheme.

Arrears

At 31 March 2024, the Council had a balance of sundry debtors of £27.220m (net of impairments). A review of significant balances suggested that an impairment of doubtful debts of £8.9m was appropriate. If collection rates were to deteriorate, a 1% increase in the value of impairments for doubtful debts would require an additional £88,520 to set aside as an allowance.

Service Concessions

Estimates of the future payments due to contractors are based on assumptions regarding inflation and satisfactory performance as determined by the terms laid out within the contract. Inflation increases will lead to the Council having to pay over more to the contractor, and therefore amounts disclosed will be understated. If the contractor's performance is below the service level that has been built into the financial model linked to the Scheme, the contractor will have penalty charges levied against it and therefore the Council's costs will be lower than disclosed. Estimates may also be impacted by other assumptions (e.g., waste volumes). A 1% increase in the amount payable to the contractors due to inflation would result in an estimated additional annual cost of approximately £98,000.

Business ratepayer appeals

Business ratepayers may lodge appeals against the rateable value given to their properties on the current rating list. The Council makes a provision for this in the Collection Fund, estimated as the expenditure required to settle outstanding appeals based on the likely outcome of those appeals. The provision at 31 March 2024 was £10.181m, which is shared between the Council, Central Government and the Fire Authority. The Council's share of this provision totals £4.988m. The provision at 31 March 2024 has been calculated based on appeals submitted and analysis of appeals submitted in other areas. The eventual outcome of all outstanding appeal cases cannot be assessed with certainty. A 1% variance between actual and expected outcomes would increase the Council's share of potential appeals by £50,000.

Note 5 – Material Items of Income and Expense

For the purposes of this Note, the Council considers material items to be those greater than £2m. The Council incurred the following material expenditure:

- £9.7m (£7.5m 2022/23) to RE3 Ltd for waste collection and disposal under the waste collection service concession.
- £60.6m (£50.8m 2022/23) to BFfC for provision of Children's Services.
- £8.0m (£6.6m 2022/23) to Affinity (Reading) Ltd under a service concession to refurbish council-owned housing at North Whitley.
- £4.0m (£4.1m 2022/23) to Reading Transport Ltd for providing free travel under the Concessionary Fares Scheme.
- £2.8m (£2.9m 2022/23) to Northgate Public Services (UK) Ltd for the provision of IT services.

Note 6 – Events After the Reporting Period

Events taking place after February 2025 are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

In July 2024, the Council decided that it's 100% owned subsidiary Homes for Reading will be closed and the Company's properties are to be transferred to the Council's Housing Revenue Account. This is to happen on a phased basis as existing tenancies come to an end. Property valuations will be determined at the point of transfer.

Note 7 – Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from annual resources (Government Grants, Rents, Council Tax and Business Rates).

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23 Restated				2023/24			
Net Expenditure Chargeable to the GF and HRA	Net Expenditure in the CIES		Net Expenditure Chargeable to the GF and HRA	Net Expenditure in the CIES			
	Balances £'000	Adjustments £'000		Balances £'000	Adjustments £'000		
Page 362	47,302	725	48,027	Communities and Adult Social Care	52,787	(1,021)	51,766
	13,458	3,304	16,762	Resources	21,275	(2,812)	18,463
	1,716	55	1,771	Chief Executive Services	1,746	(243)	1,503
	2,736	(4,059)	(1,323)	Corporate	16,753	(16,763)	(10)
	55,186	5,124	60,310	Children, Education and Early Help Services	67,135	(1,458)	65,677
	17,127	27,370	44,497	Economic Growth and Neighbourhood Services	25,264	25,016	50,280
	1,981	(4,572)	(2,591)	Housing Revenue Account	6,661	(7,828)	(1,167)
	139,506	27,946	167,453	Cost of Services	191,622	(5,109)	186,512
	(118,351)	(40,529)	(158,880)	Other Income and Expenditure	(165,134)	20,599	(144,535)
	21,157	(12,583)	8,573	(Surplus) or Deficit on Provision of Services	26,488	15,490	41,977
(142,963) Opening General Fund and HRA Balances as at 1 April			(123,603)				
(1,299) Movement on DSG deficit to Unusable Reserves			(5,942)				
(497) Transfer from Capital Grants Unapplied to Earmarked Reserve							
21,157 (Surplus) or Deficit on Provision of Services (Statutory Basis)			26,488				
(123,603) Closing General Fund and HRA Balances as at 31 March			(103,057)				

Please Note: This table and all others within this document are subject to some rounding of figures. Where necessary some previous year figures may have been restated to match 2023/2024 reporting structure (primarily a change of reporting of Resources, Chief Executive Services & Corporate)

Note 7a – Note to the Expenditure and Funding Analysis

2022/23 Restated						2023/24				
Capital Statutory Adjustments £'000	Net Pension Statutory Adjustments £'000	Salary Accruals £'000	Other Adjustments £'000	Total Adjustments £'000		Capital Statutory Adjustments £'000	Net Pension Statutory Adjustments £'000	Salary Accruals £'000	Other Adjustments £'000	Total Adjustments £'000
182	570	(27)	-	725	Communities and Adult Social Care	517	(2,241)	11	693	(1,021)
2,705	593	6	-	3,304	Resources	211	(3,038)	15	-	(2,812)
(1)	62	(8)	-	55	Chief Executive Services	-	(241)	(3)	-	(243)
(6,870)	-	-	2,814	(4,055)	Corporate	(9,282)	(745)	-	(6,737)	(16,763)
3,201	1,719	203	-	5,124	Children, Education and Early Help Services	3,682	(5,197)	58	-	(1,458)
26,098	1,284	(13)	-	27,371	Economic Growth and Neighbourhood Services	24,012	(3,721)	27	4,699	25,016
(5,074)	491	10	-	(4,573)	Housing Revenue Account	(1,518)	(1,424)	2	(4,888)	(7,828)
20,242	4,719	171	2,814	27,945	Net Cost of Services	17,622	(16,607)	110	(6,234)	(5,109)
(1,494)	-	-	-	(1,494)	Other Operating Expenditure	21,406	-	-	137	21,543
7,435	8,709	-	-	16,144	Financing and investment income	9,257	6,934	-	6,572	22,763
(36,235)	-	-	(18,944)	(55,179)	Taxation and non - specific grants	(28,914)	-	-	5,208	(23,707)
(10,053)	13,428	171	(16,130)	(12,583)	Difference between GF/HRA (surplus)/ deficit and CIES (surplus) /deficit	19,370	(9,673)	110	5,683	15,490

Net Change for Capital Statutory Adjustments This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e., Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from total amounts receivable in the year to total amount receivable without conditions or for which conditions were satisfied. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

Net Change for Salary Adjustments

This relates to short-term employee benefits are those due to be settled wholly within 12 months of the year-end. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs. (See Accounting Policies)

Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For Financing and Investment Income and Expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and Non-Specific Grant Income and Expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Note 7b – Segmental Analysis of Income and Expenditure

Segmental income	Total Income per CIES £'000	Less Grants in Note 21 £'000	Net Income £'000
Communities and Adult Social Care Resources	(55,592)	(20,122)	(35,470)
Chief Executive Services	(23,220)	(3,809)	(19,411)
Corporate	(6,606)	(24)	(6,582)
Children, Education and Early Help Services	(50,585)	(50,607)	22
Economic Growth and Neighbourhood Services	(116,492)	(110,788)	(5,704)
Housing Revenue Account	(43,780)	(6,411)	(37,369)
	(46,419)	(4,015)	(42,404)
	(342,694)	(195,776)	(146,918)

The Segmental Analysis of Income and Expenditure provides analysis of the revenue generated from external customers, which has been included in column 1 of the Expenditure and Funding Analysis.

The definition of the single entity local authority financial statements has been adapted to include the transactions of local authority-maintained schools as if these transactions were recognised in the local authority group accounts. Consequently, the income and expenditure of local authority-maintained schools for the year is included in the nature of expenses disclosure above as if this were a disclosure of the group accounts.

Voluntary aided and foundation school employees are not the employees of the Council, however, in terms of the Code, they are required to be consolidated into the single entity financial statements of the Council. Accordingly, employee costs relating to voluntary aided and foundation schools are disclosed above.

Note 7c – Expenditure and Income Analysed by Nature

This note provides a subjective analysis of the Council's main income and expenditure statement:

2022/23 £'000	Nature of Expenditure or Income	2023/24 £'000
134,870	Council employees	132,291
11,746	Voluntary Aided Schools	11,396
146,617	Sub total	143,687
43,049	Depreciation, amortisation, impairment	39,745
36,139	Interest payments	23,279
300,013	Other service expenses	354,371
32,971	Business Rates Tariff	36,371
-	Net Loss on Asset Disposals	21,406
209	Payments to Housing Capital Receipts Pool	-
558,998	Total Expenditure	618,859
(134,826)	Revenue from external customers and other service income	(155,698)
(4,449)	Interest and investment income	(516)
(164,932)	Income from Council Tax and NDR	(175,695)
(241,729)	Government grants and contributions	(244,972)
(4,491)	Net Gain on Asset Disposals	-
(550,426)	Total Income	(576,880)
8,572	(Surplus) or Deficit for Year	41,978

Note 8 – Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance - The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Housing Revenue Account Balance - The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Capital Receipts Reserve - The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Major Repairs Reserve - The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

Capital Grants Unapplied - The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2023/24	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
Adjustments to the Revenue Resources	£000	£000	£000	£000	£000	£000
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pension cost (transferred to (or from) the Pensions Reserve)	8,873	800				(9,673)
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	(340)	-				340
Council tax and NDR (transfers to or from the Collection Fund)	(5,683)	-				5,683
Holiday pay (transferred to the Accumulated Absences reserve)	(108)	(2)				110
Equal pay settlements (transferred to the Unequal Pay / Back Pay Account)						
Charges for depreciation and impairment of non-current assets	(24,644)	(14,892)				39,536
Impairment losses on Property plant and equipment	1,895	4				(1,899)
Reversal of impairment of subsidiary Holding.						-
Movements in the market value of investment properties	(8,917)	-				8,917
Amortisation of intangible assets	(2,108)	-				2,108
Revenue expenditure funded from capital under statute	(8,839)	-				8,839
Amounts of non-current assets write off on disposal or sale as part of the gain/loss on disposal	(24,934)	(892)				25,826
Capital grants and contributions unapplied	28,914	-			(28,914)	
Total Adjustments to Revenue Resources	(35,891)	(14,982)	-	-	(28,914)	79,787
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	2,681	1,739	(4,420)			
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)						
Posting of Housing Revenue Account resource from revenue to the Major Repairs Reserve	-	14,892		(14,892)		
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	9,010	764				(9,774)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,545	750				(6,295)
Total Adjustments between Revenue and Capital Resources	17,236	18,145	(4,420)	(14,892)	-	(16,069)
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	5,079			(5,079)
Use of the Major Repairs Reserve to finance new capital expenditure	-	-		11,855		(11,855)
Application of capital grants to finance capital expenditure					31,212	(31,212)
Cash payments in relation to deferred capital receipts	-	-	(1,744)			1,744
Total Adjustments to Capital Resources	-	-	3,335	11,855	31,212	(46,402)
Other adjustments						
Total Adjustments	(18,655)	3,163	(1,085)	(3,037)	2,298	17,315

2022/23	General Fund Balance £'000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Adjustments to the Revenue Resources						
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pension cost (transferred to (or from) the Pensions Reserve)	(12,213)	(1,215)	-	-	-	13,428
Financial Instruments (transferred to the Pooled Funded Adjustment Account)	(2,810)	-	-	-	-	2,810
Council tax and NDR (transfers to or from the Collection Fund)	18,944	-	-	-	-	(18,944)
Holiday pay (transferred to the Accumulated Absences reserve)	(161)	(10)	-	-	-	171
Equal pay settlements (transferred to the Unequal Pay / Back Pay Account)	-	-	-	-	-	-
Charges for depreciation and impairment of non-current assets	(27,693)	(13,777)	-	-	-	41,470
Revaluation (gains) / losses on Property plant and equipment	-	-				-
Reversal of impairment of subsidiary holding	368					(368)
Movements in the market value of investment properties	(7,435)	-	-	-	-	7,435
Amortisation of intangible assets	(1,964)	-	-	-	-	1,964
Revenue expenditure funded from capital under statute	(5,560)	-	-	-	-	5,560
Amounts of non-current assets write off on disposal or sale as part of the gain/loss on disposal	1,161	(2,154)	-	-	-	993
Capital grants and contributions unapplied	36,235	-	-	-	(36,235)	-
Total Adjustments to Revenue Resources	(1,128)	(17,156)	-	-	(36,235)	54,519
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	1,250	4,234	(5,484)	-	-	(1)
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(209)	-	209	-	-	-
Posting of Housing Revenue Account resource from revenue to the Major Repairs Reserve	-	13,633	-	(13,633)	-	-
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	7,752	880	-	-	-	(8,632)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	2,775	551	-	-	-	(3,326)
Total Adjustments between Revenue and Capital Resources	11,568	19,298	(5,275)	(13,633)	-	(11,959)
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	2,474	-	-	(2,474)
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	11,841	-	(11,841)
Application of capital grants to finance capital expenditure	-	-	-	-	36,782	(36,782)
Cash payments in relation to deferred capital receipts	-	-	(1,744)	-	-	1,744
Total Adjustments to Capital Resources	-	-	730	11,841	36,782	(49,353)
Other adjustments (Repayment on Finance Lease)	-	-	(14,221)	-	-	14,221
Total Adjustments	10,440	2,143	(18,766)	(1,792)	547	7,427

Note 9 – Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure.

	Balance at 31 March 2022 £'000	Transfers Out £'000	Transfers In £'000	Balance at 31 March 2023 £'000	Transfers Out £'000	Transfers In £'000	Balance at 31 March 2024 £'000
General Fund Reserves:							
Emergency Planning Reserve	(610)	-	(698)	(1,308)	308	-	(1,000)
Communications Reserve	(200)	-	-	(200)	74	-	(126)
Housing Benefit Subsidy Loss Reserve	(600)	-	(25)	(625)	625	-	-
Public Health Reserve	(906)	-	(161)	(1,067)	-	(452)	(1,519)
Schools Deficit Liability Reserve	(674)	-	(330)	(1,004)	-	(297)	(1,301)
Climate Change Reserve	(220)	-	(6)	(226)	4	-	(222)
Legal & Taxation Reserve	(300)	-	(1,060)	(1,360)	1,442	(308)	(226)
Commercial Property Liabilities Reserve	(1,700)	-	(1,100)	(2,800)	24	-	(2,776)
Revenue Grants Unapplied Reserve	(30,031)	21,667	(9,182)	(17,547)	8,086	(1,999)	(11,459)
Self Insurance Reserve	(2,756)	-	(442)	(3,198)	578	(562)	(3,182)
IT & Digital Reserve	(2,591)	-	-	(2,591)	-	-	(2,591)
Transformation Reserve	(7,088)	504	-	(6,584)	5,034	-	(1,551)
Capital Financing Smoothing Reserve	(15,295)	9,395	(3,460)	(9,360)	7,126	(4,488)	(6,722)
Redundancy Reserve	(345)	-	-	(345)	104	-	(241)
Demographic & Cost-Led Pressures Reserve	(2,000)	-	-	(2,000)	-	(3,000)	(5,000)
Proportive Capital Costs Reserve	(1,500)	675	-	(825)	724	-	(101)
Collection Fund Smoothing Reserve	(6,196)	3,417	-	(2,780)	14	(792)	(3,557)
Better Care Fund Reserve	(1,032)	-	(788)	(1,820)	750	(806)	(1,877)
Joint Legal Team Reserve	(126)	-	-	(126)	126	-	-
Financial Resilience Reserve	(5,588)	1,165	(5,691)	(10,114)	6,099	(4,221)	(8,236)
DEGNS Strategic Reserve	(184)	29	-	(155)	155	-	-
Archives Projects Reserve	(31)	22	-	(9)	81	(72)	-
Energy Reserve	(791)	-	(496)	(1,287)	787	-	(500)
Ministry of Justice Liability Order Reserve	(119)	-	-	(119)	-	-	(119)
Pay & Inflation Reserve	-	-	-	-	1,000	(4,000)	(3,000)
Health & Safety Reserve	-	-	(71)	(71)	-	-	(71)
Project Management Office Reserve	-	-	(210)	(210)	47	-	(163)
Hardship Fund	-	-	(500)	(500)	67	-	(433)
Pension Liabilities Reserve	(1,100)	1,100	-	-	-	-	-
Procurement Training Reserve	(50)	50	-	-	-	-	-
Schools	(3,019)	1,815	(381)	(1,585)	979	(1,174)	(1,780)
Total General Fund	(85,052)	39,839	(24,601)	(69,814)	34,234	(22,170)	(57,751)
Housing Revenue Account Reserves:							
North Whitley PFI	(10,147)	231	-	(9,916)	392	-	(9,524)
Total Housing Revenue Account	(10,147)	231	-	(9,916)	392	-	(9,524)
Total Earmarked Reserves	(95,199)	40,070	(24,601)	(79,730)	34,626	(22,170)	(67,275)

The Council holds these Reserves for the following purposes:

The **Emergency Planning Reserve** has been created to cover for unforeseen emergencies not budgeted for.

The **Communications Reserve** has been created to allow for investment in communications strategies and engaging with the public.

The **Housing Benefit Subsidy Loss Reserve** has been created to provide for any potential claw back from Central Government of housing benefit subsidy following audit of the annual housing subsidy claim.

The **Public Health Reserve** has been created in line with the conditions of the Public Health grant to carry forward unspent grant to support Public Health expenditure.

The **Schools Deficit Liability Reserve** has been created to fund potential deficits of schools that may become academies in the future.

The **Climate Change Reserve** was established to allow for revenue investment to address the climate emergency.

The **Legal and Taxation Reserve** has been set-up as a contingency to help meet unbudgeted legal costs and/or liabilities arising from litigation and other previously unbudgeted legal liabilities and taxation matters.

The **Commercial Property Liabilities Reserve** was set-up to manage urgent liabilities associated with the Council's property.

The **Revenue Grants Unapplied Reserve** has been formed to hold Revenue Grant balances where the conditions for use have been met but relevant expenditure has not yet been incurred. The Grant balance will be transferred out to match relevant expenditure incurred in future years.

The **Self-Insurance Reserve** was formed to meet estimated liabilities in connection with internally held risks related to the Council's Insurance programme.

The **IT and Digital Reserve** was set up to provide for the replacement of IT and Digital equipment which has passed its useful economic life, to improve operational efficiency.

The **Transformation Reserve** was set up to allow for potential slippage in the delivery of capital receipts to fund transformation as well as funding transformation projects beyond the end of the flexible capital receipts directive in 2024/25.

The **Capital Finance Smoothing Reserve** has been formed to smooth funding across the period of the Medium-Term Financial Strategy.

The **Redundancy Reserve** was set up to fund future costs of redundancy.

The **Demographic and Cost-Led Pressures Reserve** has been formed to provide for potential cost pressures arising from demographic or other demand-led services.

The **Abortive Capital Costs Reserve** was set up to provide for the cost of feasibility studies which do not progress into Capital Schemes.

The **Collection Fund Smoothing Reserve** has been setup to provide for the potential downturn in the economy that would reduce the level of Business Rates/Council Tax.

The **Better Care Fund Reserve** is to meet costs relating to the Hospital Discharge Scheme.

The **Joint Legal Team Reserve** is to fund specific invest to save projects.

The **Financial Resilience Reserve** is to provide the Council with financial resilience in respect of implications from future local government funding reform including the business rates reset.

The **DEGNS Strategic Reserve** is to address acknowledged strategic challenges facing the Directorate including in the areas of capital programme delivery, driving forward major regeneration projects and securing funding, supporting Reading's economic recovery from the impacts of the Covid-19 pandemic and delivery of directorate savings plans.

The **Archives Projects Reserve** is to hold specific archives partnership funds.

The **Energy Reserve** is to mitigate against fluctuations in energy prices.

The **Ministry of Justice Liability Order Reserve** is to fund overpaid liability orders.

The **Pay & Inflation Reserve** is to mitigate against potential additional pay & inflationary pressures.

The **Health & Safety Reserve** is to fund a temporary Risk Management Officer.

The **Project Management Office Reserve** is to fund temporary support to the Project Management Office.

The **Hardship Fund** is to fund hardship relief.

The **Pension Liabilities Reserve** previously was created to cover potential future Pension Fund Liabilities arising from Employer contribution rate fluctuations and/or from organisational change.

The **Procurement Training Reserve** previously was used to fund specific procurement related training.

The **Schools Reserve** holds individual accumulated schools' balances, e.g. The unspent revenue balances held by schools in surplus, offset by the overdrawn revenue balances of schools in deficit. The balance of a School in surplus can only be used by the School and is not available to the Council for general use.

The **North Whitley PFI Reserve** has been established within the HRA balance to ensure that the contracted payment can be sustained over the contract period.

Note 10 – Other Operating Expenditure

2022/23 £'000		2023/24 £'000
134	Levies	137
209	Payments to the Government Housing Capital Receipts Pool	-
(4,491)	(Gains)/Losses on the disposal of non-current assets	21,406
(4,148)	Total	21,543

Note 11 – Financing and Investment Income and Expenditure

2022/23 £'000		2023/24 £'000
17,186	Interest payable and similar charges	16,005
8,709	Net interest on the net defined benefit liability (asset)	6,934
(4,449)	Interest receivable and similar income	(3,246)
7,435	Income and expenditure in relation to investment properties and changes in their fair value	2,730
2,810	Other investment income and expenditure	340
31,691	Total	22,763

Note 12 – Taxation and Non-Specific Grant Income

2022/23 £'000		2023/24 £'000
(104,474)	Council Tax Income	(110,996)
(58,350)	Non-Domestic rates income	(64,698)
32,971	Non-Domestic Rates Tariff and Levy	36,371
(20,335)	Non-Ringfenced Government Grants	(20,603)
(36,235)	Capital Grants and Contributions	(28,914)
(186,423)	Total	(188,840)

Note 13 – Officers' Remuneration

The Corporate Management Team (CMT) is responsible for the day-to-day management and direction of the Council. The remuneration paid to the members of CMT is as follows:

2023/24 Senior Officers' Remuneration

2023-24	Post Holder Information	Salary, fees and allowances* (£)	Expenses allowances (£)	Compensation for loss of office (£)	Total remuneration (£)	Employer's pension contributions (£)	Total remuneration including pension contributions (£)
	Chief Executive (Jackie Yates)	177,942	-	-	177,942	28,827	206,769
	Director of Finance (S151 Officer)	127,255	-	-	127,255	20,615	147,870
	Executive Director of Communities & Adult Social Care Services	135,985	-	-	135,985	22,030	158,015
	Executive Director Of Resources	146,423	-	-	146,423	23,721	170,144
	Executive Director for Economic Growth & Neighbourhood Services 1*	23,345	-	-	23,345	3,703	27,048
	Acting Executive Director for Economic Growth & Neighbourhood Services 2*	34,216	-	-	34,216	5,575	39,791
	Executive Director for Economic Growth & Neighbourhood Services 3*	76,878	-	61,010	137,888	11,726	149,614
	Interim Director of Public Health Berkshire West 4*	220,589	-	-	220,589	-	220,589
	Executive Director of Children's Services	127,386	-	-	127,386	20,637	148,023
	Assistant Director of Legal & Democratic Services (Monitoring Officer)	97,426	-	-	97,426	16,598	114,024
		1,167,445	-	61,010	1,228,454	153,431	1,381,886

1* Left the role on 04/06/2023

2* Acted up in the role for 2 separate periods: both 05/06/23 to 14/09/23 and 04/03/24 to 31/03/24

3* Started 4/9/2023 & left role on 01/03/2024

4* Started the role on 17/04/23 but on an Agency Contract

2022/23 Senior Officers' Remuneration

2022-23	Post Holder Information	Salary, fees and allowances* (£)	Expenses allowances (£)	Compensation for loss of office (£)	Total Remuneration (£)	Employer's pension contributions (£)	Total remuneration including pension contributions (£)
	Chief Executive (Peter Sloman)1*	67,102			67,102		67,102
	Chief Executive/Deputy Chief Executive (Jackie Yates)2*	158,994	8,309		167,304	24,761	192,065
	Director of Finance (S151 Officer)	123,762			123,762	18,317	142,079
	Executive Director of Adult Care & Health Services 3*	108,338	77		108,416	15,783	124,199
	Interim Executive Director of Adult Care & Health Services4*	31,820			31,820	4,709	36,529
	Interim Executive Director Of Resources5*	121,926			121,926		121,926
	Executive Director Of Resources 6*	18,582			18,582	2,750	21,332
	Executive Director of Environment & Neighbourhood Services	141,901			141,901	19,124	161,025
	Director of Public Health Berkshire West	129,236			129,236	18,948	148,183
	Executive Director of Children's Services7*	14,079		6,649	20,727	984	21,711
	Executive Director of Children's Services 8*	15,130			15,130	2,239	17,369
	Executive Director of Children's Services9*	4,117			4,117	609	4,726
	Assistant Director of Legal & Democratic Services (Monitoring Officer)	92,727			92,727	13,724	106,451
		1,027,714	8,387	6,649	1,042,749	121,948	1,164,697

1* Term time only departed RBC 31/08/22

2* Acting Up from 19/07/22, Commenced 19/10/22

3* Left 31/12/2022

4* Commenced 01/01/23

5* Interim - REED Agency 11/08/22 - 10/02/23

6*Started Permanent Role Feb 2023

7* Left 30/06/2023

8* Commenced 13/02/23

9* Commenced Feb 23

50k Banding

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts. The Senior Officers are excluded from this table but included in the more detailed table above:

			Number of Employees			
2022/23	2022/23	2022/23		2023/24	2023/24	2023/24
Schools	Non-schools	Total		Schools	Non-schools	Total
24	49	73	£50,001 to £55,000	31	64	95
10	47	57	£55,001 to £60,000	15	32	47
9	21	30	£60,001 to £65,000	9	42	51
3	16	19	£65,001 to £70,000	6	13	19
3	1	4	£70,001 to £75,000	5	12	17
4	5	9	£75,001 to £80,000	4	3	7
5	3	8	£80,001 to £85,000	4	5	9
3	2	5	£85,001 to £90,000	3	3	6
-	-	-	£90,001 to £95,000	3	2	5
-	-	-	£95,001 to £100,000	-	-	-
-	-	-	£100,001 to £105,000	2	-	2
-	-	-	£105,001 to £110,000	-	-	-
1	-	1	£110,001 to £115,000	-	-	-
-	-	-	£115,001 to £120,000	-	-	-
1	-	1	£120,000 to £125,000	-	-	-
1	-	1	£125,001 to £130,000	1	-	1
64	144	208	Total	83	176	259

Note 14 – Exit Packages

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£)	
	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
£0 - £20,000	-	-	5	18	5	18	43,841	95,628
£20,001 - £40,000	-	-	6	2	6	2	191,717	45,893
£40,001 - £60,000	-	-	2	-	2	-	86,092	-
£60,001 - £80,000	-	-	-	1	-	1	-	61,010
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	1	-	1	-	159,442	-
£200,001 - £250,000	-	-	-	-	-	-	-	-
Total	-	-	14	21	14	21	481,092	202,531
Add: Amounts provided for in CIES not included in bandings							-	-
Total cost included in CIES							481,092	202,531

As a result of various changes being implemented by the Council, a number of individuals have received Exit Packages, including redundancy compensation. The preceding table (and prior year comparators) shows those amounts paid during the year (including the costs borne by the Council for the additional contribution to the Pension Funds where this was part of the Exit Package).

Where the total salary and compensation for loss of office payable to an individual in the course of the year exceeds £50,000, the individual is also included within the amounts disclosed above.

Note 15 – Members' Allowances

Payments to Members are made under the provisions of the Local Authorities (Members Allowances) (England) Regulations 2003.

Co-optees' Allowances are payable to non-Councillor members sitting on the Standards Committee or any other sub-committee formed by the Standards Committee.

The total amounts paid to Members and Co-opted Officers during 2023/24 was as follows:

2022/23 £'000		2023/24 £'000
425	Basic Allowances	444
179	Special Responsibility Allowance	171
-	Dependent Carer's Allowance	-
1	Travelling and Subsistence Allowance	2
4	Co-optees' Allowance	3
611		620

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Note 16 – Related Parties

The Council is required to disclose material transactions during the year with related parties. Parties are considered to be related to the Council if either of the parties has the power (either via voting rights, family ties or financially) to influence operational or financial policy decisions of the other.

The key personnel responsible for the major strategic decisions within the Council are:

- Elected Members.
- Chief Executive.
- Members of the Corporate Management Team (CMT). Additional details of these Officers are provided in Note 13.

Members are required to complete the Register of Members' Interests. The Council retains and updates a full copy of this document. It is available to view during office hours at the Council's Offices. From the Register, it has been identified that:

Three Members sit on the Board of Readibus. This Charity has been established to provide a Scheme for the transportation of elderly and temporarily or permanently disabled people within Reading and the surrounding district. The Council is the major grant funding body for Readibus. In total during 2023/24, the Council incurred costs of £655k (2022/23: £660k) with Readibus.

Transactions with Central Government

Central Government has an effective general control over the operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides a significant portion of the Council's funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties. Details of the transactions with other Government departments include items reported within Note 21 Grant Income, Note 28 Capital Expenditure, Note 34 Debtors and Note 35 Creditors.

Transactions with Bodies where the Council can exhibit 'significant influence'

The Council holds 49% of the shareholding of Reading-Hampshire Property Partnership (RHPP); this is a Joint Venture between the Council and Hampshire County Council and provides services to support work on property, notably the Primary School Expansion Programme. The Council has been assessed as being able to exert significant influence over the organisation but as transactions with RHPP in 2023/24 total £2.95m (2022/23 just over £2.66m) and the entity has no assets, RHPP has been excluded from the Group Accounts on materiality grounds.

One Member (the current lead Councillor) and the Chief Executive are on the Board of Reading UK CIC, a community interest company that manages the Town Centre Business Improvement District and various other Economic and Business Development activities. All the staff working for the company are seconded from the Council. Although the company's constitution provides that Council connected director's votes are diluted to a weight of less than 20% should they numerically exceed that, the Council does exhibit some influence as the majority of the turnover is derived directly or indirectly from the Council.

Note 17 – External Audit Costs

The Council's external auditor is EY. The amounts payable by the Council to EY for external audit services are as follows:

2022/23 £'000		2023/24 £'000
Certification of grant claims and returns for the following years		
33	Financial Year 2020-21	-
14	Financial Year 2021-22	56
-	Financial Year 2022-23	92
-	Financial Year 2023-24	98
Fees payable in regard to external audit services for the following years		
-	Financial Year 2019-20	290
-	Financial Year 2020-21	290
-	Financial Year 2021-22	42
84	Financial Year 2022-23	42
-	Financial Year 2023-24	222
131	Total	1,132

Note 18 – Trading Operations

The Council operates a trading account for the services below:

Housing Building Maintenance

The Council operates a housing building maintenance trading unit that carries out reactive and planned maintenance on the Council's housing stock, as well as for other Local Authorities.

2022/23 £'000		2023/24 £'000
Housing Building Maintenance		
(18,669)	Turnover	(8,488)
17,107	Expenditure	7,776
(1,562)	(Surplus)/Deficit	(712)

Building Control - Trading Account

The Local Authority Building Control Regulations 2010 require the disclosure of information regarding the setting of charges for the administration of the building control function. However, certain activities cannot be charged for such as providing statutory advice or liaising with other statutory authorities. The statement shows the total cost for operating the building control unit for chargeable activities.

2022/23 £'000		2023/24 £'000
Building Control Trading Account		
(229)	Turnover	(255)
450	Expenditure	414
221	(Surplus)/Deficit	159

Note 19 – Pooled Budgets

Reading is party to two partnership schemes established under Section 75 of the National Health Service Act 2006. These enable the establishment of joint working arrangements between NHS bodies and local authorities to enable them to work collaboratively to provide services.

1) Berkshire Community Equipment Stores

The Community Equipment Stores Agreement uses NRS Healthcare as an agent to provide the services. The six Berkshire Unitary Authorities and the Berkshire Clinical Commissioning Groups are members of the agreement with West Berkshire Council as the lead partner.

2022/23 £'000		2023/24 £'000
	Funding Within the Pooled Budget	
(819)	Reading Borough Council - Adult Services	(886)
(72)	Reading Borough Council - Children's Services	(126)
(3,672)	Other Berkshire Councils	(4,316)
(6,816)	Berkshire Clinical Commissioning Groups	(7,801)
(11,378)		(13,129)
	Expenditure Within the Pooled Budget	
140	Management Fund Costs	129
11,238	Nottingham Rehab Supplies Equipment	13,000
11,378		13,129
-	Net (Surplus)/Deficit within the scheme .	-

2) Better Care Fund

Reading Borough Council and Berkshire West Clinical Commissioning Group are partners in the provision of services with the primary purpose to ensure vulnerable clients are placed at the centre of their own care and support packages and to provide fully integrated health and social care. The services included within the BCF include support to carers, reablement, intermediate care and long-term support packages.

2022/23 £'000		2023/24 £'000
	Funding Provided to the Pooled Budget	
(4,160)	Reading Borough Council	(4,299)
(11,781)	Berkshire West CCG	(12,449)
(15,941)		(16,748)
	Expenditure within the Pooled Budget	
10,482	Reading Borough Council	11,228
5,052	Berkshire West CCG	4,996
15,533		16,224
(408)	(Surplus) for the pooled budget in 23/24	(524)

Note 20 – Dedicated Schools Grant

School funding is provided to Local Authorities by means of a ring-fenced grant from the Department for Education. The split between individual schools is by a formula agreed by local schools through the Schools' Forum; the Forum also agrees the split between the total amount devolved to schools and the amount retained by the Council for central expenditure. Details of the deployment of DSG amounts receivable are as follows:

	Central Expenditure £'000	2023/24 Individual Schools Budget £'000	Total £'000
Final DSG for 2023/24 before Academy recoupment			(162,502)
Academy figure recouped for 2023/24			69,378
Total DSG after Academy recoupment for 2023/24			(93,123)
Plus: Brought forward from 2022/23			-
Less: Carry forward to 2024/25 agreed in advance			-
Agreed initial budgeted distribution in 2023/24	(28,312)	(64,811)	(93,123)
In year adjustments	-	482	482
Final budgeted distribution for 2023/24	(28,312)	(64,329)	(92,642)
Less: Actual central expenditure	33,835		33,835
Less: Actual ISB deployed to schools		64,747	64,747
Plus: Local Authority contribution for 2023/24	-	-	-
In-year Carry-forward to 2024/25	5,523	418	5,941
DSG deficit within Unusable Reserves at the end of 2022/23			3,463
Addition to DSG deficit within Unusable Reserves at the end of 2023/24			5,941
Total of DSG deficit within Unusable Reserves at the end of 2023/24			9,404
New DSG position at the end of 2023/24			9,404

Under the Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2020, which came into effect on 29 November 2020, any local authority with a deficit on its school budget during the period of the regulation (1 April 2020 to 31 March 2024) must charge the amount of the deficit to an account established solely for this purpose in the Unusable Reserves section of the balance sheet.

Note 21 – Grant Income

Grants and contributions, including donated assets, shall not be recognised until there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments; and
- the contributions or grants will be received.

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis and recognised immediately (when the two criteria above are met) in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition(s) (as opposed to restrictions) relating to initial recognition that the Council has not satisfied. Grants and contributions that satisfy the recognition criteria above, but which have a condition attached that remains to be satisfied are recognised initially in the relevant Grants Receipts in Advance Account.

General grants and contributions (comprising Revenue Support Grant, NDR redistribution and non-ringfenced government grants) are disclosed as one or more items on the face of the Comprehensive Income and Expenditure Statement.

Revenue grants and contributions that are not general grants described above are credited to service revenue accounts, support services, trading accounts and the Housing Revenue Account.

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023/24 as follows:

2022/23 £'000		2023/24 £'000
	Credited to Taxation and Non Specific Grant Income	
	<u>Grants</u>	
(12,580)	Business Rates Reliefs	(14,674)
(2,038)	New Homes Bonus	(1,453)
(2,108)	Revenue Support Grant	(2,487)
(2,116)	Services Grant	(1,241)
(636)	Housing Infrastructure Fund (Revenue Element)	-
(932)	Other Non Specific Revenue Grants	(307)
75	Covid Grants	-
(15,187)	Capital Grants*	(4,143)
(21,048)	Capital Contributions (including CIL and S106 monies)*	(24,772)
(56,570)	Total Grants	(49,076)

2022/23 £'000		2023/24 £'000
	* Capital Grants and Contributions	
(2,588)	Bus Service Improvement Plan	(6,237)
(8,537)	Schools Standards Fund	(5,056)
-	Priority Schools Building Programme	(2,645)
(2,613)	LTP - Integrated Transport Block Grant	(2,613)
(9,210)	S106 Contributions	(2,490)
(649)	Local Authority Housing Fund	(2,427)
(5,977)	Community Infrastructure Levy - Contributions	(1,653)
(1,197)	Disabled Facilities Grant	(1,302)
368	Homes England - Dee Park	(948)
(756)	Pothole Action Fund	(789)
-	Network Rail/First Great Western - Green Park Station	(779)
-	DCLG Brownfield Land release grant for Minster Quarter Scheme	(561)
(1,075)	Active Travel	(558)
(2,288)	Affordable Housing Homes England Funding	(247)
(1,455)	Leisure Procurement Lottery Funding	(15)
492	Public Sector Decarbonisation Fund - Schools	-
(750)	Other Capital Grants	(594)
(36,235)	Total	(28,914)

2022/23 £'000		2023/24 £'000
	Revenue Grants and Contributions Receipts in Advance:	
6,483	Covid Additional Relief Fund	-
294	Other	-
6,777	Total Grants	-

2022/23 £'000		2023/24 £'000
	Credited to Services	
	<u>Grants</u>	
(86,706)	Dedicated Schools Grant (DSG)	(92,168)
(42,457)	Housing Benefit Subsidy	(42,242)
(10,316)	Public Health Grant	(10,653)
(4,452)	Social Care Grant	(7,499)
(4,815)	Bus Service Improvement Plan	(4,100)
(3,731)	Pupil Premium Grant	(4,001)
(3,997)	North Whitley PFI - Housing	(3,997)
(2,693)	Improved Better Care Fund	(2,693)
(2,261)	DWP Household Support Fund	(2,261)
(384)	Market Sustainability Fund	(2,200)
(1,716)	Unaccompanied Asylum-Seeking Children Funding	(2,149)
(1,782)	Preventing Homelessness Grant	(2,042)
(1,409)	Mainstream Schools Additional Grant	(1,698)
(1,345)	ESFA Funded Adult Education Grant	(1,376)
(362)	Rough Sleeping Accommodation Project	(1,347)
(1,096)	Universal Infants Free School Meals	(1,250)
(1,057)	PFI Central Berkshire Waste Disposal	(1,057)
-	Early Years Supplementary Grant	(971)
(1,103)	Rough Sleeping Initiative	(820)
(431)	Rough Sleeping Drug and Alcohol Treatment	(803)
(448)	Sixth Form Funding	(559)
(530)	Primary PE and Sport Premium	(529)
(529)	Recovery Premium Grant	(507)
(315)	Asylum Dispersal Grant	(497)
(509)	Housing Benefit Admin Subsidy	(494)
(405)	Supplementary Substance Misuse Treatment & Recovery Grant	(470)
(2,948)	Homes for Ukraine Tariff Grant	(368)
(638)	Supporting Families	(174)
(412)	Homes for Ukraine Education and Childcare Grant	(8)
(750)	Future Council Initiative	-
(488)	Holiday Activities and Food Programme	-
(473)	Local Data Accelerator Fund for Children and Families	-
(528)	Other Covid grants	-
(6,520)	Other Grants	(6,843)
(187,606)	Total Grants	(195,776)

Note 22 – Property, Plant and Equipment

The following non-current assets are subject to revaluation as set out below:

Asset type	Valuation basis	Date of valuation	Valuation frequency
Council dwellings	Existing Use Value – Social Housing	31 March 2024	Annual
Other land and buildings	Existing Use Value	31 March 2024	Five-yearly
Surplus Assets	Fair value	31 March 2024	Annual

Other land and buildings and surplus asset valuations were undertaken by the external Valuer Sanderson Weatherall LLP, under the direction of Ian Vivian, MRICS. The valuation date is the 31 March 2024 for all valuations completed.

Vehicles, plant, and equipment are valued at depreciated historic cost, as a proxy for current value on the basis that these are low value assets and/or have short lives. There is one exception which is the plant and equipment of the two Waste Disposal Assets in which the Council has a share of the interest. These assets are subject to valuation as outlined in the valuation information provided below.

Revaluations

The Council carries out a rolling programme that ensures that all property, plant, and equipment required to be measured at current value is revalued at every five years. All valuations have been carried out externally as detailed above.

Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimate set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The significant assumptions applied in estimating the current values of property, plant and equipment are:

- Amenity land rate £40k per Hectare
- Low value land rate £4,000k per Hectare
- High value land rate £5,500k per Hectare

For DRC Valuations:

- Assessments are modelled on the core build cost derived from BCIS that is relevant to property type
- Contingency of 5% and Professional Fees of 12.5% applied

For Valuations using MEA:

- The MEA is adopted when the actual area is lower
- The actual area is adopted where the MEA is larger

MEA based on DFE guidance per pupil per m²

For Valuations based on Comparable/Capitalised rent:

Running Yields and Net Initial Yields are based on value plus buyer's costs

Net Initial Yields excludes acquisition costs

Formulae as in Parry's Tables: rent annually in arrears

Stamp Duty is progressive and derived from the set "HMRC (UK excl Scotland, 2019)"

Cap Adj running yield is based on cumulative capital invested

Dual rate sinking fund at 4% with correction and tax at 40%

The following statement shows the progress of Reading Borough Council's rolling programme for the revaluation of property, plant, and equipment. The table below shows the summary of assets revalued at each date and is an extract from the Gross Book Values from the Property, Plant and Equipment note.

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Surplus Assets	Total
	NBV £'000	NBV £'000	NBV £'000	NBV £'000	NBV £'000
Carried at historical cost		32,563	16,246		48,809
Valued at current value as at:					
31 March 2020		54,064			54,064
31 March 2021		33,782	916		34,698
31 March 2022		58,261			58,261
31 March 2023		53,426			53,426
31 March 2024	550,572	129,896		23,771	704,239
Total	550,572	361,992	17,161	23,772	953,497

All asset Valuations were carried out by Sanderson Weatherall LLP.

Property, Plant and Equipment 2023/24

Movements to 31 March 2024	Council Dwellings	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
at 1 April 2023	569,137	357,648	29,875	9,019	27,781	81,188	1,074,648
Additions	18,442	6,618	4,913	238	-	25,989	56,201
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(34,392)	9,547	-	-	2,077	-	(22,768)
Derecognition – disposals	(916)	(2,218)	(488)	-	(2,101)	-	(5,723)
Reclassifications and transfer	12,921	19,851	3,685	-	(3,896)	(59,900)	(27,339)
Other movements in cost or valuation	(14,620)	(15,387)	-	-	(88)	-	(30,095)
at 31 March 2024	550,572	376,059	37,985	9,257	23,772	47,277	1,044,922
Accumulated Depreciation and Impairment							
at 1 April 2023	-	(21,944)	(18,583)	(2,057)	-	(708)	(43,292)
Depreciation charge	(14,644)	(10,198)	(2,628)	(37)	(53)	-	(27,560)
Impairment (losses)/reversals recognised in the Surplus/Deficit on the Provision of Services	-	1,952	-	-	(53)	-	1,899
Derecognition – disposals	24	710	388	-	34	-	1,155
Reclassifications and transfers	-	25	-	-	(16)	(9)	-
Other movements in depreciation and	14,620	15,387	-	-	88	-	30,095
at 31 March 2024	-	(14,068)	(20,824)	(2,094)	-	(717)	(37,702)
Net Book Value							
at 31 March 2023	569,137	335,704	11,292	6,962	27,781	80,480	1,031,356
at 31 March 2024	550,572	361,991	17,161	7,163	23,772	46,560	1,007,219

Property, Plant and Equipment 2022/23

Movements to 31 March 2023	Council Dwellings	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
at 1 April 2022	549,451	342,944	26,324	8,807	24,213	71,598	1,023,339
Additions	12,675	5,973	3,514	183	22	48,821	71,187
Revaluation increases/(decreases) recognised in the Revaluation Reserve	15,353	3,738	-	-	1,105	-	20,196
Derecognition – disposals	(2,208)	(509)	(893)	-	2,318	-	(1,293)
Reclassifications and transfer	7,247	17,848	930	29	430	(39,231)	(12,747)
Other movements in cost or valuation	(13,381)	(12,346)	-	-	(307)	-	(26,034)
at 31 March 2023	569,137	357,648	29,875	9,019	27,781	81,188	1,074,649
Accumulated Depreciation and Impairment							
at 1 April 2022	-	(19,976)	(16,977)	(2,029)	-	(991)	(39,973)
Depreciation charge	(13,416)	(9,406)	(2,396)	(28)	(12)	-	(25,257)
Impairment (losses)/reversals recognised in the Surplus/Deficit on the Provision of Services	-	(4,644)	-	-	(81)	-	(4,725)
Derecognition – disposals	54	1	790	-	(215)	-	630
Reclassifications and transfers	(19)	(265)	-	-	-	284	-
Other movements in depreciation and	13,381	12,346	-	-	307	-	26,034
at 31 March 2023	-	(21,944)	(18,583)	(2,057)	-	(708)	(43,292)
Net Book Value							
at 31 March 2022	549,451	322,971	9,347	6,779	24,213	70,607	983,368
at 31 March 2023	569,136	335,707	11,291	6,963	27,781	80,480	1,031,359

Note 23 – Infrastructure Assets

	2022/23	2023/24
Movements on Balances	£'000	£'000
Net Book Value at 1 April	123,335	132,986
Additions	8,261	9,636
Derecognition	-	(21,258)
Reclassifications	12,747	27,672
Depreciation	(11,356)	(11,867)
Impairment	-	-
Adjustments	-	-
Net Book Value at 31 March	132,986	137,170

	2022/23	2023/4
Property, Plant and Equipment (PPE)	£'000	£'000
Infrastructure Assets	132,986	137,170
PPE excluding Infrastructure Assets	1,031,357	1,007,220
Net Book Value at 31 March	1,164,344	1,144,390

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The Council is unable to provide sufficient evidence of the value of replaced components of infrastructure assets when they are derecognised. This is particularly the case in relation to roads, though the issue impacts all infrastructure assets. This can lead to issues relating to the reporting of gross historical cost and accumulated depreciation.

This is particularly the case with older infrastructure assets that were either built, developed, or adopted prior to when accounting requirements for their recognition were first introduced. Given the uncertainties attached to the original costs of such historical structures, a consistent methodology cannot be applied to faithfully disclose the derecognition values for such assets. The nature of infrastructure assets is such that there would not usually be an open market in which to conduct any exchange or to derive an accurate value. In this respect, the ownership of existing infrastructure assets would remain with the Council or any subsequent public authority responsible for holding and maintaining them.

The Council has determined in accordance with Regulation 30M (England) of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Note 24 – Heritage Assets

2022/23	Heritage Assets	Reading Abbey	Civic Regalia	Other	Total 2023/24
£'000		£'000	£'000	£'000	£'000
2,651	Opening Balance	1,865	497	179	2,541
(110)	Depreciation	(110)	-	-	(110)
-	Acquisitions	-	-	-	-
-	Additions	19	-	-	19
-	Revaluations	-	927	-	927
-	Disposals	-	-	-	-
2,542	Closing Balance	1,774	1,424	179	3,376

Heritage assets include:

- Reading Abbey Quarter: in 2009 the remains of Reading Abbey were closed to the public. This was due to their deteriorating condition making them unsafe for visitors. The 'Reading Abbey Revealed' project was conceived by Reading Borough Council in 2010 to develop the Abbey Quarter. In December 2015 the project secured Heritage Lottery funding of £1.77m. This was match-funded by Reading Council with £1.37m from ring-fenced development contributions. This made a total of £3.15m. The Ruins re-opened to the public on 16 June 2018 and the project ran until 2020. From 1st April 2019, the Abbey Ruins are held on the balance sheet at historic cost. This is a change of accounting policy from prior year where the Ruins balance was based on a land valuation from 2007 (prior to the commencement of restoration works) plus the cost of additional works carried out since the valuation. The change of accounting policy is to ensure the costs of bringing the Ruins into their current state is appropriately represented in the Accounts. In line with this change of accounting policy, the Works are now depreciated. Further information at <https://www.readingabbeyquarter.org.uk/>
- Civic Regalia: the collection contains around 200 items, mainly donated by individuals or organisations local to the area, and includes a George III Coronation Mace bearing the Royal Arms & Crown (dated 1769) and the Mayor's Robes and Chain. The collection is held on the balance sheet at Insurance Valuation; there was a full revaluation of the Regalia carried out in FY23/24.
- Father Willis Organ: the organ was built by Henry Willis in 1864 for the old Town Hall, which dates from 1785. The organ was rebuilt by Willis for the new Hall in 1882. The Organ is held on the Balance Sheet at the cost of the restoration works in 1999.
- Art Works: the John Piper photolithograph prints are of the Reading Tapestries – the two tapestries, Reading Townscape and Rural Reading, were commissioned by Reading Borough Council to celebrate the opening of the New Civic Offices in 1970. The tapestries are held in secure storage, with reproductions of the same hanging in the Council Chamber, Civic Offices. The prints are held on the Balance Sheet at a value based on previous sales.

Note 25 – Investment Properties

2022/23 £'000		2023/24 £'000
(5,376)	Rental income from Investment Property	(5,294)
312	Direct operating expenses arising from Investment Property	268
-	Other Income and Expenditure	-
(5,064)	Net (Gain) / Loss	(5,027)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance, or enhancement. The above items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

2022/23 £'000		2023/24 £'000
75,210	Opening balance	67,775
-	Transfers Out	(1,278)
(7,435)	Net gains / (losses) from fair value adjustments	(8,917)
67,775	Closing balance	57,580

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally by Sanderson Weatherall LLP, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The table above summarises the movement in the fair value of investment properties over the year.

Note 26 – Intangible Assets

Reading Borough Council accounts for Software as Intangible Assets to the extent that the software is not an integral part of a particular IT system, accounted for as a hardware, plant and equipment.

Our Intangible assets include both purchased and internally generated software, including the ICT infrastructure, the corporate website, and related intellectual properties on the site.

The carrying amount of Intangible Assets is amortised on straight-line basis over the useful life of the Asset. The amortisation of £2.108 million was charged to revenue in 2023/24 (£1.964 million in 2022/23).

The movement on intangible asset balances during the year is as follows:

2022/23 £'000	Intangible Asset	2023/24 £'000
12,990	Gross Book Value at 1 April	14,675
(6,742)	Accumulated Amortisation at 1 April	(8,706)
6,248	Net Book Value at 1 April	5,968
Changes in year		
1,706	Additions	2,422
(21)	Transfers Out/Impairment	-
-	Transfer In	945
(1,964)	Amortisation	(2,108)
5,968	Net Book Value at 31 March	7,228
14,675	Gross Book Value at 31 March	18,042
(8,706)	Accumulated Amortisation at 31 March	(10,814)
5,968	Closing Balance	7,228

All software is generated at historical cost. We own a number of software licences across the Council, which are written off to revenue over their expected useful lives.

Note 27 – Capital Commitments

At 31 March 2024, the Council has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2023/24 and future years at a cost of £26.9m. The major commitments are as follows:

2022/23 £'000		2023/24 £'000
-	Bus Service Improvement	10,197
10,235	Leisure Centre Procurement - GLL	9,134
-	Dee Park Regeneration - School	3,902
8,302	Housing Revenue Account-New Build	1,876
-	Levelling Up Delivery Plan - Hexagon Theatre	678
376	Green Park Station	376
-	Levelling Up Delivery Plan - New Library at the Civic Centre	375
304	Schools Capital Programme	317
4,405	Leisure Centre Procurement - Pellikan	-
1,493	Reading West Station	-
73	Finance System ERP	-
25,188	Total	26,855

Note 28 – Capital Expenditure and Capital Financing

The total capital expenditure for the year is shown in the table below, along with the source of financing. Where capital expenditure is financed through borrowing, the expenditure results in an increase in the Capital Finance Requirement (CFR), the movement in the CFR is shown in the second part of the note below.

2022/23 £'000		2023/24 £'000
594,635	Opening Capital Finance Requirement	615,614
	Capital investment:	
79,448	Property, plant and equipment and Infrastructure	65,836
-	Investment property	-
1,706	Intangible assets	2,422
5,560	Revenue Expenditure Funded through Capital Under Statute	8,839
-	Heritage assets	19
-	Long term debtor	-
-	Long term investment	-
86,714		77,116
	Sources of finance:	
(2,474)	Capital receipts	(3,334)
(36,782)	Government grants and other contributions	(31,212)
(3,327)	Sums set aside from revenue	(6,296)
(11,841)	Major Repairs Reserve	(11,855)
(2,679)	Application of capital receipts to reduce debt	(1,744)
(57,103)		(54,441)
(8,632)	Minimum Revenue Provision	(9,774)
615,614	Closing Capital Finance Requirement	628,515
2022/23 £'000		2023/24 £'000
	Movements in year:	
32,290	Increase in underlying need to borrow (unsupported by Government financial assistance)	24,419
-	Assets acquired under finance leases	-
-	Assets acquired under PFI contracts	-
(2,679)	Capital receipts applied to reduce existing Capital Financing Requirement	(1,744)
-	Revenue reserves applied to reduce existing Capital Financing Requirement	-
(7,633)	Statutory provision for repayment of debt (Minimum Revenue Provision)	(8,585)
(999)	Statutory provision for PFI and finance lease debt (Minimum Revenue Provision)	(1,189)
20,979	Increase/(decrease) in Capital Finance Requirement	12,901

Note 29 – Financial Instruments

Financial Instruments are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. These are analysed below:

2022/23			2023/24	
Non-current	Current		Non-current	Current
£'000	£'000		£'000	£'000
Financial Assets				
Fair value through profit and loss				
14,389	-	Investments	13,895	-
-	43,289	Cash and cash equivalents	-	13,585
9,125	-	Investments in subsidiaries	9,125	-
60	-	Investment in Energy Company	60	-
Amortised cost				
20,733	27,114	Debtors	19,186	29,358
	10,919	Cash and cash equivalents		10,584
44,307	81,322		42,266	53,526
Designated as fair value through other comprehensive income				
44,307	81,322	Total Financial Assets	42,266	53,526
Financial Liabilities				
Amortised cost				
(369,485)	(33,009)	Loans outstanding	(357,485)	(79,518)
(21,843)	(1,304)	PFI lease liability	(20,518)	(1,325)
-	(25,118)	Creditors	-	(34,588)
		Bank overdraft		
(391,328)	(58,738)		(378,002)	(115,431)
Designated as fair value through other comprehensive income				
(391,328)	(58,738)	Total Financial Liabilities	(378,002)	(115,431)

- The Council's investment with the CCLA pooled investment fund is classified as fair value through profit or loss as there are no contractual payments comprising solely interest and principal and it is not being held as part of a business model to sell financial assets.

- Investment in subsidiaries include Homes for Reading Ltd and Reading Transport Ltd, see Group Accounts.
- Under the Code of Practice, both short and long term PFI lease liabilities are included on the Balance Sheet as long-term liabilities.

The value of debtors and creditors reported in the table above are solely those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the Balance Sheet and Notes 34 and 35 also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

Investments in equity instruments designated at fair value through other comprehensive income

The Council invested £64,000 in 60,000 shares in Municipal Bonds Agency plc (MBA) when the MBA was first established in 2015/16. The Council has designated the holding as fair value through comprehensive income as it does not hold the shares for short-term trading. Based on the latest available audited accounts to 30 November 2019, the net worth of the company as an overall loss of £117,000. There have been no dividends declared for the 2018/19 financial year. On this basis the value of the Council's holding of £64,000 has been written out to the Financial Instruments Revaluation Reserve.

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

	Financial Liabilities Measured at amortised cost £'000	Financial Assets Measured at amortised cost £'000	2023/24 Fair value through other comprehensive income £'000	Fair value through profit and loss £'000	Total £'000
Realised (Gains)/Losses					-
Unrealised (Gains)/Losses				340	340
Net (Gains)/Losses on Financial Instruments in Surplus/Deficit on Provision of Services	-	-	-	340	340
Interest expense	16,005				16,005
Fee expense				90	90
Impairment Losses					-
Total expense in Surplus/Deficit on the Provision of Services	16,005	-	-	90	16,095
Interest income		(2,439)			(2,439)
Dividend income/distributions				(807)	(807)
Total Income in Surplus/Deficit on the Provision of Services	-	(2,439)	-	(807)	(3,246)
Total (Gain)/Loss in Surplus/Deficit on Provision of Services	16,005	(2,439)	-	(377)	13,189
Interest revenue					
(Gains) on Revaluation					-
Losses on Revaluation					-
(Surplus)/Deficit arising on Revaluation of Financial Assets in Other Comprehensive Income and Expenditure	-	-	-	-	-
Net (Gain)/Loss for the Year	16,005	(2,439)	-	(377)	13,189

		2022/23			
		Financial Liabilities Measured at amortised cost £'000	Financial Assets Measured at amortised cost £'000	Fair value through other comprehensive income £'000	Fair value through profit and loss £'000
					Total £'000
Realised (Gains)/Losses					-
Unrealised (Gains)/Losses					2,810
Net (Gains)/Losses on Financial Instruments in Surplus/Deficit on Provision of Services		-	-	-	2,810
Interest expense		17,186			17,186
Fee expense					105
Impairment Losses					-
Total expense in Surplus/Deficit on the Provision of Services		17,186	-	-	17,291
Interest income			(3,727)		(3,727)
Dividend income/distributions				(722)	(722)
Total Income in Surplus/Deficit on the Provision of Services		-	(3,727)	-	(4,449)
Total (Gain)/Loss in Surplus/Deficit on Provision of Services		17,186	(3,727)	-	2,193
Interest revenue					
(Gains) on Revaluation					-
Losses on Revaluation					-
(Surplus)/Deficit arising on Revaluation of Financial Assets in Other Comprehensive Income and Expenditure		-	-	-	-
Net (Gain)/Loss for the Year		17,186	(3,727)	-	2,193

Note 30 – Fair Value

The basis of valuation of each class of asset and liability measured at fair value is set out below. There has been no change in the valuation techniques used during the year. All assets and liabilities have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

Description of asset or liability	Valuation Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities
Borrowing from Public Works Loans Board (PWLB) and Lender Option Borrower Option loans (LOBOs) and Service Concessions	Level 2	The fair values have been estimated by discounting the remaining cashflows or the borrowing using the PWLB certainty rate for new loans	Not required	Not required
Property Fund	Level 2	Closing bid price where bid and offer prices are published	Adjusted for net capital current assets	Estimated acquisition and disposal costs - 5%
Long-term loans	Level 3	Capital value of unpaid loan	Council accounting records	None
Investment property	Level 3	Investment method of valuation	Assumed void periods, estimated rental value. Existing lease terms and rentals	Estimated acquisition and disposal costs - 5%
Non-current assets held for sale and surplus assets	Level 3	Mostly development land which has been valued by staff in the Council's Property Services division who are RICS qualified valuers on a five year rolling programme. Some based on offers received, with adjustments for conditions.	Development land values, site constraints, variables in market evidence, build & site clearance costs, planning permissions/requirements, costs of sale	Planning permissions, estimated disposal costs of 5%

The Council has investments in wholly owned subsidiary companies with a total carrying value of £9.1m (£9.1m in 22/23). These interests have been excluded from the fair value disclosures because their fair value cannot be measured reliably as there is no market for the companies.

Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, the Council's advisers have determined that the valuation methods described above are likely to be accurate to within the following ranges and have set out below the consequent potential impact on the closing value of investments held at 31 March 2024.

2023/24	Assessed valuation range		Value at 31 March 2024	Value on increase	Value on decrease
	+	-	£'000	£'000	£'000
Investment property	5%	5%	57,580	60,459	54,701
Surplus assets	0%	5%	21,676	21,676	20,592
Total			79,256	82,135	75,294

2022/23	Assessed valuation range		Value at 31 March 2023	Value on increase	Value on decrease
	+	-	£'000	£'000	£'000
Investment property	5%	5%	67,775	71,164	64,386
Surplus assets	0%	5%	27,780	27,780	26,391
Total			95,555	98,944	90,777

Fair value hierarchy

The valuation of assets and liabilities measured at fair value has been classified into three levels, according to the quality and reliability of information used to determine fair values.

- Level 1** Assets and liabilities at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.
- Level 2** Assets and liabilities at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.
- Level 3** Assets and liabilities at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Transfers between level 1 and 2

There were no transfers between levels 1 and 2 during the year.

Reconciliation of fair values within Level 3

2023-24 £'000		Transfers into £'000	Transfers out of Level 3 £'000	Purchases £'000	Sales £'000	Unrealised gains and losses £'000	Realised gains and losses £'000	31 March 2024 £'000
67,775	Investment property		(1,278)	-		(8,917)		57,580
27,780	Surplus assets	(9)	(4,620)	-	(2,101)	626		21,676
95,555	Total	(9)	(5,898)	-	(2,101)	(8,291)	-	79,256

2022-23 £'000		Transfers into £'000	Transfers out of Level 3 £'000	Purchases £'000	Sales £'000	Unrealised gains and losses £'000	Realised gains and losses £'000	31 March 2023 £'000
75,210	Investment property			0		(7,435)		67,775
24,213	Surplus assets	(307)	430	22	2318	1,105		27,780
99,423	Total	(307)	430	22	2,318	(6,330)	-	95,555

Note 31 – Inventories

The Council holds stock and materials (such as recycling boxes and maintenance supplies) for its services. At the end of the year, that stock was valued as below:

	Balance at 1 April 2023 £'000	Movement in 2023/24 £'000	Balance at 31 March 2024 £'000
Refuse bins	111	19	130
Building Maintenance Stocks	188	(107)	81
Other	83	42	125
Total	382	(46)	336

Note 32 – Nature and Extent of Risks Arising from Financial Instruments

Overall procedures for managing risk

The Council's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse risks on the resources available to fund services. The Council has put in place formal policies and procedures for the effective management and control of its treasury management activities. Risk management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy and the annual investment strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risks and the investment of surplus cash.

The procedures in place comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management and statutory investment guidance issued under the Local Government Act 2003 and associated secondary legislation. The Council in complying with this framework, acknowledges that effective management and control of risk are the prime objectives of its treasury management activities and responsibility for these lie clearly with the Council. The key policy documents are available on the Council's website.

The main risks to the Council's treasury activities are:

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- a) Credit Risk: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
 - b) Liquidity Risk: The possibility that the Council might not have the cash available to make contracted payments on time.
 - c) Market Risk: The possibility that an unplanned financial loss will materialise because of changes in market variable such as interest rate or equity prices.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to Council customers. This risk is minimised through the Annual Investment Strategy available on the Council website which requires that deposits are only made with UK financial institutions where they meet a credit rating of A- from the three major credit rating agencies. The Investment Strategy also imposes a maximum sum to be invested within each rating category. The Investment Strategy is contained with the Council's Treasury Management Strategy.

No more than £20m is held with any one institution regardless of standing or duration.

The Council's maximum exposure to credit risk in relation to its investments in financial instruments cannot be assessed generally as the risk of any institution failing to make interest payments of repay principal will be specific to each institution. In addition, the Council has no history of default from such institutions. Consequently, the Council has not considered it necessary to establish an expected loss allowance for such investments.

Credit Risk - Treasury Investments

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating:

Credit Rating	2022/23		2023/24	
	Long Term £'000	Short Term £'000	Long Term £'000	Short Term £'000
Banks or Building Societies rated A- or higher		842		1,719
Unrated Local Authorities				
Public Corporations	35,721		35,721	
Total	35,721	842	35,721	1,719
Credit Risk Non applicable*				
Money Market Funds		43,154		13,500
Property Funds	15,000		15,000	
Total Investments	50,721	43,996	50,721	15,219

* Credit risk is not applicable to shareholdings and pooled funds where the council has no contractual right to receive any sum of money.

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies. The estimated loss is negligible as the investments mature within 12 months; therefore, no loss allowance has been provided.

Credit and Counterparty Risk – Trade Debtors

For the sundry debtor element of the trade debtor balance the Council applies a simplified approach permitted under the Code and recognises a loss allowance equal to lifetime expected losses. The expected credit losses on these assets are estimated using a provision matrix based on historical credit loss experience adjusted for factors specified to individual debtors, general economic conditions and assessment of both the current and forecast direction of conditions at the reporting date. A loss allowance for expected losses is not recognised on a financial asset where the counterparty is Central Government or a local authority for which relevant statutory provisions prevent default.

The remaining balance of trade debtors comprises year-end accruals for which no loss allowance has been provided.

In measuring the expected credit losses, significant trade receivable balances are assessed individually for impairment where specific information regarding recoverability of the debt is available. Trade receivables not assessed individually have been assessed collectively based on shared risk characteristics and days past due.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery.

On the above basis, the expected loss allowance for trade receivables at the year-end is as follows:

At March 2024	Total £'000	Not past due (0-30 days) £'000	2-3 months £'000	3-6 months £'000	over 6 months £'000
Debtors individually assessed	5,000	-	-	-	5,000
Expected credit loss (individually assessed)					
Debtors collectively assessed	12,227	4,818	923	414	6,073
Loss rate		23.47%	16.16%	22.15%	47.30%
Expected credit loss (collectively assessed)	(4,244)	(1,131)	(149)	(92)	(2,872)
Total Lifetime Expected Credit Losses	(4,244)	(1,131)	(149)	(92)	(2,872)

At March 2023	Total £'000	Not past due (0-30 days) £'000	2-3 months £'000	4-5 months £'000	over 5 months £'000
Debtors individually assessed	5,000	-	-	-	5,000
Expected credit loss (individually assessed)					
Debtors collectively assessed	9,528	2,698	571	394	5,865
Loss rate		24.05%	25.43%	34.62%	47.30%
Expected credit loss (collectively assessed)	(3,704)	(649)	(145)	(136)	(2,774)
Total Lifetime Expected Credit Losses	(3,704)	(649)	(145)	(136)	(2,774)

Credit risk - long-term debtors

For long-term debtors, recognition of 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk in these items since initial recognition.

As at 31 March 2024, the gross carrying amount of long-term debtors measured at amortised cost was £19.186m (£20.733m at 31 March 2023). Of the balance at 31 March 2024, £18.800m are intra-group loans to wholly owned subsidiaries of the Council. The Council is of the view that the assets of the companies would be sufficient to cover the liabilities without impairment of the loans. Therefore, no credit loss allowance has been recognised in respect of long-term debtors.

Liquidity risk

Liquidity risk is the risk that the Council will have insufficient funds in its bank account to make the payments necessary to meet its financial obligations.

The Council has a comprehensive cash flow management system which seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets, the Public Works Loans Board and its treasury investment portfolio which is considered to be liquid. There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

The contractual maturity of the Council's financial liabilities (including interest payments where applicable) is as follows:

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	Approved minimum limits	Approved maximum limits	Actual 31 March 2024	Actual 31 March 2023	Actual 31/03/2024 £'000	Actual 31/03/2023 £'000
Less than 1 year	0.00	20.00%	17.79%	10.46%	78,000	42,340
Between 1 and 2 years	0.00	20.00%	0.46%	0.49%	2,000	2,000
Between 2 and 5 years	0.00	20.00%	3.76%	4.20%	16,500	17,000
Between 5 and 10 years	0.00	30.00%	4.10%	4.57%	18,000	18,500
Between 10 and 20 years	0.00	40.00%	13.00%	10.62%	57,000	43,000
Between 20 and 30 years	0.00	50.00%	23.72%	24.45%	104,000	99,000
Between 30 and 40 years	0.00	60.00%	21.21%	26.68%	93,000	108,000
Over 40 years	0.00	60.00%	15.96%	18.53%	70,000	75,000
Total			100.00%	100.00%	438,500	404,840

As of 31 March 2024, the Council holds £13.585m (£43.289m as at 31 March 2023) of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

Market Risks

Interest rate risk

The Council is exposed to interest movements on its borrowings and investments. Movements in interest rates can have a complex effect on the Council depending on how variable and fixed interest rates move across differing financial instruments periods. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.

- Borrowings at fixed rates – the fair value of the liabilities will fall.
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the investment will fall.

Investments measured at historic cost and loans borrowed are not carried at fair value on the Balance Sheet, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the General Fund balance.

The Council has limited interest rate risk from its short-term borrowing which needs to be regularly refinanced as part of the strategy to benefit from low short-term interest rates. This risk is mitigated by the ability of the Council to switch from short-term to long-term borrowing should the UK enter a period of rising interest rates.

As part of a balanced portfolio, the interest rate risk is further mitigated by the following:

- Maturing short-term investments can be used to pay down debt, should it become cost-effective to do; and
- Having a substantial part of the loan debt portfolio with maturity dates spread evenly over the next 30 years at fixed interest rates reducing the re-financing risk.

The treasury team will monitor the market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rate borrowing would be postponed.

At 31 March 2024, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	-
Increase in interest receivable on variable rate investments	269
Impact on surplus/deficit on the provision of services	269
Decrease in fair value of fixed rate investments	-
Impact on Other comprehensive income and expenditure	-
Decrease in fair value of fixed rate borrowing liabilities (no impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure)	(34,890)

The impact of a 1% fall in interest rates would be as above but with the movements being reversed. The above sensitivity analysis is based on the loans and investments as at 31 March 2024.

Note 33 – Cash and Cash Equivalents

31 March 2023		31 March 2024
£'000		£'000
12,992	Bank current accounts (including unpresented bank items)	13,347
(2,073)	Cash held by the Council	(2,764)
43,288	Short term deposits with banks and building societies	13,585
54,207	Total	24,169

Note 34 – Debtors

Long term debtors

The Council has a number of debtors who are due to repay amounts owed to the Council over a number of years. The balances at the end of the financial year, and the movement during the year are shown below:

2023/24	Balance at 1 April 2023 £'000	New advances recognised £'000	Advances repaid £ '000	Transfer (to)/from short term or other £'000	Balance at 31 March 2024 £'000
Amounts due from Subsidiary undertakings	20,325	-	-	(1,525)	18,800
Other long term debtors	408	-	-	(22)	386
	20,733	-	-	(1,547)	19,186

Short Term Debtors

The outstanding debtors due within one year recognised by the Council at the 31 March, net of impairments for bad debts, were:

31 March 2023 £'000		31 March 2024 £'000
	Central Government Bodies	
5,869	HMRC	8,707
4,413	Other Central Government	5,088
22,083	Other Local Authorities	28,985
339	NHS Bodies	1,831
-	Public Corporations	15
	Other Entities and Individuals	
1,865	Business Rates payers	919
5,326	Council Tax payers	5,754
1,979	Housing Benefits Overpayments	1,630
849	Housing Rents	2,160
23,869	Other Sundry Debtors	27,324
66,591	Total Debtors	82,413

Impairment Allowances included within the above figures for doubtful debts. 109

31 March 2023		31 March 2024
£'000		£'000
	Other Entities and Individuals	
(4,338)	Business Rates payers	(4,374)
(15,203)	Council Tax payers	(15,185)
(3,767)	Housing Benefits Overpayments	(3,636)
(3,131)	Housing Rents	(3,467)
(8,860)	Other Sundry Debtors	(8,852)
(35,300)	Total Impairment Allowance	(35,514)

Note 35 – Creditors

The creditors that the Council has an obligation to pay in the next twelve months are as follows:

2022/23 Restated		2023/24
£'000		£'000
	Central Government Bodies	
(3,022)	HMRC – PAYE and NI	(2,925)
(25,453)	Other	(18,021)
(5,835)	Other Local Authorities	(20,475)
(3)	NHS Bodies	(1,120)
	Other Entities and Individuals	
-	Group subsidiaries	(1,170)
(8,862)	Business Rates payers	(6,656)
(3,777)	Council Tax payers	(3,928)
(1,719)	Housing rent	(1,729)
(1,922)	Accumulated Absences	(2,032)
(37,893)	Other creditors	(36,829)
(88,485)	Total	(94,888)
	Receipts in Advance	
(7,431)		(7,346)
(95,916)	Total	(102,234)

Note 36 – Provisions

	Balance at 1 April 2023	Amounts Used in 2023/24	Additional Provisions Made in 2023/24	Balance at 31 March 2024
	£'000	£'000	£'000	£'000
Provision for NNDR Appeals	(2,299)	-	(2,689)	(4,988)
Insurance	(1,556)	479	-	(1,077)
Ordinary Residence Disputes	(858)	858	-	-
Other	(191)	-	-	(191)
Total	(4,904)	1,337	(2,689)	(6,256)

Business Rates (NNDR) Appeals - due to the localisation of Business Rates, which became effective from 1 April 2013, the Council has set aside a provision for any potential liabilities as a result of any Business Rate Payers' appeals against rateable valuations.

Insurance Provision - a provision has been made to meet known and anticipated liabilities on claims under the Council's insurance arrangements.

Ordinary Residence Disputes Provision - refers to cases within Adult Social Care where Ordinary Residence was in dispute with other local authorities.

Note 37 – Usable Reserves

The Usable Reserves of the Council are as follows:

31 March 2023 £'000		31 March 2024 £'000
(8,221)	General Fund (GF)	(8,394)
(35,334)	Housing Revenue Account (HRA)	(27,388)
(9,916)	HRA Earmarked Reserves	(9,524)
(70,131)	GF - Earmarked Reserves	(57,751)
(8,749)	Major Repairs Reserve	(11,786)
(61,704)	Capital Grants Unapplied	(59,406)
(31,585)	Capital Receipts Reserve	(32,670)
(225,640)	Total	(206,919)

Major Repairs Reserve (HRA)

31 March 2023 £'000		31 March 2024 £'000
(6,956)	Balance 1 April	(8,749)
(13,633)	Depreciation and amortisation	(14,892)
11,841	Application to finance capital expenditure	11,855
(8,749)	Balance 31 March	(11,785)

Capital Grants Unapplied

31 March 2023 £'000		31 March 2024 £'000
(62,746)	Balance 1 April	(61,704)
(36,235)	Capital grants recognised in year	(28,914)
36,782	Capital grants and contributions applied	31,212
496	Capital Contribution applied to Revenue via EM Reserve	-
(61,704)	Balance 31 March	(59,406)

Capital Receipts Reserve

31 March 2023 £'000		31 March 2024 £'000
(12,818)	Balance 1 April	(31,585)
(5,484)	Capital receipts in year	(4,420)
(1,744)	Deferred receipts realised	(1,744)
209	Capital receipts pooled	-
-	Advance to RTL	-
(16,900)	Capital Receipts re Loan repayment	-
2,474	Capital receipts used for financing capital expenditure	5,079
-	Equal Pay	-
2,678	Other movement	-
(31,585)	Balance 31 March	(32,670)

Note 38 – Unusable Reserves

The Unusable Reserves of the Council are as follows:

31 March 2023 £'000		31 March 2024 £'000
(256,997)	Revaluation Reserve	(228,452)
(395,856)	Capital Adjustment Account	(391,383)
160,003	Pension Reserve	128,707
(3,248)	Deferred Capital Receipts Reserve	(1,504)
(3,427)	Collection Fund Adjustment Account	2,257
1,922	Accumulated Absences Account	2,032
765	Pooled Fund Adjustment Account	1,105
64	Financial Instrument Revaluation Reserve	64
3,463	Dedicated Schools Grant	9,405
(493,310)	Total	(477,769)

Revaluation Reserve

2022/23 - Restated £'000		2023/24 £'000
(241,037)	Balance at 1 April	(256,997)
(25,153)	Upward revaluation of assets	(15,591)
4,957	Downward revaluation of assets and impairment losses	37,308
(20,196)	Surplus or deficit on revaluation of non-current assets not posted to the Comprehensive Income and Expenditure Statement (*)	21,717
4,486	Difference between fair value depreciation and historic cost depreciation	5,134
(250)	Accumulated gains on assets disposed	1,695
-	Other movements	-
4,236	Amount written off to the Capital Adjustment Account	6,829
(256,997)	Balance at 31 March	(228,452)

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment and intangible assets.

The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost.
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2022/23 £'000		2023/24 £'000
(399,839)	Balance at 1 April	(395,855)
41,470	Charges for depreciation and impairment of non-current assets	37,637
(368)	Reversal of impairment of subsidiary holding	-
1,964	Amortisation of intangible assets	2,108
5,560	Revenue expenditure funded from capital under statute	8,839
993	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	25,826
49,619	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	74,410
(4,236)	Adjusting Amounts written out of the Revaluations Reserve	(6,829)
45,383	Net written out amount of the cost of non-current assets consumed in year	67,581
(2,474)	Use of Capital Receipts Reserve to finance new capital expenditure	(3,334)
(11,841)	Use of the Major repairs reserve	(11,855)
(36,782)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement which have been applied to capital expenditure	(31,212)
(8,632)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balance	(9,774)
(3,327)	Capital expenditure charged against the General Fund and HRA balances	(6,296)
(63,056)	Capital financing applied in year:	(62,472)
7,435	Movement in the fair value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	8,917
14,221	Other Movements	(1,744)
(395,855)	Balance at 31 March	(383,573)

Pension Reserve

2022/23 £'000		2023/24 £'000
464,659	Balance at 1 April	160,003
(318,084)	Actuarial gains and losses on scheme assets and liabilities	(33,258)
33,374	Reversal of charges to the Comprehensive Income and Expenditure Statement	21,888
(19,946)	Employer's pension contributions	(19,926)
160,003	Balance at 31 March	128,707

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Normally the Pension Reserve would directly offset the Pension Liability (£117.072m), however the Council made an up-front payment of employer's contributions payable to the scheme of £17.4m for the three years 2023/24 to 2025/26 to secure a cashflow discount. This has resulted in a difference between the value of the Pensions Reserve and the Net Pension Liability on the Balance Sheet as shown in the table below.

Pensions Reserve and Liabilities Recognised in the Balance Sheet	2023/24 Total £'000
Balance on the Pension Reserve for LGPS	128,707
2024/25 Upfront payment	(5,853)
2025/26 Upfront payment	(5,782)
Balance on the net pensions liability for LGPS	117,072

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2022/23 £ '000		2023/24 £'000
(4,993)	Balance 1 April	(3,248)
1,744	Transfer to the Capital Receipts Reserve upon receipt of cash	1,744
-	Other movements	-
(3,248)	Balance 31 March	(1,504)

Collection Fund Adjustment Account

2022/23 £'000		2023/24 £'000
15,517	Balance at 1 April	(3,427)
(18,944)	Amount by which Council Tax and NNDR credited to the Comprehensive Income and Expenditure Statement is different from amounts calculated for the year in accordance with statutory requirements	5,683
(3,427)	Balance at 31 March	2,256

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council taxpayers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

Accumulated Absences Account

2022/23 £'000		2023/24 £'000
1,751	Balance at 1 April	1,922
(1,751)	Settlement or cancellation of accrual made at the end of the preceding year	(1,922)
1,922	Amounts accrued at the end of the current year	2,032
1,922	Balance at 31 March	2,032

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

Pooled Fund Adjustment Account

2022/23 £'000		2023/24 £'000
(2,044)	Balance at 1 April	765
2,810	Unrealised gains/(losses) on adjustment in fair value of financial instruments	340
765	Balance at 31 March	1,105

Financial Instruments Revaluation Reserve

2022/23 £'000		2023/24 £'000
64	Balance at 1 April	64
-	Downward revaluation of investments	-
64	Balance at 31 March	64

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost.
- disposed of and the gains are realised.

Dedicated Schools Grant

2022/23 £'000		2023/24 £'000
2,164	Balance at 1 April	3,463
1,299	(Surplus)/Deficit on the DSG for the year	5,941
3,463	Balance at 31 March	9,404

See also Note 20 – when the DSG Reserve is in deficit, it is shown in the Unusable Reserves.

Note 39 – Contingent Liabilities

Municipal Mutual Insurance (MMI)

The Council's previous insurer, Municipal Mutual Insurance (MMI), went into a solvent run-off in September 1992 and is subject to a contingent scheme of arrangement which became effective in January 1994. In November 2012 the Directors of the company resolved to trigger the Scheme of Arrangement as a solvent run-off could no longer be foreseen. Ernst and Young, the Scheme Administrator imposed an initial levy of 15% in January 2014 under the terms of the scheme. A further levy of 10% was imposed by the Scheme Administrator in April 2016 and based on information currently held; the final aggregate levy may be up to 28%. The Council has sufficient resources in the Earmarked Insurance Reserve to cover any further anticipated levy.

Duty of Care Claims

The Council has received a number of claims with regard to its duties to care for both elderly and young to which the Council asserts it discharged its duties fully and diligently. Should any of these claims progress, and ultimately prove to be founded, potential exists for compensation payments to become due. It is not possible at this stage to reliably place an estimate on any potential liability or quantum that may be ascribed to these claims.

Wholly Owned Companies - Pension Liabilities

In 2018/19 the Council transferred a number of staff to the newly established Council subsidiary, Brighter Futures for Children Ltd. As part of the transfer agreement the Council has agreed that, where the company defaults on any obligations due under this agreement, the Council will, following receipt of written notice, make good any payments due. To date no such defaults have occurred or are anticipated.

Business Rates Appeals

The Council has estimated that its share of the total maximum exposure to Business Rate Payers' appeals is £9.808m. A provision of £4.988m has been made within the accounts as a prudent but realistic estimate of the level of these appeals that will actually materialise. The remaining £4.820m has therefore been included as a contingent liability.

South MRT Phase 4 Scheme – Fast Track Public Transport Scheme

The South MRT Scheme provides a dedicated fast-track public transport priority route on the A33 growth corridor, between MereOak Park & Ride and Reading town centre.

It is being completed in stages. During works, the main Contractor, WILLS BROS CIVIL ENGINEERING LTD, were permitted to use an RBC freehold site under lease to Foundry Ltd for their contractor compound. The charges for use of this compound are part of the main contract cost. Thames Water own Foundry Ltd. Although Phase 4 has now completed, the costs for use of the compound have not been invoiced. The level of charges is in dispute and the liability could be higher than previously agreed although the level of charge cannot be measured at this time.

The matter is currently with our Asset Management team to resolve with Thames Water.

Note 40 – Contingent Assets

The Council has a potential claim against a contractor in relation to the management and delivery of a specific capital projects. The Council is currently in the process of mediation to attempt a negotiated settlement.

The Council is also investigating the liability of various third parties to indemnify it or repay monies which were expended in response to a fire incidence. The amount of loss and liability of third parties is currently under investigation.

Note 41 – Leases

Authority as Lessee - Finance Leases

At the 31 March 2024, the value of assets held under finance leases was judged to be immaterial.

Authority as Lessee - Operating Leases

At the 31 March 2024, the value of assets held under operating leases was judged to be immaterial.

Authority as Lessor - Finance Leases

The Council has leased buses to Reading Transport Ltd. The Council's gross investment in the lease is made up of the minimum lease payments expected to be received over the remaining term and the residual value of the assets when the lease(s) come to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the assets and the finance income which will be earned by the Council in future years while the debt is still outstanding. The gross investment is disclosed below:

2022/23 £ '000		2023/24 £ '000
	Finance lease debtor	
	(net present value of minimum lease payments):	
1,744	Current	291
1,504	Non-Current	1,213
310	Unearned Finance Income	139
-	Unguaranteed Residual Value of Assets	-
3,558	Gross investment in the lease	1,643

The gross investment in the lease and the minimum lease payments will be received over the following periods:

2022/23			2023/24		
Gross investment in the lease £ '000	Minimum Lease Payments £ '000		Gross investment in the lease £ '000	Minimum Lease Payments £ '000	
1,915	1,915	Payments due within one year	320	320	
1,643	1,643	Payments due later than one year and not later than five years	1,323	1,323	
-	-	Payments due later than five years	-	-	
3,558	3,558	Total due	1,643	1,643	

Authority as Lessor - Operating Leases

The Council leases out a number of buildings, facilities and pieces of land to businesses, charities and individuals. The forecast minimum lease payments receivable in future years are:

2022/23		2023/24
£ '000		£ '000
6,399	Payments due within one year	6,787
15,784	Payments due later than one year and not later than five years	19,142
8,975	Payments due later than five years	13,858
31,158	Total due	39,787

The amount of contingent rent has been judged to be immaterial.

Note 42 – Service Concession Arrangements

The Council is involved in two PFI schemes. One is with FCC (RE3 Limited) for the shared Waste PFI with Bracknell Forest Borough Council and Wokingham Borough Council and the other with Affinity (Reading) Limited for the North Whitley Housing PFI scheme.

The Short Term and Long Term PFI Liabilities appear on the balance sheet as per table below.

2022/23 £'000	Balance Sheet	2023/24 £'000
(1,304)	PFI Short Term	(1,325)
(21,843)	PFI Long Term	(20,518)
(23,147)	Total	(21,843)

These two figures are explained in greater detail in the note below and are summarised as follows.

2022/23 £'000	PFI Liabilities	2023/24 £'000
(17,756)	Housing PFI - Liability Outstanding	(17,040)
(947)	Waste PFI - Annual Income Stream	(832)
(4,444)	Waste PFI - Liability Outstanding	(3,971)
(23,147)	Total	(21,843)

a) North Whitley Housing PFI scheme

2023/24 was the twentieth year of a 30-year PFI contract to manage and maintain 1,250 dwellings on the North Whitley estate to defined availability and quality standard (1,252 dwellings remained as at 31 March 2023). The contract does not provide for transfer of the assets to the contractor or any other third party at the end of the contract on 9 May 2034.

Property, Plant and Equipment

The Housing PFI assets used to provide services at North Whitley estate are recognised on the Council's Balance Sheet, the value of land & buildings is £109.9m at 31 March 2024 (£115.1m at 31 March 2023).

Payments

The Council makes an agreed payment to the contractor which is increased annually by the annual change in the retail prices index measure of inflation. Payments can be increased or decreased for performance and availability. Payments remaining to be made under the contract at 31 March 2024 are as follows:

2023/24				
Service cost	Reimbursement of capital expenditure	Interest	Total	
£'000	£'000	£'000	£'000	
4,705	771	2,456	7,932	within 1 year
20,691	4,227	9,966	34,884	within 2-5 years
30,642	11,735	9,283	51,660	within 6-10 years
571	307	85	963	within 11-15 years
-	-	-	-	within 16-20 years
56,609	17,040	21,790	95,438	

2022/23				
Service cost	Reimbursement of capital expenditure	Interest	Total	
£'000	£'000	£'000	£'000	
4,532	716	2,392	7,640	within 1 year
19,928	3,430	10,239	33,597	within 2-5 years
29,512	10,364	9,880	49,756	within 6-10 years
7,168	3,246	1,671	12,085	within 11-15 years
-	-	-	-	within 16-20 years
61,140	17,756	24,182	103,078	

NB. The prior year comparatives have been restated due to the impact of updated inflation figures on the future payments.

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide; the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

2022/23 £'000		2023/24 £'000
(18,540)	Opening balance	(17,756)
784	Repayment of liability	716
(17,756)	Closing Balance	(17,040)

b) Waste PFI Scheme

This is the seventeenth year of a 25-year waste disposal contract between Reading, Wokingham and Bracknell Forest Councils on the one hand, and RE3 Limited on the other, which expires in 2031/32. Under the contract, RE3 has built a waste transfer station, materials recycling facility, civic amenity site and offices on Council-owned land at Smallmead and a waste transfer station and civic amenity site at Longshot Lane in Bracknell. All three councils have roughly equal rights to use the assets.

The contract specifies the minimum standards for the services to be provided by the contractor, RE3 Ltd, with deductions if facilities are unavailable or performance is below the standards set out in the contract. Under the terms of the contract, existing assets (buildings, plant and equipment) transferred to the contractor for the duration of the contract. The contractor is responsible for the design, build, financing and operation of all the facilities.

At the end of the contract period all the facilities transfer to the Council at no additional cost.

Value of assets under the PFI contract

2022/23				2023/24		
Land & Buildings £'000	Plant & Equipment £'000	Total £'000		Land & Buildings £'000	Plant & Equipment £'000	Total £'000
11,977	1,066	13,043	Opening Balance	11,847	991	12,838
-	-	-	Revaluations	-	-	-
(130)	(75)	(206)	Depreciation	(130)	(75)	(206)
-	-	-	Impairment	-	-	-
-	-	-	Additions	-	-	-
11,847	991	12,838	Closing balance	11,717	916	12,632

Payments

The Council makes payments to the contractor which cover the charge for services provided, repayment of the liabilities and interest on those liabilities. Payments remaining to be made under the contract at 31 March 2024 are set out below:

2022/23					2023/24				
Service cost	Reimbursement of capital expenditure	Interest	Total		Service cost	Reimbursement of capital expenditure	Interest	Total	
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	
2,355	323	473	3,150	within 1 year	2,440	287	478	3,206	
10,285	938	1,939	13,163	within 2-5 years	10,555	791	2,047	13,393	
9,245	118	2,031	11,394	within 6-10 years	6,353	159	1,446	7,958	
-	-	-	-	within 11-15 years	-	-	-	-	
21,886	1,378	4,443	27,707		19,348	1,238	3,971	24,557	

The contract generates an annual income stream from third party income forecast as follows:

2022/23 £'000		2023/24 £'000
(115)	Within one year	(115)
(460)	2 to 5 years	(460)
(372)	6 to 10 years	(257)
-	11 to 15 years	-
(947)	Total	(832)

The movement on value of the liabilities outstanding at the year-end are disclosed below:

2022/23 £'000		2023/24 £'000
(4,659)	Opening balance	(4,444)
215	Repayment	473
(4,444)	Closing balance	(3,971)

Note 43 – Pension Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE). The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the cost by making contributions based on a percentage of scheme members pensionable salaries.

The Scheme is a defined benefit scheme. The Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The notional fund is valued every four years. The Scheme has in excess of 3,700 participating employers and consequently the Council is not able to identify its share of the underlying position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2023/24, the Council paid £5.953m to the Teachers Pensions Agency in respect of teachers' retirement benefits, representing 23.7% of pensionable pay (in 2022/23 £5.628m was paid representing 23.7% of pensionable pay). There were no contributions payable at the year-end. The expected contributions to the Teachers' Pension Scheme for 2023/24 are £7.648m (representing 28.7% of pensionable pay).

Note 44 – Defined Benefit Pension Scheme

i. Local Government Pension Schemes

As part of the terms and conditions of employment the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not be payable until employees retire, the Council has a commitment to make the payments for those benefits and to disclose them when employees earn their future entitlement.

The Council participates in two post-employment schemes:

1. The Royal Berkshire Pension Fund, which is part of the Local Government Pension Scheme (LGPS) and is administered by the Royal Borough of Windsor and Maidenhead. This is a defined benefit scheme, meaning that the Council and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets. The Council is responsible for the liabilities of the Council and a share (16.69%) of liabilities of the former Berkshire County Council.
2. Arrangements for the award of discretionary post-retirement benefits upon early retirement - this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they fall due.

Transactions relating to post-employment benefits

The Council recognises the cost of post-employment benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the General Fund via the Movement in Reserves Statement. During the year the following transactions have been made in the Comprehensive Income and Expenditure Statement and General Fund Balance via the Movement in Reserves Statement.

i. Impact on Comprehensive Income & Expenditure Account

2022/23			2023/24	
Funded £'000	Unfunded £'000		Funded £'000	Unfunded £'000
Comprehensive Income and Expenditure Statement				
Cost of Services				
Service cost comprising:				
23,757	-	Current service cost	14,381	-
433	-	Past service cost	50	-
-	-	(Gain) / loss from settlements and / or transfers	-	-
475	-	Administration expenses	523	-
Other Operating Expenditure:				
Financing and Investment Income and Expenditure				
8,709	-	Net interest expense	6,934	-
33,374	-	Total charged to Surplus and Deficit on Provision of Services	21,888	-

2022/23			2023/24	
Funded £'000	Unfunded £'000		Funded £'000	Unfunded £'000
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement				
Remeasurement of the net defined benefit liability comprising:				
10,406	-	Return on plan assets, excluding the amount included in the net interest expense	(21,098)	-
-	-	Other Actuarial (gains)/losses on assets	-	-
-	-	Actuarial (gains)/losses arising from changes in demographic assumptions	(8,685)	-
(397,363)	(5,706)	Actuarial (gains)/losses arising from changes in financial assumptions	(6,164)	351
74,579	-	Other movements in the liability/(asset)	2,338	-
(312,378)	(5,706)	Total charged to Other Comprehensive Income and Expenditure Statement	(33,609)	351
(279,004)	(5,706)	Total charged to Comprehensive Income and Expenditure Statement	(11,721)	351

2022/23			2023/24	
Funded £'000	Unfunded £'000		Funded £'000	Unfunded £'000
Movement in Reserves Statement				
(33,374)		- Reversal of net charges to made to the Surplus or Deficit on the Provision of Services for post employment benefits in accordance with the Code	(21,888)	-
Actual amount charged against the General Fund balance for pensions in the year:				
18,758	-	Employer contributions payable to the scheme	30,296	-
-	1,188	Benefits paid direct to beneficiaries	-	1,265
(14,616)	1,188		8,408	1,265

ii. **Reconciliation between the fair value of assets and liabilities and the balance sheet liability**

Page 433	Pensions Assets and Liabilities Recognised in the Balance Sheet					
	2022/23			2023/24		
	Funded £'000	Unfunded £'000	Total £'000	Funded £'000	Unfunded £'000	Total £'000
	(636,650)	(12,431)	(649,081)	(648,954)	(11,517)	(660,471)
	489,078	-	489,078	543,399	-	543,399
	(147,572)	(12,431)	(160,003)	(105,555)	(11,517)	(117,072)
			Net (liability) / asset arising from the defined benefit obligation			

As per the section on the Pensions Reserve within note 38, in April 2023/24, the Council made an upfront payment of employer's contributions payable to the scheme of £17.4m for the three years 2023/24 to 2025/26 to secure a cashflow discount. This has resulted in a difference between the value of the pensions reserve and the net pension liability on the balance sheet. This difference will reduce in 2024/25 and return to zero in 2025/26.

iii. Reconciliation of the Present Value of the Scheme Liabilities

Reconciliation of present value of the scheme liabilities (Defined Benefit Obligation)						
Funded £'000	2022/23		Total £'000		Funded £'000	Unfunded £'000
	Unfunded £'000	Total £'000				
(930,880)	(19,325)	(950,205)		Opening present value of liabilities	(636,650)	(12,431)
(23,757)	-	(23,757)		Current service cost	(14,381)	-
(24,590)	-	(24,590)		Interest cost	(30,648)	-
(5,137)	-	(5,137)		Contributions from scheme participants	(5,190)	-
				Remeasurement gain/(loss):		
-	-	-		Actuarial gains/(losses) arising from changes in demographic assumptions	8,685	-
397,363	5,706	403,069		Actuarial gains/(losses) arising from changes in financial assumptions	6,164	(351)
(74,579)	-	(74,579)		Other	(2,338)	-
(433)	-	(433)		Past service cost	(50)	-
-	-	-		Loss on curtailments/settlements	-	-
-	-	-		Liabilities assumed on entity combinations	-	-
25,363	1,188	26,551		Benefits paid	25,454	1,265
-	-	-		Liabilities extinguished on settlements	-	-
(636,650)	(12,431)	(649,081)		Closing present value of liabilities	(648,954)	(11,517)

iv. Reconciliation of the Movement of the Fair Value of the Plan Assets

Movements in the Fair Value of Scheme Assets					
2022/23			2023/24		
Funded £'000	Unfunded £'000	Total £'000	Funded £'000	Unfunded £'000	Total £'000
485,546	-	485,546	489,078	-	489,078
15,881	-	15,881	23,714	-	23,714
-	-	-	-	-	-
(10,406)	-	(10,406)	21,098	-	21,098
18,758	1,188	19,946	30,296	1,265	31,561
5,137	-	5,137	5,190	-	5,190
(25,363)	(1,188)	(26,551)	(25,454)	(1,265)	(26,719)
-	-	-	-	-	-
(475)	-	(475)	(523)	-	(523)
-	-	-	-	-	-
489,078	-	489,078	543,399	-	543,399

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Basis for estimating assets and liabilities

Liabilities have been estimated on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the LGPS and unfunded discretionary benefits liabilities have been valued by Barnett Waddingham, an independent firm of actuaries with estimates for the Berkshire Pension Fund being based on the latest full (triennial) valuation as at 31 March 2022.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Royal Borough of Windsor and Maidenhead are monitoring developments in terms of whether there is expected to be any impact on LGPS Funds and will consider if there are any implications for the Royal Berkshire Pension Fund. As a result, Reading Council does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

v. Principal Assumptions

The principal assumptions used by the actuary are set out below.

2022/23 Years	Life expectancy assumptions	2023/24 Years
	Longevity at 65 for current pensioners	
21.0	Men	20.8
23.9	Women	23.6
	Longevity at 65 for future pensioners	
22.3	Men	22.0
25.3	Women	25.0

%	Financial assumptions	%
4.8	Discount rate	4.9
2.9	Pension increases (CPI)	2.9
3.9	Salary increases	3.9

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes, while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

The Royal Berkshire Pension Scheme entered into a longevity insurance contract to cover all members of the Fund who had started receiving their pension by the end of July 2009 and their dependents. The fund will, in effect, pay inflation-linked fixed premiums to the Insurer who, in exchange, will pay the actual pension amounts due; this removes the longevity risk to the Fund in respect of the members covered. The contract is treated as a negative asset within the Fund's accounts.

vi. **Scheme Assets**

2022/23 £'000		2023/24 £'000
306,773	Equities	373,803
71,081	Other Bonds and Target Return Portfolio	71,376
61,826	Property	49,466
7,396	Cash	5,004
67,433	Infrastructure	68,080
(25,431)	Longevity insurance	(24,330)
489,078	Total	543,399

vii. **Sensitivity Analysis**

The above figures are based on the Actuary's best estimates for future movements in inflation and life expectancy. The impact on the Pension Fund of slight changes to these assumptions is shown below:

Impact on the defined benefit obligation	Increase in assumption £'000	Decrease in assumption £'000
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(10,353)	11,524
Rate of increase in salaries (increase or decrease by 0.1%)	676	(670)
Rate of inflation (increase or decrease by 0.1%)	10,147	(9,892)
Longevity (increase or decrease by 1 year)	25,164	(24,164)

Asset and Liability Matching Strategy

In order to manage future liability risk, the Royal County of Berkshire Pension Fund entered into a longevity insurance contract with Swiss Re which covered all of the members of the Fund who had started receiving their pension by the end of July 2009 and their dependents. This contract effectively means that the Fund will pay inflation-linked fixed premiums to Swiss Re and in exchange Swiss Re will pay the actual pension amounts due, thus removing the longevity risk to the Fund in respect of the members covered.

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. As at the 2022 triennial valuation, the Council's liabilities were 75% funded. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 21 years and this will shorten in future years. Funding levels are monitored on an annual basis.

viii. Estimate of contributions for 2024/25

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2025 are £12.923m.

Note 45 – Cash Flow from Operating Activities

Operating activities within the cashflow statement include the following cashflows relating to interest:

2022/23 £'000		2023/24 £'000
(4,434)	Interest received	(3,246)
17,186	Interest paid	16,005
12,752	Total	12,759

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2022/23 £'000		2023/24 £'000
(41,470)	Depreciation	(39,536)
-	Impairment and downward valuations	(7,018)
(1,964)	Amortisation	(2,108)
41,791	(Increase)/decrease in creditors	(15,442)
(12,024)	Increase/(decrease) in debtors	17,522
28	Increase/(decrease) in inventories	(47)
(13,428)	Movement in pension liability	21,309
(993)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(25,826)
(7,549)	Other non-cash movements charged to the surplus or deficit on provision of services	(1,439)
(35,608)	Total	(52,585)

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2022/23 £'000		2023/24 £'000
5,484	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	4,420
36,235	Any other items for which the cash effects are investing or financing cash flows	28,914
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments	-
41,719	Total	33,334

Note 46 – Cash Flow from Investing Activities

2022/23 £'000		2023/24 £'000
78,465	Purchase of property, plant and equipment, investment property and intangible assets	68,278
-	Purchase of short-term and long-term investments	-
-	Other payments for investing activities	-
(5,477)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(4,420)
-	Proceeds from short-term and long-term investments	-
(36,235)	Other receipts from investing activities	(28,493)
36,753	Net Cash Flows from Investing Activities	35,365

Note 47 – Cash Flow from Financing Activities

2022/23 £'000		2023/24 £'000
(30,090)	Cash receipts of short-term and long-term borrowing	(101,340)
-	Other receipts from financing activities	-
1,114	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	1,074
12,475	Repayments of short-term and long-term borrowing	67,340
(20,591)	Council Tax and NNDR share	4,872
(37,092)	Net Cash Flows from Financing Activities	(28,054)

Housing Revenue Account

Housing Revenue Account Income and Expenditure Statement

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with the Code, rather than the amount to be funded from rents and grants. The Council charges rents to cover expenditure in accordance with regulations; however, these may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the HRA Statement.

2022/23 £'000	Expenditure	2023/24 £'000
8,837	Repairs and Maintenance	10,833
16,930	Supervision and Management	18,805
281	Rents, Rates, Taxes and other charges	359
13,777	Depreciation, impairment and revaluation losses of non-current assets	14,892
76	HRA share of Non-Distributed Costs (IAS past service costs)	-
19	Debt Management Costs	21
39,919	Total Expenditure	44,910

2022/23 £'000	Income	2023/24 £'000
(37,350)	Dwelling Rents	(40,693)
(48)	Non-Dwelling rents	(49)
(3,997)	PFI Credit	(3,997)
(1,344)	Charges for services and facilities	(1,599)
(96)	Other	(81)
(42,835)	Total Income	(46,419)

2022/23 £'000		2023/24 £'000
39,919	Total Expenditure	44,910
(42,835)	Total Income	(46,419)
(2,915)	Net Expenditure of HRA Services	(1,509)
324	HRA share of costs of Corporate and Democratic core	342
(2,591)	Net Expenditure of HRA Services as reported in CIES	(1,167)
(2,079)	(Gains)/loss on sale of HRA Fixed Assets	(847)
8,077	Interest Payable and Similar Charges	8,981
(1,112)	HRA Interest and Investment Income	(2,416)
724	Net Interest on the defined benefit liability/asset	624
3,019	(Surplus) or deficit for Year on HRA Services	5,175

Movement on the HRA Statement

Analysis of the amounts included within 'Adjustments between accounting basis and funding basis under regulations' and 'Transfers to or from reserves' within the Movement in the HRA Statement:

2022/23 £'000	Movement on the HRA Statement	2023/24 £'000
(40,264)	Balance on the HRA at the end of the previous year	35,334
3,019	(Surplus) or deficit on the HRA Income and Expenditure Statement	5,175
2,141	Adjustments between accounting basis and funding basis under statute	3,163
5,161	Net (increase) or decrease before transfers to or from other reserves	8,338
(231)	Transfers to other reserves - PFI Smoothing Reserve	(392)
4,930	(Increase) or decrease on the HRA for the year	7,946
(35,334)	Balance on the HRA at the end of the current year	(27,388)
(9,916)	Earmarked reserves - PFI Smoothing Reserve	(9,524)
(45,250)	Total HRA Reserves	(36,912)

2022/23 £'000	Adjustments between accounting basis	2023/24 £'000
(12,897)	Transfers to/(from) the Capital Adjustment Account	(14,125)
2,079	Gain or (loss) on sale of non-current assets	847
(1,215)	Contributions to or (from) the Pension Reserve	800
551	Capital Expenditure funded from the HRA	750
(10)	Transfers to/(from) the Accumulated Absences Account	(2)
13,633	Transfers to/(from) Major Repairs Reserve	14,892
2,141	Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year	3,163

Note 1 – Analysis of Council Housing Stock

At 31 March 2024, the Council was responsible for managing a housing stock of 6,852 dwellings, including 1,250 within the North Whitley PFI scheme (31 March 2023: 6,784 dwellings, 1,252 in the PFI scheme). These dwellings are of the following types:

31 March 2023				31 March 2024		
<u>Flats</u>	<u>Houses</u>	<u>Total</u>		<u>Flats</u>	<u>Houses</u>	<u>Total</u>
2,930	3,854	6,784	Total number and type of dwellings	2,985	3,867	6,852

Note 2 – Housing Revenue Account Capital Expenditure

During 2023/24, the Council incurred £31.6m capital expenditure on land, houses and other properties within the HRA (2022/23: £28.6m). The detail of expenditure and the methods of financing are detailed below:

31 March 2023 £'000		31 March 2024 £'000
Capital Investment		
12,678	Operational Assets	18,581
15,911	Assets Under Construction	13,057
-	REFCUS	-
28,588	Total Capital Expenditure within the HRA	31,638
Sources of Funding		
(6,343)	Borrowing	(11,810)
(1,206)	Capital Receipts	(101)
(11,841)	Major Repairs Reserve	(11,855)
(551)	Revenue Contributions	(750)
(8,647)	Government Grants and other Contributions	(7,123)
(28,588)	Total Funding	(31,638)

Note 3 – Balance Sheet Value of HRA Operational Assets

31 March 2023 £'000		31 March 2024 £'000
	Operational Assets	
569,136	Dwellings	550,571
5,636	Other Land and Buildings	5,447
	Non Operational Assets	
30,433	Assets Under Construction	34,497
5,154	Surplus Assets	1,277
610,360	Total	591,792

The value of the HRA dwellings was restated to reflect a revision to the estimated split of land and building components within the overall asset valuation.

Dwellings are initially valued at open market value assuming vacant possession. The vacant possession value of the HRA tenanted dwellings was £1,668m at 31 March 2024 (£1,725m at 31 March 2023). The difference between the vacant possession value and the Balance Sheet value of dwellings within the HRA reflects that tenancies are held on a secure basis without vacant possession.

The Balance Sheet value is determined by applying the Government prescribed discount factor (the vacant possession discount factor) to the vacant possession value of the stock. The vacant possession discount factor was 33% (33% in 2022/23).

Note 4 – Depreciation and Impairment

31 March 2023			31 March 2024		
Depreciation £'000	Impairment £'000	Total £'000	Depreciation £'000	Impairment £'000	Total £'000
(13,416) -		(13,416)	(14,644)	-	(14,644)
(212)	(125)	(337)	(233)	-	(233)
(5)	(19)	(24)	(15)	4	(11)
(13,633)	(144)	(13,777)	(14,892)	4	(14,888)

NB. A positive entry indicates an impairment reversal.

Note 5 – Transactions relating to Retirement Benefits

31 March 2023		31 March 2024
£'000		£'000
416	Current Service Cost	(1,476)
-	Past Service Costs	5
36	(Gain)/loss from settlements	-
39	Administration expenses	47
724	Net interest expense	624
1,215	Total	(800)
1,215	Movement on Pension Reserve	(800)

Applying IAS 19 to the Housing Revenue Account (HRA) has no overall effect on the HRA balance as the debit to the Income and Expenditure Account is reversed out by an appropriation from the Pensions Reserve in the Statement of Movement of HRA Balances.

Note 6 – Total Capital Receipts Generated during the year

31 March 2023		31 March 2024
£'000		£'000
(4,234)	Council Houses	(1,739)
-	Other Property	-
(4,234)	Total	(1,739)

During the year, the Council disposed of 10 dwellings to tenants under the Right to Buy scheme. These disposals, along with non-Right to buy sales (1), generated total capital receipts of £1.7m. No funds were due to Central Government as the Council's contribution to the Central Housing Pool. £11.5m of HRA capital receipts was held by the Council as at 31 March 2024 available to be used on replacement housing.

Note 7 – Rent Arrears and Bad Debt Provision

	2022/23 £'000	2023/24 £'000
Arrears by Tenant		
Current Tenants	1,485	1,598
Former Tenants	885	1,027
Total Arrears	2,370	2,625

The specific provision for the possible non-collection of all rent related charges at 31 March is £1.780m, which represents 68% of the total outstanding arrears. The calculation assesses the potential for future impairment based on an analysis of arrears with and without arrangements with current and former tenants. These are then further analysed on an age outstanding basis and provisions made on established percentages, relating to the age of debt outstanding.

Collection Fund

Introduction

The Collection Fund Statement is a record of revenue expenditure and income relating to the Council's role as a Billing and Precepting Authority for Council Tax and Non-Domestic Rates (NDR) in accordance with the requirements of Section 89 of the Local Government Finance Act 1988. Its primary purpose is to show the transactions in relation to the collection from taxpayers of tax due and its distribution to other authorities, major preceptors and the Government. Collection Fund Statement items are only included within the Comprehensive Income and Expenditure Account and Balance Sheet when they relate to the Council's own entitlements or commitments as distinct from those of Local Government or Central Government partners. Amounts owed to or owing by taxpayers at the Balance Sheet date are therefore not shown in the Council's Balance Sheet with the exception of the proportion of Council Tax to which the Council itself is entitled.

It also shows how the Council Tax income is distributed between Reading Borough Council, Thames Valley Police and the Royal Berkshire Fire Authority, and the Non-Domestic Rates (NDR) income is distributed between Reading Borough Council, Central Government and the Royal Berkshire Fire Authority.

Billing authorities in England are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and Non-Domestic Rates (NDR). The fund key features relevant to accounting for Council Tax in the core financial statements are:

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- While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the General Fund of the Billing Authority or paid out of the Collection Fund to the other major preceptors.
- Council Tax income included in the Comprehensive Income and Expenditure Account for the year shall be the accrued income for the year. The difference between the income included in the Comprehensive Income and Expenditure Account and the amount required by regulation to be credited to the Collection Fund shall be taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

Since the collection of Council Tax and Non-Domestic Rates Income is in substance an agency arrangement:

- Cash collected by the Billing Authority from Council Tax debtors belongs proportionately to the Billing Authority and the other major preceptors. There will therefore be a debtor/creditor position between the Billing Authority and each of the other major preceptors to be recognised since the net cash paid to each of the other major preceptors in the year will not be its share of the cash collected from Council Tax taxpayers.
- Cash collected from NDR taxpayers by Billing Authorities (net of the cost of collection allowance) belongs to the Government, the Council as a preceptor and the other major preceptors. The amount not yet paid to them at the Balance Sheet date shall be included in the Balance Sheet as a creditor; similarly, if cash paid to the Government and the other major preceptors exceeds the cash collected from NDR taxpayers (net of the Billing Authority's cost of collection allowance), the excess shall be included in the Balance Sheet as a debtor.

Council Tax

This section summarises how the money we collected through Council Tax is distributed between the other major precepting authorities and ourselves.

The Collection Fund Income and Expenditure Account - Council Tax	2022/23 £'000	2023/24 £'000
Income		
Council Tax Receivable	(123,780)	(131,303)
Transfer for Transitional Relief, S13A Reliefs and discount for prompt payment	(49)	(576)
	(123,829)	(131,879)
Contributions to previous year estimated deficit		
Reading Borough Council	(1,473)	-
Royal Berkshire Fire Authority	(58)	-
Thames Valley Police	(190)	-
	(1,721)	-
Total Income	(125,550)	(131,879)
Expenditure		
Precepts, Demands and Shares		
Reading Borough Council	104,403	111,086
Royal Berkshire Fire Authority	4,220	4,565
Thames Valley Police	13,767	14,820
	122,390	130,471
Distribution of previous year estimated surplus		
Reading Borough Council	-	1,723
Royal Berkshire Fire Authority	-	70
Thames Valley Police	-	230
	-	2,023
Change in allowance for impairments	1,355	1,515
Total Expenditure	123,745	134,009
(Surplus)/Deficit for the year	(1,805)	2,130
Opening Balance (Surplus)/Deficit at 1 April	436	(1,369)
Closing Balance (Surplus)/Deficit at 31 March	(1,369)	761

Business Rates (Non-Domestic Rates)

This section summarises how the money we collected through Business Rates is distributed between the other major precepting authorities; Central Government and ourselves.

The Collection Fund Income and Expenditure Account - Business Rates		2022/23 £'000	2023/24 £'000
Income			
Business Rates receivable (net of discretionary and mandatory relief)		(119,406)	(130,808)
Transitional Protection Payments		-	(7,439)
		(119,406)	(138,247)
Contributions to previous year estimated deficit			
Central Government		(19,548)	-
Reading Borough Council		(19,158)	-
Royal Berkshire Fire Authority		(391)	-
		(39,097)	-
Total Income		(158,503)	(138,247)
Expenditure			
Precepts, Demands and Shares			
Central Government		61,321	67,440
Reading Borough Council		60,094	66,091
Royal Berkshire Fire Authority		1,226	1,349
		122,641	134,880
Distribution of previous year estimated surplus			
Central Government		-	2,543
Reading Borough Council		-	2,492
Royal Berkshire Fire Authority		-	51
		-	5,086
Change in allowance for impairments		1,269	373
Interest		-	58
Provision for appeals		(2,224)	5,489
Cost of collection allowance		283	289
Transitional protection payment		997	-
		325	6,209
Total Expenditure		122,966	146,175
(Surplus)/Deficit for the year		(35,537)	7,928
Opening Balance (Surplus)/Deficit at 1 April		30,574	(4,963)
Closing Balance (Surplus)/Deficit at 31 March		(4,963)	2,965

Notes to the Collection Fund

Business Rates

The Council collects business rates for its area based on rateable values (as determined by the Valuation Office Agency) and multipliers set by Central Government, which are set out below.

Non-domestic rateable value and multipliers	2022/23	2023/24
Non-domestic rateable value at 31 March	£310,700,368	£341,140,036
Business rate multiplier - standard rate	51.2p	51.2p
Business rate multiplier - small businesses	49.9p	49.9p

Council Tax

Council Tax is charged on residential properties based upon valuation bandings established when the system was introduced in 1993. The number of properties in each band and calculation of the taxbase (adjusted to reflect relevant discounts and exemptions) was approved by Full Council in the January preceding the start of the respective financial year and is summarised in the table below.

Band	2023/24 Valuation band limits £	Calculated No. of chargeable dwellings No.	Ratio to band D	Equated No. of dwellings No.
AA	Band A entitled to disabled relief reduction	3	5/9	2
A	Up to and including - 40,000	4,788	6/9	3,192
B	40,001 - 52,000	11,120	7/9	8,649
C	52,001 - 68,000	25,068	8/9	22,283
D	68,001 - 88,000	10,006	9/9	10,006
E	88,001 - 120,000	5,323	11/9	6,506
F	120,001 - 160,000	3,078	13/9	4,446
G	160,001 - 320,000	1,780	15/9	2,966
H	More than - 320,001	71	18/9	141
		61,237		58,191
Adjustments for estimates of new build and non-collection				(364)
		Council Tax Base		57,827

Group Accounts

Introduction

The Council has reviewed its relationships with its partner organisations to determine whether there are any entities that should be considered as part of the Council's 'group'. Three wholly owned organisations have been identified as needing to be consolidated within the Group:

- Reading Transport Limited (RTL).
- Homes for Reading (HfR).
- Brighter Futures for Children (BFfC)

In addition to the above companies:

RTL has ten wholly owned subsidiaries, Newbury and District Limited (N&D); The Greater Omnibus Company Limited; Reading Rovers Limited; Reading Minibuses Limited; Reading Buses Limited; Newbury Buses Limited; Reading Transport Pensions Trustees Limited; Thames Valley Buses Limited; Courtney Bodyworks Limited; and Courtney ATF Ltd which have been consolidated into the Council's Group Accounts.

RTL was founded in 1986 to meet the requirements of the Transport Act and provides local bus services within the Greater Reading and West Berkshire areas, along with holidays and excursions, and the provision of drivers and buses for private hire. Reading Borough Council owns 100% of the share capital and is able to control the operating, governance and financial policies of the company. In addition, the Council has two representatives on the Board of Directors.

HfR was established in April 2016 as a wholly owned subsidiary, to provide quality rented housing in the Greater Reading area and help alleviate local housing need for both market and submarket tenants. HfR acquire and let both freehold and leasehold properties ranging from street properties (individual, multiple or a block) through to new build properties under construction. The aim is to achieve an optimum mix of market rent lettings and submarket rent lettings across its property portfolio so that it can satisfy its social obligations whilst remaining a commercially viable entity.

BFfC was established on 5 April 2018 to deliver Children's Social Care Services, Education, Special Education and Disabilities, School Support Services and Early Help. It began trading on 3 December 2018. The overall objective is to deliver the best possible opportunities for the children of Reading.

Group Financial Statements

The Council is required to produce financial statements for the group, together with supporting notes, where there is a material difference to the single entity statement. The following statements have been prepared:

The **Group Comprehensive Income and Expenditure Statement**, which brings together the Comprehensive Income and Expenditure Statement produced by the Council and the Profit and Loss Statements produced by Reading Transport Limited, Homes for Reading and Brighter Futures for Children.

The **Group Movement in Reserves Statement**, which combines the in-year movements of the financial reserves of the Council, with those of the Group entities, providing the overall change in the Council's total reserves.

The **Group Balance Sheet**, which recognises the year end position for all the group entities.

The **Group Cashflow Statement**, which consolidates the cashflow statements for the Council, HfR, BFfC and the RTL.

The **Notes to the Group Accounts**, where the balances are materially different to those in the single entity accounts.

Group Accounting Policies

The Accounting policies for the subsidiary companies are not materially different to those of the Council, as set out in Note 1 to the Main Accounts.

Basis of accounts production

The group accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

As required by Chapter 9 of the Code, the Council has consolidated the above subsidiaries on a line-by-line basis. Intra -group transactions have been eliminated before consolidation on a line-by-line basis, and the accounts of the subsidiaries have been restated where they use different accounting policies to the Council, as required by the Code.

Critical Judgements in Applying Group Accounting Policies

Group accounts have been prepared using the following financial information:

Reading Borough Council.	Unaudited financial statements for 2023/24 and prior years.
BFfC	Unaudited financial statements for 2023/24 and prior years.
HfR	Trial Balance for 2023/24 and Unaudited financial statements for prior years.
RTL	Trial Balance for 2023/24 and Unaudited financial statements for prior years.

Group Comprehensive Income and Expenditure Statement

	2022/23 Restated			Service Area	2023/24		
	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
	83,854	(38,770)	45,084	Communities and Adult Social Care	107,358	(55,592)	51,766
	92,467	(74,395)	18,072	Resources	41,683	(23,220)	18,463
				Chief Executive Services	8,109	(6,606)	1,503
				Corporate Support Services	50,575	(50,585)	(10)
	216,188	(113,566)	102,622	Children, Education and Early Help Services	233,811	(162,817)	70,994
	107,835	(65,578)	42,257	Economic Growth and Neighbourhood Services	90,098	(39,818)	50,280
	53,774	(44,332)	9,442	Reading Transport Limited (RTL)	58,619	(55,766)	2,853
	65	(1,364)	(1,299)	Homes for Reading (HFR)	102	(2,535)	(2,433)
	40,237	(42,835)	(2,598)	Housing Revenue Account	46,360	(46,112)	248
	594,420	(380,840)	213,580	Group Cost of Services	636,715	(443,051)	193,664
Page 453			(9,442)	Other Operating (Income)/Expenditure			13,482
			33,651	Financing and Investing Income and Expenditure			22,198
			(188,487)	Taxation and Non-Specific Grant Income			(188,840)
			1,229	Corporation Tax payable			1,997
			50,531	Group (Surplus)/Deficit on Provision of Services			42,501
			-	(Surplus)/Deficit on Revaluation of Investments			-
			(11,387)	(Surplus)/Deficit on Revaluation of Non-Current Assets			22,321
			(358,481)	Remeasurement of Pension Fund Liabilities			(31,222)
			(2,021)	Deferred Tax on Pension Liability and Corporation Tax Adjustment			-
			(371,889)	Other Group Comprehensive Income and Expenditure			(8,901)
			(321,358)	Total Group Comprehensive Income and Expenditure			33,600

Please Note: This table and all others within this document are subject to some rounding of figures. Where necessary some previous year figures may have been restated to match 2023/2024 reporting structure (primarily a change of reporting of Resources, Chief Executive Services & Corporate)

Group Movement in Reserves Statement 2023/24

2023/24	REVENUE RESERVES						CAPITAL RESERVES			Total Council Usable Reserves	Total Council Unusable Reserves	Total Council Reserves	Council's share of subsidiaries' Reserves	Total Group Reserves
	General Fund	General Fund Earmarked Reserves	Total General Fund Balances	Housing Revenue Account (HRA)	HRA Earmarked Reserves	Total HRA Balances	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
Balance 1 April 2023	(8,221)	(70,132)	(78,352)	(35,336)	(9,916)	(45,252)	(31,584)	(8,749)	(61,704)	(225,641)	(493,310)	(718,952)	(10,639)	(729,590)
Movements in 2023/24:														
Surplus/Deficit on the Provision of Services	(17,602)	-	(17,602)	5,175	-	5,175	-	-	-	(12,427)	-	(12,427)	54,929	42,501
Other Comprehensive Income/Expenditure	-	-	-	-	-	-	-	-	-	-	94	94	(8,994)	(8,900)
Total Income/Expenditure	(17,602)	-	(17,602)	5,175	-	5,175	-	-	-	(12,427)	94	(12,334)	45,935	33,602
Consolidation adjustments between Group and Council Accounts	54,407	-	54,407	-	-	-	-	-	-	54,407	-	54,407	(54,407)	-
Net Increase/Decrease	36,805	-	36,805	5,175	-	5,175	-	-	-	41,980	94	42,073	(8,472)	33,602
Adjustments between Funding and Accounting	(18,653)	-	(18,653)	3,163	-	3,163	(1,086)	(3,037)	2,298	(17,315)	17,315	-	-	-
Net Increase/Decrease before Transfers to/from Reserves	18,151	-	18,152	8,338	-	8,338	(1,086)	(3,037)	2,298	24,665	17,409	42,073	(8,472)	33,602
Transfers to/from Reserves	(18,323)	12,381	(5,942)	(392)	392	-	-	-	-	(5,942)	5,942	-	-	-
Net Increase/Decrease for year	(172)	12,381	12,209	7,946	392	8,338	(1,086)	(3,037)	2,298	18,722	23,351	42,073	(8,472)	33,602
Balance 31 March 2024	(8,394)	(57,751)	(66,145)	(27,389)	(9,524)	(36,913)	(32,670)	(11,786)	(59,406)	(206,920)	(469,959)	(676,879)	(19,111)	(695,989)

This table is subject to roundings

Group Movement in Reserves Statement 2022/23 – Restated

2022/23 Restated	REVENUE RESERVES						CAPITAL RESERVES			Total Council Usable Reserves	Total Council Unusable Reserves	Total Council Reserves	Council's share of subsidiaries' Reserves	Total Group Reserves
	General Fund	General Fund Earmarked Reserves	Total General Fund Balances	Housing Revenue Account (HRA)	HRA Earmarked Reserves	Total HRA Balances	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
Balance 1 April 2022	(7,501)	(85,052)	(92,552)	(40,265)	(10,147)	(50,412)	(12,818)	(6,957)	(62,746)	(225,485)	(163,759)	(389,243)	(20,153)	(409,398)
Movements in 2022/23:														
Surplus/Deficit on the Provision of Services	(65,981)	-	(65,981)	3,019	-	3,019	-	-	-	(62,962)	-	(62,962)	114,659	51,697
Other Comprehensive Income/Expenditure	-	-	-	-	-	-	-	-	-	-	(338,280)	(338,280)	(33,609)	(371,889)
Total Income/Expenditure	(65,981)	-	(65,981)	3,019	-	3,019	-	-	-	(62,962)	(338,280)	(401,242)	81,050	(320,192)
Consolidation adjustments between Group and Council Accounts	71,533	-	71,533	-	-	-	-	-	-	71,533	-	71,533	(71,533)	-
Net Increase/Decrease	5,552	-	5,552	3,019	-	3,019	-	-	-	8,571	(338,280)	(329,709)	9,517	(320,192)
Adjustments between Funding and Accounting	10,443	-	10,443	2,141	-	2,141	(18,766)	(1,792)	546	(7,428)	7,428	-	-	-
Net Increase/Decrease before Transfers to/from Reserves	15,995	-	15,995	5,160	-	5,160	(18,766)	(1,792)	546	1,143	(330,852)	(329,709)	9,517	(320,192)
Transfers to/from Reserves	(16,715)	14,920	(1,795)	(231)	231	-	-	-	496	(1,299)	1,298	-	-	-
Net Increase/Decrease for year	(720)	14,920	14,200	4,929	231	5,160	(18,766)	(1,792)	1,042	(156)	(329,551)	(329,709)	9,514	(320,192)
Balance 31 March 2023	(8,221)	(70,132)	(78,352)	(35,336)	(9,916)	(45,252)	(31,584)	(8,749)	(61,704)	(225,641)	(493,310)	(718,952)	(10,639)	(729,590)

Group Balance Sheet

2022/23 Restated £'000	Balance Sheet	Note	2023/24 £'000
1,057,189	Property, Plant and Equipment	1	1,035,367
132,986	Infrastructure		137,170
2,541	Heritage Assets		3,376
98,675	Investment Property	2	87,905
7,943	Intangible Assets		8,027
-	Pension Assets		8,234
14,450	Long-Term Investments		20,194
408	Long-Term Debtors		386
1,314,192	Group Non-Current Assets		1,300,659
-	Assets Held for Sale		329
906	Inventories		940
55,715	Short-Term Debtors	3	70,632
67,087	Cash and Cash Equivalents		34,034
123,708	Group Current Assets		105,935
(33,009)	Short-Term Borrowing		(79,518)
(109,872)	Short-Term Creditors	4	(97,515)
(4,904)	Short-Term Provisions		(6,256)
(1,304)	PFI Short-Term Liabilities and Deferred Income		(1,325)
(28)	Deferred Income		(288)
-	Grants Received in Advance - Capital		-
(149,117)	Group Current Liabilities		(184,902)
(142)	Long-Term Provisions		-
(369,485)	Long-Term Borrowing		(357,485)
(151,940)	Pensions Liabilities		(117,072)
(32,116)	Other Long-Term Liabilities	5	(45,980)
(5,510)	Deferred Tax re Pension Scheme		(5,165)
(559,193)	Group Long-Term Liabilities		(525,702)
729,590	Net Group Assets		695,990
(236,278)	Usable Reserves		(226,029)
(493,312)	Unusable Reserves		(469,961)
(729,590)	Total Group Reserves		(695,990)

Group Cash Flow Statement

2022/23 £'000	Cash Flow	Note	2023/24 £'000
50,530	Net (surplus) or deficit on the provision of services		42,501
(83,508)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	6	(53,906)
41,721	Adjustments for items included in the net surplus on the provision of services that are investing and financing activities	6	33,334
8,743	Net cash flows from Operating Activities		21,929
41,421	Investing Activities	6a	35,365
(36,903)	Financing Activities	6b	(24,241)
13,260	Net (increase) or decrease in cash and cash equivalents		33,053

80,347	Cash and cash equivalents at the beginning of the reporting period	67,087
(13,260)	Net increase or (decrease) in cash and cash equivalents	(33,053)
67,087	Cash and cash equivalents at the end of the reporting period	34,034

Note 1 – Group Property, Plant and Equipment

The following non-current assets are subject to revaluation as set out below:

Asset type	Valuation basis	Date of valuation	Valuation frequency
Council dwellings	Existing Use Value – Social Housing	31-Mar	Annual
Other land and buildings	Existing Use Value	31-Mar	Five -yearly
Surplus Assets	Fair value	31-Mar	Annual

Other land and buildings and surplus asset valuations were undertaken by the external Valuer Sanderson Weatherall LLP, under the direction of Ian Vivian, MRICS. The valuation date is the 31 March 2024 for all valuations completed.

Vehicles, plant, and equipment are valued at depreciated historic cost, as a proxy for current value on the basis that these are low value assets and/or have short lives. There is one exception in Reading Borough Council which is the plant and equipment of the two Waste Disposal Assets in which the Council has a share of the interest. These assets are subject to valuation as outlined in the valuation information provided below.

Group Property, Plant and Equipment 2023/2024

2023/24	Council dwellings £'000	Other land and buildings £'000	Vehicles, furniture, plant and equipment £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total £'000
Cost or valuation 2023/24							
at 1 April 2023	569,137	364,237	86,331	9,019	27,780	81,195	1,137,700
Opening Balance Adjustment	-	-	-	(1)	-	-	(1)
Additions	18,442	6,618	7,230	238	-	25,989	58,518
Revaluation Adjustments Recognised in the Revaluation Reserve	(34,392)	9,547	-	-	2,077	-	(22,768)
Derecognition and Disposals	(916)	(2,218)	(488)	-	(2,101)	-	(5,723)
Reclassifications and Transfers	12,921	19,851	3,685	-	(3,896)	(59,900)	(27,339)
Other Movements in Cost or Valuation*	(14,620)	(15,387)	-	-	(88)	-	(30,095)
At 31 March 2024	550,572	382,648	96,758	9,257	23,771	47,284	1,110,290
Accumulated Depreciation and Impairment							
at 1 April 2023	-	(25,032)	(52,716)	(2,057)	-	(707)	(80,512)
Opening Balance Adjustment	-	-	-	-	-	-	-
Depreciation Charge for Year	(14,644)	(10,198)	(2,628)	(37)	(53)	-	(27,560)
Impairments Recognised in the Provision of Services	-	1,952	-	-	(53)	-	1,899
Derecognition and Disposals	24	710	388	-	34	-	1,155
Reclassifications and Transfers	-	25	-	-	(16)	(9)	-
Other Movements in Depreciation and Impairment	14,620	15,387	-	-	88	-	30,095
At 31 March 2024	-	(17,156)	(54,956)	(2,094)	-	(717)	(74,923)
Net book value 31 March 2024	550,572	365,492	41,802	7,162	23,771	46,567	1,035,367
Net book value 31 March 2023	569,137	339,205	33,615	6,962	27,780	80,487	1,057,187

Group Property, Plant and Equipment 2022/2023

2022/23	Council dwellings £'000	Other land and buildings £'000	Vehicles, furniture, plant and equipment £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total £'000
Cost or valuation 2022/23							
at 1 April 2022	549,451	349,534	83,520	8,807	24,213	71,828	1,087,353
Opening Balance Adjustment	-	-	-	-	-	-	-
Additions	12,675	6,009	6,426	183	22	48,821	74,136
Revaluation Adjustments Recognised in the Revaluation Reserve	15,353	3,738	-	-	1,105	-	20,196
Derecognition and Disposals	(2,208)	(546)	(4,545)	-	2,318	(223)	(5,204)
Reclassifications and Transfers	7,247	17,848	930	29	430	(39,231)	(12,747)
Other Movements in Cost or Valuation*	(13,381)	(12,346)	-	-	(307)	-	(26,034)
At 31 March 2023	569,137	364,237	86,331	9,019	27,781	81,195	1,137,700
Accumulated Depreciation and Impairment							
at 1 April 2022	-	(22,650)	(49,569)	(2,029)	-	(1,007)	(75,255)
Opening Balance Adjustment	-	-	-	-	-	-	-
Depreciation Charge for Year	(13,416)	(9,857)	(6,480)	(28)	(12)	16	(29,777)
Impairments Recognised in the Provision of Services	-	(4,644)	-	-	(81)	-	(4,725)
Derecognition and Disposals	54	38	3,333	-	(215)	-	3,210
Reclassifications and Transfers	(19)	(265)	-	-	-	284	-
Other Movements in Depreciation and Impairment	13,381	12,346	-	-	307	-	26,034
At 31 March 2023	-	(25,032)	(52,716)	(2,057)	-	(707)	(80,513)
Net book value 31 March 2023	569,137	339,205	33,615	6,962	27,781	80,488	1,057,187
Net book value 31 March 2022	549,451	326,884	33,951	6,778	24,213	70,821	1,012,098

Note 2 – Investment Property

The tables below summarise the movement in the fair value of investment properties over the year, together with the income and expenditure relating to these properties which has been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

2022/23			2023/24		
RBC £'000	HfR £'000	Total £'000	RBC £'000	HfR £'000	Total £'000
75,210	30,605	105,815			
-	-	-	Opening Balance	67,775	30,900
-	-	-	Additions	-	98,675
-	-	-	Disposals	-	-
-	-	-	Reclassifications and transfers	(1,278)	(1,278)
(7,435)	295	(7,140)	Net gains and losses from fair value adjustments	(8,917)	(9,492)
67,775	30,900	98,675	Closing Balance	57,580	30,325
					87,905

Note 3 – Debtors

Debtors due within one year

2022/23		2023/24
£'000		£'000
6,254	Central Government bodies	15,505
1,549	Other local authorities	4,520
339	NHS bodies	1,831
47,616	Other entities and individuals	48,774
55,758	Total	70,630

Note 4 – Creditors

Creditors due within one year

2022/23 £'000		2023/24 £'000
(4,450)	Central Government Bodies	(22,491)
(284)	Other Local Authorities	(21,176)
(3)	NHS Bodies	(1,120)
(105,135)	Other Entities and Individuals	(52,728)
(109,872)	Total	(97,515)

Note 5 – PFI and Other Long-Term Liabilities

Page 461	2022/23				2023/24		
	RBC £'000	Subsidiaries £'000	Group Total £'000		RBC £'000	Subsidiaries £'000	Group Total £'000
	(17,040)	-	(17,040)	RBC - North Whitley PFI scheme	(16,269)	-	(16,269)
	(4,803)	-	(4,803)	RBC - Waste PFI scheme	(4,249)	-	(4,249)
	-	(9,600)	(9,600)	RTL - Finance Lease and HP contracts	-	(18,784)	(18,784)
	(673)	-	(673)	Accruals and Deferred Income	(774)	(5,904)	(6,678)
	(22,516)	(9,600)	(32,116)	Total	(21,292)	(24,688)	(45,980)

Note 6 – Cash Flow from Operating Activities

Operating activities within the cashflow statement include the following cashflows relating to interest:

2022/23 £'000		2023/24 £'000
(4,434)	Interest received	(3,997)
17,186	Interest paid	16,191
12,752	Total	12,194

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2022/23 £'000		2023/24 £'000
(45,989)	Depreciation	(39,599)
-	Impairment and downward valuations	(7,018)
(1,964)	Amortisation	(2,108)
34,595	(Increase)/decrease in creditors	(15,517)
(8,462)	Increase/(decrease) in debtors	16,617
(98)	Increase/(decrease) in inventories	34
(53,380)	Movement in pension liability	21,309
(2,325)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(25,826)
(7,050)	Other non-cash movements charged to the surplus or deficit on provision of services	(1,796)
(84,673)	Total	(53,904)

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2022/23 £'000		2023/24 £'000
5,484	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	4,420
36,235	Any other items for which the cash effects are investing or financing cash flows	28,914
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments	-
41,719	Total	33,334

Note 6a – Cash Flow from Investing Activities

2022/23 £'000		2023/24 £'000
85,514	Purchase of property, plant and equipment, investment property and intangible assets	68,278
-	Purchase of short-term and long-term investments	-
-	Other payments for investing activities	-
(7,858)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(4,420)
-	Proceeds from short-term and long-term investments	-
(36,235)	Other receipts from investing activities	(28,493)
41,421	Net cash flows from investing activities	35,365

Note 6b – Cash Flow from Financing Activities

2022/23 £'000		2023/24 £'000
(17,615)	Cash receipts of short-term and long-term borrowing	(68,970)
-	Other receipts from financing activities	-
1,301	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	4,887
-	Repayments of short-term and long-term borrowing	34,970
(20,591)	Council Tax and NNDR share	4,872
(36,905)	Net cash flows from financing activities	(24,241)

Glossary Of Terms

For compliance with the Code of Practice the following definitions have been adopted:

ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is commonly referred to as the Balance Sheet date.

ACCOUNTING POLICIES

The principles, rules and procedures used in the preparation of the accounts.

ACCRUALS

The recognition of income and expenditure as goods and services are provided, not when cash is received or paid.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

ASSET

A resource controlled by the Council because of past events and from which economic benefits or service potential is expected. Assets can be:

- Intangible – assets of non-physical form, e.g., patents, goodwill, trademarks and copyrights
- Property, plant and equipment – assets which give the Council benefits for more than one year
- Community – assets held in perpetuity which may have restrictions on their disposal
- Infrastructure – assets such as highways and footways
- Non-operational – assets not directly used for service provision
- Heritage – assets held solely for historical, artistic, or environmental qualities

A current asset will be consumed or cease to have material value within the next financial year (e.g., cash and stock).

ASSETS UNDER CONSTRUCTION

Capital expenditure on assets where the work is incomplete.

AUDIT OF ACCOUNTS

An independent examination of the Council's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BORROWING

Using cash provided by another party to pay for expenditure, on the basis of an agreement to repay the cash at a future point, usually incurring additional interest charges over and above the original amount.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

Capital schemes that the Council intends to carry out over a number of financial years. The Capital Programme is approved annually by the Council alongside the budget.

CAPITAL RECEIPT

The proceeds from the disposal of land or other fixed assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government but they cannot be used to finance revenue expenditure.

CLAW-BACK

Where average council house rents are set higher than the Government's prescribed average limit rent, used in the calculation of rent rebates, the percentage difference reduces the amount of rent rebate subsidy due to the a Council, i.e., it is "clawed-back" by the Government.

CIPFA

The Chartered Institute of Public Finance and Accountancy is the professional body that sets accounting codes of practice that the Council follows.

COLLECTION FUND

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The account of the Council that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from local taxation, grants and other income.

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's accounts.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities is thus over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services.

CREDITORS

Amounts owed by the Council for work done, goods received, or services provided but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

Officers employed during the year will have earned one or more years of pensionable service. The current service cost is the increase in the value of the pension scheme's liabilities arising from the employee service during the period.

DEBTORS

Amounts due to the Council for works done, goods received, or services provided but which remain unpaid by the end of that accounting period.

DEDICATED SCHOOLS GRANT (DSG)

A Central Government grant paid to the County Council for use for expenditure on schools.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the Council and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction, or a liability settled.

GENERAL FUND

The Main revenue account of the Council covering all services but excluding Housing landlord functions.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future in particular that the revenue accounts and Balance Sheet assume no intention to curtail significant the scale of operations.

GOVERNMENT GRANTS

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by Central Government.

HOUSING REVENUE ACCOUNT (HRA)

A separate account to the General Fund, which includes the income and expenditure arising from the provision of housing accommodation by the Council.

IMPAIRMENT

A reduction in the value of a fixed asset to below its recoverable amount, the higher of the asset's fair value less costs to sell and its value in use.

INFRASTRUCTURE ASSETS

Fixed assets belonging to the Council that cannot be transferred or sold on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Accounting Standards applicable to local authorities from 2010/11 onwards.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

LIABILITY

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g., creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market.

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could mean the use of the accounts might come to a difference opinion on the matters contained in the accounts. An item could be material in nature or in value.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

NET CURRENT PLACEMENT COSTS

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e., the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

NET BOOK VALUE

The amount at which fixed assets are included in the Balance Sheet, i.e., their historical costs or current value less the cumulative amounts provided for depreciation.

NET DEBT

The Council's borrowings less cash and liquid resources.

NON-DISTRIBUTED COSTS

These are overheads for which no user directly benefits and as such are not apportioned to services.

NON-DOMESTIC RATES (NDR)

The Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by Central Government and multiplied by the assessed rateable value of the premises they occupy. In England it is collected by the Council on behalf of itself, Central Government and major preceptors. In Scotland it is collected by the Council on behalf of Central Government and then redistributed back to support the cost of services.

NON-OPERATIONAL ASSETS

Fixed assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PRECEPT

The levy made by precepting authorities by billing authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount set aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency, which provides loans for one year and above to authorities at interest rates similar to those at which the government can borrow itself.

RATEABLE VALUE

The annual assumed rental of a hereditament, which is used for NNDR purposes.

RELATED PARTIES

The definition of related parties in IPSAS 20. For the Council's purposes related parties are deemed to include the Council's Members, the Chief Executive, its Directors and their close family and household members.

RELATED PARTY TRANSACTIONS

The CIPFA Code of Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

Money set aside to meet the cost of specific future expenditure. These can be either:

- Usable – those which can be used to provide services
- Unusable – those which cannot be used to provide services

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE (REFCUS)

Expenditure which ordinarily would be revenue but is statutorily defined as capital. Examples of REFCUS include grants of a capital nature to voluntary organisations and back pay expenditure capitalised under Secretary of State Direction.

REVENUE SUPPORT GRANT

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

STOCKS

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

TRUST FUNDS

Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

USEFUL ECONOMIC LIFE (UEL)

The period over which the Council will derive benefits from the use of a fixed asset.