

To: Councillor Terry (Chair)  
Councillors Leng, Barnett-Ward, Eden,  
Emberson, Ennis, Gittings, Griffith, Nikulina,  
Rowland, R Singh, Thompson, White and  
Yeo

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9 September 2025

Your contact is: Simon Hill / Jemma Durkan - Committee Services

## **NOTICE OF MEETING - POLICY COMMITTEE 17 SEPTEMBER 2025**

A meeting of the Policy Committee will be held on Wednesday, 17 September 2025 at 6.30 pm in the Council Chamber, Civic Offices, Reading, RG1 2LU. The Agenda for the meeting is set out below.

### **1. CHAIR'S ANNOUNCEMENTS**

### **2. DECLARATIONS OF INTEREST**

**3. MINUTES** 5 - 16

**4. DELEGATED DECISIONS** 17 - 18

### **5. PETITIONS AND QUESTIONS**

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

**6. CONSTITUTION - BUDGET & POLICY FRAMEWORK  
PROCEDURE RULES/FINANCIAL REGULATIONS  
AMENDMENT** BOROUGH WIDE 19 - 54

To endorse the revised Budget & Policy Framework Procedure Rules and the revised Financial Regulations.

**7. JOINT PROCUREMENT FOR PARKING ENFORCEMENT SERVICES** BOROUGH WIDE 55 - 60

A report to seek approval to commence a procurement exercise for parking enforcement.

**8. 2025/26 QUARTER 1 PERFORMANCE AND MONITORING** BOROUGH WIDE 61 - 124

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The report sets out the provisional revenue and capital outturn positions for the Council's General Fund and Housing Revenue Account as at the end of Quarter 1 2025/26 as well as performance against the measures of success published in the Council's Corporate Plan.

**9. BROAD STREET MALL REDEVELOPMENT**

**BOROUGH WIDE 125 - 144**

This report sets out details of the redevelopment of the Broad Street Mall and options in relation to the Broad Street Mall carpark.

**ITEMS FOR CONSIDERATION IN CLOSED SESSION**

**10. EXCLUSION OF THE PRESS AND PUBLIC**

The following motion will be moved by the Chair:

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

**11. DECLARATIONS OF INTEREST FOR CLOSED SESSION ITEMS**

**12. BROAD STREET MALL REDEVELOPMENT**

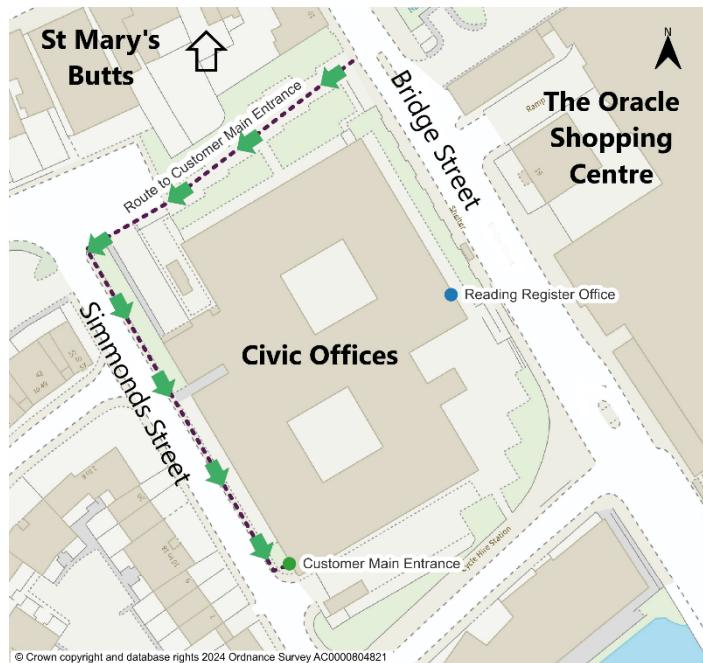
**BOROUGH WIDE 145 - 174**

**13. READING TRANSPORT LIMITED (RTL) SHAREHOLDER REPORT**

**BOROUGH WIDE 175 - 212**

**\*\* Access to Civic Offices** - Please note that, from 13 January 2025, the Customer Main Entrance to the Civic Offices is moving from the front of the building to the back, because of construction work for the new Central Library.

If you are attending the meeting in person, please enter via the new Customer Main Entrance in Simmonds Street. (The Council is asking customers not to come down Fobney Street to access the new Customer Entrance, due to heavy construction traffic in this area, and instead to walk via the pedestrian alleyway off Bridge Street next to the "Greek Van"). See map below:



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

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# Agenda Item 3

## POLICY COMMITTEE MEETING MINUTES - 21 JULY 2025

**Present:** Councillors Leng (Vice-Chair, in the Chair), Barnett-Ward, Eden, Emberson, Ennis, Gittings, Griffith, Nikulina, Rowland, R Singh, Thompson, White and Yeo

**Apologies:** Councillor Terry

### 6. CHAIR'S ANNOUNCEMENTS

The Chair announced with great sadness that Chris Gavin, husband of Councillor Jan Gavin had passed away.

The Committee stood for a minute's silence in Chris's memory and as a mark of respect.

### 7. MINUTES

The Minutes of the meeting held on 9 June 2025 were agreed as a correct record and signed by the Chair.

### 8. DELEGATED DECISIONS

The delegated decisions were noted.

### 9. PETITIONS AND QUESTIONS

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

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Sue Sibany-King	Berkshire Pension Fund	Cllr Leng (on behalf of Cllr Terry)
2.	Alison Foster	Council Tax	Cllr Emberson

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr Singh	Nepali Community Facility	Cllr Leng (on behalf of Cllr Terry)
2.	Cllr Singh	Tree Planting	Cllr Rowland
3.	Cllr Thompson	Unacceptable Call Waiting Times	Cllr Emberson
4.	Cllr White	Call Centre Wait Times Too Long	Cllr Emberson
5.	Cllr White	Bus Tickets Too Expensive	Cllr Ennis
6.	Cllr White	Labour's Welfare Reforms	Cllr Leng (on behalf of Cllr Terry)

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

## **10. SIMPLER RECYCLING - GLASS COLLECTIONS FROM KERBSIDE**

The Committee considered a report setting out proposals for the introduction of kerbside glass collections in Reading, in line with the Government's Simpler Recycling initiative. The initiative required all local authorities in England to collect a consistent set of recyclable materials, including glass, from the kerbside by 31 March 2026.

The report outlined the current arrangements for glass recycling in Reading, which relied on 42 bring bank sites, and presented an options appraisal for future service delivery. It was noted that the Council's existing Materials Recycling Facility (MRF) at Smallmead could not accommodate comingled glass without significant investment, which would not be cost-effective given the remaining term of the current contract with FCC Environmental.

Three options were considered:

- Option 1a: Separate fortnightly glass collection using boxes or appropriate containers.
- Option 1b: Separate four-weekly glass collection using wheeled bins.
- Option 2: Comingled glass collection with Dry Mixed Recycling (DMR).

The Committee noted that Option 1a was the preferred approach due to its lower capital cost (£1.37m), medium revenue cost (£0.91m), and deliverability within the required timescale. It was also the most operationally feasible and aligned with national policy objectives, including reducing contamination and improving material quality.

The Committee also noted the need to commence vehicle procurement urgently due to long lead times (12–18 months), and that the vehicles could be repurposed for food waste collection if required.

In response to questions it was noted that there was not expected to be any penalties from central Government in relation to the timelines of the new service. The collections would be monitored so that the service would be as efficient as possible. It was expected that future funding for the service would be more than sufficient to meet any additional costs.

**Resolved –**

- (1) **That the discussion and agreement with re3 partners that, due to the current contract with FCC Environmental ending in 2031/32, the investment required to upgrade the Material Recycling Facility (£10.25m) would not be cost-effective, and therefore comingling of glass with DMR should not be actively pursued at this time be noted.**

- (2) That Option 1a, as set out in the associated report, for the separate collection of glass from a box or other appropriate container on a fortnightly basis, be endorsed as the Council's preferred option.
- (3) That the development of a detailed business case and delivery plan for Option 1a be approved, with a further decision report to be presented to the Committee in Autumn 2025 be approved.
- (4) That the Assistant Director of Environmental and Commercial Services be authorised to undertake a tender exercise including, in consultation with the Director of Finance, an award of contract of the required vehicles as set out in paragraph 10.2 of the associated report.
- (5) That the current long lead times for vehicle delivery that will impact on the detailed delivery plan be noted.

**11. UPDATE ON PROJECTS FUNDED BY 15% LOCAL COMMUNITY INFRASTRUCTURE LEVY**

The Committee considered a report providing an update on the progress of projects funded through the 15% local Community Infrastructure Levy (CIL), which was allocated to the local area in which development takes place.

The report explained that, under the Community Infrastructure Levy Regulations 2010 (as amended), 15% of CIL receipts must be spent in the relevant local area unless a neighbourhood development plan or order was in place. In Reading, this was managed through a CIL Spend Protocol, originally approved by Policy Committee in July 2018 and amended in February 2021, which sets out the principles and priorities for allocating 15% local CIL.

The Committee were advised that the protocol prioritises projects that support open space and leisure improvements, local highway schemes, air quality, community infrastructure, renewable energy, and economic support. Allocations must also demonstrate alignment with the Council's Infrastructure Delivery Plan or Capital Programme, and may be used to unlock additional funding or address impacts of development not covered by planning obligations.

The report provided updates on the delivery status of previously approved projects and confirmed that the allocations continued to support the Council's strategic aims, particularly in promoting thriving communities.

**Resolved –**

**That the progress on the projects benefitting from the 15% local Community Infrastructure Levy (CIL) allocated be noted.**

**12. INSURANCE CONTRACT TENDER**

## **POLICY COMMITTEE MEETING MINUTES - 21 JULY 2025**

The Committee consider a report seeking approval to undertake a competitive tendering process for the Council's insurance arrangements, with a view to new contracts being in place by 1 April 2026. The report explained that the Council's current insurance contracts would expire on 31 March 2026 and that a new procurement exercise was required in accordance with the Procurement Act 2023.

The report set out the Council's current approach to insurance, which balanced self-retained risk with external insurance cover, and proposed that this approach be continued. It was noted that the new contracts would include provision for Combined Liability (Public and Employer's Liability), Motor Fleet, and Property insurance, and would also incorporate run-off cover for the decommissioned Children's Company, Brighter Futures for Children.

It was noted that the current year's total value of insurance contracts was £1.2million. The estimated value of the new contracts over a seven-year period was £8.4 million, subject to variables such as claims history, staffing levels, market conditions, and insurance premium tax.

### **Resolved -**

- (1) That an open tender procedure be carried out with a view to the resultant insurance contract(s) being in place by 1st April 2026 allowing for an element of both self-insurance and cover by an external insurance policy as set out in 3. 3.2 of the associated report be agreed;**
- (2) That the Director of Finance in consultation with the Lead Councillor for Corporate Services and Resources and the Assistant Director for Legal and Democratic Services be authorised to make relevant decisions regarding policy cover, levels of deductibles and award the contract at the end of the tender process to the winning tenderer/s;**
- (3) That the Director of Finance be authorised to approve the runoff insurance cover where appropriate for the decommissioned Children's Company 'Brighter Futures for Children'.**

### **13. FOOD SERVICE PLAN 2025-2026**

The Committee considered a report presenting the Council's Food Service Plan for 2025-2026, which outlined how the Council would meet its statutory obligations under the Food Standards Agency's (FSA) Framework Agreement.

The report detailed the Council's responsibilities for food hygiene, food standards, and food safety enforcement, and set out the planned activities for the year, including:

- Delivery of a risk-based inspection programme for food premises.
- Investigation of food complaints and food poisoning incidents.
- Sampling and analysis of food products.
- Provision of advice and education to businesses and the public.
- Enforcement action where necessary to protect public health.

## **POLICY COMMITTEE MEETING MINUTES - 21 JULY 2025**

The Plan also included performance data from the previous year, staffing levels, and resource allocation, and highlighted the challenges faced by the service, including recruitment and retention of qualified officers and the impact of new legislative requirements.

**Resolved –**

**That the content of the statutory Food Service Plan 2025-2026 be noted.**

### **14. MANAGED STORES PROCUREMENT 2025**

The Committee considered a report seeking approval to procure a new managed stores contract for the Council's Housing Property Services.

The report explained that the current managed stores contract, which supported the delivery of responsive repairs, voids, and planned works to the Council's housing stock, was due to expire on 31 March 2026. The proposed procurement would ensure continuity of service and support the Council's statutory landlord responsibilities.

The report set out the procurement strategy, including a proposed contract term of five years with an option to extend for a further two years. It also outlined the benefits of a managed stores model, including improved stock control, reduced downtime for operatives, and better value for money.

**Resolved –**

**(1) That the Executive Director of Communities and Adult Social Care, in consultation with the Lead Councillor for Housing, the Director of Finance, and the Assistant Director of Legal and Democratic Services be authorised to:**

- 1.1 Procure and award a contract with the successful tenderer(s) for the Managed Stores contract. The contract will be for up to 7 years (5 initial years and then up to 2 further years).**
- 1.2 Negotiate with the successful tenderer to mobilise the contract, vary the contract, extend the contract at the appropriate time, and otherwise contract manage the contract throughout its lifecycle.**

### **15. IMPLICATIONS OF OXFORDSHIRE LOCAL GOVERNMENT REORGANISATION PROPOSALS**

The Committee considered a report outlining the potential implications for Reading Borough Council (RBC) of the proposed Local Government Reorganisation (LGR) in Oxfordshire. The report set out the current position, the potential impacts on RBC, and the proposed approach to engagement and response.

The report explained that Oxfordshire County Council had submitted a proposal to the Department for Levelling Up, Housing and Communities (DLUHC) to create a single unitary

## **POLICY COMMITTEE MEETING MINUTES - 21 JULY 2025**

authority for Oxfordshire, replacing the existing two-tier structure. Although Reading was not within the Oxfordshire boundary, the proposal had potential implications for the Berkshire authorities, particularly in relation to cross-boundary services, regional collaboration, and strategic planning.

The report highlighted the following key issues:

- The potential for changes to regional governance structures, including the Oxfordshire-Cambridgeshire Arc and sub-national transport bodies;
- Risks to existing joint arrangements and partnerships, particularly in areas such as transport, economic development, and infrastructure planning;
- The importance of maintaining Reading's strategic influence in the region, particularly given its role as a key economic centre;
- The need for proactive engagement with DLUHC, neighbouring authorities, and regional bodies to ensure Reading's interests were represented.

The report recommended that the Council monitor developments closely, engage with relevant stakeholders, and prepare a formal response to any consultation on the proposals.

At the invitation of the Chair, Chris Pike addressed the Committee members to speak on the item and ask a question.

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

The Committee discussed the report and a number of points were made. It was noted that the formal request would be submitted to Council ahead of submission to Government in November 2025.

### **Resolved –**

- (1) That the interim proposals submitted for local government reorganisation in Oxfordshire be noted;**
- (2) That a formal request be made to Government for a modification of the boundary between Reading and West Berkshire be agreed;**
- (3) That the Chief Executive be authorised to undertake all necessary activities to inform and evidence the request, in line with the initial proposal as set out in Appendix 3 of the report, and consultation with the Leader of the Council; and**
- (4) That the request will be presented to Council for approval prior to submission to Government in November 2025, to align with the reorganisation timetable, thereby enabling the Secretary of State to consider the rationale for a modified boundary.**

### **16. 2024/25 QUARTER 4 PERFORMANCE REPORT**

## POLICY COMMITTEE MEETING MINUTES - 21 JULY 2025

The Committee considered a report setting out the projected revenue and capital outturn positions for 2024/25 for the General Fund and the Housing Revenue Account (HRA) as at the end of Quarter 4 and the performance against the measures of success set out in the Council's Corporate Plan. The following documents were attached to the report:

- Appendix 1 - Summary of the General Fund Outturn 2024/25
- Appendix 2 - Recovery Plan 2024-25
- Appendix 3 - Savings Tracker Quarter 4
- Appendix 4 - General Fund Capital Programme Outturn
- Appendix 5 - Delivery Fund
- Appendix 6 - Housing Revenue Account (HRA) Revenue Outturn
- Appendix 7 – HRA Capital Programme Outturn
- Appendix 8 – Reserves Position as at 31 March 2025
- Appendix 9 - Corporate Plan Performance Measures Quarter 4
- Appendix 10 - Corporate Plan Projects Quarter 4
- Appendix 11 – Confidential Annex

The report explained that the provisional General Fund revenue outturn position for 2024/25 was an adverse net variance of £9.305m, which was an improvement of £1.313m from the position reported at Quarter 3. The outturn included a request for additional funding support of £6.393m to Brighter Futures for Children (BFfC) over and above the 2024/25 contract sum. The report also noted that 73% of savings had been delivered in 2024/25, with £3.116m of savings to be carried forward into 2025/26.

The report further explained that the provisional General Fund Capital Programme outturn was a positive net variance of £12.884m against the revised budget of £69.637m, before the reprogramming of £13.137m into future years. The HRA revenue outturn was an adverse net variance of £0.528m, resulting in a drawdown of £4.076m from HRA reserves. The HRA Capital Programme outturn was a positive net variance of £5.485m, with the same amount reprogrammed into future years.

The report also set out the position on reserves, with General Fund revenue reserves totalling £49.035m as at 31 March 2025, and noted that the Dedicated Schools Grant (DSG) deficit had increased to £24.904m.

Performance against the Corporate Plan was also reported, with 42% of KPIs rated green and 67% of projects were on track.

### **Resolved –**

- 1) That the provisional General Fund revenue outturn position for 2024/25 of an adverse net variance of £9.305m, an improvement of £1.313m from Quarter 3 (Appendix 1 of the report), be noted;**
- 2) That the provisional General Fund revenue outturn position includes the outturn position reported by Brighter Futures for Children (BFfC), as summarised in Section 3 of the report, be noted;**

- 3) That £5.451m (73%) of savings have been delivered in 2024/25, with £3.116m of savings to be carried forward into 2025/26 (Appendix 3 of the report), be noted;
- 4) That the provisional General Fund Capital Programme outturn of a positive net variance of £12.884m against the revised budget of £69.637m (Appendix 4 of the report), before the reprogramming of £13.137m into future years, be noted;
- 5) That £1.717m of Capital Receipts have been used to fund transformation (the Delivery Fund) in accordance with the Capitalisation Directive (Appendix 5), be noted;
- 6) That the provisional Housing Revenue Account (HRA) outturn position of an adverse net variance of £0.528m, resulting in a drawdown of £4.076m from HRA reserves (Appendix 6), be noted;
- 7) That the provisional HRA Capital Programme outturn of a positive net variance of £5.485m, against the proposed revised budget of £33.721m (Appendix 7) before the net reprogramming of £5.485m to future years, be noted;
- 8) That the Reserves position as at 31 March 2025, as set out in Section 14 of the report and Appendix 8, be noted;
- 9) That the deficit balance on the Dedicated Schools Grant of £24.904m, an increase of £15.499m, be noted;
- 10) That performance against the Corporate Plan success measures, as set out in Section 16 of the report and Appendices 9 and 10, be noted;
- 11) That the General Fund Revenue outturn balance of £9.305m be funded from the Demographic & Cost Led Pressures Reserve and the Financial Resilience Reserve, as set out in Appendix 8, be approved;
- 12) That the Council provides £6.393m of additional funding support to Brighter Futures for Children (BFfC) over and above the 2024/25 contract sum in respect of their 2024/25 outturn position, be approved;
- 13) That the amendments to the General Fund Capital Programme, as set out in Section 11 of the report and Appendix 4, resulting in a revised Capital Programme budget of £69.637m for 2024/25 (before the reprogramming of £13.137m into future years), be approved;
- 14) That the amendments to the HRA Capital Programme, as set out in Section 13 of the report and Appendix 7, resulting in a revised HRA Capital Programme budget of £33.721m for 2024/25 (before the net reprogramming of £5.485m into future years), be approved;
- 15) That the write-off of debts be approved, as set out in Section 8 and Appendix 11 of the report, relating to:

- a) Non-Domestic Rates – £790,992.78;**
- b) Housing Benefit Overpayments – £21,619.45;**
- c) Sundry Debt – £125,036.77.**

**17. READING HAMPSHIRE PROPERTY PARTNERSHIP LTD - COMPANY CLOSURE**

The Committee considered a report outlining the proposal to formally close Reading Hampshire Property Partnership Ltd (RHPP), a joint venture between Reading Borough Council and Hampshire County Council established in 2014 to deliver professional property services.

The report explained that Hampshire County Council had served notice to terminate the Service Contract, citing an inability to continue supplying the necessary capacity to Reading Borough Council. As a result, the Council had sought alternative suppliers to meet its property service needs. All outstanding projects and contractual obligations were being completed, and the closure process was expected to commence following the approval of final accounts and a Board resolution.

The Committee noted that RHPP had successfully delivered a range of capital projects, including education infrastructure, decarbonisation programmes, and building improvement works. The closure of the Company would be managed in accordance with legal requirements, including the Companies Act 2006 and the Company's Articles of Association.

**Resolved –**

- (1) That Reading Hampshire Property Partnership Ltd is no longer required to meet the Council's property service needs, be noted;**
- (2) That the Committee, acting as 49% shareholder of Reading Hampshire Property Partnership Ltd, approves the closure of the Company following completion of all outstanding projects and contractual obligations;**
- (3) That the Assistant Director for Legal and Democratic Services be authorised to act as the shareholder representative with full authority to approve the Board resolution for the formal closure of Reading Hampshire Property Partnership Ltd and to deal with all miscellaneous and consequential matters;**
- (4) That the closure process will commence following the Board resolution and completion of final accounts, with formal dissolution expected in summer 2025, be noted.**

**18. BRIGHTER FUTURES FOR CHILDREN LTD - WAIVER FOR ARTICLES**

The Committee considered a report seeking approval for a waiver of certain provisions in the Articles of Association of Brighter Futures for Children Ltd (BFFC), in anticipation of the company's closure following the end of the service contract on 30 September 2025.

## **POLICY COMMITTEE MEETING MINUTES - 21 JULY 2025**

The report noted that the Council, as the sole member of BFFC, had resolved on 28 January 2025 to bring Children's Services back in-house. The service contract with BFFC would therefore end at 23:59 on 30 September 2025, with services transferring to the Council from 1 October 2025. The Independent Non-Executive Directors and Chair were expected to retire on or before this date, leaving only two Directors: the Executive Director of Children's Services and the Council-nominated Director of Finance.

To enable the company to continue operating for the limited purpose of finalising accounts and overseeing closure, the report recommended that the Council waive certain requirements of the Articles of Association, including those relating to Board composition and quorum.

### **Resolved –**

- (1) That the Brighter Futures for Children Ltd service contract will end on 30 September 2025, with Children's Services transferring to the Council from 1 October 2025 be noted.**
- (2) That, as of 1 October 2025 and until the Company closes or a further decision is made by Policy Committee, the Council, acting as the sole member of Brighter Futures for Children Ltd, waives the following requirements of the Articles of Association:**
  - 2.1 the requirement to appoint Independent Non-Executive Directors and a Non-Executive Board Chair;**
  - 2.2 the minimum number of Directors, and the minimum numbers of Directors in each category;**
  - 2.3 the quorum for a Directors' meeting, which may be reduced from three to two;**
  - 2.4 the requirement for an Independent Non-Executive Director or a Non-Executive Chair to always be present at Board meetings;**
  - 2.5 the requirement for the meeting Chair to be either the Non-Executive Board Chair or a nominated Independent Non-Executive Director (Chair Nominee);**
- (3) That the Executive Director of Resources, be authorised to act on behalf of Policy Committee (as the representative of the sole member of the Company) from 1 October 2025 and deal with all company closure matters which are the responsibility of the members of the Company, in particular, to agree to the closure of the Company following the signing of the final accounts;**
- (4) That the Executive Director of Resources, be authorised to act on behalf of Policy Committee (as representative of the sole member of the Company) from 1 October 2025 in consultation with the Leader of the Council and the Lead Councillors for Children's Services and Education, to deal with any other miscellaneous matters, including Reserved Matters, which arise whether about the closure of the Company or otherwise.**

## **POLICY COMMITTEE MEETING MINUTES - 21 JULY 2025**

### **19. EXCLUSION OF THE PRESS AND PUBLIC**

#### **Resolved –**

That pursuant to Section 100A of the Local Government Act 1972 (as amended), members of the press and public be excluded during consideration of item 20 below as it was likely that there would be a disclosure of exempt information as defined in the relevant paragraphs specified in Part 1 of Schedule 12A to that Act.

### **20. DIGITAL AND IT NEXT GENERATION OPERATING MODEL PROCUREMENT**

The Committee received a report setting out a programme to reprocure core ICT services.

The report provided information on the proposal, objectives and options for consideration.

#### **Resolved –**

- (1) That the initiation of the programme to reprocure core ICT services as existing services come to an end between December 2025 and August 2026 be noted.**
- (2) That the Executive Director Resources, in consultation with the Assistant Director Digital &IT, Director of Finance, Assistant Director of Legal and Democratic Services, and the Lead Councillor for Corporate Services & Resources, be authorised to award Digital and IT managed services contract at the end of the tender process to the winning bidders having followed compliant procurement processes.**
- (3) That the Executive Director Resources be authorised to extend existing contracts via short term direct award in order to mitigate the risk of business continuity.**

(The meeting started at 6.30 pm and closed at 9.34 pm)

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Committee	Date of meeting	Minute number	Item title	Decision	Officer delegated to	Lead Councillor portfolio	Expected timescale for decision
Policy Committee	20/01/25 55(4)		Local Authority New Build Programme Update	That the Executive Director of Communities and Adult Social Care, in consultation with the Director of Finance and the Lead Councillor for Housing, be authorised to bid for Homes England grant funding for all appropriate schemes within the LANB programme and to approve details of the bids;	Exec Director of Community and Adult Social Care Services	Housing	Hexham, Amethyst and Dwyer scheme bids approved and ODN published May 2025. Other schemes as required, currently to 2028.
Policy Committee	20/01/25 55(6)		Local Authority New Build Programme Update	That the Executive Director of Communities and Adult Social Care, in consultation with the Director of Finance, the Assistant Director for Procurement and the Assistant Director of Legal and Democratic Services, be authorised to enter into contract with relevant parties to enable delivery of the schemes listed at paragraph 2.1 of the report;	Exec Director of Community and Adult Social Care Services	Housing	The LANB schemes listed in 2.1 of the report are expected to complete by 2028. We will need to reserve this delegation until then, with contracts for each scheme coming forward as required.
Policy Committee	20/01/25 55(7)		Local Authority New Build Programme Update	That the latest position on Dee Park be noted and that the Executive Director of Communities and Adult Social Care, in consultation with the Director of Finance, be authorised to procure an appropriate multi-disciplinary team as set out in the report;	Exec Director of Community and Adult Social Care Services	Housing	This delegation refers specifically to the procurement of an multi-disciplinary team to develop and submit a planning application for Dee Park Phase 3. Decision on this expected to be required Q2 2025/26.
Policy Committee	20/01/25 55(9)		Local Authority New Build Programme Update	That the Executive Director of Communities and Adult Social Care, in consultation with the Assistant Director of Legal and Democratic Services, be authorised to enter into collateral warranties as required on all phases of the LANB programme.	Exec Director of Community and Adult Social Care Services	Housing	The LANB schemes linked to this delegation are expected to complete by 2028. We will need to reserve this delegation until then, with CWS for each scheme coming forward as required.
Policy Committee	17/03/25 68 (3)		Closing the Gap 2 - Recommission of Community-based Preventative Services	That the Executive Director of Communities & Adult Social Care, in consultation with the Leader of the Council, be authorised to enter into contracts with the successful organisations for three years with the option to extend for up to two years, commencing on 1 November 2025.	Exec Director of Community and Adult Social Care Services	Leadership	Delegation will be exercised on 21 July 2025 when contracts will be awarded followed by a standstill. We will publish contract notices between 29/7/25 and 5/8/25 with a contract Go Live of 1 November 2025.
Policy Committee	17/03/25 69 (1)		Discretionary Licensing in the Private Rented Sector - Implementation Proposal	That the Assistant Director for Planning, Transport and Public Protection be authorised to procure a delivery partner to support the processing and compliance checks for the Council's agreed Discretionary Licensing scheme;	AD of Planning, Transport & Public Protection Services	Housing	Review of tenders expected by October 2025
Policy Committee	17/03/25 69 (2)		Discretionary Licensing in the Private Rented Sector - Implementation Proposal	That the Assistant Director for Planning, Transport and Public Protection, in consultation with the Director of Finance, Executive Director for Economic Growth and Neighbourhood Services and Lead Councillor for Housing, be authorised to enter into a 5-year contract plus 2 years to support the delivery of the licence processing and compliance checks element of the Discretionary licensing in the private rented sector scheme.	AD of Planning, Transport & Public Protection Services	Housing	Review of tenders expected by October 2025
Policy Committee	09/06/25 5(3)		Appointments to Outside Bodies	That the Monitoring Officer, in consultation with the Leader of the Council and the relevant Group Leader (if applicable), be authorised to appoint to AD of Legal & Democratic Services/Monitoring Officer/Returning any vacancies not appointed to at this meeting or arising mid-year;	Officer	Leadership	Delegation may be required at any point during the Municipal Year. Any appointments made using this delegation will be reported under Chair's Announcements at the next available meeting of the Committee and recorded in the Minutes.
Policy Committee	07/04/25 78		FLEXIBLE RESPONSE SERVICE FOR ROUGH SLEEPING / HOUSING FIRST AND COUPLES MOVE-ON ACCOMMODATION 2025/26	That the Interim Assistant Director for Strategic Housing, Housing Needs and Communities, in consultation with the Lead Councillor for Housing, the Assistant Director for Legal and Democratic Services and the Director of Finance, be delegated to:  a) Award a 12-month contract extension with St Mungo's for the provision of a Flexible Response Service for Rough Sleeping up to the value of £0.673m.	AD of Strategic Housing, Housing Needs	Housing	CPR waiver signed off by Procurement and contracts ready to be issued and signed.
Policy Committee	07/04/25 79 (1)		Disposal of Yeomanry House	That authority be delegated to the Assistant Director of Property and Asset management to sell the property to Bidder A on the terms set out in confidential appendix;	AD of Property & Asset Management	Leadership;#Plan	(July 2025) The sale is currently being progressed, documentation is with Legal Services and sale should complete in the next few months.
Policy Committee	07/04/25 79 (2)		DISPOSAL OF YEOMANRY HOUSE	That if the purchaser did not perform to an acceptable timescale the Executive Director for Economic Growth and Neighbourhood Services be given delegated authority, in consultation with the Leader of the Council and the Lead Councillor for Planning & Assets, to: a) Agree a revised offer price and terms where appropriate which secure Best Consideration; b) Re-engage with other bidders as appropriate or remarket the property for disposal at Best Consideration.	Exec Director of Economic Growth and Neighbourhood Services	Leadership;#Plan	This delegation is only required if purchaser does not perform to an acceptable timescale.
Policy Committee	07/04/25 82 (2)		Disposal of 16 Bennet Road	That, in the unlikely event that the proposed purchaser did not complete the transaction to an acceptable timescale, the Executive Director for Economic Growth and Neighbourhood Services be authorised, in consultation with the Leader of the Council and the Lead Councillor for Planning & Assets, to agree an alternative disposal to secure Best Consideration.	Exec Director of Economic Growth and Neighbourhood Services	Leadership;#Plan	This delegation is only required if the proposed purchaser does not complete the transaction to an acceptable timescale.
Policy Committee	21/07/25 10		Simpler Recycling - Glass Collections from Kerbside	That the Assistant Director of Environmental and Commercial Services be authorised to undertake a tender exercise including, in consultation with the Director of Finance, an award of contract of the required vehicles as set out in paragraph 10.2 of the associated report.	AD of Environmental and Commercial Services	Environmental Services and Community Safety	TBC

Policy Committee	21/07/25 12	Insurance Contract Tender	That the Director of Finance in consultation with the Lead Councillor for Corporate Services and Resources and the Assistant Director for Legal and Democratic Services be authorised to make relevant decisions regarding policy cover, levels of deductibles and award the contract at the end of the tender process to the winning tenderer/s.	Director of Finance/s151 officer;#AD of Legal & Democratic Services/Monitoring Officer/Returning Officer	Corporate Services and Resources	TBC
Policy Committee	21/07/25 12	Insurance Contract Tender	That the Director of Finance be authorised to approve the runoff insurance cover where appropriate for the decommissioned Children's Company 'Brighter Futures for Children'.	Director of Finance/s151 officer	Corporate Services and Resources	TBC
Policy Committee	21/07/25 14	Managed Stores Procurement 2025	That the Executive Director of Communities and Adult Social Care, in consultation with the Lead Councillor for Housing, the Director of Finance, and the Assistant Director of Legal and Democratic Services be authorised to:  (a) Procure and award a contract with the successful tenderer(s) for the Managed Stores contract. The contract would be for up to 7 years (5 initial years and then up to 2 further years). (b) Negotiate with the successful tenderer to mobilise the contract, vary the contract, extend the contract at the appropriate time, and otherwise manage the contract throughout its lifecycle.	Exec Director of Community and Adult Social Care Services;#AD of Legal & Democratic Services/Monitoring Officer/Returning Officer;#Director of Finance/s151 officer	Housing	TBC
Policy Committee	21/07/25 15	Implications of Oxfordshire Local Government Reorganisation out in Appendix 3 of the report, and consultation with the Leader of the Proposals	That the Chief Executive be authorised to undertake all necessary activities to inform and evidence the request, in line with the initial proposal as set out in Appendix 3 of the report, and consultation with the Leader of the Council	Chief Executive	Leadership	November 2025
Policy Committee	21/07/25 17	Reading Hampshire Property Partnership Ltd - Company Closure	That the Assistant Director for Legal and Democratic Services be authorised to act as the shareholder representative with full authority to approve the Board resolution for the formal closure of Reading Hampshire Property Partnership Ltd and to deal with all miscellaneous and consequential matters.	AD of Legal & Democratic Services/Monitoring Officer/Returning Officer	Leadership	TBC
Policy Committee	21/07/25 18	Brighter Futures for Children Ltd - Waiver for Articles	That the Executive Director of Resources, be authorised to act on behalf of Policy Committee (as the representative of the sole member of the Company) from 1 October 2025 and deal with all company closure matters which were the responsibility of the members of the Company, in particular, to agree to the closure of the Company following the signing of the final accounts	Exec Director of Resources	Leadership	From 1 October 2025
Policy Committee	21/07/25 18	Brighter Futures for Children Ltd - Waiver for Articles	That the Executive Director of Resources, be authorised to act on behalf of Policy Committee (as representative of the sole member of the Company) from 1 October 2025 in consultation with the Leader of the Council and the Lead Councillors for Children's Services and Education, to deal with any other miscellaneous matters, including Reserved Matters, which arose whether about the closure of the Company or otherwise.	Exec Director of Resources	Leadership	From 1 October 2025
Policy Committee	21/07/25 20	Digital and IT Next Generation Operating Model Procurement	That the Executive Director Resources, in consultation with the Assistant Director Digital & IT, Director of Finance, Assistant Director of Legal and Democratic Services, and the Lead Councillor for Corporate Services & Resources, be authorised to award Digital and IT managed services contract at the end of the tender process to the winning bidders having followed compliant procurement processes.	Exec Director of Resources;#AD of Legal & Democratic Services/Monitoring Officer/Returning Officer;#AD Digital & IT;#Director of Finance/s151 officer	Corporate Services and Resources	TBC
Policy Committee	21/07/25 20	Digital and IT Next Generation Operating Model Procurement	That the Executive Director of Resources be authorised to extend existing contracts via short term direct award in order to mitigate the risk of business continuity.	Exec Director of Resources	Corporate Services and Resources	TBC

## Policy Committee

17 September 2025



**Reading**  
Borough Council  
Working better with you

<b>Title</b>	Constitution – Budget & Policy Framework Procedure Rules / Financial Regulations Amendment
<b>Purpose of the report</b>	To make a recommendation to Council
<b>Report status</b>	Public report
<b>Executive Director/ Statutory Officer Commissioning Report</b>	Darren Carter, Director of Finance
<b>Report author</b>	Darren Carter, Director of Finance
<b>Lead Councillor</b>	Councillor Emberson, Lead Councillor for Corporate Services & Resources
<b>Council priority</b>	Not applicable, but still requires a decision
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That Policy recommend to Council the adoption of the revised Budget &amp; Policy Framework Procedure Rules, attached as Appendix 1;</li> <li>2. That Policy recommend to Council the adoption of the revised Financial Regulations, attached as Appendix 2.</li> </ol>

### 1. Executive Summary

- 1.1. The Budget & Policy Framework Procedure Rules and the Financial Regulations have been reviewed and updated in order to bring these documents up to date and to simplify where possible to enable users to understand them more easily.
- 1.2. Policy Committee is requested to recommend to Council the adoption of the revised Budget & Policy Framework Procedure Rules (Appendix 1) and the revised Financial Regulations (Appendix 2).

### 2. Policy Context

#### *Budget & Policy Framework Procedure Rules*

- 2.1. Council is responsible for the adoption of the authority's budget framework, and for adopting the policy framework, comprised of the policies, plans and strategies set out in Part 3 of the Constitution.
- 2.2. Other policies, plans and strategies, and any successor documents may be adopted, approved, amended, modified, varied or revoked by the Committee to which the subject function has been delegated, or by the Policy Committee.
- 2.3. Once the budget, or a policy, plan or strategy is in place, it is the responsibility of the appropriate Committee to implement it and operate within it.

## *Financial Regulations*

2.4. The Financial Regulations set out the financial policies and procedures and the framework for managing the Council's financial affairs.

### **3. The Proposal**

3.1. The Budget & Policy Framework Procedure Rules and the Financial Regulations have been reviewed and updated in order to bring these documents up to date and to simplify where possible to enable users to understand them more easily.

3.2. The revised Budget & Policy Framework Procedure Rules are attached as Appendix 1 with the revised Financial Regulations attached as Appendix 2.

### **4. Contribution to Strategic Aims**

4.1. The Council Plan has established five priorities for the years 2025/28. These priorities are:

- Promote more equal communities in Reading
- Secure Reading's economic and cultural success
- Deliver a sustainable and healthy environment and reduce our carbon footprint
- Safeguard and support the health and wellbeing of Reading's adults and children
- Ensure Reading Borough Council is fit for the future

4.2. In delivering these priorities, we will be guided by the following set of principles:

- Putting residents first
- Building on strong foundations
- Recognising, respecting, and nurturing all our diverse communities
- Involving, collaborating, and empowering residents
- Being proudly ambitious for Reading

4.3. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website - [Council plan - Reading Borough Council](#). These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

4.4. The Budget & Policy Framework Procedure Rules and the Financial Regulations set out the framework and regulations that the Council has adopted, which must be adhered to in terms of delivering Council services. Robust financial management is at the heart of Reading Borough Council's ability to achieve its objectives and to deliver high quality services to its local community. Effective management of council finances is critical to the long-term delivery of services to the people of Reading.

### **5. Environmental and Climate Implications**

5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019.

5.2. There are no specific environmental and climate implications arising directly from this report.

### **6. Community Engagement**

6.1. No consultation, community engagement or information is required, or has been carried out voluntarily to help the report author consider the views of external stakeholder in preparing this report. It is not considered necessary.

**7. Equality Implications**

7.1. There are no equality implications arising directly from this report.

**8. Other Relevant Considerations**

8.1. There are none.

**9. Legal Implications**

9.1. There are no legal implications arising directly from this report.

**10. Financial Implications**

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

**11. Timetable for Implementation**

11.1. Not applicable.

**12. Background Papers**

12.1. There are none.

**Appendices**

1. **Budget & Policy Framework Procedure Rules**
2. **Financial Regulations**

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# Budget and Policy Framework Procedure Rules

## 1. THE FRAMEWORK FOR DECISIONS

- 1.1 Council is responsible for the adoption of the authority's budget framework, and for adopting the policy framework, comprised of the policies, plans and strategies set out in Part 3 of the Constitution.
- 1.2 Other policies, plans and strategies, and any successor documents may be adopted, approved, amended, modified, varied or revoked by the Committee to which the subject function has been delegated, or by the Policy Committee.
- 1.3 Once the budget, or a policy, plan or strategy is in place, it is the responsibility of the appropriate Committee to implement it and operate within it.

## 2. PROCESS FOR DEVELOPING THE BUDGET AND POLICY FRAMEWORK

- 2.1 When developing the initial proposals for the adoption of any budget or policy, plan or strategy within the policy framework, the Council will consider whether to undertake public consultation. Details of the consultation will be published online, usually through the Council's consultation platform. The lead officer will ensure that all Members are notified of the consultation.
- 2.2 At the end of the consultation period, the Committee will then draw up draft proposals for submission to Council, showing due consideration to the responses of consultees and the Committee's response. Once the Committee has approved the draft proposals, they will be referred at the earliest opportunity to Council for decision.
- 2.3 Council will consider the proposals and may adopt them, amend them, substitute alternative proposals in their place or refer them back to the Committee that submitted them for further consideration. Any amendment to the proposed budget must be certified by the Chief Financial Officer at least 5 working days prior to the relevant Council meeting as being reasonably calculated and sufficiently deliverable as to be robust and sustainable in the medium term.
- 2.4 If Council accepts the Committee's proposals with or without amendment the decision shall be effective immediately.
- 2.5 If Council rejects the Committee's proposals, a summary of Council's objections will be provided to the Committee, and they will be required to reconsider the proposals.
- 2.6 The Committee will have 5 clear working days from receipt of the notification to submit revised proposals or inform Council of their disagreement with the objections and resubmit the previous proposals. This must be accompanied by a written notice, stating the reasons for the revised proposals and/or the disagreement. Where such notice is received, a further meeting of Council to reconsider its decision will be convened.
- 2.7 The Council meeting must take place within 10 working days of the receipt of the Committee's written notice unless the Head of Paid Service and Monitoring Officer agree that the matter can wait until the next programmed Council meeting. Where the proposal is required by law to be formally agreed by a certain date, the Council meeting must take place prior to this deadline. At that Council meeting the decision of Council shall be reconsidered in the light of any revised proposals and/or the Committee's disagreement and the reasons behind them, which shall be available in writing to Council.

2.8 Council shall at that meeting make its final decision on the matter on the basis of a simple majority. The decision shall be made public and shall be implemented immediately.

### **3. DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

3.1 Subject to the provisions of paragraph 5 (Virement), Committees, Sub-Committees, officers, or joint arrangements discharging delegated functions may only take decisions which are in line with the Council's budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by Council, then that decision may only be taken by Council, subject to paragraph 4 (urgent decisions outside the budget framework) below.

3.2 In the following circumstances, advice should be taken from the Head of Paid Service, the Monitoring Officer, and the Chief Financial Officer:

- (a) A Committee, Sub-Committee, officer, or joint arrangement discharging delegated functions wants to take a decision they think may be outside of the budget or policy framework; or
- (b) Three or more Members submit a question to the Monitoring Officer, in writing, suggesting that a decision to be taken by a Committee, Sub-Committee, officer, or joint arrangement discharging delegated functions may be contrary to the budget or policy framework.

3.3 If the advice of any of those officers is that the decision would be contrary to, or not wholly in accordance with, the existing budget or policy framework, then this advice should be set out in writing and the decision must be referred by that body or person to Council for consideration and decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 4 shall apply.

### **4. URGENT DECISIONS OUTSIDE THE BUDGET OR POLICY FRAMEWORK**

4.1 The Policy Committee may take a decision which is contrary to the policy framework or contrary to or not wholly in accordance with the budget approved by Council if the decision is a matter of urgency, under the urgency provisions set out in Article 7.7. However, the decision may only be taken:

- a) If it is not practical to convene a quorate meeting of Council; and
- b) If the chair of the Policy Committee agrees that the decision is a matter of urgency.

4.2 The reasons why it is not practical to convene a quorate meeting of Council, and the Chair of the Policy Committee's consent to the decision being taken as a matter of urgency, must be noted on the record of the decision. In the absence of the Chair, the consent of the Vice-Chair, will be sufficient.

4.3 Following the decision, the Head of Paid Service on behalf of the Policy Committee, will provide a report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

### **5. VIREMENT**

5.1 Arrangements for budget virement will be in accordance with the provisions of the Council's Financial Regulations as set out in Part 4 of the Constitution.

## **6. IN-YEAR CHANGES TO THE POLICY FRAMEWORK**

6.1 No changes may be made to any plan, policy or strategy which makes up the Policy Framework, as set out in Part 3 of the Constitution, within the statutory or regulatory timetable for consulting on and adopting or updating such documents, except where the change:

- (a) Will result in the closure or discontinuance of a service or part of service to meet a budgetary constraint;
- (b) Is necessary to ensure compliance with the law, ministerial direction or government guidance; or
- (c) The existing policy document is silent on the matter under consideration.

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# Financial Regulations

Date Published	October 2025
Approved by	Council
Author	Chief Finance Officer
Service	Finance
Directorate	Directorate of Resources
Review Date	October 2025



[www.reading.gov.uk](http://www.reading.gov.uk)



## Section 1 - Introduction

### 1.1 Context

These Financial Regulations set out the financial policies and procedures and the framework for managing the Council's financial affairs. Robust financial management is at the heart of Reading Borough Council's ability to achieve its objectives and to deliver high quality services to its local community. Effective management of council finances is critical to the long-term delivery of services to the people of Reading.

These Financial Regulations apply to all financial activities of Reading Borough Council including the General Fund and Housing Revenue Account, unless otherwise stated.

The Best Value Duty as set out in the Local Government Act 1999, requires local authorities and other public bodies to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". In practice, this covers issues such as how authorities exercise their functions to deliver a balanced budget, provide statutory services, including adult social care and children's services, and secure value for money in all spending decisions.

These Financial Regulations are structured around the following themes:

- (i) Financial planning (see Section 2)
- (ii) Financial management (see Section 3)
- (iii) Accounting records and financial systems (see Section 4)
- (iv) Risk management and internal control (see Section 5)
- (v) Assets (see Section 6)
- (vi) Income and expenditure (see Section 7)
- (vii) External arrangements (see Section 8)

### 1.2 The Principles of Good Financial Management

These Financial Regulations are based on the following principles of good financial management:

1. All officers and members of Reading Borough Council have a role to play in managing our finances, delivering value for money and demonstrating the highest standards of probity in the use of public money.
2. Budget responsibility is allocated by Reading Borough Council to specific, named individuals who are accountable for the effective financial management of their services within the budgets that have been allocated to them.
3. The annual budget process is driven by a medium-term financial strategy that assesses risk and is built on a detailed understanding of income and expenditure across the period of that Plan.
4. The Council's core financial systems hold high quality, comprehensive, up to date and reliable financial information.
5. Financial monitoring reports are presented regularly through Corporate Management Team and Policy Committee using consistent, meaningful and understandable data, with appropriate action being taken.
6. Any report for decision presented to committee, must have the financial implications specified and have been approved in advance by the Chief Finance Officer.
7. Effective internal financial controls are in place and must be adhered to at all times.

It is not possible for these Financial Regulations to anticipate all eventualities. Consequently, if any doubt arises as to whether or how these Regulations should be applied, reference should be made to these principles of good financial management, to establish whether any proposed financial undertaking is within the spirit of these Regulations.

A financial undertaking that conflicts with one or more of these principles will not be acceptable practice even if it is not ruled out explicitly by these Regulations.

### **1.3 Financial Roles and Responsibilities**

The specific financial roles and responsibilities of Officers, Councillors, Council and Committees are set out in these Regulations. Further information about these responsibilities can be found elsewhere in the Constitution as follows:

- Council (Article 4)
- Councillors (Article 6 - The Leadership and Part 3 - Responsibility for Functions - Lead Councillor Portfolios)
- Policy Committee (Article 7 - Committees)
- Audit & Governance Committee (Article 8 - Regulatory & Other Committees)
- Officers (Article 12)

### **1.4 Compliance**

All financial and accounting procedures must be carried out in accordance with the Financial Regulations and with any accounting instruction notes and other corporate guidance issued by, or on behalf of, the Chief Finance Officer.

Executive Directors/Assistant Directors will ensure that their staff are aware of the existence, and content, of the Council's Financial Regulations, accounting instruction notes and other corporate guidance and ensure compliance with them. Executive Directors/Assistant Directors may delegate responsibilities contained in these Regulations to named budget holders, as appropriate, in consultation with the Chief Finance Officer.

Non-compliance with these Financial Regulations, and with any accounting instruction notes and other corporate guidance issued by the Chief Finance Officer, may constitute a disciplinary matter that will be pursued, as appropriate, in accordance with the Council's disciplinary procedure.

## **Section 2 - Financial Planning**

### **2.1 Budget Framework**

Council is responsible for agreeing the Authority's budget framework (revenue and capital), for the General Fund (GF) and the Housing Revenue Account (HRA), which will be proposed to it by the Policy Committee. In terms of financial planning, the key elements are:

- (i) The Annual Revenue Budget (GF & HRA), Medium-Term Financial Strategy and HRA 30 Year Business Plan
- (ii) The Annual Council Tax Setting Report
- (iii) The Capital Strategy
- (iv) The Treasury Management Strategy Statement

### **2.2 The Annual Revenue Budget**

#### **2.2.1 Revenue Income and Expenditure**

Revenue income and expenditure represents the current or day-to-day running costs, and associated receipts, of the Council, including employment costs, premises costs, transport costs, contract costs and general running costs as well as income raised by charging service users and government grants.

#### **2.2.2 Revenue Budget**

The annual budget is a plan that forecasts income and expenditure for the following year and is the financial expression of the Council's policies and priorities for that year.

Councils are required to set their annual budget before 11 March in the financial year preceding the one in respect of which the budget relates. In setting the annual budget, Council must take account of a report by the Chief Finance Officer on the following matters:

- The robustness of the estimates made for the purposes of the calculations, and

- The adequacy of the proposed financial reserves.

Stakeholder consultation can help to set priorities and reduce the possibility of legal or political challenge during the process.

#### **2.2.3 Budget Preparation**

The Chief Finance Officer is responsible for ensuring that a revenue budget is prepared on an annual basis and includes a three-year Medium-Term Financial Strategy for consideration by the Policy Committee, before submission to Council. Council may amend the budget or ask the Policy Committee to reconsider it before approving it.

The Chief Finance Officer, through the Policy Committee, is responsible for issuing budget guidelines on the general development of the budget each year. This will include an evidence-based assessment of the likely level of resources available to the Council in order to establish an overall budget envelope for the net cost of Council services that are affordable.

It is the responsibility of Executive Directors/Assistant Directors, in conjunction with the Chief Finance Officer, to ensure that budget estimates reflecting agreed corporate and service priorities are submitted to the Policy Committee and that these estimates are prepared in line with guidance issued by the Chief Finance Officer. These Plans will need to adequately reflect the impact of any inflationary and/or demographic pressures. Budget proposals will need to fit within the available resources. Any changes to the nature or levels of service provided must be supported by a business case which fully explains both the service and financial impact.

#### **2.2.4 Format of the Budget**

The format of the budget presented to Policy Committee and Council for approval, will be set out by the Chief Finance Officer each year. The budget will be prepared and presented on an incremental basis. The budget will reflect the service structure operated by the Council at its time of preparation.

#### **2.2.5 Budget Monitoring and Control**

The Chief Finance Officer is responsible for providing appropriate financial information to budget holders to enable budgets to be monitored effectively. Budget holders must monitor and control expenditure against budget allocations. The Chief Finance Officer will report to the Policy Committee on the overall position on a regular basis.

It is the responsibility of Executive Directors/Assistant Directors to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Chief Finance Officer. They must submit monthly monitoring reports to the Chief Finance Officer on existing and expected variances within their own areas. They must also take any action necessary to avoid exceeding their overall budget allocation and alert the Chief Finance Officer to any issues. These responsibilities may be formally delegated to Budget Holders through the scheme of delegation.

#### **2.2.6 Maintenance of Reserves**

Reserves are created as a means of building up funds to meet potential future liabilities. They are held for a number of reasons, including:

- A working balance to act as a final contingency for unanticipated fluctuations in spending and income.
- Earmarked reserves to cover specific areas of risk.

Councils are required to maintain a minimum level of reserves and balances, although legislation does not define how much this minimum level should be.

As part of the Annual Budget Setting Report to Policy Committee and Council, the Chief Finance Officer is required to give advice on the minimum level of working balance to be held by the Council throughout the forthcoming year.

In setting the Budget, Council must have regard to the advice given by the Chief Finance Officer, with the reasons for any variance from the advice given being recorded in the minutes of the Council Meeting.

The Chief Finance Officer is responsible for:

- (a) Creating, managing, and making additions to, or making use of, Reserves in accordance with the following objectives:
  - Optimising the Council's overall financial position by creating a degree of financial flexibility over the year or between years.
  - Maintaining contingencies against unbudgeted expenditure or unexpected events.
  - Enabling funding of known or predicted liabilities falling in the year or future years.
- (b) Approving any proposals for creating and using provisions or reserves.
- (c) Reporting on the adequacy of provisions and reserves when the Budget is presented to Council for approval.

## **2.3 Capital Financial Planning**

### **2.3.1 Capital Expenditure**

Expenditure is classified as capital expenditure when any of the following apply:

- The expenditure results in the acquisition, construction or the enhancement of non-current (i.e. fixed) assets, tangible and intangible, where the asset is expected to be used during more than one financial year.
- The expenditure results in the acquisition, construction or the enhancement of a fixed asset, in which the local authority has no future direct control or benefit from the resultant asset, which would be capital expenditure if the local authority had an interest in that fixed asset. (Revenue expenditure funded by capital under statute).
- The Secretary of State makes a direction that the expenditure can be treated as capital expenditure instead of revenue. These directions are only issued in exceptional circumstances.

### **2.3.2 Capital Programme**

The Chief Finance Officer is responsible for ensuring that a Capital Programme is prepared on an annual basis for consideration by the Policy Committee before submission to the Council.

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 prior to being recommended to members for inclusion in the Draft Capital Programme.

The overall affordability of the Draft Capital Programme is reported on by the Chief Finance Officer as part of the Council's budget setting process. The final Capital Programme is agreed by Council when setting its budget in February.

All schemes included in the approved Capital Programme over £2.5m require spend approval from the responsible Committee or the Council, with the exception of expenditure on rolling programmes of routine capital expenditure. All schemes included in the Capital Programme require confirmation from the Chief Finance Officer that the associated funding has been identified.

Schemes that arise during the year will be added to the agreed Programme once the relevant approvals have been obtained from Policy Committee or Council, in consultation with the Chief Finance Officer and Monitoring Officer.

Budget holders and capital project managers are required to provide financial forecasts to the Chief Finance Officer for inclusion in the financial monitoring reports to the Policy Committee.

### **2.3.3 Financing of Capital Expenditure**

The Chief Finance Officer will determine the financing of the capital programme, taking into consideration the availability of capital receipts, grants and contributions, direct revenue contributions and the affordability of borrowing.

### **2.4 Leasing and Rental Arrangements**

Leases of land or buildings (where the Council acts as a lessor or lessee) and other property agreements can only be authorised for completion by the Monitoring Officer and Assistant Director of Property and Asset Management, acting on the Council's behalf. The relevant Finance support will be consulted as part of this process. Other leasing arrangements, including rental agreements and hire purchase arrangements, will only be entered into with prior approval from the Chief Finance Officer.

Prior approval to enter into leases is required to ensure that:

- Leases that constitute credit arrangements are taken into account when the Council determines its borrowing limits;
- Such arrangements represent value for money and are accounted for appropriately.

### **2.5 Treasury Management Strategy Statement**

The Chief Finance Officer will propose an annual Treasury Management Strategy Statement, including the Minimum Revenue Provision (MRP) Policy, the Borrowing Strategy and the Treasury Investment Strategy to Council in February for the forthcoming financial year. This Strategy will comply with CIPFA's Codes of Practice on Treasury Management and the Prudential Framework for Capital Finance, relevant Regulations and with the Council's own treasury management practices; it will set the parameters within which investment and borrowing activity will be managed during the forthcoming financial year.

### **2.6 Capital Strategy**

CIPFA's Prudential Code for Capital Finance in Local Authorities requires each Local Authority to produce a Capital Strategy on an annual basis. This Strategy defines how the Council will maximise the impact of its limited capital resources to support the delivery of its key aims and objectives. As well as meeting the requirements of the Prudential Code the Strategy also has regard to statutory guidance on Local Government Investments and Minimum Revenue Provision. The Strategy is submitted to Council in February each year for the forthcoming financial year.

### **2.7 Medium-Term Financial Strategy (MTFS)**

The MTFS brings together the key assumptions about financing resources, including council tax, business rates and core Central Government grants, and spending pressures over the medium to longer term. This enables the Council to plan for financial risks and thus inform the setting of service revenue budgets and capital payments. The Chief Finance Officer will ensure that reports are presented to Council, as part of the annual budget setting, upon the medium-term budget prospects and the resource constraints set by the Government.

## **Section 3 - Financial Management**

### **2.1 Introduction**

Financial management is the system by which the financial aspects of Reading Borough Council's business, including the Housing Revenue Account, are directed and controlled to support the delivery of our corporate priorities.

### **2.2 Revenue Budget Monitoring and Control**

#### **2.2.1 Budget Management**

The Council operates within an annual budget limit, approved when the annual budget is set. To

ensure that the Council does not overspend in total, each service is required to manage its own expenditure and income recovery within the budget allocated to it.

### **2.2.2 Framework for Budgetary Control**

Once the budget is approved by the Council, Executive Directors/Assistant Directors are authorised to incur expenditure in accordance with the estimates that make up their budgets. Executive Directors/Assistant Directors must however maintain effective budgetary control within their service(s) to ensure that spending is contained within the annual budget limit and focussed on agreed priority areas.

The Chief Finance Officer is responsible for:

- (a) Notifying members of the Senior Leadership Group of the budgets allocated to them by Council prior to the start of each financial year.
- (b) Giving Budget Holders access to timely information on income and expenditure which is sufficiently detailed to enable them to fulfil their budgetary responsibilities.
- (c) Ensuring that Budget Holders have access to high quality financial advice.
- (d) Presenting detailed financial reports to Policy Committee and the Corporate Management Team on a regular basis.
- (e) Ensuring that relevant guidance and training is available to all staff assigned responsibility for budget management.

Executive Directors/Assistant Directors have overall responsibility for:

- (a) Maintaining, in consultation with the Chief Finance Officer a scheme of delegation ensuring that an appropriate budget holder structure is in place to ensure that responsibility is assigned for each item of income and expenditure under their control.
- (b) Making effective arrangements for the financial management of the services under their control.
- (c) Ensuring that all income and expenditure is properly recorded and accounted for.
- (d) Ensuring that individual budgets approved by Council are not over-spent.
- (e) Reporting to the Chief Finance Officer if any budgets under their control are forecast to be over-spent, and providing mitigation plans to reduce the forecast over-spend.
- (f) Providing regular financial briefings for relevant Lead Councillors.
- (g) Ensuring that new service delivery proposals are approved in accordance with the Council's Constitution.
- (h) Agreeing with the other relevant Executive Directors/Assistant Directors where a budget proposal may impact on their service area.

### **2.2.3 Scheme of Virement - Revenue**

In-year budget movements made outside of the annual budget setting process fall under two categories: budget adjustments and budget virements. These budget movements may be made on a temporary basis, which only affects the budgets within a specified period, or made on a permanent basis, which affects the budgets within the current financial year and all future financial years. All virements will be quality assured by Finance.

#### **Budget Adjustments**

Budget adjustments are defined as one of the following:

- A budget movement required in order to better reflect in budget terms a decision made through the Policy Framework, agreed in accordance with the Council's Constitution.
- A budget movement over which the Council has no control, such as where statutorily or through the requirements of government grant conditions, the Council is obliged to make a budget adjustment.
- A budget movement required to correct an error, such as where the budget showing in the financial management system does not match the budget agreed by Council.
- A budget movement required to reflect an allocation from contingencies held corporately.
- A budget movement to reflect proper accounting practices.

A budget adjustment can be implemented by the Chief Finance Officer without need for further approval.

### Budget Virements

Virements are a movement of budget either within or between budget headings. A budget heading relates to an agreed division of a service, such as an activity, project, branch of operations or subjective category.

Virements may be necessary under a number of circumstances, for instance:

- Where the organisation or management of services has been restructured;
- Where income projections change, matched by changes in expenditure.

Budget virements should be made in line with the Council's Policy Framework. The approval of the Policy Committee may be required for any virement where the Chief Finance Officer has determined that a decision from the Policy Committee is required.

Budget virements within budget headings can be implemented by the budget holder without need for further approval. If a budget holder is unclear as to whether a virement crosses budget headings, advice should be taken from the Chief Finance Officer.

Budget virements relating to net increases or decreases to salaries or to gross income or expenditure require the additional approval of the Chief Finance Officer, regardless of the virement amount.

The following approvals are required in order for budget virements between budget headings to be implemented. The 'amount of virement' is the greatest requested total change within a budget heading. Budget virements relating to net increases or decreases to salaries or to gross income or expenditure always require the approval of the Chief Finance Officer, regardless of the virement amount:

#### Budget Virements Within a Cost Centre

Amount of Virement	Budget Holder	Assistant Director	Executive Director	Chief Finance Officer
Up to £100k	Approval Required			
Over £100k and up to £250k	Notified	Approval Required		
Over £250k and up to £500k	Notified	Approval Required	Approval Required	
Over £500k	Notified	Approval Required	Approval Required	Approval Required

#### Budget Virements Within a Service Area

Amount of Virement	Budget Holder(s)	Assistant Director	Executive Director	Chief Finance Officer
Up to £250k	Notified	Approval Required		
Over £250k and up to £500k	Notified	Approval Required	Approval Required	
Over £500k	Notified	Approval Required	Approval Required	Approval Required

#### Budget Virements Across a Service Area or Directorate

Amount of Virement	Budget Holder(s)	Assistant Director	Executive Director	Chief Finance Officer
Any Amount	Notified	Approval Required	Approval Required	Approval Required

#### **2.2.4 Scheme of Virement – Capital**

Requests for budget virements between approved capital schemes should be submitted to Policy Committee for approval. The funding of the budget must be considered as part of the request. The Chief Finance Officer must confirm a budget virement is affordable, if that virement would require a change in the funding source.

#### **2.2.5 Capital Payments Monitoring and Control**

The principles and framework for managing the revenue budget will apply equally with regard to the monitoring and management of individual capital projects within their scheme and spend approvals.

All schemes included in the approved Capital Programme over £2.5m, with the exception of expenditure on rolling programmes of routine capital works shall remain subject to spend approval by the responsible Committee or Council.

Schemes will usually only be added to or removed from the Capital Programme as part of the annual budget setting process. Outside of this process schemes may be removed from the Capital Programme, or budgets may be decreased with Policy Committee approval. Schemes that arise during the year may be added to the Capital Programme with Policy Committee approval if:

- The scheme is fully funded by grants or contributions, or
- The Chief Finance Officer confirms that the expenditure is affordable.

The Chief Finance Officer will report any anticipated budget variations to Policy Committee as part of the regular budget monitoring process.

Unlike revenue budgets capital budgets may be profiled over a number of financial years due to the length of time required to complete the capital project. Budget holders and capital project managers are responsible for providing reasonable estimates of profiling of capital budgets. The profiling of budgets should match the best estimates of when expenditure is expected to be incurred. Where schemes are expected to progress ahead or behind schedule a request to re-profile the budget should be submitted for Policy Committee approval.

#### **2.2.6 Treatment of Year End Balances**

Policy Committee may approve requests to carry forward budgets which are underspent at year end as part of the outturn reporting process, as recommended by the Chief Finance Officer.

### **Section 4 - Accounting Records and Financial Systems**

#### **2.3 Accounting Records**

Accounting records are all the documents involved in preparing the financial statements of the Council. They include the original source documents, e.g. invoices and purchase orders, journal entries for virements and budget adjustments etc and ledgers that describe the accounting transactions of the council.

The Council has a statutory and legal responsibility to retain accounting records for a predetermined period, normally for six years.

Maintenance of proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources.

The Council's accounting records are maintained within its General Ledger. A standard coding convention is maintained within the General Ledger. The integrity of the Council's financial reporting for management and statutory purposes is dependent upon transactions being coded correctly first time at source.

The Chief Finance Officer is responsible for:

- (a) Determining the accounting procedures and records for the Council.
- (b) The compilation of all accounts and accounting records.
- (c) Keeping the accounts and financial records of the Council.

Executive Directors/Assistant Directors are responsible for:

- (a) Ensuring that their services comply with the coding conventions adopted within the General Ledger. This includes adherence to the standard subjective classifications for categories of income and expenditure.
- (b) Ensuring that all the Council's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis.
- (c) Retaining prime documents in accordance with legislative and other requirements.

#### **2.4 Annual Statement of Accounts**

The Council has a statutory responsibility to prepare its accounts and present a true and fair view of the financial performance and results of its activities during the year. It is also responsible for approving and publishing those annual statements in accordance with the timetable specified in the Accounts and Audit Regulations.

The Chief Finance Officer is responsible for identifying suitable accounting policies, and for applying them consistently, to ensure that the Council's annual statement of accounts are prepared in compliance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom and other relevant accounting standards and statutory provisions. In addition, the Chief Finance Officer will ensure that the Statement of Accounts is compiled, approved and published in accordance with the statutory timetable specified within the Accounts and Audit Regulations.

The Chief Finance Officer will issue annual instruction notes on the closure of the accounts, including a timetable. All members and officers of the Council must comply with these accounting instructions and supply the information requested by the dates specified to facilitate timely closure of the accounts.

The Chief Finance Officer must sign and date the Statement of Accounts, confirming that the accounts give a 'true and fair' view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March.

The Chief Finance Officer is responsible for making proper arrangements for the audit and public inspection of the Council's accounts.

#### **2.5 Financial Systems**

Financial Systems must be documented and regularly backed up; and disaster recovery and business continuity plans must be maintained to allow information system processing to resume quickly in the event of an interruption.

The Chief Finance Officer is responsible for:

- (a) Approving the purchase, implementation and integration of accounting and other systems with a financial function.
- (b) Ensuring that the Council's financial systems, including any financial elements of non-financial or integrated systems, are sound, properly maintained and reconciled and that they are held securely.
- (c) Determining the accounting systems, form of accounts and supporting financial records of the Council.

Executive Directors/Assistant Directors are responsible for:

- (a) Ensuring that prior approval is obtained from the Chief Finance Officer to introduce any financial system, including any elements of a non-financial or integrated system relied upon for financial reporting purposes, within or on behalf of their area of responsibility. Prior approval must also be obtained from the Chief Finance Officer to make changes to any such systems already being operated within a service area.

## Section 5 - Risk Management and Internal Control

### 2.6 Risk Management

Risk management is an integral part of effective management and planning. It is concerned with identifying and managing key obstacles to the achievement of objectives.

The Executive Director of Resources is responsible for preparing the Council's Risk Management Strategy and advising on the management of strategic, financial, and operational risks.

The Audit & Governance Committee is responsible for reviewing the authority's risk management policy statement and approach and providing independent assurance to the Council on the effectiveness of risk management and internal control.

All Members and officers alike are required to assist in, and take responsibility for, identifying, and controlling risk and opportunities in all their activities and areas of responsibility.

Executive Directors/Assistant Directors are responsible for:

- (a) Implementing the Council's risk management strategy.
- (b) Integrating risk management within business planning and performance management arrangements.
- (c) Mitigating, monitoring, and reporting on risks.
- (d) Maintaining and testing business continuity plans.

### 2.7 Insurance

The Council protects itself against the financial implications of risk by either:

- Procuring insurance cover
- Setting aside funds in a self-insurance reserve

The Council operates an insurance programme that balances self-retained risk with external insurance policy cover, which is reviewed at each renewal. The insurance contracts have financial implications not only in the cost of the contract, but the level of self-retained risk exposure the Council wishes to accept.

The Council must comply with the "duty of fair presentation" contained in the Insurance Act 2015. The Council must disclose to its Insurers all information, facts and circumstances which are, or ought to be, known to it, which are material to the risk. A material circumstance is one which would influence the judgement of a prudent Underwriter in considering whether to provide insurance and, if so, on what basis and cost.

Insurance records relating to liability policies and related correspondence must be retained indefinitely. Documents relating to other policies and internal funding arrangements must be retained in accordance with the Council's Document Retention Schedule.

The Chief Finance Officer is responsible for:

- (a) Determining the nature and level of insurance cover to be affected.
- (b) Effecting insurance cover and processing and settlement of all claims.
- (c) Undertaking a periodic general revaluation of Council buildings so that appropriate amendments to insurance cover can be arranged.
- (d) Submitting and agreeing insurance claims with external insurers and agreeing amounts to be met from the Council's self-insurance reserve.
- (e) Arranging for payment of premiums by the due date and managing the Council's self-insurance reserve. Procedures for dealing with claims on the Council's self-insurance reserve will be prescribed by the Chief Finance Officer.

Executive Directors/Assistant Directors are responsible for:

- (a) Notifying the Insurance Manager immediately of any loss, liability or damage that may lead

to a claim against the Council, together with any information or explanation required by the Chief Finance Officer or the Council's insurers.

- (b) Notifying the Insurance Manager promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.
- (c) Consulting the Council's Insurance Manager on the terms of any indemnity that the Council is requested to give.
- (d) Ensuring that employees, or anyone covered by the Council's insurances, do not admit liability, or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.
- (e) Promptly informing the Chief Finance Officer of any changes in the fabric, use or contents of any assets which may affect its valuation for insurance purposes.
- (f) Ensuring that any person who makes use of his / her own vehicle for Council business shall comply with the appropriate Council policies with regards to car users and any instructions relating to this policy.

## 2.8 Internal Control

Internal control refers to the systems of control that help ensure the authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the authority's assets and interests are safeguarded and properly accounted for. These arrangements also need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice.

The Chief Finance Officer is responsible for:

- (a) Advising on effective systems of internal control to ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with statutory requirements and other guidance that govern their use.
- (b) Conducting an annual review of the effectiveness of the system of internal control and publishing the results of this within the Council's Annual Governance Statement.

Executive Directors/Assistant Directors are responsible for:

- (a) Taking corrective action in respect of any non-compliance by staff with relevant rules, regulations, procedures, and codes of conduct.
- (b) Implementing effective systems of internal control ensuring adequate separation of duties, clear authorisation levels, and appropriate arrangements for supervision and performance monitoring.
- (c) Planning, appraising, authorising, and controlling their operations in order to achieve continuous improvement in economy, efficiency and effectiveness and for achieving their objectives, and targets in accordance with the budgetary framework and Council Plan.
- (d) Ensuring the systems and processes of the Council are working as expected and undertaking an appraisal for the Annual Governance Statement

All Members and Officers are responsible for complying with the controls set down in these Financial Regulations.

## 2.9 Preventing Fraud and Corruption

All members and officers of the Council will act with integrity and with due regard to matters of probity and propriety, and comply with all relevant rules, regulations, procedures, and codes of conduct, including those in relation to receipt of gifts and hospitality and declarations of conflicts of interest.

The Council will not tolerate fraud or corruption in the administration of its responsibilities, whether perpetrated by members, officers, customers of its services, third party organisations contracting with it, or other agencies or individuals with which it has any business dealings.

The Chief Finance Officer is responsible for:

- (a) Developing and maintaining an Anti-fraud and Corruption Strategy that stipulates the arrangements to be followed for preventing, detecting, reporting and investigating suspected fraud and irregularity.

- (b) Advising on the controls required for fraud prevention and detection.
- (c) Appointing a Money Laundering Reporting Officer to ensure that systems are in place to counter opportunities for money laundering and that appropriate reports are made.

Executive Directors/Assistant Directors are responsible for:

- (a) Ensuring that there are sound systems of internal control within their Services for fraud prevention and detection.
- (b) Ensuring they follow all controls, policies and regulations to minimise fraud and taking all necessary action if fraud is suspected.

All Members and Officers are responsible for:

- (a) Complying with the Council's Anti-fraud and Corruption Strategy.
- (b) Implementing audit recommendations within agreed timescales.
- (c) Reporting cases of suspected fraud or irregularity to the Chief Auditor for investigation and complying with the Council's Whistleblowing Policy.
- (d) Reporting any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer.

## **2.10 Audit Requirements**

### **2.10.1 External Audit**

The External Auditor's duties include reviewing and reporting upon:

- (i) The financial aspects of the Council's corporate governance arrangements.
- (ii) The Council's financial statements: the external auditor must be satisfied that the Statement of Accounts give a 'true and fair view' of the financial position of the Council and its income and expenditure for the year in question and complies with legal requirements.

The Council's external auditor may also issue public interest reports, advisory notices and make recommendations under the Local Audit and Accountability Act.

The Council may, from time to time, also be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

The External Auditors and other statutory inspectors must be given reasonable access to premises, personnel, documents and assets that they consider necessary for the purposes of their work. Regard must be given to the Council's Data Protection Policy, and if there is any doubt about whether it is appropriate to provide such data to the External Auditor or other statutory inspectors, advice should be sought from the Data Protection Officer and the Monitoring Officer.

### **2.10.2 Internal Audit**

The Accounts and Audit Regulations require the Council to maintain an effective internal audit function to evaluate the effectiveness of its risk management, control and governance processes, taking into account Public Sector Internal Audit Standard (PSIAS).

Internal Audit is an independent and objective appraisal function, established by the Council to evaluate and report on the adequacy of the Council's internal control systems in securing the proper, economic, efficient, and effective use of resources.

Internal Audit has the authority to:

- (i) Access any Council premises, assets, records, documents and correspondence, and control systems.
- (ii) Receive any information and explanation related to any matter under consideration.
- (iii) Require any employee of the Council or school maintained by the Council to account for cash, stores or any other asset under their control.
- (iv) Access records belonging to third parties (e.g. Contractors) when required.
- (v) Talk directly to all Members and Officers of the Council and all members of Audit &

Governance Committee.

### **2.10.3 Responsibilities with Respect to Internal and External Audit**

The Chief Finance Officer is responsible for:

- (a) Maintaining an adequate and effective Internal Audit service in accordance with the Accounts and Audit Regulations.
- (b) Ensuring that the statutory requirements for external audit are complied with and that the External Auditor can effectively scrutinise the Council's records.
- (c) Ensuring that audit plans and results are reported to the Audit & Governance Committee.

All Members and Officers are responsible for:

- (a) Ensuring that Internal and External Auditors have access to all documents and records for the purposes of the audit and are afforded all facilities, cooperation and explanation deemed necessary.
- (b) Cooperating in the production of annual audit plans by highlighting any areas of risk that may benefit from audit review.
- (c) Implementing audit recommendations within agreed timescales.

## **Section 6 - Assets**

### **2.11 Security of Assets**

The Council holds assets in the form of property, land, vehicles, ICT and other equipment, furniture and data, these assets must be safeguarded and used efficiently in service delivery.

All Members and Officers have a responsibility for safeguarding the Council's assets and information, including safeguarding the security of the Council's computer systems and paper records, and for ensuring compliance with the Council's data protection and cyber security requirements, including the completion of mandatory training.

Executive Directors/Assistant Directors are responsible for:

- (a) Ensuring the proper security and maintenance of all assets, including the recovery of assets from leavers.
- (b) Ensuring that the title deeds for all Council properties are held by the appropriate service.
- (c) Ensuring that no Council asset is subject to personal use by an employee without proper authority.
- (d) Ensuring cash holdings on premises are kept in line with the limits set out in the Council's insurance policies.

The Assistant Director of Property and Asset Management is empowered to acquire or dispose of land up to the limits expressed in the Key Decision criteria, after which approval of the relevant Committee is required. No other Executive Director/Assistant Director may acquire or enter into or amend a licence or lease to occupy, any land or property, nor to dispose of any land or property owned by the Council, except in the day-to-day allocation and management of single Council dwellings under the Housing Revenue Account, which are the responsibility of the Executive Director for Communities and Adult Social Care. The Chief Finance Officer must be informed of any acquisitions or disposals of property.

### **2.12 Asset Registers**

The Chief Finance Officer will maintain the corporate Fixed Assets Register. This register forms the basis of Balance Sheet reporting on all non-current assets held by the Council. Each Executive Director/Assistant Director will keep appropriate records of fixed assets under their control to support the corporate Fixed Assets Register.

This 'Assets Register' is maintained, in accordance with the requirements of the CIPFA Code of Practice on Local Authority Accounting in the UK and the underlying accounting standards, for all items capitalised, in accordance with the guidance issued by the Chief Finance Officer, that are

expected to be used and/or controlled by the Council during more than one financial year. Items that the Council has acquired for a prolonged period under the terms of a lease or similar arrangement must also be recorded.

This means that the 'Assets Register' is maintained and reconciled for:

- (i) All land and property owned, occupied or held by the Council, including land held under a charitable Trust where the Council has an interest in the land.
- (ii) Buildings held and being used by the Council for operational purposes, including those held under the terms of a finance lease, and those held for investment purposes: for disposal; or deemed to be surplus to current requirements.
- (iii) All highways infrastructure (e.g. roads, structures, traffic management systems etc.) that was capitalised in accordance with the guidance issued by the Chief Finance Officer.
- (iv) All Council-owned vehicles, plant and equipment, including IT hardware, and intangible assets, such as IT software, that, when acquired, were capitalised in accordance with the guidance issued by the Chief Finance Officer.

Executive Directors/Assistant Directors will provide the Chief Finance Officer with any information necessary to maintain the Assets Register. This will include confirmation, and the location, of moveable assets, which should be appropriately marked and insured.

Non-current assets that are required to be measured at 'current value' will be re-valued in accordance with:

- (i) The requirements of the CIPFA Code of Practice on Local Authority Accounting in the UK; and
- (ii) Methodologies and bases for estimation set out in relevant professional standards, including those of the Royal Institute of Chartered Surveyors.

## **2.13 Use of Property Other Than for Direct Service Delivery**

The use of property other than for direct service delivery will be subject to prior agreement of, and in accordance with terms and conditions specified by, the Assistant Director of Property and Asset Management in the Strategic Asset Management Plan.

Prospective occupiers of Council land and buildings are not permitted to take possession or enter the land and buildings until a lease or agreement, in a form approved by the Monitoring Officer on the instruction of the Assistant Director of Property and Asset Management, has been put in place.

## **6.5 Land and Property Asset Disposals – General Fund**

Full details of the process governing the disposal of land and property owned the Council are set out in the Council's Asset Disposal Policy. This does not apply to the sale of residential properties within the Housing Revenue Account as these are subject to a different legal framework.

The overarching policy that identified and determines disposal of property is the Council's Strategic Asset Management Plan.

### **6.5.1 Legal Framework**

Land should be sold for the best consideration reasonably obtainable as set out in section 123 of the Local Government Act 1972. The Act also sets out that in circumstances where an authority considers it appropriate to dispose of land at an undervalue, they must seek the consent of the Secretary of State, unless the undervalue amount is £2m or less.

In determining whether or not to dispose of land for less than the best consideration reasonably obtainable, and whether or not any specific proposal to take such action falls within the £2m undervalue limit, the authority should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue. This applies even for disposals by means of formal tender, sealed bids or auction. Supporting documents should provide evidence that the Council has acted reasonably and with due regard to its fiduciary duty.

#### **6.5.2 The Disposal Process**

The Assistant Director of Property and Asset Management is responsible for determining whether operational land or buildings are potentially surplus to requirements and for reporting their availability in accordance with the Asset Disposal Policy.

Receipts from the disposal of assets will be treated as a corporate resource and not earmarked for specific projects. The Chief Finance officer will determine their application in line with the Council's Medium Term Financial Strategy.

#### **6.6 Land and Property Asset Disposals – Housing Revenue Account**

The primary form of Housing Revenue Account disposal is through the Right to Buy (RTB) process.

Additional HRA receipts may occur for instance from Land for development and follows a similar process to the General Fund disposals, however it is tied to additional requirement to gain consent from the Secretary of State. Land provided under Part II of the 1985 Act which no longer fulfils its current purpose can be removed from the HRA under Section 122(1) of the Local Government Act 1972. The guidance states that "the decision is for the authority to take, though it should be able to explain the basis of the decision to its External Auditor and tenants, if called upon to do so."

It is important to note that, before a house or part of a house can be appropriated out of the HRA for another purpose, a local authority needs to obtain the Secretary of State's consent under Section 19(2) of the 1985 Act.

#### **6.7 Disposal of Other Assets**

The Assistant Director for Digital and IT has the responsibility for managing and arranging for the safe disposal of all Council Digital and IT equipment in accordance with the best value duty, ensuring the safety of the Council's data whilst maximising any residual resource once the equipment has been cleaned and made ready for disposal.

Disposal of all other assets are the responsibility of the respective Assistant Directors, within existing Key Decision criteria.

#### **6.8 Consumable Stocks and Stores**

Assistant Directors must ensure robust arrangements are in place for the acquisition and management of stocks and stores held by their Services and must maintain inventory records that document the purchase, requisition and usage of these items.

The stock of such items should be maintained at an appropriate level and be subject to regular independent physical check against the inventory. Discrepancies must be documented and investigated and pursued to a satisfactory conclusion.

Where stocks and stores have not been used at the end of the financial year, they will be held on the Balance Sheet as stock. Assistant Directors must produce a stock certificate or evidence of a stock count, confirming the number and value of items held as at 31 March and submit it to the Chief Finance Officer. The value of the items represents the lower of cost or net realisable value.

Stocks and stores must be removed from (i.e. written off) the Council's financial records when they can no longer be sold or used, or when they are no longer held due to theft or other loss. Any write-offs of obsolete or missing stock must be carried out in consultation with the Chief Finance Officer.

#### **6.9 Cash**

##### **6.9.1 Introduction**

The Chief Finance Officer is responsible for issuing guidance for the management of all cash funds across the Council to ensure that the Council's money is properly managed in a way that balances risk with return, with the overriding consideration being given to security.

In accordance with the Council's Anti-Money-Laundering Policy, all suspected attempts to use the Council to launder money must be reported to the Chief Auditor who is the Council's Money Laundering Reporting Officer.

#### 6.9.2 Treasury Management

The Council must comply with the CIPFA Treasury Management in the Public Services: Code of Practice and associated Cross-sectoral Guidance, and approve on an annual basis:

- A Treasury Management Strategy Statement (TMSS), which sets out the parameters for the Council's planned treasury activity during the coming financial year.
- A Treasury Management Policy.
- A Minimum Revenue Policy setting out the basis on which revenue funds will be set aside for the future repayment of outstanding borrowing.
- An Annual Investment Strategy, which sets out the Council's approach to managing risk in relation to its financial investments.
- Prudential and Treasury Management Indicators.

It is the responsibility of the Chief Finance Officer to propose a Treasury Management Strategy Statement to Council annually ahead of the new financial year and to subsequently recommending any changes as may be necessary to Council for approval through Policy Committees.

The Chief Finance Officer will report to the Audit & Governance Committee at regular intervals in each financial year, on treasury management activities undertaken within delegated powers. All investments of money, and borrowings undertaken, on behalf of the Council will be made in the name of the Council. The Chief Finance Officer will maintain records of such transactions.

#### 6.9.3 Loans to third parties

The following table sets out the circumstances in which loans may be provided to third parties, and the approval required for each type of loan:

Type of loan	Approval required
Season ticket and similar loans made to employees	To be made in accordance with the Council's Delegations Register Scheme of Delegation and HR Guidance: <ul style="list-style-type: none"> <li>• Season ticket loans – Assistant Director</li> <li>• Cycle loans – Assistant Director</li> <li>• Rent Deposit Scheme – Assistant Director</li> </ul>
Monies invested with banks and other financial institutions.	To be undertaken in accordance with the Council's Annual Treasury Management Strategy.
Loans to third parties, including wholly owned companies, for the purpose of financing expenditure which, if incurred by the Council, would constitute capital expenditure.	Such a loan would constitute capital expenditure by the Council, and the repayment would constitute a capital receipt, and so would require Capital Programme approval. The approval of the Chief Finance Officer will be required to make any such loan, within the scheme and spend approval already given by Committee for the capital expenditure.
Loans sought from the Council for other purposes (e.g. where a service is being outsourced and the potential provider seeks an up-front payment to support cash flows).	Only to be undertaken with the prior approval of the Chief Finance Officer. The Chief Finance Officer's approval will also be required to offer such a loan at a discounted rate of interest. In all cases, this approval will be subject to any necessary Committee consent for the overall purpose being pursued

#### **6.9.4 Bank Accounts**

The Chief Finance Officer the only Council officer with delegated authority to open bank accounts on behalf of the Council, and to approve a list of authorised bank signatories.

Only officers approved by the Chief Finance Officer have the authority to:

- (i) Make arrangements for the collection and payment into the Council's bank accounts of all monies due to the Council.
- (ii) Make or authorise transfers between the various bank accounts and withdrawals from those accounts.
- (iii) Manage and administer bank accounts on behalf of clients as approved through Court of Protection/Deputyship arrangements.

#### **6.9.5 Imprest Accounts, Petty Cash & Floats**

In the limited circumstances when Purchase Orders cannot be used, the Chief Finance Officer may provide bank imprest accounts and/or petty cash to meet minor expenditure on behalf of the Council.

Cash floats may be provided where there is a requirement to hold cash for the purpose of giving change to customers.

The Chief Finance Officer is responsible for:

- (i) Prescribing rules for operating these accounts/balances.
- (ii) Determining the amount of each imprest account/balance.
- (iii) Maintaining a record of all transactions and cash advances made.
- (iv) Periodically reviewing the arrangements for the safe custody and control of these advances.

Officers operating an imprest account are responsible for:

- (i) Obtaining and retaining vouchers/receipts to support each payment from the imprest account/balance. Where appropriate, an official receipted VAT invoice must be obtained.
- (ii) Making adequate arrangements for the safe custody of the account/balance.
- (iii) Producing cash and all vouchers/receipts to the total value of the imprest account/balance.
- (iv) Recording transactions promptly.
- (v) Reconciling and balancing the account/balance at least monthly; with reconciliation sheets being signed and retained by the account/balance holder.
- (vi) Ensuring that any account/balance is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made.
- (vii) Providing the Chief Finance Officer with a certificate of the value of the account/balance held at 31 March each year.

#### **6.9.6 Trust Funds and Funds Held for Third Parties**

All trust funds will, wherever possible, be held in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities relating to the trust with the Chief Finance Officer, unless the deed provides otherwise.

Where the Council is the trustee, funds will be operated within any relevant legislation and the specific requirements for each trust.

Where funds are held on behalf of third parties, for their secure administration, written records will be maintained of all transactions.

The Chief Finance Officer is responsible for making returns of charity trust accounts to the Charity Commission.

## Section 7 - Income and Expenditure

### 2.14 Income

#### 2.14.1 Introduction

Effective income collection systems are necessary to ensure that all income due to the Council is identified, collected, receipted and banked properly.

Wherever possible, income should be collected in advance of supplying goods or services. Such an approach will avoid the time and cost of administering debts and negates the possibility of a bad debt.

It is the responsibility of Assistant Directors to ensure that staff authorised to act on their behalf in respect of income collection are clearly identified, and that they follow accounting instructions as issued by the Chief Finance Officer.

#### 2.14.2 Charging Policies

Executive Directors/Assistant Directors will ensure that charges for the supply of goods or services where appropriate enable as a minimum full cost recovery. These will be reviewed annually with the Chief Finance Officer, as part of the corporate budget process. An annual Statement of Fees and Charges will be taken to Council for agreement as part of the Council's annual budget setting process.

On an exceptional basis, alternative timeframes will be considered in agreement with the Chief Finance Officer.

#### 2.14.3 Income Collection

The Chief Finance Officer will set out the procedures, systems and processes for the collection of all income due to the Council including debt recovery and write offs.

The Chief Finance Officer in conjunction with Assistant Directors will ensure that:

- (i) All money received by, or on behalf of, the Council is paid fully and promptly into the appropriate Council bank account,
- (ii) Income is not used to cash personal cheques or other payments.
- (iii) Appropriate details are recorded onto paying-in slips to provide an audit trail.
- (iv) A record is kept of money received directly by employees of the Council.
- (v) The receiving officer signs for the transfer of funds, and the transferor must retain a copy.
- (vi) Money collected and deposited is reconciled to the appropriate bank account on a regular basis.
- (vii) The responsibility for cash collection is separated from that for identifying the amount due and that responsibility for reconciling the amount due is separated from handling of the amount received.
- (viii) Income is only held on premises up to levels specified within the Council's insurance policies. All such income will be locked away to safeguard against loss or theft, and to ensure the security of cash handling.
- (ix) All appropriate income documents are retained and stored for the defined period in accordance with the Council's document retention policy and schedule.
- (x) The Chief Finance Officer is advised of outstanding income relating to the previous financial year as soon as possible after 31 March, and in line with the timetable for closure of the accounts.

#### 2.14.4 Debt Recovery

Executive Directors/Assistant Directors will ensure that a clear framework is in place within their areas of responsibility which defines who is empowered to raise a debt on the Council's behalf.

Debts should be recovered in accordance with the Council's Corporate Debt Recovery Policy, which sets out the principles for maximising collection, and provides details of the approach the Council will

take in seeking to recover all money due. In all cases will be reasonable, fair and appropriate given the nature of the debt:

- (i) Where appropriate and lawful, ensure payment is received before or at the point of service.
- (ii) Invoices and other requests/demands should be checked for completeness and accuracy before being issued promptly.
- (iii) All invoices to be paid in accordance with the deadlines set out in the Corporate Debt Recovery Policy.

#### **2.14.5 Writing Off Debts**

Assistant Directors will critically review outstanding debts on a regular basis, in conjunction with the Chief Finance Officer, and take prompt action to write off debts no longer deemed to be recoverable.

No legitimate debt may be cancelled, other than by formal write-off. Executive Directors/Assistant Directors have delegated authority to write off debts, for a particular debtor, for sums up to £1,000 at their own discretion; and for sums of up to £20,000 with the consent of the Chief Finance Officer. In both cases they must keep a written record of the debt and the reasons for writing it off.

The Chief Finance Officer will report to the Policy Committee on the writing-off of individual debts over £20,000.

A record must be maintained for all debts written off. Where debts have been referred to Legal Services, the Chief Finance Officer will have due regard to their advice when considering action relating to bad debts. The appropriate accounting adjustments must be made following approval to write off a debt.

A write-off is only appropriate where:

- The demand or invoice has been raised correctly and is due and owing; and
- There is a justified reason why the debt should not be pursued further.

#### **2.14.6 Issuing Credit Notes – Accounts Receivable**

Credit notes will be subject to the approval of the Assistant Director or operational budget holder.

A credit note to replace a debt must be substantiated and can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt, and once it is confirmed that the debt is not payable.

Credit notes will not be issued:

- (i) For irrecoverable debts, as the formal write-off procedure should be followed.
- (ii) Where the debtor cannot afford to pay at that time. The debt should remain, and revised payment terms agreed, as appropriate.
- (iii) Where a debt is to be recovered through deductions from payments. In such instances, the deductions made should be offset against the debtor.

### **2.15 Ordering and Paying for Work, Goods and Services**

#### **2.15.1 Introduction**

Public money must be spent with demonstrable probity and in accordance with the Council's policies. The Council's procedures help to ensure that officers are protected, and services obtain value for money from their purchasing arrangements through the use of established contracts, service level agreements and the use of the Council's systems.

Officers involved with engaging contractors, and/or with purchasing decisions, have a responsibility to declare:

- (i) Any links or personal interests that they may have with suppliers and/or contractors; and

- (ii) Any gifts or hospitality offered by, or received from, suppliers and/or contractors.

## 2.15.2 Purchase Orders

A purchase order is a document that the Council sends to a supplier to request goods or services at a specific price and quantity. It is used to control the purchasing process.

Purchase Orders for works, goods and services must be raised via the Council's Finance System and authorised by officers designated by the relevant Executive Directors/Assistant Directors.

All purchase orders must be raised prior to the supply of goods and services and receipt of the supplier invoice.

Purchase Orders can only be raised on finance system by approved staff (buyers) who have completed the relevant Finance System eLearning training and granted access to the purchase order role in the finance system.

When creating purchase orders, buyers are responsible for selecting the correct supplier and choosing the most appropriate spend category, to allow the Council to track overall spend by type of work, goods or service.

The buyer is also responsible for entering the correct financial account codes, order value and relevant dates for provision of the work, goods or service for each line item in the order so that the spend commitment in the finance system is recorded against the correct account codes and financial periods.

The finance system prevents buyers from approving their own orders. Purchase Orders are submitted to designated approvers based on the Scheme of Delegation (financial limits) and cost centre assignments.

The levels of authority for approval of Purchase Orders are as follows:

Organisation / Role	Financial Delegation
Chief Executive Chief Finance Officer and Deputy s151 Officer	No limit
Executive Directors plus selection of senior managers responsible for overseeing PFI / capital projects	£5,000,000
Deputy Directors / Assistant Directors	£500,000
Cost Centre Manager	£50,000

The authoriser of an order must be satisfied that:

- (i) The works, goods and services ordered are appropriate and needed.
- (ii) There is adequate budgetary provision; and
- (iii) Quotations or tenders have been obtained, if necessary, in accordance with procurement policies and procedures.

Works, goods and services must be checked upon receipt to ensure they are in accordance with the order. Wherever possible, goods should not be received by the person who approved the order.

The buyer is responsible for recording the receipt of works, goods and services against the original purchase order in the finance system promptly when the works, goods and service have been received, and prior to the receipt of an invoice. This will provide approval to pay for the works, goods and services for the amount receipted.

Buyers are responsible for performing monthly reviews of all open purchase orders and for taking action to follow-up on outstanding requirements, amending purchase orders for agreed variations and for closing purchase orders when all required goods and services have been provided and receipted. Amendments to a Purchase Order that increase the value will be subject to the same approval process described above.

The Chief Finance Officer is responsible for:

- (a) Maintaining the levels of authority for approval of Purchase Orders and authorised signatory database.

Executive Directors/Assistant Directors are responsible for:

- (a) Designating those staff authorised to raise purchase orders.
- (b) Designating those officers authorised to approve purchase orders.
- (c) Closing any orders that are inactive and no longer required.

### **2.15.3 Invoice Payments**

The Chief Finance Officer will make payments from the Council's funds upon the receipt of proper original, certified copy or valid electronic VAT invoices that have been checked and that the associated Purchase Order has been goods receipted.

Payments to creditors will be made within agreed payment terms.

Any invoice in dispute with a supplier must be clearly identified and processed in accordance with guidance issued by the Chief Finance Officer and the Monitoring Officer.

For transactions other than those processed via the Council's finance system, a different officer from the person checking an invoice must authorise the payment.

It is not permissible to make a payment in advance of the delivery of works, goods or services, or to vary the Council's standard settlement terms, other than with the prior approval of the Chief Finance Officer.

The normal method of payment by the Council shall be by BACS payments direct into suppliers' bank accounts.

The use of VISA Purchasing Cards (VPCs) must be done in accordance with the VISA Purchasing Card Procedure Rules. The card user is responsible for obtaining valid VAT invoices or receipts for the purchases made.

In exceptional circumstances, where suppliers are unable to accept payment via BACS, an alternative method of payment will be provided by the Chief Finance Officer. The use of direct debits to make payments will require the prior agreement of the Chief Finance Officer.

All appropriate evidence of the transaction and payment documents will be retained and stored in accordance with the Council's document retention policy and schedule.

The Chief Finance Officer is responsible for:

- (a) Issuing VISA Purchasing Card Procedure Rules
- (b) Making payments to suppliers.

Executive Directors/Assistant Directors are responsible for:

- (a) Notifying the Chief Finance Officer immediately of any expenditure to be incurred as a result of statute / court order where there is no budgetary provision. In such cases, appropriate budget provision should be sought, by way of a virement.
- (b) Advising the Chief Finance Officer, at the end of each financial year, of outstanding expenditure relating to the financial year just ended, in line with the timetable for closure of the accounts determined by the Chief Finance Officer.

### **2.16 Taxation**

The Council is required to comply with all relevant taxation regulations and guidance that affect the Council either directly, as a consequence of its own activities, or indirectly, as a consequence of service delivery through external partners.

Taxation regulations are complex and can require external specialist advice. It is essential that new or unusual activities are properly assessed prior to commencement.

The Chief Finance Officer is responsible for:

- (a) Ensuring compliance with all relevant taxation regulations and guidance that affect the Council either directly, as a consequence of its own activities, or indirectly, as a consequence of service delivery through external partners.
- (b) Maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date, as appropriate.

Executive Directors/Assistant Directors are responsible for:

- (a) Ensure that the Chief Finance Officer is consulted on all proposals that may alter or affect the Council's tax liability, including proposals to implement alternative service delivery models.
- (b) Ensure that the VAT guidance issued by the Chief Finance Officer is complied with, to ensure that the correct liability is attached to all income due and that all amounts recoverable on purchases can be claimed.
- (c) Ensure that, where construction and maintenance works are undertaken, the subcontractor fulfils the necessary construction industry tax scheme requirements, as advised by the Chief Finance Officer.
- (d) Ensure that the Chief Finance Officer's guidance regarding fee payments to consultants, individuals or partners is complied with.

## **2.17 Emergency Payments**

Emergency payments are those arising from legal cases, civil emergencies or natural disasters such as flooding. They relate to unforeseen circumstances where budget provision has not been made and the payment cannot be covered within the relevant service's existing budget.

Emergency payments can only be made in accordance with Standing Order 42.

## **2.18 Transparency**

The council complies with the requirements of the Local Government (Transparency Requirements) (England) Regulations 2015 by publishing information about all payments over £500.

# **Section 8 – External Arrangements**

## **8.1. Alternative Delivery Models**

### **8.1.1 Introduction**

Services may be commissioned from retained services within the Council or via an alternative delivery model. Any intention to commission services through such a model must only be pursued in compliance with the decision making process outlined below.

### **8.1.2 Business Cases for Alternative Delivery Vehicles**

Any proposal to commission services via an alternative delivery vehicle must be supported by an approved business case, to ensure that there is a robust planning and decision-making process in place.

The Business Case must clearly articulate the options being considered and measure these against the desired outcomes. It should also set out whether there is a statutory basis for the provision of the service or activity under consideration.

A decision to enter into or to affect the terms of an agreement or partnership agreement with other local authorities or bodies falls within the authority's definition of a key decision and therefore requires specific committee approval. A decision to enter into a Joint Arrangement or Joint Committee with other local authorities must be taken by Council.

Executive Directors/Assistant Directors are responsible for ensuring that Council or Committee approval is obtained before any contract negotiations are entered into, and that all agreements and arrangements are properly documented.

The Policy Committee is responsible for approving the Council's participation in all significant partnerships/joint working arrangements with other local public, private, voluntary and community sector organisations.

Executive Directors/Assistant Directors, following advice from the Head of Paid Service, Monitoring Officer and Chief Finance Officer, will advise Policy Committee on the key elements of arrangements for commissioning services via an alternative delivery model, including:

- (i) The financial roles and responsibilities of the Council with respect to monitoring of the alternative delivery model provider.
- (ii) Appraisal of financial and non-financial risks, together with mitigation plans. The reputational impact of failure to deliver services should be considered, with clear plans on how this would be addressed.
- (iii) A comprehensive list of all the financial commitments the Council will enter into as a result of adopting the alternative service delivery model.
- (iv) The governance arrangements for decision making and how these will be carried out to ensure that the services provided remain aligned to those of the Council.
- (v) Performance measurement arrangements.
- (vi) Exit arrangements, and what would be done to ensure services continue to be delivered in the event of non-delivery by the service provider.
- (vii) The financial implication, including taxation issues, arising as a consequence of the proposed alternative delivery model.
- (viii) Transfer of Council assets to the proposed delivery vehicle, and arrangements for safeguarding their title and use.
- (ix) How equality, sustainability, recruitment and employment practices, data handling and protection, freedom of information principles, standards and behaviour and arrangements for engaging with citizens and service users are aligned to the Council's legal requirements and policies.
- (x) Audit requirements, both internal and external, and arrangements for the Council's auditors, where relevant, to have access to information.
- (xi) Arrangements for providing information required for the Council's Statement of Accounts to the Chief Finance Officer.
- (xii) In the event that the proposal is for a local authority trading company, a dividend policy should be agreed that sets out the process by which decisions will be taken regarding the retention or distribution of profits.
- (xiii) Pensions advice.

## **8.2. Partnerships**

### **8.2.1 Context**

Partnerships include any arrangements where the Council agrees to undertake, part-fund or participate in a project with other bodies; either as a beneficiary of the project, or because the nature or status of the project gives the Council a right or obligation to support it. It is important to understand and distinguish between a partnership in this context and a supplier who the Council may refer to as a 'partner' due to the status that the Council has contractually awarded to it. Irrespective of the title applied to it, this latter type of partnership is a supplier relationship, which will be entered into in accordance with, and governed by, the Council's Contract Procedure Rules.

### **8.2.2 Forming of Partnerships**

The approval of Policy Committee must be obtained prior to the Council entering into any partnership agreement where it is proposed that the Council adopts the role of 'Accountable Body' for a partnership. This is to ensure that the:

- (i) Legal status and financial viability of the arrangement are clearly established and that they are acceptable.
- (ii) The Council's financial commitment to the partnership is quantified and that it can be

- (iii) accommodated within the existing budget provision.
- (iv) Financial and corporate governance arrangements in place for the partnership are robust, and acceptable from the Council's perspective.
- (v) The Council is not exposed to undue financial, legal or reputation risk as a consequence of its involvement in the partnership.
- (vi) The Council's own financial accounting and reporting requirements can be satisfied.

A partnership agreement must be produced that documents each of the above matters, and the arrangements for dispute resolution and for exiting the arrangement.

The relevant service Committee is responsible for approving the partnership agreement, and any delegations and frameworks required by it, in respect of functions and services delegated to that Committee. The Policy Committee will approve partnership agreements, delegations and frameworks which affect services which cut across the delegation of functions to Committees, or where the decision falls outside the service committee's normal cycle of meetings or is urgent.

Executive Directors/Assistant Directors are responsible for:

- (a) Ensuring the approval of the Head of Paid Service, Chief Finance Officer and the Monitoring Officer is obtained prior to entering into a partnership agreement.
- (b) Ensuring an appraisal is undertaken which demonstrates that the risks associated with the arrangement are minimal, or that appropriate arrangements are in place to mitigate any such risks.
- (c) Ensuring the partnership agreement and arrangements will not impact adversely upon the services provided by the Council or upon its finances.
- (d) Ensuring the proposed financial contribution by the Council to the partnership can be met from existing budget provision.
- (e) Ensuring Committee approval is secured for the agreement, and for all delegations and frameworks for the proposed partnership.

Executive Directors/Assistant Directors must make clear, in their report to Committee, the Council's budget provision for the service covered by the proposed partnership arrangement. The report must specify which party will be the Accountable Body under the partnership, set out the financial implications and seek the necessary budget transfers and officer delegations to exercise this role if it is the Council.

### 8.2.3 The Council Acting as Accountable Body for a Partnership Arrangement

Where the Council is the 'Accountable Body' for a partnership, all expenditure must be authorised by an appropriate Council officer, or by someone else who has a statutory power to authorise expenditure. Executive Directors/Assistant Directors are responsible for ensuring that the Council is promoting and applying the same high standards of financial administration to the Partnership as apply in the Council.

Whenever any such arrangements are made there must be a written document which clearly establishes the responsibilities of the respective partners for managing the arrangement and the resources made available to the partnership. The document must also set out the arrangements in respect of unspent funding at each year end, including where this is to be returned to the Council as unspent money.

Executive Directors/Assistant Directors must provide all relevant information on the partnership arrangements to the Chief Finance Officer and the Monitoring Officer, in order that the appropriate disclosures can be made within the Council's annual Statement of Accounts.

### 8.3. External Funding

### 8.3.1 Funding Conditions

External funding e.g. government and non-government grants is an important source of income to the Council, but funding conditions need to be carefully considered prior to entering into agreements, to ensure that:

- (i) They are compatible with the aims and objectives of the Council;
- (ii) The necessary procedures are in place to meet funding conditions and reporting requirements; and
- (iii) Appropriate budget provision is available if 'match funding' is required.

All bids for external funding must be made in consultation with the Chief Finance Officer.

Bids for sums which, if successful, would involve the Council in a financial commitment of over £500k for the length of the scheme, are key decisions and must be agreed in advance by the responsible service Committee. Any bid where the Council does not have budget provision to meet its contribution to the cost of the scheme is also a key decision.

In exceptional cases, where the timescale and deadline for the bid mean that it would not be practical to submit a report to the relevant Committee, the bid may be submitted following consultation with the Chief Finance Officer, Lead Councillor and Leader or Deputy Leader, and reported to the next meeting of the Committee by the lead Assistant Director.

For other bids, the following delegations apply:

- (1) The Assistant Director for the service in question, in consultation with the Chief Finance Officer, is authorised to submit bids for funding from all available sources which do not fall within the key decision definition, and where successful to accept, subject to:
  - (a) The scheme being consistent with the Council's capital strategy, budget and policy framework and medium-term priorities.
  - (b) The Council's contribution being met from within existing approved budgets in the current and future years.
  - (c) The Council's costs or liability not exceeding £500,000 over the length of the scheme.
  - (d) All successful bids over £100,000 being reported by the lead Assistant Director to the next meeting of the responsible Committee.
- (2) Where any of the criteria in (a) to (c) above are not met, the lead Assistant Director may not submit or accept a bid for any scheme without the prior approval of the Policy Committee.

### **8.3.2 Accounting for External Funding**

The Chief Finance Officer, in conjunction with the Assistant Director in receipt of the grant, must, as appropriate, ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts. This will include ensuring that claims for funding are made by the due date, and in accordance with the funding conditions and guidance issued by the Chief Finance Officer.

The Chief Finance Officer and Assistant Directors must, as appropriate, satisfy audit requirements in respect of external funding claims. This includes maintaining appropriate records that accord with the funding conditions, and making these available to the auditors as required.

### **8.3.3 Third Party Expenditure**

Sometimes, grant funding awarded to the Council may be passed to an organisation falling outside of the direct responsibility of the Council. The Council will however remain accountable for the grant funding and, as such, will be responsible for ensuring that all of the terms of the grant are met. The Council must ensure that effective monitoring procedures are in place to provide assurances over the eligibility of expenditure incurred by the third party.

## **8.4. Work by the Council for Third Parties**

### **8.4.1 Approval to Contractual Arrangements**

Work can only be undertaken for third parties where the Council has the legal powers to undertake the work. Where such legal powers exist, Executive Directors/Assistant Directors are responsible for:

- (i) Approving the contractual arrangements for any work undertaken by their services for third parties or external bodies.
- (ii) Ensuring that the appropriate expertise exists to fulfil the contract.
- (iii) Ensuring that no contract adversely impacts upon the services provided by the Council.
- (iv) Ensure that the appropriate insurance arrangements are in place.
- (i) Ensure that all costs arising from the provision of services to a third party are fully recovered and hence that there is no subsidy included within the contract.
- (ii) Ensure that wherever possible payment is received in advance of work being undertaken such that the Council is not exposed to the risk of bad debts.

All contracts will be properly documented, and a register will be maintained of those contracts. Executive Directors/Assistant Directors will provide information on the contractual arrangements to the Chief Finance Officer, in order that the appropriate disclosures can be made within the Council's annual Statement of Accounts.

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## Policy Committee

17 September 2025



**Reading**  
Borough Council  
Working better with you

<b>Title</b>	Joint Procurement for Parking Enforcement Services
<b>Purpose of the report</b>	To make a key decision
<b>Report status</b>	Public report
<b>Executive Director/ Statutory Officer Commissioning Report</b>	Emma Gee, Executive Director for Economic Growth and Neighbourhood Services
<b>Report author</b>	Phil Grant, Parking Services Manager
<b>Lead Councillor</b>	Councillor John Ennis, Lead Councillor for Climate Strategy and Transport
<b>Council priority</b>	Deliver a sustainable & healthy environment & reduce Reading's carbon footprint
<b>Recommendations</b>	<p>That the Executive Director for Economic Growth and Neighbourhood Services in consultation with the Lead Councillor for Climate Strategy and Transport, Assistant Director of Legal and Democratic Services and Director of Finance is authorised to:</p> <ol style="list-style-type: none"> <li>1. Commence a procurement exercise independently or in partnership with other councils for parking enforcement, permits, Penalty Charge Notice processing and postal services.</li> <li>2. To terminate, if appropriate, the existing contract for parking enforcement with Trellint (part of the Modaxo Group) by mutual agreement at a date that allows an orderly handover to new contract arrangements.</li> <li>3. Enter into a suitable agreement with another council or councils to undertake the necessary procurement exercises on behalf of Reading Borough Council.</li> <li>4. Enter into an agreement with a company individually or jointly procured to the provide on street and off-street parking enforcement services.</li> <li>5. Enter into an agreement with a company individually or jointly procured to deliver Penalty Charge Notice processing, issue permits for residents and businesses and provide postal services for same.</li> <li>6. Undertake any required contract modifications (to include extension / variation) as may be required from time to time to ensure effective operational management of the contract, subject to that impact not exceeding key decision thresholds.</li> </ol>

## 1. Executive Summary

- 1.1. Trellint is part of the Modaxo Group and provides parking enforcement services for both Reading Borough Council (RBC) and Oxfordshire County Council (OCC) as separate contracts.
- 1.2. RBCs contract with Trellint commenced October 2023, and the initial term expires in October 2027. It has a total value of £2m.
- 1.3. The Council has an option under the existing contract to extend it. Trellint however has indicated that it is exiting the parking enforcement market and would not be content for the contract to be extended beyond October 2027. Oxfordshire's contract expires in April 2027 at the latest. Due to similar expiry periods and opportunity for both Council's to benefit from economies of scale garnered through procuring collaboratively, there is interest in commencing a joint procurement exercise. There may be other near neighbours who may also wish to join a shared procurement exercise. The intention would be for each council to have its own contract, but with the procurement dealt with jointly.
- 1.4. Trellint intends to honour the remainder of the parking enforcement contract but wish, subject to the agreement of the Council, to subcontract the remainder of the contract term to another experienced company and they have indicated that they may consent to a mutually agreed early termination should that assist the council in achieving a smooth transition of service provider. Any subcontractor would have appropriate due diligence and scrutiny undertake with it before being authorised to undertake the activity at no additional cost.
- 1.5. It is noted that RBC contract extends beyond OCC's by six months and this will be a material consideration in relation to possible early termination of Reading Borough Council's contract with Trellint.
- 1.6. The Council's contract for Penalty Charge Notice (PCN) processing, permit management and postal services also expires October 2027. These are currently provided by a different supplier and we would seek to procure a new contract for these services at the same time. This may result in a staggered start to the contract arrangements, but the contract terms will seek to ensure all elements of these contracts end at the same time in the future to allow easier bundling of these linked services. Aggregation of contracts in this manner may lead to improved pricing and positive impact on each Council's finances; however, steps would be taken to ensure that doing so would not hamper small/medium enterprises from bidding as required under the National Procurement Policy Statement (e.g. permitting consortium bids).
- 1.7. In a marketplace that has few suppliers, procuring at the same time as with a neighbouring authority can lead to lost opportunities and unbalanced competitive tension in the market; whilst procuring together simplifies the opportunity for bidders and puts the combined authorities in a stronger position to require competitive bids. By joining with OCC, the procurement value will be much higher and therefore attract wider interest for both service areas.
- 1.8. A joint procurement will also reduce costs and demand on resources for both authorities.

## 2. Policy Context

- 2.1. The Traffic Management Act 2004 (TMA 04) places a duty on the authority to manage the highway network within its boundaries. One of the duties is to ensure the smooth and efficient movement of vehicles. Integral to this duty is the requirement to manage the kerbside space, including parking bays. RBC presently do this through Trellint as described above.

- 2.2 The recent Audit report on residents permits highlighted the lack of preparation ahead of the previous tender and implementation of the PCN and permit processing systems, which was less than 6 months. To address the issues raised in the report, the service intends to commence with preparation of the tender in October 2025, allowing sufficient time for both RBC and OCC to draft the documents, receive submissions and carry out due diligence on submissions. The procurement itself is expected to take approximately 6 months. This time frame provides sufficient time for testing to resolve any faults and have them rectified prior to going live, thereby minimising disruption to service delivery.
- 2.3 RBC and OCC have long held a policy of contracting these services out to external providers, having identified this as the most cost-effective means as of delivering both service areas. As neighbouring authorities, there is added synergy in working together.

### **3. The Proposal**

- 3.1. The current position is that the parking enforcement contract and the PCN processing contract both expire at the same time. With both contracts requiring re-tendering simultaneously, the workload for the service increases substantially. Introducing a new supplier requires time and resources to ensure the services needs are met and delivered.
- 3.2. Through working in partnership with OCC to procure parking enforcement, PCN processing, permit management and postal services, the demand on RBC resources will be greatly reduced.
- 3.3. The joint working arrangement will reduce costs and time spent on appointing a new contractor(s). It will also have the added benefit of bringing broader technical expertise and experience into the design of services and assessment of bidders.
- 3.4. The overall value of the procurement will increase substantially if procuring jointly with another authority, making the offering more attractive to a wider number of service providers, and increase competitive tension in which has generally been a limited market. The contract would have an initial duration of 6 years, with the no fault break clause of 6 months to be agreed through agreement with our partner authority.
- 3.5. Reading's tender would be divided into 3 lots:
  - I. Physical enforcement (Boots on the ground)
  - II. Back office PCN processing, including permit management and postal services
  - III. A combined contract of both the above.
- 3.6. Undertaking the approach as above ensures we are attracting as wide a market as possible, ensures we are fulfilling our obligation to enable smaller companies to bid (as typically delivered by lotting), whilst also ensuring that the best value for money opportunity can be assessed should aggregating the services be evaluated as most advantageous to the councils.
- 3.7. Appoint new contractor individually - to maintain the smooth flow of traffic through the borough, parking enforcement must be maintained. Without effective parking enforcement inconsiderate parking would cause major traffic problems and delays to bus services in a very short time. This option will remain "Plan B" and is requested as the fallback position in this recommendation should the joint procurement not prove successful, however it is believed that it would achieve lesser benefits to the recommended option to jointly procure hence the proposal to Committee.

- 3.8. It is recommended that we commence a procurement process and in doing so seek to join procurement activity with OCC in procuring parking enforcement, PCN processing, permit management and postal services
- 3.9. In conclusion, a joint procurement exercise with OCC would reduce the cost and officer time involved in tendering for the service provisions to both authorities, whilst likely leveraging greater value for money and more advantageous bids for the Councils.

#### **4. Contribution to Strategic Aims**

- 4.1. The joint working proposal supports the strategic aim of ensuring Reading Borough Council is fit for the future and being ambitious for Reading.
- 4.2. The joint procurement of services forges closer links with a neighbouring authority, while delivering a major procurement project for Parking Services.
- 4.3. If the joint procurement is successful, it may provide the basis for other joint working opportunities. RBC has undertaken joint procurements with a number of different combinations of authorities across a range of contract subject matter, including limited markets, and these have proven successful to date.
- 4.4. The Council Plan has established five priorities for the years 2025/28. These priorities are:
  - Promote more equal communities in Reading
  - Secure Reading's economic and cultural success
  - Deliver a sustainable and healthy environment and reduce our carbon footprint
  - Safeguard and support the health and wellbeing of Reading's adults and children
  - Ensure Reading Borough Council is fit for the future
- 4.5. In delivering these priorities, we will be guided by the following set of principles:
  - Putting residents first
  - Building on strong foundations
  - Recognising, respecting, and nurturing all our diverse communities
  - Involving, collaborating, and empowering residents
  - Being proudly ambitious for Reading

- 4.6. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website - [Council plan - Reading Borough Council](#). These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

#### **5. Environmental and Climate Implications**

- 5.1. It is not envisaged that the service delivery will alter materially, being primarily delivered by Civil Enforcement Officers on foot, CCTV for moving traffic contraventions and electric scooters for mobile patrols.
- 5.2. One of the required evaluation criteria will be social value and therefore the procurement will include an assessment of offers which may help contribute to the RBC and OCC regions' carbon reduction policies.

#### **6. Community Engagement**

- 6.1. None required.

#### **7. Equality Implications**

7.1. None identified.

## **8. Other Relevant Considerations**

8.1. None identified.

## **9. Legal Implications**

9.1. The TMA 2004 places a duty on the authority to maintain a smooth flow of traffic, improving road safety and air quality. The effective management of parking contributes to these objectives through enforcing the traffic regulations (TRO) as laid down.

9.2. The TMA 2004 prohibits authorities incentivising the issuing of Penalty Charge Notices (PCN) or penalising officers for not issuing PCN. The objective is to maintain traffic flow, improve road safety for all users and improve air quality through compliance of traffic regulations.

9.3. The report details that Officers preferred option at this time is to work with Oxfordshire County Council to jointly procure a contract(s). Such collaboration is permitted in accordance with the general power of competence in the Localism Act 2011. This will require the council to enter into an agreement with Oxfordshire (and / or other authorities) setting out each party's responsibility in relation to the procurement. Whilst it is proposed to jointly procure such contract(s), the contract(s) will be let individually to Reading and Oxfordshire. There will therefore not be a joint service with Oxfordshire following the procurement with each authority having full autonomy in dealing with contracts let.

9.4. The procurement will be run under the full requirements of the Procurement Act 2013 (PA23), unless it is agreed that a more suitable procurement strategy can be achieved via use of a framework established either under the PA23 or a framework established under the Public Contracts Regulations 2015. Regardless, an appropriate strategy will be recommended and scrutinised through RBCs procurement governance framework, and the delivery of this procurement will ensure all regulatory obligations are fulfilled in line with the procedure to be followed and subsequent lifecycle to apply to the contract until its expiry. The proposals contained in this report align with the obligations for competitive and transparency of public procurement activity, plus considers requirements of the National Procurement Policy Statement for small medium enterprises and social value (the latter of which will be included as an evaluation criteria).

9.5. The proposed services to be procured will be provided by an external contractor(s) and that there are no implications for the council's staff arising from this procurement under the Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE'). However, TUPE is likely to apply so as to transfer those staff who spend all or most of their working time on the activities taken over by the new contractor(s) from the current contractors.

9.6. Jonathan Treherne has cleared these Legal Implications.

## **10. Financial Implications**

10.1. The cost of the procurement will be shared with OCC. A budget sum of £30k for legal and procurement fees has been provisionally allocated within existing service budgets to contribute to the procurement project. We anticipate that Oxfordshire will undertake the legal and procurement process with Reading contributing to their costs.

10.2. Martin Smith, Major Projects Accountant, has cleared these Financial Implications.

## **11. Timetable for Implementation**

11.1. It is proposed that procurement will commence in October 2025 and continue during 2026 with commencement of new contracts expected in April or October 2027. Following approval, a full detailed timeline will be drawn up along with the detailed procurement strategy, outlining key milestones to be met including internal governance approvals, advertising, evaluation, TUPE, and mobilisation. The decision on contract termination date will be assessed to understand, once bids are received, what the lowest risk approach will be for RBC to proceed with.

## **12. Background Papers**

12.1. There are none.

## Policy Committee

17 September 2025



**Reading**  
Borough Council  
Working better with you

<b>Title</b>	2025/26 Quarter 1 Performance & Monitoring Report
<b>Purpose of the report</b>	To make a decision
<b>Report status</b>	Partly open to the public and part exempt - see reasons below
<b>Executive Director/ Statutory Officer Commissioning Report</b>	Darren Carter, Director of Finance
<b>Report author (name &amp; job title)</b>	Stuart Donnelly, Financial Planning & Strategy Manager Gavin Handford, Assistant Director Policy, Change & Customer Services
<b>Lead Councillor (name &amp; title)</b>	Councillor Emberson, Lead Councillor for Corporate Services & Resources
<b>Corporate priority</b>	Not applicable, but still requires a decision
<b>Recommendations</b>	<p><b>That Policy Committee notes:</b></p> <ol style="list-style-type: none"> <li>That the forecast General Fund revenue outturn position for Quarter 1 is an adverse net variance of £4.180m (Appendix 1);</li> <li>That £1.180m (10%) of savings have been delivered (blue) and £6.424m (56%) of savings are on track to be delivered (green) by March 2026. £1.888m (16%) of savings are currently categorised as non-deliverable (red) and £2.024m (18%) categorised as at risk of delivery (amber) (Appendix 2);</li> <li>That the General Fund Capital Programme is forecasting a positive net variance of £0.168m against the proposed revised budget of £86.500m (Appendix 3);</li> <li>That there is a total £2.927m Delivery Fund available for 2025/26 (inclusive of 2024/25 approved carry forwards). At Quarter 1, £2.801m of this funding has been allocated out to approved schemes;</li> <li>That the Housing Revenue Account (HRA) is projecting an adverse net variance of £0.176m as at the end of Quarter 1, which results in a forecast drawdown from HRA Reserves of £4.641m rather than the approved budgeted drawdown of £4.465m;</li> <li>That the HRA Capital Programme is forecasting to spend to budget against the proposed revised budget of £80.933m (Appendix 4);</li> <li>The performance achieved against the Corporate Plan success measures as set out in Section 12 of this report and Appendices 5 and 6.</li> </ol> <p><b>That Policy Committee approves:</b></p> <ol style="list-style-type: none"> <li>The amendments to the General Fund Capital Programme (as set out in Section 8 of this report and Appendix 3) resulting in a revised Capital Programme budget of £86.500m for 2025/26;</li> </ol>

	<p>9. The amendments to the HRA Capital Programme (as set out in further detail in Section 11 of this report and Appendix 4) resulting in a revised HRA Capital Programme budget of £80.933m for 2025/26;</p> <p>10. The write-off of debts as set out in Section 6 and Appendix 7 relating to:</p> <p>a) Non-Domestic Rates - £691,677.05;</p> <p>b) Sundry Debt - £47,291.46.</p>
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This report contains exempt information within the meaning of the following paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

And in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because:

Publishing details of debtors who cannot repay debts is unlikely to be viewed as a proportionate action by the Council and could be a breach of the General Data Protection Regulation.

## 1. Executive Summary

### General Fund – Revenue

- 1.1 The 2025/26 budget approved by Council in February 2025 included increased funding of £5.094m for Adult Social Care services, £0.884m for homelessness budgets, £5.587m for Brighter Futures for Children, and £3.134m for irrecoverable Housing Benefit Subsidy. It also included the re-introduction of a corporate contingency of £3.238m and a one-off pay and inflationary pressures reserve of £1.620m.
- 1.2 The 2024/25 Quarter 4 Performance report presented to Policy Committee in July also reported a £1.313m reduction in the forecast overspend for 2024/25 that was part of a £3.183m increase in General Fund reserves compared to the position forecast in the budget report.
- 1.3 These measures provided a degree of buffer to manage the key financial risks facing the General Fund budget.

### *Adult Social Care*

- 1.4 Adult Social Care has identified cost pressures of £4.134m, a combination of increasing demand and inflationary pressures. A recovery plan is in place to mitigate these pressures in full.

### *Children's Social Care*

- 1.5 Brighter Futures for Children is forecasting cost pressures totalling £5.961m. A recovery plan is in place to mitigate £0.751m of this pressure which reduces the position forecast at Quarter 1 to a net pressure of £5.210m.
- 1.6 In addition, net cost pressures of £1.869m are being reported within Economic Growth and Neighbourhood Services and £0.267m within Resources. Recovery plans are in development in both of these areas.

- 1.7 The overall forecast position is gross budget pressures of £12.592m, with recovery plans amounting to £5.274m and a positive variance of £3.138m on Corporate Services, resulting in an overall adverse net variance as at the end of Quarter 1 of £4.180m.
- 1.8 Significant work is underway across Directorates with the aim of bringing forecast expenditure back within budget in 2025/26.
- 1.9 The following table summarises the forecast position as at the end of Quarter 1:

**Table 1. General Revenue Fund Forecast & Recovery Plan Mitigations 2025/26**

Directorate	Gross Adverse / (Positive) Variance	Recovery Plan	Net Adverse / (Positive) Variance
			£m
Communities & Adult Social Care	4.134	(4.134)	0.000
Economic Growth & Neighbourhood Services	2.258	(0.389)	1.869
Resources	0.267	0.000	0.267
Chief Executive Services	(0.028)	0.000	(0.028)
Children's Services retained by Council	0.000	0.000	0.000
Children's Services delivered by BFfC	5.961	(0.751)	5.210
<b>Sub Total Services</b>	<b>12.592</b>	<b>(5.274)</b>	<b>7.318</b>
Corporate	(3.138)	0.000	(3.138)
<b>Total</b>	<b>9.454</b>	<b>(5.274)</b>	<b>4.180</b>

#### *Savings*

- 1.10 The Quarter 1 forecast is that £1.180m (10%) of savings have been delivered (blue) and £6.424m (56%) of savings are on track to be delivered (green) by March 2026. £1.888m (16%) of savings are currently categorised as non-deliverable (red) and £2.024m (18%) categorised as at risk of delivery (amber) (Appendix 2).
- 1.11 The Savings Tracker which lists progress against each individual saving is attached as Appendix 2.

#### **General Fund – Capital**

- 1.12 The General Fund Capital Programme had an original budget for 2025/26 of £66.828m which was approved as part of the 2025/26 Budget. This budget was revised to £85.370m following approved adjustments as part of the subsequent Performance and Monitoring reports reported to Policy Committee.
- 1.13 This report is requesting further adjustments, as set out at summary level in Section 8 and in detail in Appendix 3, that would result in a revised approved budget of £86.500m for 2025/26.
- 1.14 At Quarter 1, against the proposed revised budget of £86.500m, the current forecast is a positive net variance of £0.168m. This variance relates entirely to the Delivery Fund. The General Fund Capital Programme is set out in more detail in Section 8 and Appendix 3.

#### **Housing Revenue Account (HRA) – Revenue**

- 1.15 The approved Housing Revenue Account (HRA) budget assumes a drawdown from HRA reserves of £4.465m. At Quarter 1, the forecast revenue outturn position on the HRA is an adverse net variance to budget of £0.176m. Therefore, a drawdown from the HRA Reserve is forecast of £4.641m rather than the budgeted £4.465m drawdown from reserves.

## **Housing Revenue Account (HRA) – Capital**

- 1.16 The Housing Revenue Account (HRA) Capital Programme had an original budget of £90.143m which was approved as part of the 2025/26 Budget. This budget was revised to £89.279m following approved adjustments as part of the subsequent Performance and Monitoring reports reported to Policy Committee.
- 1.17 This report is requesting further adjustments, as set out at summary level in Section 11 and in detail in Appendix 4, that would result in a revised approved budget of £80.933m for 2025/26.
- 1.18 At Quarter 1, the HRA Capital Programme is forecasting to spend to budget against the proposed revised budget of £80.933m. The HRA Capital Programme is set out in more detail in Section 11 and Appendix 4.

### **Performance**

- 1.19 The report also sets out performance against the measures of success published in the Council's Corporate Plan.
- 1.20 Of the 17 Corporate Plan Performance Measures monitored monthly or quarterly, 53% are currently at or above target (green), 6% within 10% of the target (amber), 35% are 10% or more off target (red) and 6% are currently to be confirmed.
- 1.21 Of the 51 Corporate Plan Projects, 0% are currently delivered (blue), 63% are at or above target (green), 35% are within 10% of the target (amber), 2% are 10% or more off target (red).
- 1.22 The full list of Performance Measures is attached at Appendix 5 and Projects as Appendix 6.

## **2. Policy Context**

- 2.1. The Council approved the 2025/26 Budget and Medium-Term Financial Strategy (MTFS) 2025/26 – 2027/28 in February 2025.

## **3. General Fund – Revenue**

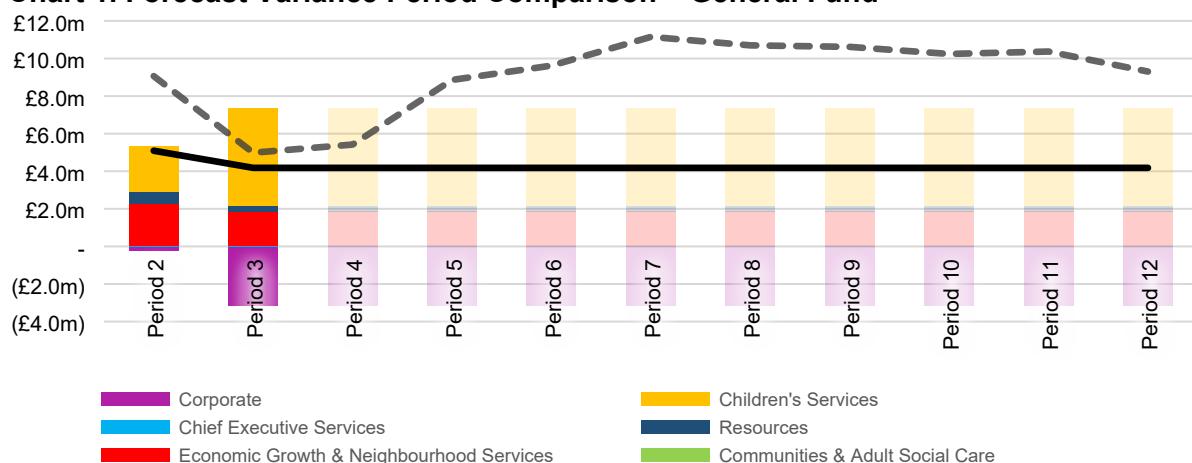
- 3.1. The forecast outturn position of the General Revenue Fund is an adverse net variance of £4.180m as at the end of Quarter 1 and is broken down by Directorate in the following table:

**Table 2. General Revenue Fund Forecast by Directorate 2025/26**

	Current Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Communities & Adult Social Care	64.931	64.931	0.000
Economic Growth & Neighbourhood Services	21.721	23.590	1.869
Resources	20.301	20.568	0.267
Chief Executive Services	1.502	1.474	(0.028)
Children's Services retained by Council	0.855	0.855	0.000
Children's Services delivered by BFfC	63.974	69.184	5.210
<b>Total Service Expenditure</b>	<b>173.284</b>	<b>180.602</b>	<b>7.318</b>
Capital Financing	17.296	16.902	(0.394)
Contingencies	3.238	2.500	(0.738)
Other Corporate Budgets	(11.764)	(11.926)	(0.162)
Movement in Reserves	(3.945)	(5.789)	(1.844)
<b>Total Corporate Budgets</b>	<b>4.825</b>	<b>1.687</b>	<b>(3.138)</b>
<b>Net Budget Requirement</b>	<b>178.109</b>	<b>182.289</b>	<b>4.180</b>
<b>Financed by:</b>			
Council Tax Income	(126.134)	(126.134)	0.000
NNDR Local Share	(34.330)	(34.330)	0.000
Section 31 Grant	(13.514)	(13.514)	0.000
New Homes Bonus	(0.812)	(0.812)	0.000
Revenue Support Grant	(2.771)	(2.771)	0.000
One-off Collection Fund Surplus	(0.548)	(0.548)	0.000
<b>Total Funding</b>	<b>(178.109)</b>	<b>(178.109)</b>	<b>0.000</b>
<b>(Positive)/Adverse Variance</b>	<b>0.000</b>	<b>4.180</b>	<b>4.180</b>

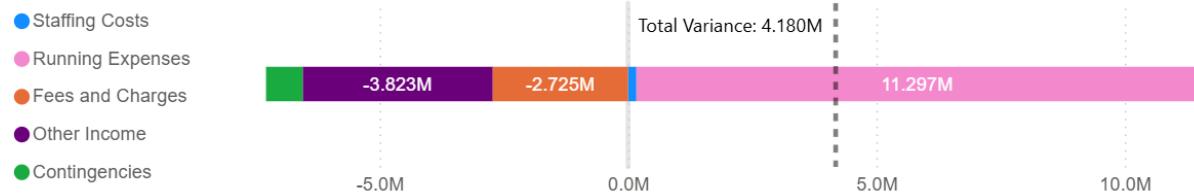
3.2. The following chart summarises the forecast budget variance, split by directorate, for each period to date.

**Chart 1. Forecast Variance Period Comparison – General Fund**



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

## Chart 2. Split of Total Variance – General Fund



## Communities & Adult Social Care – Balanced Budget

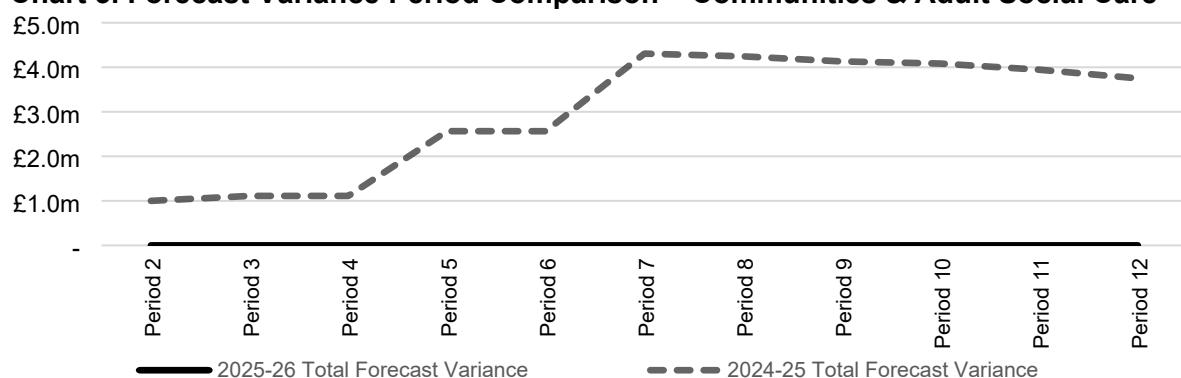
3.4. Communities & Adult Social Care is forecasting a balanced budget, including Recovery Plan mitigations, at Quarter 1.

Table 3. Communities & Adult Social Care Services Forecast 2025/26

Service	Current Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Commissioning, Transformation & Performance	(7.954)	(7.954)	0.000
Adult Social Care Operations	60.552	60.552	0.000
Community & Adult Social Care Management	1.533	1.533	0.000
Safeguarding, Quality & Practice	7.217	7.217	0.000
Public Health	0.000	0.000	0.000
Housing & Communities	3.583	3.583	0.000
<b>Total</b>	<b>64.931</b>	<b>64.931</b>	<b>0.000</b>

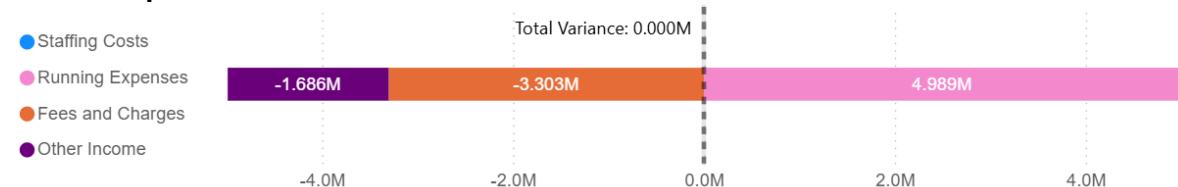
3.5. The following chart summarises the forecast budget variance, split by services within Communities & Adult Social Care, for each period to date.

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



3.6. The following chart summarises the overall forecast budget variance for Economic Growth & Neighbourhood Services by high level category:

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



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

## Adult Social Care Operations – Balanced Budget

3.8. Adult Social Care Operations is forecasting a balanced budget at Quarter 1. Gross pressures totalling £4.134m are currently projected to be fully offset by £4.134m of Recovery Plan mitigations.

3.9. The Quarter 1 placements forecast from Mosaic is £59.818m, against a budget of £55.863m. This represents an un-adjusted forecast adverse variance of £3.955m. In addition, there are £0.179m of other net pressures including a small contingency allowance for movement in the Mosaic forecast. However, after the application of the Directorate of Communities and Adult Social Care (DCASC) Recovery Plan, the adjusted year end forecast is a nil variance.

3.10. DCASC have developed a 2025/26 recovery plan amounting to £4.134m, which includes the savings to be delivered as part of the planned dependency & demand (£2.077m) and further in-year savings (£2.057m) to be achieved to forecast a balanced budget. As at Quarter 1, £1.870m of the Recovery Plan has been achieved, with the remaining £2.264m forecast to be achieved by year end, hence the balanced position at Quarter 1.

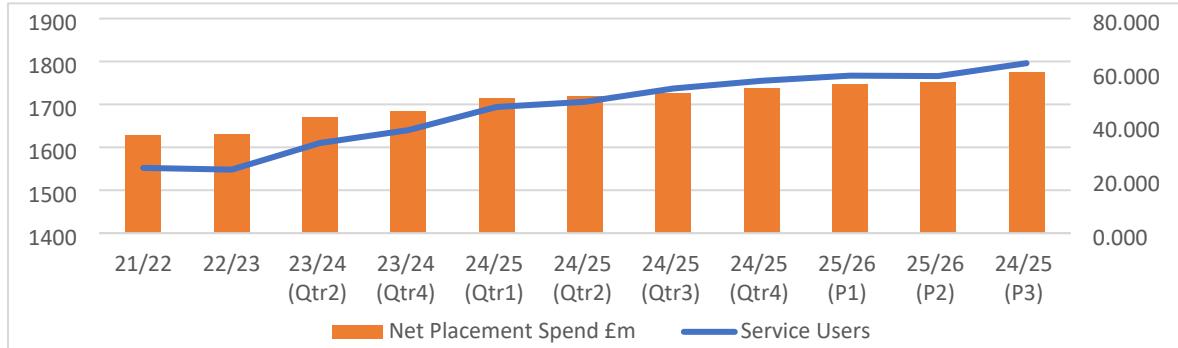
**Table 4. DCASC Recovery Plan 2025/26**

Scheme	Target 2025/26 (£m)	In-year Delivery Quarter 1 (£m)	Forecast In Year Delivery (£m)
In-Year Recovery Plan	(2.057)	(1.065)	(2.057)
<b>In-Year Recovery Plan</b>	<b>(2.057)</b>	<b>(1.065)</b>	<b>(2.057)</b>
Transitions	(0.550)	(0.188)	(0.550)
Routine Reviews (exc Supported Living)	(0.500)	(0.477)	(0.500)
Targeted Double-Up Reviews	(0.180)	(0.022)	(0.180)
Direct Payment Reviews	(0.177)	(0.015)	(0.177)
Extra Care Voids	(0.120)	(0.008)	(0.120)
High Cost Negotiations	(0.100)	0.000	(0.100)
Continuing Healthcare (Non-Transitions)	(0.450)	(0.095)	(0.450)
<b>Dependency &amp; Demand</b>	<b>(2.077)</b>	<b>(0.805)</b>	<b>(2.077)</b>
<b>Total Recovery Plan</b>	<b>(4.134)</b>	<b>(1.870)</b>	<b>(4.134)</b>

3.11. The service users in place on 1<sup>st</sup> April 2025 was an average of 1,755 and by 30<sup>th</sup> June 2025 these had increased to 1,796.

3.12. The graph below illustrates the increase in service users across Adult Social Care Operations since 2021/22, and includes the increase to the Care Commitment Spend:

**Chart 5. Increase in ASC Care Commitments Spend and Number of Service Users since 2021/22**



3.13. In addition to the current forecast, there is a risk that demand increases over the remainder of the year in line with the increase in 2024/25, which was 115 service users at a cost of

approximately £3.600m. Using these figures as a baseline we would expect to see further demand growth of approximately £3.000m in 2025/26.

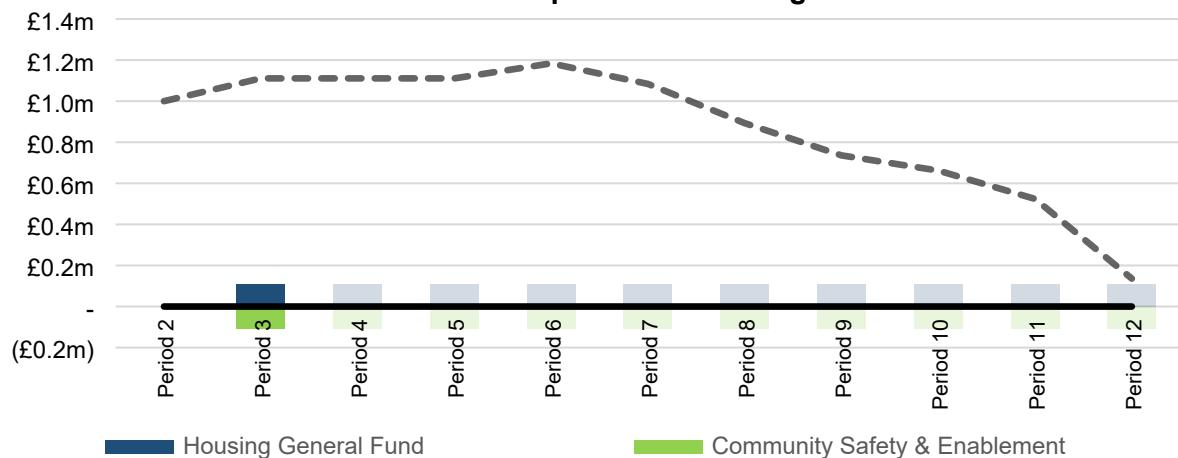
3.14. Inflationary uplifts for Adult Social Care providers are still being negotiated, and this forecast assumes that these will be contained within the 1.7% growth included within the 2025/26 Budget. For prudence, it is currently assumed that £2.500m of the £3.238m Corporate Contingency budget will be needed to fund inflationary uplift pressures over and above the 1.7%.

### **Housing & Communities – Balanced Budget**

3.15. Housing & Communities is forecasting a balanced budget at Quarter 1.

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

**Chart 6. Forecast Variance Period Comparison – Housing & Communities**



3.17. The 2025/26 Budget provided an additional £0.884m for Homelessness budgets compared to 2024/25. This increase, combined with an assumption that the level of grant funding received (including utilisation of Homes for Ukraine funds) will be maintained in 2025/26 at 2024/25 levels, results in the current expectation that the budget will be sufficient to meet the demand in the service in 2025/26.

3.18. The number of singles and families in need of emergency accommodation is currently 181, which is a small reduction from the level of 187 as at the end of March 2025 (as illustrated in Chart 7 below).

**Chart 7. Numbers of Singles and Families in Emergency Accommodation**



3.19. The average nightly rate is the other driver of pressures on homelessness budgets. As at the end of June 2025 (Quarter 1), the average nightly rate was £88.34 (£88.76 as at the end of March 2025), as illustrated in Chart 8 below.

**Chart 8. Average Nightly Rate per Emergency Accommodation Placement**



**Economic Growth & Neighbourhood Services - £1.869m adverse variance**

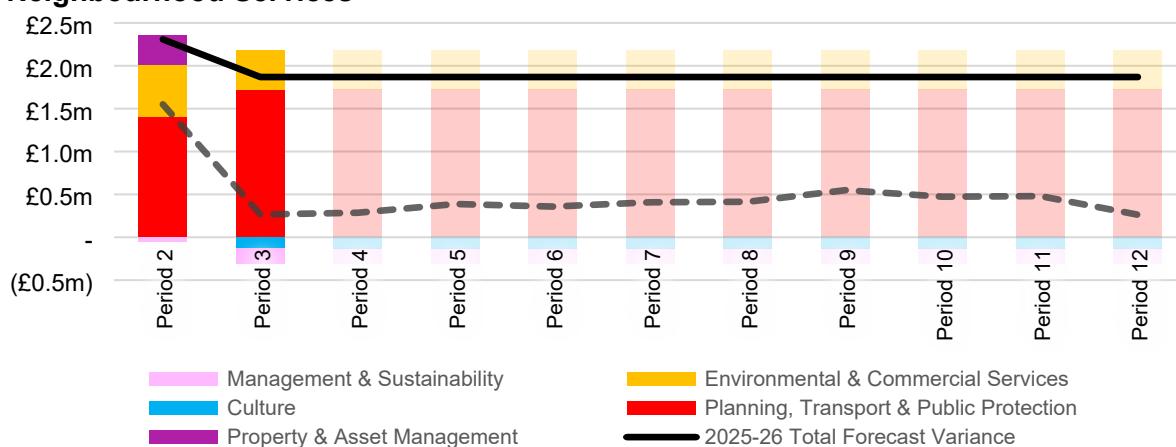
3.20. Economic Growth & Neighbourhood Services' is forecasting an adverse net variance of £1.869m at Quarter 1, which is summarised by service below. This forecast includes recovery plan mitigations totalling £0.389m.

**Table 5. Economic Growth & Neighbourhood Services Forecast 2025/26**

Service	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Planning, Transport & Public Protection	(0.564)	1.157	1.721
Culture	2.726	2.592	(0.134)
Environmental & Commercial Services	20.797	21.256	0.459
Property & Asset Management	(2.392)	(2.392)	0.000
Management & Sustainability	1.154	0.977	(0.177)
<b>Total</b>	<b>21.721</b>	<b>23.590</b>	<b>1.869</b>

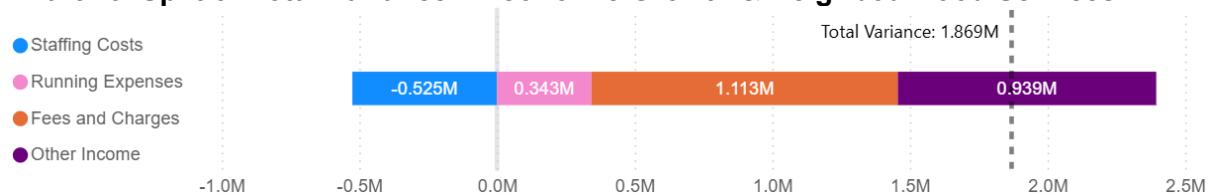
3.21. The following chart summarises the forecast budget variance, split by services within Economic Growth & Neighbourhood Services, for each period to date.

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



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

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



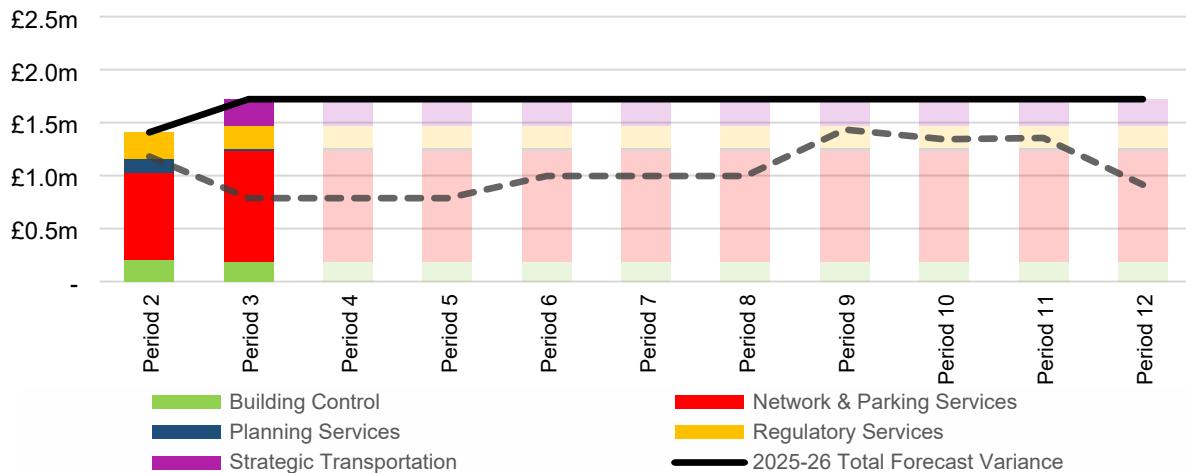
3.23. The explanation for these variances is set out below.

#### **Planning, Transport and Public Protection - £1.721m adverse variance**

3.24. Planning, Transport and Public Protection is forecasting an adverse variance of £1.721m. This forecast includes £0.144m of Recovery Plan mitigations.

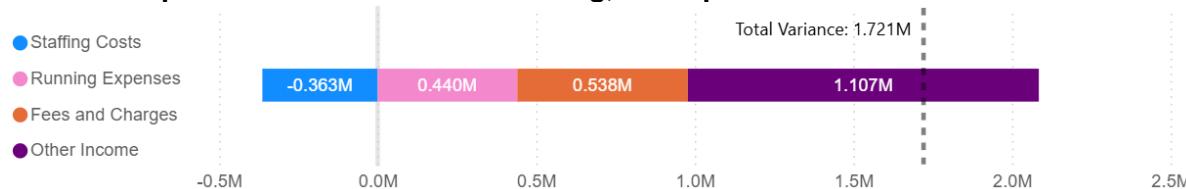
3.25. The following chart summarises the forecast budget variance across Planning, Transport and Public Protection for each period to date.

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



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

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



3.27. Building Control is forecasting an adverse variance of £0.186m. There is an adverse variance on income generation of £0.170m. This income shortfall directly correlates to the lack of qualified staff to undertake the fee earning work. Recent rounds of recruitment have been unsuccessful in appointing permanent staff and there is a positive variance for permanent staff costs, however hopes of reducing use of agency staff and their costs have not been realised, resulting in an adverse net variance across staffing and agency budgets of £0.016m. The recruitment challenge has become more significant with a change in legislation which has resulted in professionals leaving the sector.

3.28. Planning is forecasting an adverse net variance of £0.208m. This variance comprises a £0.123m income pressure which is directly related to the number of planning applications, which includes £0.055m of red rated savings (Appendix 2). These have been impacted by successive development risks such as inflation, materials costs, changes in legislation and market factors such as high costs of mortgages. In 2024/25 the Community Infrastructure Levy (CIL) administration grant was significantly higher than the budget and helped to mitigate these income pressures; it is hoped but not certain that this overachievement will repeat in 2025/26. There are further pressures on staffing and running expenses totalling £0.085m. The team have however been promoting the use of Planning Performance Agreements (PPAs) on Major schemes and anticipate an additional £0.100m from this income stream this year. Agency cover (one FTE while local plan being produced) comes to an end in August 2025, this reduces that anticipated cost by around £0.010m. Therefore, the

income pressure is reduced from £0.123m to £0.023m and the overall adverse net variance from £0.208m to £0.098m; contributing £0.110m towards the Recovery Plan.

- 3.29. Planning Enforcement is forecasting a positive net variance of £0.077m relating to staffing vacancies within the team. There are 2 vacancies being held to mitigate against pressures across the rest of the service, with a decision to delay previously intended recruitment contributing £0.044m towards the Recovery Plan.
- 3.30. Houses in Multiple Occupation (HMO) licensing is forecasting an adverse variance of £0.246m. This variance is primarily due to the expected number of licenses not being realised following the extension of the mandatory licensing scheme in previous years, which has created an unachievable income target. A business case is being prepared to deal with the situation in HMO licensing for 2026/27 to rebase income targets, factor in an increase in fees, and include the growth required under the new Renters Reform Act (net of expected new burdens funding).
- 3.31. Concessionary Fares is forecasting an adverse variance of £0.300m. The reimbursement rates provided by the Department for Transport have increased across the board as shown in the table below. These rates are higher than the levels assumed in the budget. Furthermore, the total number of journeys currently anticipated to be reimbursed during 2025/26 is 3,453,000 journeys, which is an increase of 174,000 from the 2024/25 level of 3,279,000 journeys. The combination of the increase in rates and the numbers of journeys is projected to lead to a pressure of £0.300m but further analysis of the position is underway and will be reported in future monitoring. Two business cases are being prepared in this area to deal with budget shortfall and also to suggest changes to discretionary elements that could reduce this pressure going forward. Consideration could also be given to use any increase to the dividend received from Reading Transport Limited (RTL) to offset these pressures; however, this will not be quantifiable until later in the year. This £0.300m pressure is partially offset by £0.047m of Bus Service Improvement Plan funding which results in an overall net pressure within Strategic Transport of £0.253m.

**Table 6. Concessionary Fares Reimbursement Rates**

Reading Buses	2024/25	2025/26	Change
Urban	£1.07	£1.09	1.87%
Inter-Urban	£1.38	£1.46	5.80%
Rural	£1.31	£1.46	11.45%

- 3.32. There is a forecast adverse net variance of £0.447m relating to Bus Lane Enforcement income and the Special Parking area. There is a measurable decrease in penalties being issued due to improved driver compliance which is continuing from previous years. New bus lanes introduced in 2024 are within their statutory warning period so are not yet generating penalty charge notice income, but the warnings are due to expire in June 2025 but are not currently expected to meet the income budget in place for this.
- 3.33. A new enforcement contract began in November 2023 which resulted in an expected rise in the contracted spend but also expects a corresponding increase in income from Penalty Charge Notices (PCNs) to more than offset the additional spend within the contract. Although income performance is generally stronger than in previous years it is not currently outperforming the increased spend in the contract; further monitoring of the performance is being undertaken to examine if performance is likely to improve. There have been some recent adjustments made to the operations of the enforcement contract to reduce the overnight enforcement which was not generating sufficient revenue to offset the costs of operating the contract. Reductions in the level of cash collection have also been made which will also reduce the base cost going forward. There's an expectation that the newly installed pay & display machines will further reduce the level of cash being taken (lower number of machines in total and many of the new machines are contactless only) which will also reduce the level of cash collection required further reducing costs.

- 3.34. Moving Traffic Enforcement is forecasting an adverse net variance of £0.264m. There is an income pressure of £0.506m primarily driven by increased compliance, and an adverse variance of £0.015m across running expenses, which is partially offset by £0.257m of positive variances relating to staffing. This area remains an ongoing area of concern. Some sites are generating zero non-compliance and currently there are no other sites where enforcement could be switched out to, although this continues to be under review at present. It should be noted, that across Bus Lane Enforcement, Moving Traffic Enforcement and Parking Enforcement that whilst reducing numbers of PCN's being issued has a significant financial impact, it is achieving compliance, which is the ultimate goal of all traffic enforcement.
- 3.35. Off Street Parking income is currently forecast to be online against budget but risks remain in this area. The expected date when Broad Street Mall car park income is reduced has been pushed back to after April 2026, from its original date of January 2026 which has helped the position, but risks remain in the rest of the Car Park estate. As reported previously, there have been a number of risks highlighted which have contributed to income pressures e.g. the increased cost of living, increased levels of working from home and higher fuel costs is leading to fewer visits to town centre. Additionally, further rental spaces to the Royal Berkshire Hospital at Queens Road has not delivered the additional income anticipated due to the Hospital seeking other alternates to support staff feedback about proximity and safety. Town Centre car parks are subject to competition from providers such as the Oracle, who currently undercut the council's tariffs and have newer facilities. There have also been ongoing issues around reliability of infrastructure which have impacted Broad Street Mall and Queens Road which have reduced income levels. The decreasing draw of the high street for shoppers is another factor in the risk of pressures in this area.
- 3.36. Special Parking Area is forecasting an adverse variance of £0.100m, due to an increase in postage fees following agreement with a new supplier, and also volumes of notices issued being lower than the budget.
- 3.37. On Street Pay and Display is forecasting an adverse variance of £0.237m, primarily driven by lower volume of parking fees than budgeted. This has been slightly offset by an increase in charges and removal of free parking.
- 3.38. Other forecast positive net variances total £0.033m across the service.

#### **Culture – £0.134m positive variance**

- 3.39. Culture is forecasting a positive variance of £0.134m at Quarter 1, including £0.095m of Recovery Plan mitigations.
- 3.40. Reading Play Services within the Leisure Services is forecasting an adverse net variance of £0.083m. This is due to income expected to be achieved below what is budgeted, until the growth strategy is complete. There are also vacancies in the service impacting on income generation. Additionally, there is a further £0.025m of Recovery Plan mitigations relating to the holding of a vacancy within Active Reading.
- 3.41. The GLL Contract is reporting a positive variance of £0.190m due to improvement in anticipated Energy benchmarking cost exercise reflecting the lower unit costs and usage. This forecast includes £0.050m of Recovery Plan mitigations.
- 3.42. The Park Service within the Leisure Services is forecasting an adverse net variance of £0.005m. This is mainly due to income expected to be achieved below what has been budgeted.
- 3.43. Libraries and Museum is forecasting an adverse net variance of £0.013m. There is a positive variance of £0.082m within the Sites, Monuments and Records service due to increases in income inflation. Reading Libraries is forecasting an adverse variance of £0.095m relating to

staffing pressures and lettings loss due to a delay in relocating the library and tenants having moved out.

3.44. Archives is forecasting a positive variance of £0.025m relating to various Recovery Plan mitigations.

### **Environmental & Commercial Services – £0.459m adverse variance**

3.45. Environmental & Commercial Services is forecasting an adverse variance of £0.459m at Quarter 1.

3.46. Streetscene is forecasting a positive variance of £0.040m. Vacancies in the team across the year are expected to provide a positive variance of £0.300m, but this is partially offset by £0.060m of pressures within running expenses and a shortfall in income of £0.200m.

3.47. Recycling and Waste Collection is forecasting an adverse net variance of £0.049m. The service continues to suffer from vehicle malfunctions and staff sickness (including high levels of long-term sick) which means that agency worker and overtime costs are higher than budgeted. New collection routes are in place from 9<sup>th</sup> June 2025 and whilst there are positive signs that this will reduce the need for hire vehicles and also levels of overtime, these are still expected to exceed budget allocation for the year. This forecast pressure is after the application of the Delivery Fund agreed Route Optimisation costs. Large numbers of garden waste collection services are due for renewal in July and August, and it is hoped that higher numbers of service users than anticipated will renew their second bin which is now charged for. This may help to offset some of the adverse variance on employee costs, and this will be confirmed in September. This pressure is partially offset by an announced increase of £0.311m to the Extended Producer Responsibility payment that the Council will receive for 2025/26.

3.48. Fleet Management is forecasting an adverse variance of £0.175m. Vehicle hire costs for Recycling and Waste Collection are still higher than budgeted, and additional vehicles have been hired to assist with the new collection rounds. The age of the spare vehicles for use by this team also means that the Fleet is not as reliable as hoped and the exceptionally warm weather recently has impacted the ability of the Electric fleet to finish waste collection rounds. Newer second-hand vehicles will be purchased which should reduce the costs of hires once these are in place. The new maintenance contract is now running but the age of some of the fleet means that some maintenance costs are high. New plans are being put in place to ensure that this does not create an adverse variance.

3.49. Highways and Drainage is reporting an adverse variance of £0.250m. As in previous years a review of the costs of the service has highlighted that the income target is not achievable. A majority of the work carried out by the team is for internal services and Capital projects and it is not possible to charge the margin required in order to make the income total. The review will now continue and will hopefully identify some remedial action and redesign the method of cost allocations across Environmental & Commercial Services and likely remove recharging to a minimum but is not expected to cover the whole adverse variance.

3.50. Civil Engineering is forecasting an adverse variance of £0.200m. The costs of the Low Bandwidth Network (LoRAWAN) are expected to be met from this budget in 2025/26. In the long-term it is hoped these will help reduce cost in areas like Winter Maintenance through the use of sensors but in the short-term this will cost the service. A further pressure is likely to arise from the Streetlighting maintenance contract, which is a combined capital and revenue contract. As there is an ageing asset base it means more structural failures and repairs. There is a review underway to simplify the recharging in this area in 2025/26. Recharges from Highways and the capitalisation are also being reviewed to see if this can be simplified and actioned during the year to aid monitoring.

3.51. Network Services is forecasting an adverse variance of £0.100m. As in previous years it will not be possible to achieve the capital recharge budget for the staffing costs. The new Intelligent Traffic Signals contract has recently commenced, and it is hoped that this and the removal of the joint arrangement around this will simplify the spend and make it easier to monitor during the year. The Streetworks Permit scheme should be started during 2025/26 (funded by the Delivery Fund) and in the long-term this may provide additional income to cover the current shortfall.

3.52. Waste Disposal is forecasting a positive variance of £0.275m. Residual Waste and Green Waste disposal costs are currently lower than expected by £0.067m, recyclate income is expected to be higher than expected by £0.032m, consultancy fees will be lower than expected by £0.040m, and the Excess Profit Share for 2024/25 has been agreed at £0.016m. The provision within the budget for insurance will not be needed in 2025/26 and so £0.120m has been released as a positive variance.

### **Property & Asset Management – Balanced Budget**

3.53. Property & Asset Management is forecasting a balanced budget at Quarter 1.

3.54. Acre Business Park is forecasting an adverse net variance of £0.140m. This is due to the underachievement of budgeted income resulting from an increase in vacancies on rented units as well as delay in the capital works to release more sites for rent. This variance will be offset by a drawdown of £0.140m from the Commercial Properties Liability Reserve.

3.55. There is a risk of a potential adverse variance within Corporate Maintenance services in the region of £0.200m relating to non-rechargeable reactive maintenance works on council properties based on prior year experience. However, at present it is forecast that this pressure can be contained by mitigating preventative actions.

### **Management & Sustainability – £0.177m positive variance**

3.56. Management & Sustainability is forecasting a positive variance of £0.177m at Quarter 1. A positive variance of £0.075m relating to vacancies in the Management Team will be slightly offset by adverse variances of £0.013m on employee costs in Sustainability and £0.025m on advertising income in Business Development. The service has already identified £0.140m of Recovery Plan mitigations relating to holding of management team vacancies.

### **Resources - £0.267m adverse variance**

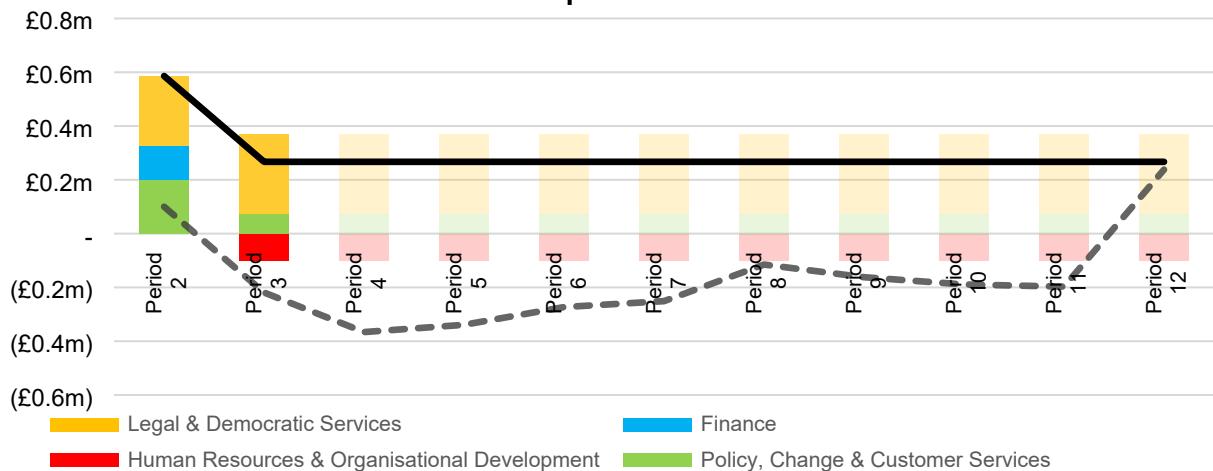
3.57. The Directorate of Resources is forecasting an adverse net variance of £0.267m at Quarter 1.

**Table 7. Resources Services Forecast 2025/26**

<b>Service</b>	<b>Budget</b>	<b>Forecast Outturn</b>	<b>Forecast Variance</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Policy, Change & Customer Services	3.105	3.178	0.073
Human Resources & Organisational Development	1.918	1.818	(0.100)
Finance	5.476	5.476	0.000
Legal & Democratic Services	3.274	3.568	0.294
Digital & IT	6.528	6.528	0.000
<b>Total</b>	<b>20.301</b>	<b>20.568</b>	<b>0.267</b>

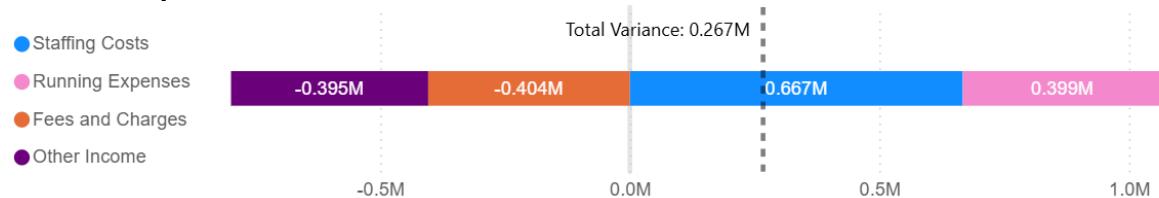
3.58. The following chart summarises the forecast budget variance, split by services within Resources, for each period to date.

**Chart 13. Forecast Variance Period Comparison – Resources**



3.59. The following chart summarises the overall forecast budget variance for Resources by high level category:

**Chart 14. Split of Total Variance – Resources**



3.60. The explanations for these variances are set out below.

#### **Policy, Change & Customer Services – £0.073m adverse variance**

3.61. Policy, Change & Customer Services is forecasting an adverse variance of £0.073m at Quarter 1.

3.62. The Customer Experience Programme has a savings target of £0.500m for this year. Savings of £0.343m have been approved as at Quarter 1, leaving a forecast saving shortfall of £0.157m. This is under review, with the aim of agreeing the actions required to deliver the remaining saving, however at this stage it is reported as 'at risk'. If these remain at risk, the service will develop a local recovery plan to address the shortfall.

3.63. The service is experiencing budgetary pressures delivering the Prevent Programme, along with challenges delivering the vacancy factor within the Customer Fulfilment Centre which is also being reported as 'at risk' at Quarter 1, resulting in a net budgetary pressure of £0.036m.

3.64. These budget pressures are being offset by increased income within the Bereavement service of £0.120m.

#### **Human Resources & Organisational Development – £0.100m positive variance**

3.65. Human Resources & Organisational Development is forecasting a positive variance of £0.100m at Quarter 1, from additional income at Kennet Day Nursery via Early Years Funding.

#### **Finance – Balanced Budget**

3.66. Finance is forecasting a balanced budget at Quarter 1.

3.67. Finance is anticipating to fully deliver its planned savings programme of £0.318m in 2025/26.

3.68. Staffing pressures are being experienced from delivering its programmes, such as the timely closure of accounts, which is being mitigated through on-going vacancy management, during the remainder of the year.

**Legal & Democratic Services – £0.294m adverse variance**

3.69. Legal & Democratic Services is forecasting an adverse variance of £0.294m at Quarter 1.

3.70. Staffing and agency costs with Legal Services are adding £0.300m of pressure, which is partially offset by £0.050m of recovered legal costs. Postage and printing and staffing costs are adding a further £0.044m across Electoral Services and Member Services.

3.71. The staffing establishment is currently under review as part of delivering budgetary mitigation.

**Digital & IT – Balanced Budget**

3.72. Digital & IT is forecasting a balanced budget at Quarter 1.

**Chief Executive Services – £0.028m positive variance**

3.73. Chief Executive Services is forecasting a positive net variance of £0.028m at Quarter 1.

**Table 8. Chief Executive Services Forecast 2025/26**

Service	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Executive Management Team	0.909	0.887	(0.022)
Communications	0.593	0.587	(0.006)
<b>Total</b>	<b>1.502</b>	<b>1.474</b>	<b>(0.028)</b>

**Executive Management Team – £0.022m positive variance**

3.74. Executive Management Team is currently forecasting a positive variance of £0.022m, relating to staffing budgets.

**Communications – £0.006m positive variance**

3.75. Communications is currently forecasting a positive variance of £0.006m, due to additional income via the Lord Lieutenant Joint Arrangement administration fee.

**Children's Services Delivered by Brighter Futures for Children (BFfC) - £5.210m adverse variance**

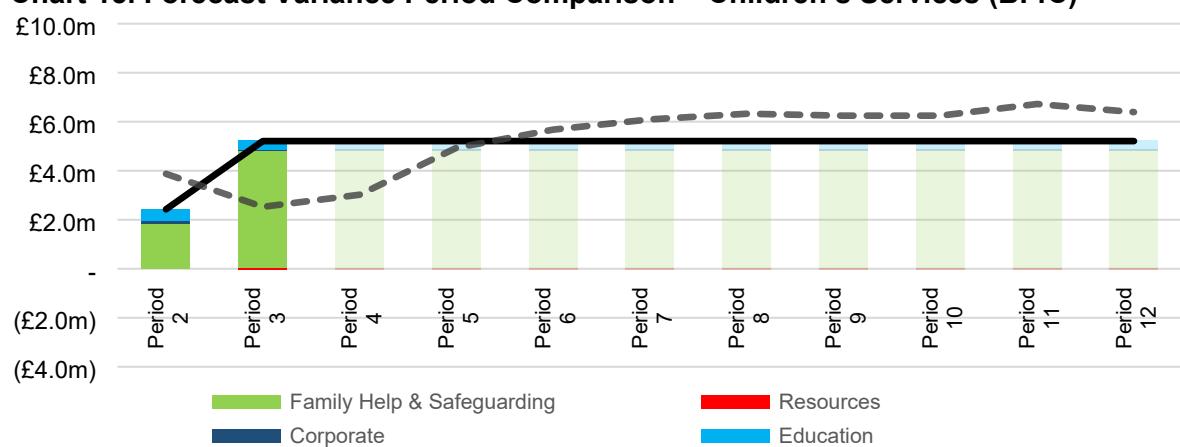
3.76. Children's Services delivered by Brighter Futures for Children (BFfC) is forecasting an overall adverse net variance of £5.210m at Quarter 1, summarised below.

**Table 9. Children's Services delivered by BFfC Forecast 2025/26**

Service	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Family Help & Safeguarding	49.309	54.125	4.816
Resources	2.500	2.452	(0.048)
Corporate	(0.247)	(0.204)	0.043
Education	64.896	65.295	0.399
Dedicated Schools Grant	(58.749)	(58.749)	0.000
Service Level Agreements	6.717	6.717	0.000
BFfC Contract Funding	(0.452)	(0.452)	0.000
<b>Total</b>	<b>63.974</b>	<b>69.184</b>	<b>5.210</b>

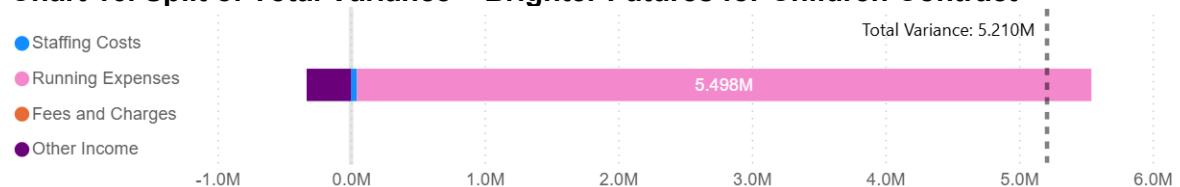
3.77. The following chart summarises the forecast budget variance, split by services within Children's Services Delivered by BFfC, for each period to date.

**Chart 15. Forecast Variance Period Comparison – Children's Services (BFfC)**



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

**Chart 16. Split of Total Variance – Brighter Futures for Children Contract**



3.79. Family Help and Safeguarding incorporates Children's Social Care and Early Help budgets. This service is forecasting an adverse net variance of £4.816m at Quarter 1.

3.80. The placements budget has increased significantly over the last 2 years following approved increases to the contract sum. The budget stood at £10.212m in 2023/24, £17.134m in 2024/25 and is £22.473m in 2025/26. The budget for 2025/26 was calculated based on the position as at January 2025.

3.81. A detailed review of placement changes between the January 2025 forecast and the actual position in July 2025 has identified a net increase of £5.5m, including:

- 10 new placements were added for children coming into care, with an individual forecast cost exceeding £0.100m, totalling £2.264m.
- 12 existing placements saw an increase in forecast cost of more than £0.100m, totalling £3.587m.

3.82. Of the 12 existing placements with increased costs:

- 8 were placement moves, due to breakdowns or increased complexity, with a combined cost impact of £2.6m.
- The remaining £0.982m relates to 4 placements where care packages were enhanced or changed.

3.83. This analysis highlights the financial sensitivity of high-cost placements and the significant impact of placement instability and care package adjustments on the overall budget, even when the overall number of Children Looked After remains stable.

3.84. The established panels and decision-making forums for placements are:

- Three weekly panels focussed on preventing children coming into care/preventing breakdown of care and moves, reviewing care arrangements, tracking spend and authorising entry to care – all chaired by the Deputy Safeguarding Lead.
- One monthly meeting to review forecast children looked after spend – chaired by Executive Director Children's Services.
- All panels have been strengthened with a clear articulation of; decision making processes, roles and responsibilities for each member, including escalation processes and responsibility for decision making and sign off. The focus is on delivering best outcomes for children by supporting them to live within their family network where it is safe to do so and achieving best value for money by honouring the public purse.

3.85. In addition, every quarter the Director Transformation, Improvement and Quality Assurance (interim), alongside the Strategic Finance Business Partner and service representatives, review all children in Residential Care, high-cost homes and foster homes over £0.002m per week. These children are reviewed weekly at Stable Loving Homes panel, but this quarterly review is a deep dive and provides reassurance and quality assurance of panel decisions.

3.86. The service is mitigating the budget pressures through a transformation programme that includes:

- (i) Implementing an Edge of Care Service
- (ii) Increasing the number of internal foster carers
- (iii) Review of Foster Carer Allowances
- (iv) Retaining Foster Carers
- (v) Development of an in-house residential offer
- (vi) Demand management at the front door (CSPOA)
- (vii) Continuing Health Care (CHC) Funding
- (viii) Launching the first fostering Mockingbird Constellation
- (ix) Increase in identifying and supporting kinship carers
- (x) Recovery Tracker
- (xi) South East Regional Care Cooperative
- (xii) Retained residential & fostering placements through Block Contracts

3.87. Collectively these projects will contribute to improving outcomes for our children and their families, whilst supporting a coherent and strategic approach to managing our budget and delivering a combined saving by 2026/27 of £4.1m that is already factored into the budget.

3.88. Progress to date includes:

- Since the Edge of Care service became operational in January 2025, 48 families (76 children) have been referred into the service:
- Prevention
  - 1 family closed with no care entry and no ongoing CSC involvement
  - 10 families closed with no care entry, remaining open under Child in Need / Child Protection plans.
- Reunification
  - 1 child successfully returned home.
- Stabilisation
  - 1 child successfully supported to remain in placement and avoid a move.
- New foster care allowances are in place.
- The South-East Local Authority Fostering met its target for approved foster carers in 2024/25 with 4 new foster carers being approved – however there is still a need to recruit more foster carers.
- The In-house residential offer is on course to deliver 3 children's homes opening in 2026.
- Front Door demand last year decreased in line with targets. Since March 2025 demand has been the highest seen in children's social care, with the highest number of children open and the highest number of children on child protection plans, this number is now decreasing again due to targeted improvement work.
- Continuing Health Care funding was recovered, as part of the 2024/25 in year recovery plan with £0.243m achieved. Ongoing targeted work to apply for funding where the criteria is met continues.
- The Mockingbird Fostering Hub was successfully launched in June 2025.
- Work is underway to increase support for kinship carers and assessments.
- The recovery tracker work last year for children in care (top 35 placements) saved £1.1m in 2024/25 with savings targets for 2025/26 built into the budget as Edge of Care savings.
- The Regional Care Cooperative provided additional capacity and expertise for our successful submission to the DfE for capital funding for one of our children's homes. We are piloting the Berri needs assessment tool for a cohort of children in care and have been selected to join the Regional Care Cooperative's workforce academy for residential staff.
- The block contract with a local residential provider was extended in 2025/26 for a further two years to provide 5 additional beds. Work is underway to join the Cross

Regional Project in August 2027. This will offer up to 46 beds in the region, of which we will purchase a minimum of two, with the option to purchase voids.

- 3.89. Resources is forecasting a positive variance of £0.048m.
- 3.90. Corporate Services is forecasting an adverse variance of £0.043m due to reduced interest income linked to the lower base rate and ongoing historic teacher pension costs.
- 3.91. Education is forecasting an adverse variance of £0.399m. This variance primarily relates to a £0.438m pressure relating to home to school transport, which is partially offset by £0.039m of other positive variances. This forecast assumes full delivery of the £0.214m MTFS saving related to School Travel Training. While this is monitored monthly, the actual realisation of savings is not expected until the start of the academic year in September. As such, there remains a degree of risk around full delivery until the planned reductions are fully embedded and evidenced within the system.
- 3.92. Work to mitigate pressures and deliver savings continues through the MTFS process 2026/27, alongside continued delivery of all the above programmes of work, reducing the budget pressure across the next 4 years.

#### **Corporate Budgets - £3.138m positive variance**

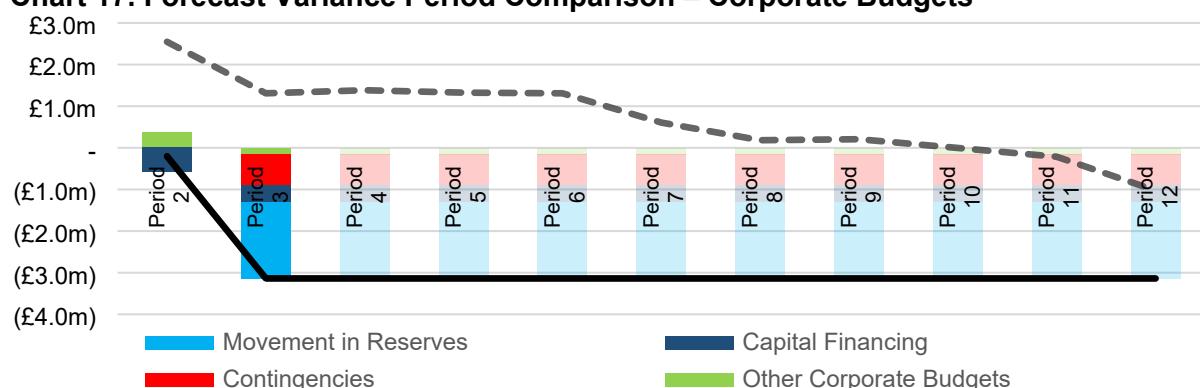
- 3.93. Corporate Budgets are forecasting a positive net variance of £3.138m at Quarter 1.

**Table 10. Corporate Budgets Forecast 2025/26**

Service	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Capital Financing Costs	17.296	16.902	(0.394)
Contingencies	3.238	2.500	(0.738)
Other Corporate Budgets	(11.764)	(11.926)	(0.162)
Movement to/(from) Reserves	(3.945)	(5.789)	(1.844)
<b>Total</b>	<b>4.825</b>	<b>1.687</b>	<b>(3.138)</b>

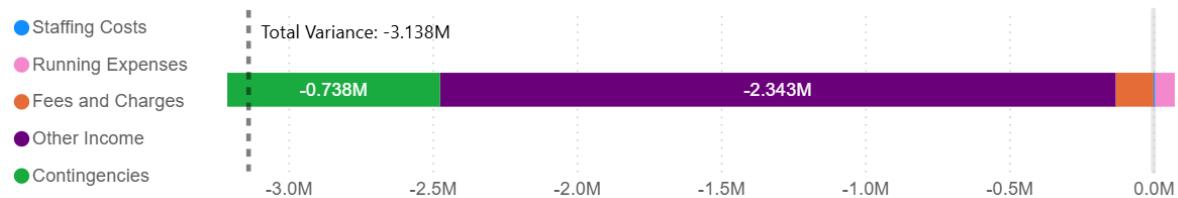
- 3.94. The following chart summarises the forecast budget variance, split by services within Corporate Budgets, for each period to date.

**Chart 17. Forecast Variance Period Comparison – Corporate Budgets**



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

**Chart 18. Split of Total Variance – Corporate Budgets**



3.96. Capital Financing Costs is forecasting a positive total net variance of £0.394m:

- There is a positive variance of £0.093m on the interest payable budget due to a combination of the slippage on the Capital Programme and the Council's strategy of maximising internal borrowing, supported by temporary borrowing where required, in terms of managing the Council's cashflow;
- There is a positive variance of £0.262m on the interest receivable budget primarily due to additional interest relating to the Homes for Reading (HfR) loan repayments;
- There is a positive variance of £0.039m relating to the Minimum Revenue Provision (MRP).

3.97. Other Corporate Budgets is reporting a positive net variance of £0.162m, of which £0.120m relates to pay award contingencies.

3.98. It is currently assumed that £2.500m of the £3.238m Corporate Contingency budget will be needed to fund inflationary uplift pressures yet to materialise or be reported within Adult Social Care Placement budgets. Therefore, the residual £0.738m contingency is currently forecast to contribute a positive variance to the overall General Fund position.

3.99. Movement in Reserves is forecasting a positive variance of £1.844m as a result of additional releases from earmarked reserves to mitigate against the significant pressures forecast within Children's Services.

#### **4. Savings Delivery**

- 4.1. Delivery of the Council's budget is predicated on achieving savings and additional income as agreed as part of the budget setting process in February 2025. Detailed monitoring of agreed savings is tracked on a monthly basis.
- 4.2. The projected financial impact of any non-delivery of savings has been included in the projected outturn position reported above.
- 4.3. A total of £5.451m of savings were delivered in 2024/25. The residual £1.837m of undelivered and removed savings and £1.279m of vacancy factor savings have been carried forward for delivery in 2025/26, giving a revised 2025/26 savings target of £11.516m.
- 4.4. The following table summarises the current forecast savings delivery for 2025/26 (a breakdown by individual saving is provided in Appendix 2):

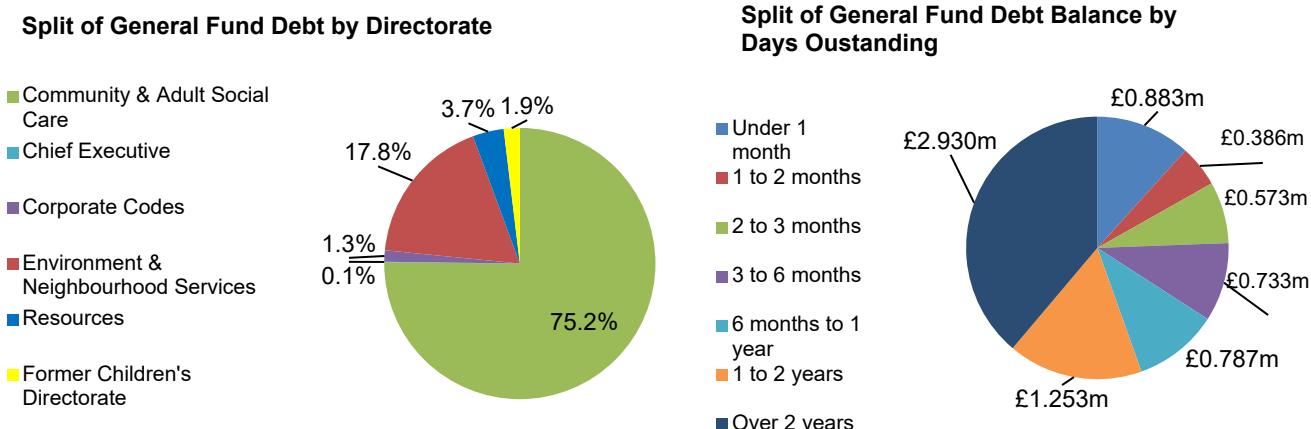
**Table 11. General Funds Savings Tracker Summary**

Service	Savings At Risk £m	Savings Delayed or at Risk £m	Savings on Track £m	Savings Achieved £m	Directorate Total £m
Communities and Adult Social Care	0.000	0.000	(0.983)	0.000	(0.983)
Economic Growth and Neighbourhood Services	(1.139)	(1.004)	(2.897)	(0.169)	(5.209)
Resources	0.000	(0.253)	(1.759)	(0.326)	(2.338)
Chief Executive Services	0.000	0.000	(0.052)	0.000	(0.052)
Corporate	0.000	0.000	(0.300)	0.000	(0.300)
Children's Services delivered by BFFC	(0.749)	(0.767)	(0.433)	(0.685)	(2.634)
<b>Total</b>	<b>(1.888)</b>	<b>(2.024)</b>	<b>(6.424)</b>	<b>(1.180)</b>	<b>(11.516)</b>

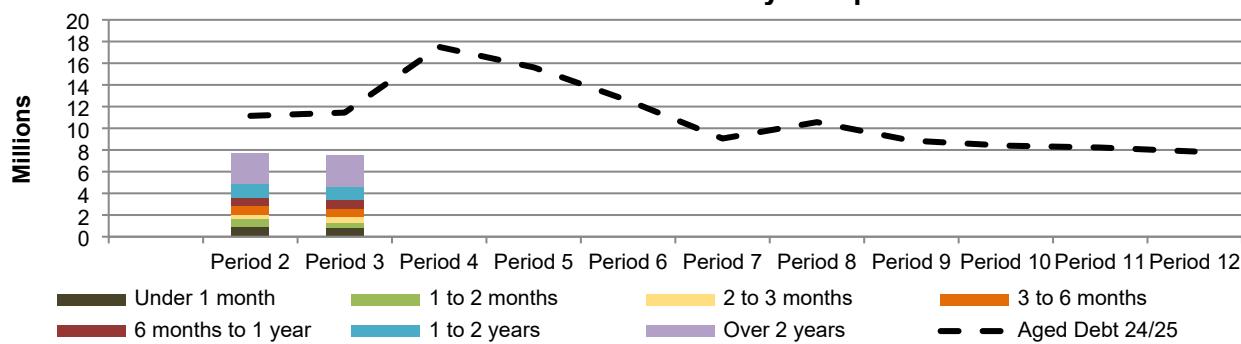
## 5. Debt Performance

5.1. Total General Fund overdue sundry debt as at the end of Quarter 1 is £7.545m. In addition to this, the General Fund also has £5.189m of current debt and £1.069m of deferred debt which is not yet considered overdue.

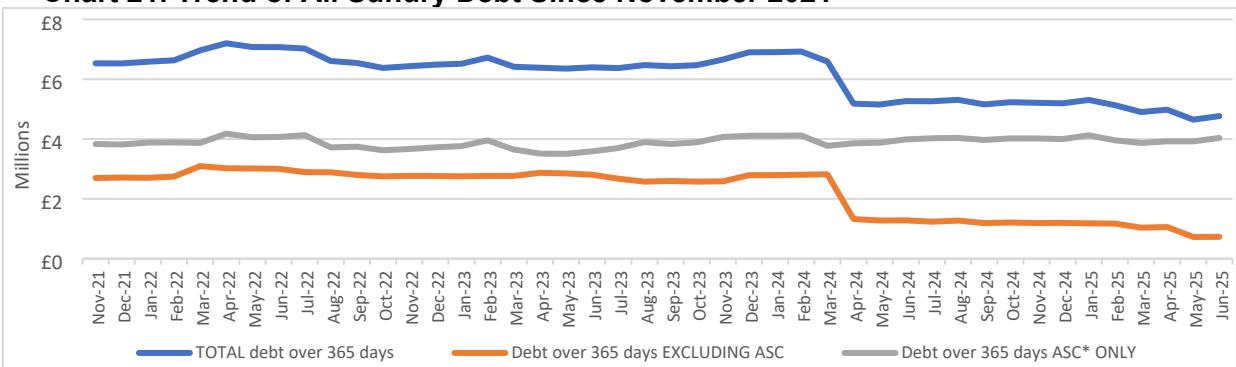
**Chart 19. Split of General Fund Debt by Directorate and Days Outstanding**



**Chart 20. Overdue General Fund Debt Monthly Comparison**



**Chart 21. Trend of All Sundry Debt Since November 2021**



## 6. Debt Write-Offs

6.1. Having complied with the requirements of the Council's Debt Management Strategy, all recovery activity has been exhausted and the Director of Finance recommends that the total amounts submitted to the Committee for write-off for cases above £20,000 are:

- Non-Domestic Rates - £691,677.05
- Sundry Debt - £47,291.46

6.2. The list of specific debts requested to be written off are set out in Appendix 7. It is considered that information contained within Appendix 11 contains exempt information under the meaning of sections 1, 2 and 3 of Schedule 12A of the Local Government Act 1972, as amended, and therefore cannot be made public.

6.3. The write-offs will be contained within the existing respective bad debt provisions. These bad debt provisions are reviewed annually to take account of the likely levels of bad debt write-offs and the potential for any recovery of debt that has been previously written off.

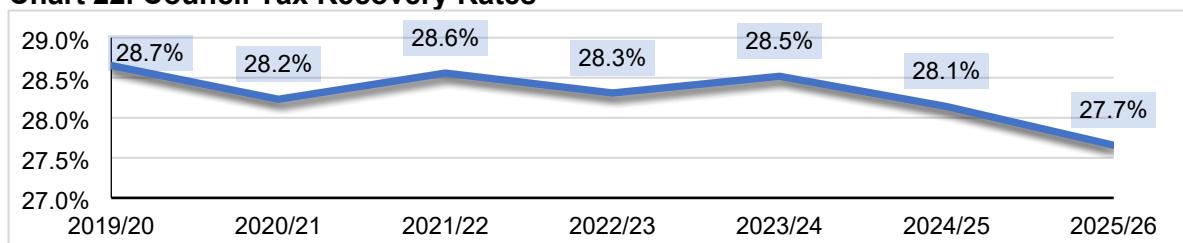
6.4. The cost of non-domestic rates write-offs is shared between the Council (49%), Royal Berkshire Fire and Rescue Service (1%) and Central Government (50%).

## 7. Collection Fund

7.1. The following chart shows the Council's collection rate of the total annual debit raised for Council Tax and Non-Domestic (Business) Rates as at the end of Quarter 1.

7.2. Council Tax collection rates are behind the collection levels at the same point when compared to pre-Covid-19 pandemic rates (2019/20) and 2024/25 collection rates at the same point last year. This is a similar trend across Berkshire and is likely related to the continuing cost of living crisis. The Quarter 1 collection data for Reading is skewed due to the fact that university student exemptions are not applied until September/October; therefore, the position is expected to improve during the Autumn. It should be noted that the Council's discretionary support to eligible customers in receipt of Local Council Tax Support, which had been in place in recent financial years, ceased on 31<sup>st</sup> March 2025 which may impact on collection rates from 2025/26.

**Chart 22. Council Tax Recovery Rates**



7.3. The following table shows the collection performance levels for Council Tax across Berkshire:

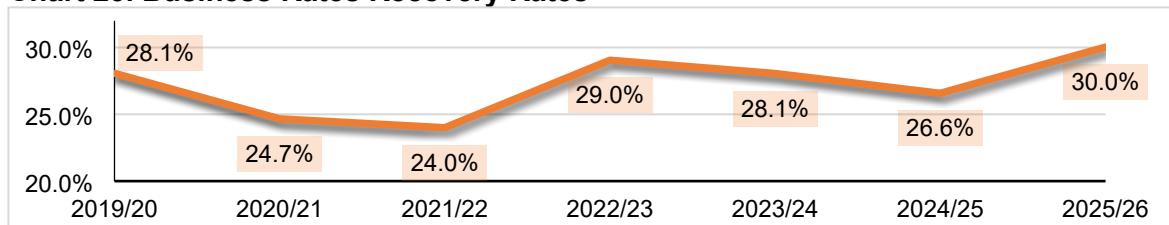
**Table 12. Council Tax Collection across Berkshire (Quarter 1)**

Council Tax	Comparison to 2024/25	Comparison to 2019/20
Bracknell	↑ 0.24%	↓ 0.96%
<b>Reading</b>	↓ <b>0.48%</b>	↓ <b>0.99%</b>
RBWM	↓ 0.51%	↓ 1.23%
Slough	↓ 0.08%	↓ 2.59%
West Berkshire	↓ 0.10%	↓ 0.96%
Wokingham	↓ 0.05%	↓ 1.04%

7.4. For context, a 0.48% decrease in collection is worth approximately £0.736m to the Collection Fund for 2025/26.

7.5. Non-Domestic collection rates are currently ahead of the collection levels at the same point when compared to pre-Covid-19 pandemic rates (2019/20) and 2024/25 collection rates at the same point last year. This is however primarily due to a timing issue relating to circa £3m of business rates for the Council's own properties, which were processed a month later than expected (in Period 4) of 2024/25 but which have been processed on time (in Period 3) in 2025/26.

**Chart 23. Business Rates Recovery Rates**



7.6. The following table shows the collection performance levels for Non-Domestic (Business) Rates across Berkshire:

**Table 13. Business Rates Collection across Berkshire (Quarter 1)**

Business Rates	Comparison to 2024/25	Comparison to 2019/20
Bracknell	↓ 0.58%	↑ 0.29%
<b>Reading</b>	↑ <b>3.46%</b>	↑ <b>1.96%</b>
RBWM	↓ 0.89%	↓ 1.23%
Slough	↑ 0.21%	↓ 0.43%
West Berkshire	↓ 0.03%	↓ 0.61%
Wokingham	↓ 0.52%	↓ 1.11%

7.7. For context, a 3.46% increase in collection is worth approximately £5.480m to the Collection Fund for 2025/26.

## 8. General Fund - Capital Programme

8.1. The General Fund Capital Programme for 2025/26 has an approved budget of £85.370m. The following amendments are requested to be formally approved which would result in a proposed revised Capital Programme budget of £86.500m. These amendments are set out on an individual scheme basis in Appendix 3.

8.2. Against the proposed revised budget of £86.500m there is a positive net variance of £0.168m. This variance relates entirely to the Delivery Fund.

**Table 14. General Fund Capital Programme Amendments**

General Fund Capital Programme	£m
<b>Revised Approved Budget 2025/26</b>	<b>85.370</b>
Budget Movements Between Schemes	0.000
Additional Budgets added to the Programme - Funded by Grants & Contributions	6.613
Additional Budgets requested to be added to the Programme - Funded by Capital Receipts, Revenue Contributions and Borrowing	0.289
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	(1.638)
Budgets reprogrammed (to)/from Future Years	(4.134)
<b>Proposed Revised Budget Quarter 1 2025/26</b>	<b>86.500</b>

8.3. Budget movements requested between schemes are set out within Appendix 3.

8.4. A total of £6.613m of additional budget (as set out in Appendix 3) is requested to be formally added into the Capital Programme to be funded by grants and other contributions. This includes:

- £2.895 additional High Needs Education capital funding to correctly reflect the grant funding available;
- £1.348m additional grant funding awarded for the Zero Emission Bus Regional Areas (ZEBRA) grant to Reading Transport Limited (RTL) scheme;
- £0.932 additional grant funding awarded for Highways capital schemes;
- £1.438m additional grant funding for other schemes.

8.5. A total of £0.289m of additional budget (as set out in Appendix 3) is requested to be formally added into the Capital Programme to be funded by reserves.

8.6. A total of £1.638m of budget (as set out in Appendix 3) is requested to be removed from the Capital Programme. This includes:

- £1.534m for the Reading Football Club Social Inclusion Unit scheme where the scheme is dependent on funding from a land development (S106 funding) which has been delayed
- £0.104m for Community Infrastructure Levy (CIL) Local Funds – Leisure and Play schemes where schemes have been completed under budget.

8.7. A net total of £4.134m of budgets are requested to be reprogrammed between 2025/26 and future years of the Capital Programme as set out in Appendix 3. This includes:

- £3.312m for the Special Educational Needs (SEN) High Needs provision capital allocation following additional grant funded budget being allocated to the scheme;
- £0.950m for the Corporate Solar Programme scheme to reflect the revised timescales of works;
- £0.518m brought forward for the ICT Tech Refresh scheme to accommodate the Windows 11 upgrade;
- £0.390m of net re-programming between years across all other schemes.

## 9. Delivery Fund

9.1. Costs of service transformation and the delivery of future ongoing savings are able to be charged to capital (and financed from new capital receipts) due to the introduction of the

Flexible Capital Receipts Regulations. These regulations have been confirmed to have been extended to 31<sup>st</sup> March 2030.

9.2. There is a total £2.927m Delivery Fund available for 2025/26 (inclusive of 2024/25 approved carry forwards). At Quarter 1, £2.801m of this funding has been allocated out to approved schemes and the forecast spend is £2.759m, which represents a positive net variance of £0.168m. A review of any scheme variances will be undertaken as part of 2025/26 outturn processes with any positive variances rolled forward into 2026/27 or returned to the unallocated contingency as appropriate.

## 10. Housing Revenue Account – Revenue

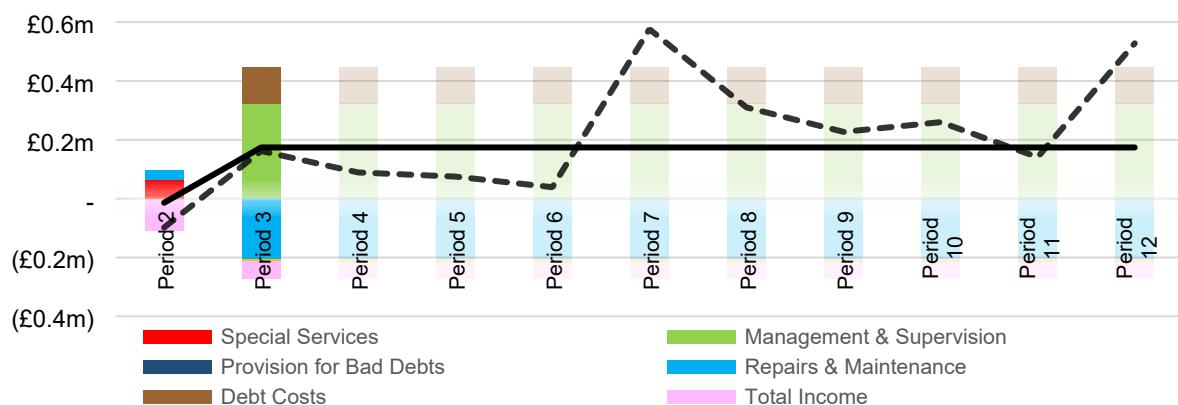
10.1. The approved Housing Revenue Account (HRA) budget assumes a drawdown from HRA reserves of £4.465m. At Quarter 1, the forecast revenue outturn position on the HRA is an adverse net variance to budget of £0.176m. Therefore, a drawdown from the HRA Reserve is forecast of £4.641m rather than the approved budgeted £4.465m drawdown from reserves. The breakdown of the net variance is set out in the following table and explained below.

**Table 15. Housing Revenue Account Forecast 2025/26**

	Budget	Forecast Outturn	Forecast Variance
	£m	£m	£m
Management & Supervision	11.877	12.200	0.323
Special Services	4.906	4.906	0.000
Provision for Bad Debts	0.922	0.922	0.000
Repairs & Maintenance	8.198	7.994	(0.204)
Major Repairs/Depreciation	14.932	14.932	0.000
Debt Costs	8.059	8.183	0.124
PFI Costs	8.410	8.400	(0.010)
Revenue Contribution to Capital	0.000	0.000	0.000
HRA Income	(52.839)	(52.899)	(0.057)
<b>Over/(Under) Budget</b>	<b>4.465</b>	<b>4.641</b>	<b>0.176</b>
<b>Movement to/(from) HRA Reserves</b>	<b>(4.465)</b>	<b>(4.641)</b>	<b>(0.176)</b>

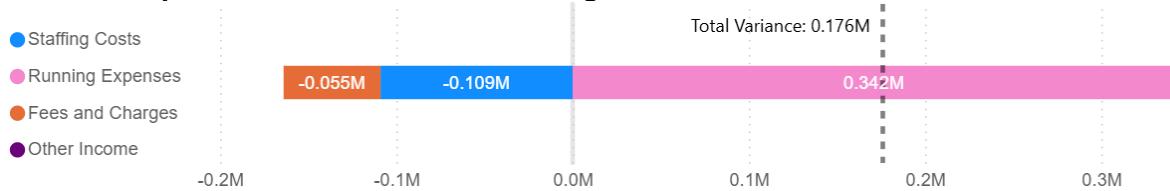
10.2. The following chart summarises the forecast budget variance, split by services within the HRA, for each period to date.

**Chart 24. Forecast Variance Period Comparison – Housing Revenue Account**



10.3. The following chart summarises the overall forecast budget variance for the Housing Revenue Account by high level category:

### Chart 25. Split of Total Variance – Housing Revenue Account



- 10.4. Management and Supervision is forecasting an adverse variance of £0.323m. This is primarily due to costs associated with the temporary structure at Whitley Wood Community Centre.
- 10.5. Repairs & Maintenance is forecasting a positive variance of £0.204m due to variances in Housing Repairs and expected positive variances against decorations and non-gas servicing.
- 10.6. PFI Costs is forecasting a positive variance of £0.010m based on the payments made in April and May.
- 10.7. Debt Costs is forecasting an adverse variance of £0.124m due to a higher Capital Financing Requirement (CFR) than expected.
- 10.8. HRA Income is forecasting a positive variance of £0.057m. Dwelling Rents are currently projected to be overachieving on the budget by a total of £0.074m (0.16% more than budget). In addition, there is an overachievement forecast on Service Charges of £0.012m. Other Income is also forecast to overachieve against the budget by £0.029m. However, interest on balances is forecast to underachieve by £0.058m due to lower rates than expected.

### 11. Housing Revenue Account - Capital Programme

- 11.1. The HRA Capital Programme for 2025/26 has an approved budget of £89.279m. The following amendments are requested to be formally approved which would result in a proposed revised Capital Programme budget of £80.933m. These amendments are set out on an individual scheme basis in Appendix 4.

**Table 16. Housing Revenue Account Capital Programme Amendments**

Housing Revenue Account Capital Programme	£m
<b>Revised Approved Budget 2025/26</b>	<b>89.279</b>
Budget Movements Between Schemes	0.000
Additional Budgets added to the Programme - Funded by Grants & Contributions	0.000
Additional Budgets requested to be added to the Programme - Funded by Capital Receipts, Revenue Contributions and Borrowing	0.000
Reduced Budgets - Completed Schemes & Other carry forward budget adjustments	0.000
Budgets reprogrammed (to)/from Future Years	(8.346)
<b>Proposed Revised Budget Quarter 1 2025/26</b>	<b>80.933</b>

- 11.2. Budget movements requested between schemes are set out within Appendix 4.
- 11.3. A total of £8.346m of budgets are requested to be reprogrammed between 2025/26 and future years of the Capital Programme as set out in Appendix 4 for the Major Repairs – Existing Homes Renewal & Zero Carbon Retrofit works scheme following a review of the works planned for 2025/26.

## 12. Corporate Plan Performance

### Summary

12.1. This section of the Performance Report sets out progress against the Performance Measures and Projects included in the Council Plan “Investing in Reading’s Future.”

12.2. The Council Plan sets out the Council’s vision “To help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success” and five priorities of:

- Promote more equal communities in Reading
- Secure Reading’s economic and cultural success
- Deliver a sustainable and healthy environment and reduce Reading’s carbon footprint
- Safeguard and support the health and wellbeing of Reading’s adults and children
- Ensure Reading Borough Council is fit for the future

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

12.4. The new Council Plan, agreed in March 2025, includes 30 KPIs and 51 projects which underpin delivery of the Council’s vision and priorities. Of the 30 KPIs, 13 are annual measures.

12.5. The full list of Performance KPIs monitored in year is attached at Appendix 5 and Projects as Appendix 6.

12.6. The table below provides a summary of the status of the KPIs and projects at the end of the first quarter of 2025/26.

**Table 17. Performance Overview**

<b>What</b>	<b>Status %</b>				
	<b>Red</b>	<b>Amber</b>	<b>Green</b>	<b>Complete</b>	<b>TBC</b>
Key Measures	35	6	53	0	6
Key Projects	2	35	63	0	0

### Corporate Plan KPIs

12.7. The KPIs are rated as follows:

- Green – at or above target
- Amber – within 10% of the target
- Red – 10% or more off target

12.8. The following table shows performance against the target (red/amber/green) for the 17 measures reported in year for 2025/26, compared to previous quarters.

**Table 18. Summary of Performance against target KPIs**

<b>Status</b>	<b>2024/25</b>				<b>2025/26</b>	
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Q1</b>	
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>No.</b>
Green	37	26	35	42	53	9
Amber	17	30	22	19	6	1
Red	46	44	43	39	35	6
TBC	0	0	0	0	6	1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>17</b>

12.9. Further details are provided in Appendix 5.

### **Corporate Plan Projects**

12.10. Projects are rated as follows:

- Blue – complete
- Green – on track
- Amber – at risk
- Red – off track

12.11. The following table shows the RAG status for the Corporate Plan projects:

**Table 19. RAG Status of Corporate Plan Projects**

Status	2024/25				2025/26	
	Q1	Q2	Q3	Q4	Q1	
					%	No.
Blue	7	0	9	11	0	0
Green	56	65	61	67	63	32
Amber	37	35	28	20	35	18
Red	0	0	2	2	2	1
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>51</b>

12.12. Further details are provided in Appendix 6.

### **13. Contribution to Strategic Aims**

13.1. Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical.

13.2. Delivery of the Council's budget is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

### **14. Environmental and Climate Implications**

14.1. The Council declared a Climate Emergency at its meeting on 26th February 2019. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.

14.2. There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

### **15. Community Engagement**

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

### **16. Equality Implications**

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

### **17. Other Relevant Considerations**

17.1. There are none.

## **18. Legal Implications**

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

## **19. Financial Implications**

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

## **20. Timetable for Implementation**

20.1. Not applicable.

## **21. Background Papers**

21.1. There are none.

## **Appendices**

- 1. Summary of the General Fund Budget and Forecast 2025/26**
- 2. Savings Tracker Quarter 1**
- 3. General Fund Capital Programme**
- 4. Housing Revenue Account (HRA) Capital Programme**
- 5. Corporate Plan Performance Measures Quarter 1**
- 6. Corporate Plan Projects Quarter 1**
- 7. Debt Write-Offs**

**Appendix 1 - Summary of the General Fund Budget and Forecast 2025/26**

Directorate/Service	Approved Budget £'000	Budget Changes £'000	Current Budget £'000	Forecast Actuals £'000	Variance to Budget £'000
<b>Communities &amp; Adult Social Care</b>					
Commissioning, Transformation & Performance	(3,334)	(4,620)	(7,954)	(7,954)	0
Adult Social Care Operations	55,437	5,115	60,552	60,552	0
Safeguarding, Quality & Practice	7,103	114	7,217	7,217	0
Community & Adult Social Care Management	1,670	(137)	1,533	1,533	0
Public Health	0	0	0	0	0
Housing & Communities	3,682	(99)	3,583	3,583	0
<b>Communities &amp; Adult Social Care</b>	<b>64,558</b>	<b>373</b>	<b>64,931</b>	<b>64,931</b>	<b>0</b>
<b>Economic Growth &amp; Neighbourhood Services</b>					
Planning, Transport & Public Protection	(547)	(17)	(564)	1,157	1,721
Culture	2,648	78	2,726	2,592	(134)
Environmental & Commercial Services	20,877	(80)	20,797	21,256	459
Property & Asset Management	(2,447)	55	(2,392)	(2,392)	0
Management & Sustainability	446	708	1,154	977	(177)
<b>Economic Growth &amp; Neighbourhood Services</b>	<b>20,977</b>	<b>744</b>	<b>21,721</b>	<b>23,590</b>	<b>1,869</b>
<b>Resources</b>					
Policy, Change & Customer Services	3,256	(151)	3,105	3,178	73
Human Resources & Organisational Development	1,969	(51)	1,918	1,818	(100)
Procurement & Contracts	512	(512)	0	0	0
Finance	4,739	737	5,476	5,476	0
Legal & Democratic Services	3,276	(2)	3,274	3,568	294
Digital & IT	6,430	98	6,528	6,528	0
<b>Resources</b>	<b>20,182</b>	<b>119</b>	<b>20,301</b>	<b>20,568</b>	<b>267</b>
<b>Chief Executive Services</b>					
Executive Management Team	911	(2)	909	887	(22)
Communications	597	(4)	593	587	(6)
<b>Chief Executive Services</b>	<b>1,508</b>	<b>(6)</b>	<b>1,502</b>	<b>1,474</b>	<b>(28)</b>
<b>Children's Services</b>					
Retained by Council	855	0	855	855	0
Brighter Futures for Children	64,426	(452)	63,974	69,184	5,210
<b>Children's Services</b>	<b>65,281</b>	<b>(452)</b>	<b>64,829</b>	<b>70,039</b>	<b>5,210</b>
<b>Total Service Expenditure</b>	<b>172,506</b>	<b>778</b>	<b>173,284</b>	<b>180,602</b>	<b>7,318</b>
<b>Corporate Budgets</b>					
Capital Financing Costs	17,296	0	17,296	16,902	(394)
Contingencies	3,238	0	3,238	2,500	(738)
Other Corporate Budgets	(10,986)	(778)	(11,764)	(11,926)	(162)
Movement in Reserves	(3,945)	0	(3,945)	(5,789)	(1,844)
<b>Corporate Budgets</b>	<b>5,603</b>	<b>(778)</b>	<b>4,825</b>	<b>1,687</b>	<b>(3,138)</b>
<b>Net Budget Requirement</b>	<b>178,109</b>	<b>0</b>	<b>178,109</b>	<b>182,289</b>	<b>4,180</b>
<b>Financed By:</b>					
Council Tax Income	(126,134)	0	(126,134)	(126,134)	0
Business Rates Local Share	(34,330)	0	(34,330)	(34,330)	0
Section 31 Grant (Business Rates Retention Scheme)	(13,514)	0	(13,514)	(13,514)	0
New Homes Bonus	(812)	0	(812)	(812)	0
Revenue Support Grant	(2,771)	0	(2,771)	(2,771)	0
One-off Collection Fund (Surplus)/Deficit - Council Tax	(408)	0	(408)	(408)	0
One-off Collection Fund (Surplus)/Deficit - Business Rates	(140)	0	(140)	(140)	0
<b>Total Funding</b>	<b>(178,109)</b>	<b>0</b>	<b>(178,109)</b>	<b>(178,109)</b>	<b>0</b>
<b>Over/(Under) Budget</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,180</b>	<b>4,180</b>

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**Appendix 2 - Savings Tracker Quarter 1 (2025/26)**

Service Area	Description	Red £000s	Amber £000s	Green £000s	Blue £000s	Total £000s
Adult Services Operations	Adult Social Care Provider Payment Efficiency	0	0	600	0	600
Adult Services Operations	Vacancy Factor - Adult Services Operations	0	0	(140)	0	(140)
Adult Social Care Operations	Adult Social Care Placement Budget - Efficiency Opportunities	0	0	(509)	0	(509)
Adult Social Care Operations	Supported Living Efficiency	0	0	(376)	0	(376)
Commissioning, Transformation & Performance	Vacancy Factor - Commissioning, Transformation & Performance	0	0	(85)	0	(85)
Commissioning, Transformation & Performance	Adult Social Care Income Review	0	0	(76)	0	(76)
Community & Adult Social Care Management	Vacancy Factor - Community & Adult Social Care Management	0	0	(57)	0	(57)
Safeguarding, Quality & Practice	Vacancy Factor - Safeguarding, Quality & Practice	0	0	(172)	0	(172)
Housing & Communities	Vacancy Factor - Housing & Communities	0	0	(92)	0	(92)
Housing & Communities	Homelessness Support Services	0	0	(76)	0	(76)
<b>Total Directorate of Communities &amp; Adult Social Care</b>		<b>0</b>	<b>0</b>	<b>(983)</b>	<b>0</b>	<b>(983)</b>
Planning, Transportation & Public Protection	Introduction of Moving Traffic Enforcement under TMA Powers	(264)	0	(246)	0	(510)
Planning, Transportation & Public Protection	Increased income from Parking Enforcement	0	0	(160)	0	(160)
Planning, Transportation & Public Protection	Extend Residents Parking permit areas	0	0	(10)	0	(10)
Planning, Transportation & Public Protection	Increase off street parking charges	0	0	(87)	0	(87)
Planning, Transportation & Public Protection	Parking Services Income Review	0	0	(86)	0	(86)
Planning, Transportation & Public Protection	Recovery of reduced parking income due to Covid-19*	(557)	0	(119)	0	(676)
Planning, Transportation & Public Protection	Discretionary HMO Licensing	(70)	0	0	0	(70)
Planning, Transportation & Public Protection	Increase in charges for pre-planning application and planning fees	(55)	0	0	0	(55)
Planning, Transportation & Public Protection	Proposed Fee Income Reading Festival	0	0	0	(33)	(33)
Planning, Transportation & Public Protection	Concessionary Travel	0	(97)	0	0	(97)
Planning, Transportation & Public Protection	Vacancy Factor - PTPP	0	0	(231)	0	(231)
Planning, Transportation & Public Protection	Coroner Apportionment moving to Pop Base and Contract inflation	0	0	(107)	0	(107)
Planning, Transportation & Public Protection	Rationalisation of Pay & Display Assets, Tariff Changes and Emissions Based Parking	(129)	0	(145)	0	(274)
Planning, Transportation & Public Protection	Cease planning postage to neighbouring consultees	0	0	0	(7)	(7)
Planning, Transportation & Public Protection	PSH Discretionary Licensing Risks	0	0	0	5	5
Planning, Transportation & Public Protection	Fees & Charges - Street Trading Pitches	0	(6)	(6)	0	(12)
Planning, Transportation & Public Protection	Fees & Charges - S106 Monitoring Fees	0	(19)	0	0	(19)
Planning, Transportation & Public Protection	Fees & Charges - Bio Diversity Net Gain Monitoring Fees	0	(12)	0	0	(12)
Planning, Transportation & Public Protection	Fees & Charges - Pavement Café Licenses	0	(19)	0	0	(19)
Planning, Transportation & Public Protection	Bus Lane Enforcement	0	0	0	(10)	(10)
Planning, Transportation & Public Protection	Removal of School Transport Licensing	0	(58)	0	0	(58)
Planning, Transportation & Public Protection	BSIP Bus Services - Ticket Income	0	(74)	0	0	(74)
Culture	Revenue impact of new contract for borough leisure facilities. Leisure Contract Costs Utilities and Inflation	0	0	(433)	0	(433)
Culture	Covid19 income pressure on the Town Hall and recovery plan*	0	(50)	0	0	(50)
Culture	New Directions College	0	(36)	0	0	(36)
Culture	Vacancy Factor - Culture	0	0	(191)	0	(191)
Culture	Efficiency savings within Archaeology & Archives	0	0	(35)	0	(35)
Culture	Improved Commercialisation of South Street Theatre	0	0	(16)	0	(16)
Culture	Reducing the Subsidy to the Hexagon	0	(75)	0	0	(75)
Culture	Town Hall Operations	0	(56)	0	0	(56)
Culture	Reading Museum	0	(55)	0	0	(55)
Environmental & Commercial Services	Purchase of Electric Road Marking Machine	0	0	0	(4)	(4)
Environmental & Commercial Services	Vacancy Factor - Environmental & Commercial Services	0	0	(209)	0	(209)
Environmental & Commercial Services	Streetlighting Efficiency Saving	0	(139)	0	0	(139)
Environmental & Commercial Services	Streetlighting Energy Power Reduction	0	(22)	0	0	(22)
Environmental & Commercial Services	General Fund-HRA Recharge Realignment (Streetscene)	0	0	(100)	0	(100)
Environmental & Commercial Services	Highways Weedkiller Application Efficiencies	0	0	(13)	0	(13)
Environmental & Commercial Services	Behaviour, comms and interventions on waste	0	0	0	14	14
Environmental & Commercial Services	Operational resilience - Recycling & Waste Service	0	(266)	0	0	(266)
Environmental & Commercial Services	Fees & Charges - Highways Road Marking	0	(10)	0	0	(10)
Environmental & Commercial Services	Container Charges	0	(10)	0	0	(10)
Property & Asset Management	Vacancy Factor - Property & Asset Management	0	0	(124)	0	(124)
Property & Asset Management	Acre Business Park	(44)	0	0	0	(44)
Property & Asset Management	Facilities Management Efficiency Savings	0	0	(20)	0	(20)
Property & Asset Management	DfE Funding - Capital Review	(20)	0	0	0	(20)
Property & Asset Management	RTL Depot Lease Adjustment	0	0	(500)	0	(500)
Property & Asset Management	Fees & Charges - Property & Asset Management	0	0	(24)	0	(24)
Management & Sustainability	Vacancy Factor - Management & Sustainability	0	0	(35)	0	(35)
Management & Sustainability	Corporate Solar Programme	0	0	0	(141)	(141)
Management & Sustainability	Maximising income from digital advertising (roadside)	0	0	0	7	7
<b>Total Directorate of Economic Growth and Neighbourhood Services</b>		<b>(1,139)</b>	<b>(1,004)</b>	<b>(2,897)</b>	<b>(169)</b>	<b>(5,209)</b>
Policy, Change & Customer Services	New customer services model	0	(157)	(343)	0	(500)
Policy, Change & Customer Services	Implementation of QGIS	0	0	(15)	0	(15)
Policy, Change & Customer Services	Vacancy Factor - Policy, Change & Customer Services	0	0	(172)	0	(172)
Policy, Change & Customer Services	Corporate Subscriptions Review	0	0	0	(9)	(9)
Policy, Change & Customer Services	VCS Spend	0	0	0	(50)	(50)
Policy, Change & Customer Services	Tackling Inequality Strategy (Place Based Pilots)	0	0	0	(230)	(230)
Policy, Change & Customer Services	Executive Assistants Review	0	0	(89)	0	(89)
Human Resources & Organisational Development	Vacancy Factor - Human Resources & Organisational Development	0	0	(96)	0	(96)
Human Resources & Organisational Development	Traded Services with HR&OD	0	0	0	1	1
Human Resources & Organisational Development	HR & OD Restructure	0	0	(50)	0	(50)
Human Resources & Organisational Development	Defer Leadership & Development Programme for 12 months	0	0	0	(30)	(30)
Human Resources & Organisational Development	Kennet Day Nursery (1)	0	0	(104)	0	(104)
Human Resources & Organisational Development	Kennet Day Nursery (2)	0	0	(10)	0	(10)
Finance	Vacancy Factor - Procurement & Contracts	0	0	(17)	0	(17)

**Appendix 2 - Savings Tracker Quarter 1 (2025/26)**

Service Area	Description	Red £000s	Amber £000s	Green £000s	Blue £000s	Total £000s
Finance	Procurement & Contracts savings - Resources Directorate	0	(96)	0	0	(96)
Finance	Finance Service Review	0	0	(318)	0	(318)
Finance	Vacancy Factor - Finance	0	0	(174)	0	(174)
Finance	Council Tax Leaflet	0	0	0	(8)	(8)
Finance	Court Summons Costs	0	0	(150)	0	(150)
Legal & Democratic Services	Vacancy Factor - Legal & Democratic Services	0	0	(94)	0	(94)
Digital & IT	Vacancy Factor - Digital & IT	0	0	(76)	0	(76)
Digital & IT	DTAC Next Generation Operating Model	0	0	(51)	0	(51)
<b>Total Directorate of Resources</b>		0	(253)	(1,759)	(326)	(2,338)
Communications	Vacancy Factor - Communications	0	0	(24)	0	(24)
Communications	Your Reading Newsletter	0	0	(28)	0	(28)
<b>Total Chief Executive</b>		0	0	(52)	0	(52)
Brighter Futures For Children	Cressingham Childrens Home	0	0	0	(100)	(100)
Brighter Futures For Children	Increase in in-house foster carers	0	0	(64)	0	(64)
Brighter Futures For Children	Development of Edge of Care	(665)	(305)	0	0	(970)
Brighter Futures For Children	Primary Mental Health Team Service Reduction	0	0	0	(300)	(300)
Brighter Futures For Children	School Travel Assistance	0	(214)	0	0	(214)
Brighter Futures For Children	Family (Early) Help Reductions	0	0	0	(285)	(285)
Brighter Futures For Children	Service Reductions Business Support /Admin	0	(83)	(333)	0	(416)
Brighter Futures For Children	Consolidation of Nurseries	0	(101)	0	0	(101)
Brighter Futures For Children	Closure of BFIC and re-integrating into the Council	0	0	(100)	0	(100)
Brighter Futures For Children	BFFC Children's Home	(84)	0	0	0	(84)
<b>Total Brighter Futures for Children</b>		(749)	(767)	(433)	(685)	(2,634)
Corporate Budgets	General Fund-HRA Recharge Realignment	0	0	(300)	0	(300)
<b>Total Corporate</b>		0	0	(300)	0	(300)
<b>Grand Total</b>		(1,888)	(2,024)	(6,424)	(1,180)	(11,516)

Appendix 3 - GF Capital Programme Quarter 1 (2025/26)

Scheme Name	Approved Budget 2025/26 £000	Budget Movements Between Schemes £000	Additional Budgets requested to be added to the Programme -			Reduced Budgets - Completed Schemes & Other carry forward budget adjustments £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 1 2025/26 £000	Spend to 30 June 2025 £000	Forecast Spend £000	Forecast Variance £000	Forecast spend vs forecast £000
			Additional Budgets added to the Programme -	Funded by Capital Receipts, Revenue Contributions, Borrowing & Reserves £000	Programme - Contributions £000							
General Fund												
Community & Social Care Services												
Adult Care and Health Services												
ASC Digital Transformation	166							166	0	166	0	(166)
Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats	6,679						190	6,869	123	6,869	0	(6,746)
<b>Adult Care and Health Services - Sub Total</b>	<b>6,845</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>190</b>	<b>7,035</b>	<b>123</b>	<b>7,035</b>	<b>0</b>	<b>0</b>	<b>(6,912)</b>
Housing & Communities												
Provision of Gypsy & Traveller Accommodation	0							0	0	0	0	0
Harden Public Open Spaces to Prevent Illegal Encampments	60							60	0	60	0	(60)
Other Housing Minor Schemes	0	100						100	0	100	0	(100)
Green Homes Scheme - GF element	40							40	0	40	0	(40)
Disabled Facilities Grants (Private Sector)	1,481		307					1,788	225	1,788	0	(1,563)
Foster Carer Extensions	529							529	0	529	0	(529)
Private Sector Renewals	323							323	0	323	0	(323)
<b>Housing &amp; Communities - Sub Total</b>	<b>2,433</b>	<b>100</b>	<b>307</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,840</b>	<b>225</b>	<b>2,840</b>	<b>0</b>	<b>0</b>	<b>(2,615)</b>
Community & Social Care Services - Total	9,278	100	307	0	0	190	9,875	348	9,875	0	0	(9,527)
Economic Growth and Neighbourhood Services												
Transportation, Planning & Public Protection												
Air Quality Monitoring	22			120				142	19	142	0	(123)
Active Travel Tranche 2	1,191							1,191	3	1,191	0	(1,188)
Active Travel Tranche 3	2,069							2,069	0	2,069	0	(2,069)
Active Travel Tranche 4	50							50	0	50	0	(50)
Active Travel Tranche 4 extension	50							50	0	50	0	(50)
Active Travel Tranche 5	0	207						207	0	207	0	(207)
Consolidated Active Travel Fund	0		489					489	0	489	0	(489)
Berkshire Coroner's Removals	25							25	0	25	0	(25)
Bus Service Improvement	4,639							4,639	254	4,639	0	(4,385)
Local Transport Plan Development	2,206							2,206	2	2,206	0	(2,204)
National Cycle Network Route 422	0							0	0	0	0	0
Reading West Station	143							143	(147)	143	0	(290)
South Reading MRT (Phases 3 & 4)	4							4	(81)	4	0	(85)
Town Centre Street Trading Infrastructure	70							70	0	70	0	(70)
Construction of Green Park Station	7							7	0	7	0	(7)
CIL Local Funds - Community	199	(100)						99	0	99	0	(99)
S106 individual schemes list	780							780	0	780	0	(780)
Defra Air Quality Grant - Bus Retrofit	0							0	0	0	0	0
Defra Air Quality Grant - Go Electric Reading	18							18	0	18	0	(18)
Electric Vehicle Charging Points	866							866	0	866	0	(866)
Zero Emission Bus Regional Areas (ZEBRA) grant to RTL	1,377		1,348					2,725	0	2,725	0	(2,725)
Air Quality Grant - AQ sensors awareness & behaviour change	15							15	0	15	0	(15)
Transport Demand Management Scheme	0							0	0	0	0	0
<b>Transportation, Planning &amp; Public Protection - Sub Total</b>	<b>13,731</b>	<b>(100)</b>	<b>2,044</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>15,795</b>	<b>50</b>	<b>15,795</b>	<b>0</b>	<b>0</b>	<b>(15,745)</b>

Appendix 3 - GF Capital Programme Quarter 1 (2025/26)

Scheme Name	Additional Budgets requested to be added to the Programme -											Forecast Spend £000	Forecast Variance £000	Spend vs forecast £000	
	Approved Budget 2025/26 £000	Budget Movements Between Schemes £000	Additional Budgets added to the Programme -		Funded by Capital Receipts, Revenue Contributions, Borrowing & Reserves £000	Reduced Budgets - Completed Schemes & Other carry forward budget adjustments £000		Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 1 2025/26 £000	Spend to 30 June 2025 £000					
			Funded by Grants & Contributions £000	Programme -		Budgets forward budget adjustments £000	Budgets reprogrammed (to)/from Future Years £000								
Culture															
Leisure Centre Enhancement	1,299								1,299	(151)	1,299	0	(1,450)		
Reading Football Club Social Inclusion Unit to SRLC	1,534							(1,534)	0	0	0	0	0		
Levelling Up Delivery Plan - New performance space at the Hexagon Theatre	6,493								6,493	23	6,493	0	(6,470)		
Levelling Up Delivery Plan - New Reading Library at the Civic Centre	8,705								8,705	1,097	8,705	0	(7,608)		
Abbey Quarter restoration works	165							(135)	30	0	30	0	(30)		
High Street Heritage Action Zone	86								86	0	86	0	(86)		
Berkshire Record Office - extension of storage space	362								362	0	362	0	(362)		
New Directions Ways into work	52								52	0	52	0	(52)		
Shared Prosperity Fund	311								311	0	311	0	(311)		
Library Improvement Works	405								405	0	405	0	(405)		
<b>Culture - Sub Total</b>	<b>19,412</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,534)</b>	<b>(135)</b>	<b>17,743</b>	<b>969</b>	<b>17,743</b>	<b>0</b>	<b>(16,774)</b>				
Environmental & Commercial Services															
Playground equipment and Refreshment: Boroughwide	372								372	3	372	0	(369)		
New Capital Bid - S106 Kenavon Drive Landscape	25								25	0	25	0	(25)		
Victoria Rec	15								15	0	15	0	(15)		
Thames Path works in Kingsmeadow	128		26						154	0	154	0	(154)		
Restoration of historic Wall at Caversham Court Gardens	428							(408)	20	5	20	0	(15)		
Ecological Works	21								21	0	21	0	(21)		
John Rabson skatepark	345								345	294	345	0	(51)		
Tree Planting	50								50	0	50	0	(50)		
Highways Infrastructure Programme	5,676	(750)		932				(52)	5,806	646	5,806	0	(5,160)		
Chestnut Walk Improvements	29								29	0	29	0	(29)		
CIL Local Funds - Heritage and Culture	94								94	0	94	0	(94)		
CIL Local Funds - Leisure and Play	716							(104)	612	31	612	0	(581)		
CIL Local Funds - Transport	1,445	(200)							1,245	1	1,245	0	(1,244)		
Highway Signals_Capital Bid	995								995	20	995	0	(975)		
Invest to save energy savings - Street lighting	3	750							753	48	753	0	(705)		
Pedestrian Defined Urban Pocket Gardens	41								41	2	41	0	(39)		
Pedestrian handrails	52								52	0	52	0	(52)		
Pumping Station Upgrade Scheme (new)	14								14	0	14	0	(14)		
Reading Station Subway	10								10	1	10	0	(9)		
Car Park Investment Programme (inc P&D, Red Routes & Equipment)	365	4							369	86	369	0	(283)		
Network Management Programme	27	276							303	4	303	0	(299)		
Digitised TRO's	300			169				(169)	300	0	300	0	(300)		
Eastern Area Access Works	199								199	0	199	0	(199)		
Local Traffic Management and Road Safety Schemes	701	(150)							551	6	551	0	(545)		
Oxford Road Corridor Works	334	200	342						876	0	876	0	(876)		
Traffic Management Schools	431	(130)							301	0	301	0	(301)		
Western Area Access Works	128								128	0	128	0	(128)		
Vehicle Maintenance Workshop	115	(110)							5	(39)	5	0	(44)		
Replacement Vehicles	486	20							506	66	506	0	(440)		
<b>Environmental &amp; Commercial Services - Sub Total</b>	<b>13,545</b>	<b>(90)</b>	<b>1,300</b>	<b>169</b>	<b>(104)</b>	<b>(629)</b>	<b>14,191</b>	<b>1,174</b>	<b>14,191</b>	<b>0</b>	<b>(13,017)</b>				

Appendix 3 - GF Capital Programme Quarter 1 (2025/26)

Scheme Name	Approved Budget 2025/26 £000	Budget Movements Between Schemes £000	Additional Budgets requested to be added to the Programme -						Reduced Budgets -				Forecast Spend £000	Forecast Variance £000	spend vs forecast £000
			Additional Budgets added to the Programme -			Funded by Capital Receipts, Revenue Contributions, Borrowing & Reserves £000			Completed Schemes & Other carry forward budget adjustments £000		Budgets reprogrammed (to)/from Future Years £000		Revised Budget Quarter 1 2025/26 £000	Spend to 30 June 2025 £000	
			Budget	Movements	Programme - Funded by Grants & Contributions £000	Borrowing & Reserves £000	Other carry forward budget adjustments £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 1 2025/26 £000	Spend to 30 June 2025 £000	Forecast Spend £000	Forecast Variance £000			
<b>Scheme Name</b>															
<b>Property &amp; Asset Management</b>															
The Heights Permanent Site Mitigation	67										67	0	67	0	(67)
Corporate and Community Buildings	461	90							184	735	110	735	0		(625)
1 Dunsfold Fitout for BFfC Family Contact Centre - Development for Community Use	22									22	0	22	0		(22)
Maintenance & Enhancement of Council Properties	150									150	1	150	0		(149)
Acre Business Park	0									0	0	0	0		0
<b>Property &amp; Asset Management - Sub Total</b>	<b>700</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>184</b>	<b>974</b>	<b>111</b>	<b>974</b>	<b>0</b>	<b>0</b>	<b>(863)</b>		
<b>Management &amp; Sustainability</b>															
Salix Decarbonisation Fund	654									654	43	654	0		(611)
Corporate Solar Programme	1,953									(950)	1,003	0	1,003	0	(1,003)
<b>Management and Sustainability - Sub Total</b>	<b>2,607</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(950)</b>	<b>1,657</b>	<b>43</b>	<b>1,657</b>	<b>0</b>	<b>0</b>	<b>(1,614)</b>		
<b>Economic Growth and Neighbourhood Services Total</b>	<b>49,995</b>	<b>(100)</b>	<b>3,344</b>	<b>289</b>	<b>(1,638)</b>	<b>(1,530)</b>		<b>50,360</b>	<b>2,347</b>	<b>50,360</b>	<b>0</b>	<b>0</b>	<b>(48,013)</b>		
<b>Resources</b>															
IT Future Operating Model	1,249									1,249	215	1,249	0		(1,034)
ICT Tech Refresh	436								518	954	20	954	0		(934)
Crematorium Procurement	683									683	84	683	0		(599)
Burial Chambers	80									80	0	80	0		(80)
Additional Burial Space	173									173	0	173	0		(173)
Cemetery Land Acquisition	430									430	0	430	0		(430)
<b>Resources Total</b>	<b>3,051</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>518</b>	<b>3,569</b>	<b>319</b>	<b>3,569</b>	<b>0</b>	<b>0</b>	<b>(3,250)</b>		

Appendix 3 - GF Capital Programme Quarter 1 (2025/26)

Scheme Name	Approved Budget 2025/26 £000	Budget Movements Between Schemes £000	Additional Budgets added to the Programme - Funded by Grants & Contributions £000	Capital Receipts, Revenue Contributions, Borrowing & Reserves £000	Additional Budgets requested to be added to the Programme -		Reduced Budgets - Completed Schemes & Other carry forward budget adjustments £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget Quarter 1 2025/26 £000	Spend to 30 June 2025 £000	Forecast Spend £000	Forecast Variance £000	Forecast spend vs forecast £000
					Programme - Funded by Grants & Contributions £000	Capital Receipts, Revenue Contributions, Borrowing & Reserves £000							
					Additional Budgets added to the Programme - Funded by Grants & Contributions £000	Capital Receipts, Revenue Contributions, Borrowing & Reserves £000							
<b>Economic Growth and Neighbourhood Services (Education Schemes)</b>													
Additional School Places - Contingency	950								950	0	950	0	(950)
DFC	0								67	67	67	0	0
SEN Provision - Avenue Centre	44								44	0	44	0	(44)
Asset Management	497								497	0	497	0	(497)
Civitas- Synthetic Sports Pitch	24								24	(4)	24	0	(28)
Crescent Road Playing Field Improvements	121								121	0	121	0	(121)
Critical Reactive Contingency: Health and safety (Schools)	609								609	(3)	609	0	(612)
Fabric Condition Programme	3,462	(417)							3,045	558	3,045	0	(2,487)
Green Park Primary School	60								60	(616)	60	0	(676)
Heating and Electrical Renewal Programme	2,328								2,328	(4)	2,328	0	(2,332)
Initial <del>W</del> ability work for the Free School at Richfield Avenue	1								1	0	1	0	(1)
Modular Buildings Review	253								253	9	253	0	(244)
Pinecroft - Children who have complex health, physical/sensory,disabilities & challenging behaviour	2								2	0	2	0	(2)
Cressingham- Community Short Breaks Provision	3								3	(15)	3	0	(18)
Provision of additional Children's Homes	1,429								1,429	659	1,429	0	(770)
Children's Home for Children with Disabilities	0								0	0	0	0	0
Early Years increase to 30 hours provision	264								264	12	264	0	(252)
Dee Park Regeneration - Housing Infrastructure Fund (school)	827								827	(70)	827	0	(897)
Public Sector Decarbonisation Funds - School Estate Double Glazing Programme	289								289	0	289	0	(289)
SCD Units	25								25	0	25	0	(25)
Schools - Fire Risk Assessed remedial Works	210								210	17	210	0	(193)
SEN High Needs provision capital allocations	5,254	417	2,895					(3,312)	5,254	24	5,254	0	(5,230)
The Heights Temporary School	351								351	0	351	0	(351)
Park Lane Primary School Annex Replacement	538								538	(50)	538	0	(588)
<b>Economic Growth and Neighbourhood Services (Education Schemes) Total</b>	<b>17,541</b>	<b>0</b>	<b>2,962</b>	<b>0</b>	<b>0</b>	<b>(3,312)</b>	<b>17,191</b>	<b>584</b>	<b>17,191</b>	<b>0</b>	<b>(16,607)</b>		
<b>Corporate</b>													
Delivery Fund (Pump priming for Transformation projects)	2,927								2,927	(407)	2,759	(168)	(3,166)
Oracle Shopping Centre capital works	100								100	0	100	0	(100)
Minster Quarter - Brownfield Land Grant Element	2,000								2,000	0	2,000	0	(2,000)
Minster Quarter	478								478	0	478	0	(478)
<b>Corporate Total</b>	<b>5,505</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,505</b>	<b>(407)</b>	<b>5,337</b>	<b>(168)</b>	<b>(5,744)</b>	
<b>General Fund Total</b>	<b>85,370</b>	<b>0</b>	<b>6,613</b>	<b>289</b>	<b>(1,638)</b>	<b>(4,134)</b>	<b>86,500</b>	<b>3,191</b>	<b>86,332</b>	<b>(168)</b>	<b>(83,141)</b>		

Appendix 3 - GF Capital Programme Quarter 1 2025-26 (Future years)

Scheme Name	Approved Budget 2026/27	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2026/27	Approved Budget 2027/28	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2027/28	Approved Budget 2028/29	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2028/29	Approved Budget 2029/30	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2029/30	Total Revised Budget 2025/26 to 2029/30
	£000	£000	£000	£000		£000	£000	£000		£000	£000	£000		£000	£000	£000	£000
General Fund																	
Community & Social Care Services																	
Adult Care and Health Services																	
ASC Digital Transformation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	166
Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats																	
	1,264	(190)		1,074	701	0	0	701	0	0	0	0	0	0	0	0	8,644
<b>Adult Care and Health Services - Sub Total</b>	<b>1,264</b>	<b>(190)</b>	<b>0</b>	<b>1,074</b>	<b>701</b>	<b>0</b>	<b>0</b>	<b>701</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,810</b>
Housing & Communities																	
Provision of Gypsy & Traveller	0	0	0	0	0	0	0	0	3,455	0	0	3,455	0	0	0	0	3,455
Harden Public Open Spaces to Prevent Illegal Encampments	25	0	25	25	25	0	25	25	25	0	0	25	25	0	0	25	160
Other Housing Minor Schemes																	100
Green Homes Scheme - GF element	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	40
Disabled Facilities Grants (Private Sector)																	
	1,197	0	1,197	1,197	1,197	0	1,197	1,197	1,197	0	0	1,197	1,197	0	0	1,197	6,576
Foster Carer Extensions	200	0	200	0	0	0	0	0	0	0	0	0	0	0	0	0	729
Private Sector Renewals	300	0	300	300	300	0	300	300	300	0	0	300	300	0	0	300	1,523
<b>Housing &amp; Communities - Sub Total</b>	<b>1,722</b>	<b>0</b>	<b>0</b>	<b>1,722</b>	<b>1,522</b>	<b>0</b>	<b>0</b>	<b>1,522</b>	<b>4,977</b>	<b>0</b>	<b>0</b>	<b>4,977</b>	<b>1,522</b>	<b>0</b>	<b>0</b>	<b>1,522</b>	<b>12,583</b>
<b>Community &amp; Social Care Services - Total</b>	<b>2,986</b>	<b>(190)</b>	<b>0</b>	<b>2,796</b>	<b>2,223</b>	<b>0</b>	<b>0</b>	<b>2,223</b>	<b>4,977</b>	<b>0</b>	<b>0</b>	<b>4,977</b>	<b>1,522</b>	<b>0</b>	<b>0</b>	<b>1,522</b>	<b>21,393</b>
Economic Growth and Neighbourhood Services																	
Transportation, Planning & Public Protection																	
Air Quality Monitoring	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	142
Active Travel Tranche 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,191
Active Travel Tranche 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,069
Active Travel Tranche 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50
Active Travel Tranche 4 extension	508	0	508	508	508	0	508	508	0	0	0	0	0	0	0	0	558
Active Travel Tranche 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	207
Consolidated Active Travel Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	489
Berkshire Homeless Removals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25
Bus Service Improvement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,639
Local Transport Plan Development	900	0	900	900	989	0	989	989	400	0	0	400	400	0	0	400	4,895
National Cycle Network Route 422	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reading West Station	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	143
South Reading MRT (Phases 3 & 4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4
Town Centre Street Trading Infrastructure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70
Construction of Green Park Station	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7
CIL Local Funds - Community	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	99
S106 individual schemes list	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	780
Defra Air Quality Grant - bus Retrofit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Defra Air Quality Grant - Go Electric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18
Electric Vehicle Charging Points	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	866
Zero Emission Bus Regional Areas (ZEBRA) grant to RTL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,725
Air Quality Grant - AQ sensors awareness & Transport Demand Management Scheme	0	0	0	0	0	0	0	0	600	0	0	600	0	0	0	0	600
<b>Transportation, Planning &amp; Public Protection</b>	<b>1,408</b>	<b>0</b>	<b>0</b>	<b>1,408</b>	<b>989</b>	<b>0</b>	<b>0</b>	<b>989</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>400</b>	<b>0</b>	<b>0</b>	<b>400</b>	<b>19,592</b>
Culture																	
Leisure Centre Enhancement	976	0	976	976	308	0	308	308	217	0	0	217	581	0	0	581	3,381
Reading Football Club Social Inclusion Unit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Levelling Up Delivery Plan - New performance space at the Hexagon Theatre	9,851	0	9,851	9,851	0	0	0	0	0	0	0	0	0	0	0	0	16,344
Levelling Up Delivery Plan - New Reading Abbey Quarter restoration works	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,705
High Street Heritage Action Zone	0	135	135	135	0	0	0	0	0	0	0	0	0	0	0	0	165
Berkshire Record Office - extension of storage space	10	0	10	10	0	0	0	0	0	0	0	0	0	0	0	0	86
New Directions Ways into work	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	52
Shared Prosperity Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	311
Library Improvement Works	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	405
<b>Culture - Sub Total</b>	<b>10,837</b>	<b>135</b>	<b>0</b>	<b>10,972</b>	<b>308</b>	<b>0</b>	<b>0</b>	<b>308</b>	<b>217</b>	<b>0</b>	<b>0</b>	<b>217</b>	<b>581</b>	<b>0</b>	<b>0</b>	<b>581</b>	<b>29,821</b>

Appendix 3 - GF Capital Programme Quarter 1 2025-26 (Future years)

Appendix 3 - GF Capital Programme Quarter 1 2025-26 (Future years)

Scheme Name	Approved Budget 2026/27	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2026/27	Approved Budget 2027/28	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2027/28	Approved Budget 2028/29	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2028/29	Approved Budget 2029/30	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2029/30	Total Revised Budget 2025/26 to 2029/30	
	£000	£000	£000	£000		£000	£000	£000		£000	£000	£000		£000	£000	£000	£000	
Initial Viability work for the Free School at Richfield Avenue	28	0	0	28		0	0	0		0	0	0		0	0	0	29	
Modular Buildings Review	900	0	0	900		0	0	0		0	0	0		0	0	0	1,153	
Pinecroft-Children who have complex	0	0	0	0		0	0	0		0	0	0		0	0	0	2	
Cressingham - Community Short Breaks Provision	0	0	0	0		0	0	0		0	0	0		0	0	0	3	
Provision of additional Children's Homes	0	0	0	0		0	0	0		0	0	0		0	0	0	1,429	
Children's Home for Children with Early Years increase to 30 hours provision	1,138	0	0	1,138		0	0	0		0	0	0		0	0	0	1,138	
Dee Park Regeneration - Housing	0	0	0	0		0	0	0		0	0	0		0	0	0	264	
6,153	0	0	0	6,153		0	0	0		0	0	0		0	0	0	6,980	
Public Sector Decarbonisation Funds - School Estate Double Glazing Programme	0	0	0	0		0	0	0		0	0	0		0	0	0	289	
SCD Units	0	0	0	0		0	0	0		0	0	0		0	0	0	25	
Schools - Fire Risk Assessed remedial Works	163	0	0	163		0	0	0		0	0	0		0	0	0	373	
SEN High Needs provision capital allocations	1,990	3,312	5,302	0		0	0	0		0	0	0		0	0	0	10,556	
The Heights Temporary School	0	3,000	0	0		0	0	0		0	0	0		0	0	0	351	
Park Lane Primary School Annexe	0	0	0	0		0	0	0		0	0	0		0	0	0	0	
Replacement	0	0	0	0		0	0	0		0	0	0		0	0	0	538	
<b>Economic Growth and Neighbourhood Services (Education Schemes) Total</b>	<b>12,301</b>	<b>3,312</b>	<b>0</b>	<b>15,613</b>		<b>1,612</b>	<b>0</b>	<b>0</b>	<b>1,612</b>		<b>1,612</b>	<b>0</b>	<b>0</b>	<b>1,612</b>	<b>0</b>	<b>0</b>	<b>36,028</b>	
<b>Corporate</b>																		
Delivery Fund (Pump priming for Transformation projects)	1,500	0	0	1,500		1,500	0	0	1,500		1,500	0	0	1,500	0	0	8,927	
Oracle Shopping Centre capital works	100	0	0	100		100	0	0	100		100	0	0	100	0	0	500	
Minster Quarter - Brownfield Land Grant	0	0	0	0		0	0	0	0		0	0		0	0	0	0	
Element 0	0	0	0	0		0	0	0	0		0	0		0	0	0	2,000	
Minster Quarter	0	0	0	0		0	0	0	0		0	0		0	0	0	478	
<b>Corporate Total</b>	<b>1,600</b>	<b>0</b>	<b>0</b>	<b>1,600</b>		<b>1,600</b>	<b>0</b>	<b>0</b>	<b>1,600</b>		<b>1,600</b>	<b>0</b>	<b>0</b>	<b>1,600</b>	<b>0</b>	<b>0</b>	<b>11,905</b>	
<b>General Fund Total</b>	<b>37,018</b>	<b>4,134</b>	<b>0</b>	<b>41,152</b>		<b>23,933</b>	<b>0</b>	<b>0</b>	<b>23,933</b>		<b>19,084</b>	<b>0</b>	<b>0</b>	<b>19,084</b>	<b>8,884</b>	<b>0</b>	<b>0</b>	<b>179,553</b>

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Appendix 4 - HRA Capital Programme Quarter 1 (2025/26)

Scheme Name	Approved Budget 2025/26 £000	Budget Movements Between Schemes £000	Additional Budgets added to the Programme - Funded by Grants & Contributions £000	Programme - Funded by Capital Receipts, £000	Additional Budgets requested to be added to the Programme - Funded by Capital Receipts, £000	Reduced Budgets - Completed Schemes & Other carry forward budget adjustments £000	Budgets reprogrammed (to)/from Future Years £000	Revised Budget			Forecast Spend £000	Forecast Variance £000	spend vs forecast £000
								Quarter 1 2025/26 £000	Spend to 30 June 2025 £000	Forecast Spend £000			
<b>Housing Revenue Account (HRA)</b>											0	0	
Disabled Facilities Grants	784							784	0	784	0	(784)	
Housing Management System	27							27	33	27	0	6	
Major Repairs - Existing Homes Renewal	10,076	(10,076)						0	0	0	0	0	
Major Repairs - Zero Carbon Retrofit works	11,306	(11,306)						0	0	0	0	0	
Major Repairs - Existing Homes Renewal & Zero Carbon Retrofit works	0	21,382				(8,346)		13,036	0	13,036	0	(13,036)	
Acquisitions from Homes for Reading	11,355							11,355	3,055	11,355	0	(8,300)	
Single Homelessness Accommodation Programme (SHAP)	371							371	0	371	0	(371)	
Homes Provided under Local Authority Housing Fund	3,138							3,138	0	3,138	0	(3,138)	
Local Authority new build programme for Older people and vulnerable adults	17,598							17,598	508	17,598	0	(17,090)	
New Build & Acquisitions - Phase 2 - 4	34,624							34,624	266	34,624	0	(34,358)	
<b>Housing Revenue Account (HRA) Total</b>	<b>89,279</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,346)</b>	<b>80,933</b>	<b>3,862</b>	<b>80,933</b>	<b>0</b>	<b>0</b>	<b>(77,071)</b>	

Appendix 4 - HRA Capital Programme Quarter 1 2025-26 (Future years)

Scheme Name	Approved Budget 2026/27	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2026/27	Approved Budget 2027/28	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2027/28	Approved Budget 2028/29	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2028/29	Approved Budget 2029/30	Budgets reprogrammed (to)/from Previous Year	Budgets reprogrammed (to)/from Future Years	Revised Budget Quarter 1 2029/30	Total Revised Budget 2025/26 to 2029/30			
	£000	£000	£000	£000		£000	£000	£000		£000	£000	£000		£000	£000	£000	£000			
Housing Revenue Account (HRA)																				
Disabled Facilities Grants	600	0	600	600		600	0	600		600	0	600		600	0	600	3,184			
Housing Management System	0	0	0	0		0	0	0		0	0	0		0	0	0	27			
Major Repairs - Existing Homes Renewal	12,087	0	12,087	7,894		7,894	0	7,894		9,025	0	9,025		9,025	0	9,025	38,031			
Major Repairs - Zero Carbon Retrofit works	3,500	0	3,500	3,400		3,400	0	3,400		875	0	875		875	0	875	8,650			
Major Repairs - Existing Homes Renewal & Zero Carbon Retrofit works	0	8,346	8,346	0		0	0	0		0	0	0		0	0	0	21,382			
Acquisitions from Homes for Reading	9,450	0	9,450	6,615		6,615	0	6,615		0	0	0		0	0	0	27,420			
Single Homelessness Accommodation Programme (SHAP)	0	0	0	0		0	0	0		0	0	0		0	0	0	371			
Homes Provided under Local Authority Housing Fund	0	0	0	0		0	0	0		0	0	0		0	0	0	3,138			
Local authority new build programme for Older people and vulnerable adults	500	0	500	0		0	0	0		18,344	0	18,344		0	0	0	36,442			
New Build & Acquisitions - Phase 2 - 4	3,641	0	3,641	487		487	0	487		0	0	0		0	0	0	38,752			
<b>Housing Revenue Account (HRA) Total</b>	<b>29,778</b>	<b>8,346</b>	<b>0</b>	<b>38,124</b>		<b>18,996</b>	<b>0</b>	<b>0</b>		<b>18,996</b>		<b>28,844</b>	<b>0</b>	<b>0</b>	<b>28,844</b>	<b>10,500</b>	<b>0</b>	<b>0</b>	<b>10,500</b>	<b>177,397</b>

**Appendix 5: Council Plan Performance Measures Q1 2025/26** **Green** = at or above target **Amber** = within 10% of target **Red** = 10% or more off target

Council Plan Priority	Measure	Units	Target	Actual	Status	Comments
Equal Communities	Residents quitting smoking (No. as measured four weeks after quitting)	No.	155	22	Red	Q1 data is incomplete due to lag in data availability and difference in contract year and financial year. Focus is on the delivery of the annual target (618) rather than quits per quarter.
Economic and cultural success	Housing repairs urgent completed within 2 working days (%)	%	90	75.19	Red	Following the demobilisation of the Wokingham Repairs contract, some refresher training, and the addition of the temporary staff in the back office; there has been a big focus on correct completions and data entry. We are working on the right processes through the system, and making sure staff are clear on the resolution of work orders and stages of jobs which can't be completed on the first visit. We were aware that the emergency repairs and urgent repairs were being completed within targets; but the data in the system was not reflective. We will continue to work through the backlog of data in the WIP as well as making sure the current work is managed correctly both in the back office and out with the trade operatives.
Economic and cultural success	Physical visits to Reading Libraries (annual cumulative)	No.	220,000	75,817	Green	Remains on track for the year and should increase in next quarter due to summer activities.
Economic and cultural success	Planning applications for major development decided on time (% of total)	%	100	66	Red	Local Planning Authorities (LPA's) are at risk of being designated as "underperforming" if targets are not met over the preceding 24 months. The criteria for designation as "underperforming" for major development is less than 60 per cent of an authority's decisions made within the statutory determination period or such extended period as has been agreed in writing with the applicant. This quarters result of 66% is the lowest for some time with the previous 24 months sitting comfortably around 90-100% in time. With the small number of major applications received a small fluctuation makes a marked change in

**Appendix 5: Council Plan Performance Measures Q1 2025/26** **Green** = at or above target **Amber** = within 10% of target **Red** = 10% or more off target

Council Plan Priority	Measure	Units	Target	Actual	Status	Comments
					Red	performance. In this quarter there was three major decisions issued but for the one refused the applicant would not agree an extension of time.
Economic and cultural success	Participation at our theatres and museums (No.)	No	325,000	109,054	Green	Cumulative. The visitor numbers across all Cultural venues are buoyant, with increased numbers at Reading Museum Town Hall/ Pantry and South Street. Despite a slightly reduced programme at The Hexagon due to Studio Theatre planning, the venue has retained audience numbers and continued to deliver a busy programme.
Sustainable and Healthy Environment	Missed bins (No. per 100,000 collections)	No.	80	101.77	Red	<p>The service performance target of 80 (or less) missed bins per 100,000 scheduled collections was not met in June, with a performance of 101.77. This is however an improvement on the figure achieved in the same period June 2024, when the performance attained was 112.</p> <p>Missed bin numbers in June 25 exceeding the performance benchmark can in part be attributed to the rescheduling of waste collection rounds from the 9th of June. Conversely the improvement attained against June 2024 figures can also be attributed to the route rescheduling work. The service hope for continued/sustained improvement as a result.</p>
Sustainable and Healthy Environment	Household waste recycled or composted (% of Total)	%	51	51.5	Green	The provisional recycling rate for quarter 1 2025/26 is 51.5%. This compares to 51.5% last year.
Adults and children	Children in care living more than 20 miles from Reading (% of Total)	%	25	39	Red	The shortage of local and national foster carers and children's homes has increased our use of placements which are beyond 20 miles. All children in care living beyond 20 miles have been reviewed to ensure that, where appropriate, plans are in place to move them closer to Reading. We are pro-actively addressing the shortage of local foster carers through

**Appendix 5: Council Plan Performance Measures Q1 2025/26** **Green** = at or above target **Amber** = within 10% of target **Red** = 10% or more off target

Council Plan Priority	Measure	Units	Target	Actual	Status	Comments
					Red	the regional fostering recruitment and retention hub, the mockingbird support for foster carers and an increase in foster carer fees; the progression of local children's homes and an Edge of Care offer to prevent children coming into care, prevent breakdown of care and return children home where safe and appropriate to do so.
Adults and children	Children placed in external children's homes (No.)	No.	30	37	Red	The national and local shortage of foster carer, combined with complexity of need means that more children are living in children's homes. Targeted work to increase foster carers and embed our Edge of Care work is underway to meet needs and prevent escalation of need.
Adults and children	Children Looked After (No.)	No.	275	275	Green	Embedding our Edge of Care service and panels, alongside an effective Family Help Service and work to strengthen our front door, is contributing to maintaining a stable number of children in care.
Adults and children	School places for children and young people with Special Educational Needs and Disability (SEND) (cumulative total)	No.	1065	1013	Green	There is a projected need for 1184 specialist places for children with SEND by September 2026, with a milestone target of 1004 places by September 2025, which has been achieved.  Proposals are being brought forward to establish expanded additionally resourced provision capacity at secondary phase in two local secondary schools, to create an additional 60 places for September 2025. Plans are progressing to meet need with the establishment of additional all through 180 place special school provision collocated on two primary school sites in Reading.
Adults and children	Older People (65+) who were still at home 91 days after	%	87	87.8	Green	Work has progressed to improve the referral pathway with the hospitals and ensure the right patients are referred into reablement. This has resulted in an

**Appendix 5: Council Plan Performance Measures Q1 2025/26** **Green** = at or above target **Amber** = within 10% of target **Red** = 10% or more off target

Council Plan Priority	Measure	Units	Target	Actual	Status	Comments
	discharge from hospital into reablement (%)					improvement in people remaining at home after 91 days.
Adults and children	New contacts to the Advice & Wellbeing hub resulting in a successful outcome not requiring an ongoing service (%)	%	87	87.11	Green	Staff are supporting residents in a proactive manner, signposting residents to voluntary sector and continuing to use a Strength Based Approach.
Adults and children	Children with an Education, Health, and Care Plan (EHCP) with a plan at age 14 for transition into adulthood at age 14 (% of total) <sup>1</sup>	%	60	67	Green	Robust and joined up transition planning between children's and adult's services are ensuring an increasing number of children have transition plans secure from the age of 14.
Fit for the Future	Contracts over £125,000 achieving Social Value (% of total)	%	55	100	Green	All procurements notified to the hub via Procurement Board have included a Social Value criterion and offer as part of the evaluation methodology.
Fit for the Future	Customer satisfaction with the outcome of contact with the Customer Fulfilment Centre (% satisfied or partially satisfied)	%	90	87	Amber	Satisfaction has improved as the service makes process changes. We remain focused on making continued improvements to wait times in relation to a small number of services.
Fit for the Future	Resident contacts handled through self-service channels (% of total)	%	50	To follow		This measure will be reported from the second quarter of the year.

<sup>1</sup> Amended wording proposed: Children and young people between the ages of 14-18, that have been identified that require joint transition planning through SEND/Adult social care to inform care act assessments and support in adult social care (% of total)

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
Equal Communities Page 106	Deliver the Education Strategy to reduce education inequality and increase school attendance and attainment for those groups who experience the most disadvantage.	On track	<p>Reading Education Partnership Board have expanded to include early years and HE and FE education, as well as engaging local public schools. School-to-school support and challenge is in place with local school clusters developing local improvement plans. School effectiveness framework in place and used to address issues in specific schools, successful Rapid Improvement actions have supported improved outcomes in schools. Annual School Standards presented to Adults Children and Education Committee, June 2025 provides further detail on the following improvements.</p> <p>Key Stage 2 Reading Writing Maths outcomes improving at a faster rate than national and gap Reading v national reducing. Children with Special Education Needs and Disabilities (SEND) Education, Health, and Care Plan (EHCP) more positive increase from 2023 to 2024. Children with SEND support significant increase between 2023 and 2024, above national performance for 2 years. Disadvantaged children improving at a faster rate than national but significant gap remains. Black and/or Black mixed heritage children improving at a faster rate than national but significant gap remains.</p> <p>Persistent Absence is a priority area, including for vulnerable pupils. BFFC restructure has brought attendance support into Education department. Continued promotion of Therapeutic Thinking in Schools and training offer, behaviour reviews in schools.</p> <p>ACE Committee task and finish group established to consider what further partnership and community action can be taken to reduce suspensions and improve attendance.</p>
Equal Communities	Deliver support to help people stop smoking, particularly those working in professions with higher rates of smoking.	At risk	<p>Our stop smoking core contract is in place alongside the enhanced service contract to support our ambition to increase the number of people quitting smoking in Reading. There is a data lag to be considered in reports, and the contract and fiscal year are different. The complete data for Q1 will be updated in Q2.</p>
Equal Communities	Develop approaches to ensure that health and wellbeing is considered across all policy areas.	On track	<p>There has been some substantive progress made to initiate Health in All Policies (HiAP) with the launch of the Public Health HiAP Fund to SLG on 7/7/25 and HiAP overview session facilitated by LGA (overview session on HiAP to Members will take place in the Autumn). The Public Health Restructure proposals consulted on until 3/8/25 will support the HiAP approach across directorates. Leadership and Members commitment</p>

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
			needs to be demonstrated in practice to embed HiAP and Health Impact Assessment (HIA) at the formulation stage of projects/policies.
Equal Communities	Deliver the voluntary and community sector compact action plan, including small grants funding.	On track	VCS Compact action plan delivery is continuing. Refresh of the VCS Compact is scheduled for later this year. SGF proposal for 2025/26 to be considered by Leadership Briefing in July - with a view to delivering the SGF during September and December 2025.
Equal Communities	Develop and deliver our place-based approach to enhance access to education, skills, and training.	On track	PBP delivery of existing projects nearly completed. Refresh of PBP actions is currently taking place and scheduled for reporting to Social Inclusion Board in July 2025.
Equal Communities	Provide advice and guidance to residents regarding the cost of living and direct financial support through the Household Support Fund.	On track	HSF scheme for 2025/26 in place and delivering against objectives. Approx. 1400 households supported through the application element, and £75,000 distributed to local VCS organisations. Work to distribute the first round of vouchers to PPFSM and Care Leavers in place.
Page 110	Support the Community Safety Partnership and facilitate Safer Neighbourhood Forums to reduce crime and antisocial behaviour.	On track	<p>The Community Partnerships Service have started the annual Community Safety Survey on behalf of the CSP, which will run until the end of August. This will provide information about how residents feel about crime, ASB and safety in the town and will be compared to last year's responses. The service will undertake analysis of this year's results in the next quarter and will present initial findings at the CSP Executive Group in September.</p> <p>The Community Partnerships Service has also been working on an annual report for the CSP that will be published during Quarter 2. This now forms part of an annual programme of work to coincide with an update on activity conducted by the CSP at the summer HNL Committee every year.</p> <p>The Community Partnerships Service has also been working with the Council's Web Team to develop a dedicated Community Safety Partnership Section of the Website, which will launch in July.</p> <p>Safer Neighbourhood Forum Dates have now been set for Autumn and Winter. A review will be undertaken by the Community Safety Team as to impact of the forums under the new model, in preparation for a report to Housing, Neighbourhoods and Leisure Committee in November, which will set out how the Forums have been working under the model introduced last year.</p>

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
Equal Communities	Support plans to tackle knife crime, domestic abuse and violence against women and girls.	On track	<p>Domestic Abuse: A procurement exercise has commenced to bring in a consultant to undertake a Strategic Needs Assessment and to develop the new strategy and Action Plan for 2026 - 2029. This work is on track to start in September. A review of the DA Partnership Board has been commissioned and will run from the beginning of July for 6 weeks to determine how effective the Board is working and if improvements are required. This will be presented back to the DA Board and Community Safety Partnership with a view to developing an improvement plan, if required.</p> <p>Knife Crime - The Community Safety Manager is now a member of the TVP Berkshire West Knife Crime meeting, which monitors trends and emerging issues relating to knife crime.</p> <p>Violence Against Women &amp; Girls:</p> <p>Through the work of the Community Safety Partnership, Young Voices is working with Reading Buses on safety in the public realm around buses being a safe space and bus drivers being the safe person.</p> <p>Members of the Community Safety Partnership have met with the Oracle to discuss children's safety. Brighter Futures for Children is meeting with the Children's Society to arrange a training programme with The Oracle security staff.</p> <p>Through Partnership Funding from the Police and Crime Commissioner, the My Way app has had a redesign, for context this is an app we have been recommending to students which has safety tools to help them get home safely. A focus group with students took place in June to provide their thoughts on the redesign.</p> <p>DA Conference: Supporting Survivors for 50 Years Conference was held on 21st May, led by Berkshire Women's Aid &amp; the Community Safety Partnership. It provided vital information for professionals, as well as providing victim survivors to talk to professionals about their experiences and how services could be improved.</p>
Equal Communities	Continue work to prevent and reduce homelessness.	On track	Working with partners, Q1 25-26 has realised 89 successful preventions of homelessness.

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
Economic and cultural success	Through the Local Authority New Build programme, deliver 362 new homes at Dee Park and other sites by December 2028.	On track	Delivery progressing with key sites at Hexham Road and Amethyst Lane now on site. Dwyer Road is expected to start on site in the next few weeks. Battle Street Pre Construction Services Agreement has now commenced. Demolition underway at Southcote Lane. Brief developed to appoint contractor to undertake the planning application for Dee Park Phase 3.
Economic and cultural success	Complete the acquisition of Homes for Reading housing stock into the Council by the end of 2026 and re-let the homes to households on the Council's Housing Register.	On track	This project is progressing to plan, with efficient and effective cooperation between many Council teams. Of the 101 homes, 39 have now voided of which 29 have been purchased. 21 of the purchased properties are already being let – 13 by key workers and 8 as temporary accommodation as a meanwhile use for homeless residents. The remaining 8 purchased properties are being advertised and let currently. Work continues to support remaining tenants in finding suitable alternative accommodation. Notices to Quit are being served on properties with expired tenancies on a rolling monthly basis. The decision to retain the Queen's Rd properties has introduced an additional workstream.
Economic and cultural success	Increase the number and timeliness of repairs delivered by our Housing Repairs & Property Services teams.	At risk	Improvement plan is ongoing following the audits and grading by the Regulator for Social Housing.
Economic and cultural success	Progress an updated Local Plan towards adoption to provide a framework to guide decision making on the planning applications for homes and infrastructure.	On track	Local Plan Partial Update submitted for examination on 9 May, and hearings likely to take place in the Autumn. This should enable adoption during 2026, but this will depend on the issues that arise during examination.
Economic and cultural success	Introduce the Additional Licensing Scheme in the private rented sector to improve housing conditions for tenants.	At risk	The scheme is currently going through the Tender process although there is a delay in approving the contract and designation.
Economic and cultural success	In partnership with other Berkshire councils, facilitate the Connect to Work programme to support residents with long term health conditions into work.	On track	This is a Berkshire wide project with Wokingham as the Accountable Body and lead. The delivery plan for the programme has been approved via the Berkshire Prosperity Board and was submitted to the Department for Work and Pensions on 27th May for review. Commissioning arrangements for a prime provider with sub providers across Berkshire are being led by Wokingham Borough Council who are drawing up the specification document as the Accountable Body for Berkshire and Reading will be represented on the procurement decision making panel.
Economic and cultural success	Work in partnership to secure devolution for Reading and the wider area through a new Mayoral Strategic Authority.	At risk	Positive engagement continues between Oxfordshire, Berkshire, and Swindon local authorities. Workstreams have been identified and align with Government criteria and the Berkshire Prosperity Board priorities.

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
			The project is rated as amber as the timescales are still uncertain, and details are awaited from Government on future rounds of devolution.
Economic and cultural success Page 113	Deliver a new Civic Centre, including a new Central Library and improved Registrars and Customer provision.	At risk	In this quarter delivery of Decarb Works ended. Handover from MSC to RBC was completed. We are completing works following discovery of an issue in an area of the plant that was out of scope but as the fault impacts the wider operations a process of fault finding has been done with MSC design and M&E contractors, and RBC MEP Engineers / RBC Property Services. This has led to replacement pump required. Work has commenced closing out snags which have been identified. Main Works construction has progressed this quarter and we are on week 24 of 60 work programme. Works include the construction of main entrance facade and roof works are progressing well. The courtyard works progressing following completion of scaffold bird cage hoist frame. External Works are ahead of programme with tarmac to the perimeter hardstanding, this will provide MSC access to the elevated platforms which MSX use to fix rain screen cladding. Furniture options for Customer Service and Library have gone on display for staff to review and have been finalised with an order to be placed in July. Attendance to the Disability Forum and Old Peoples Working Group also took place to share designs and get feedback. Public survey was launched updating residents on the Library Design and how feedback from the original consultation was taken into account. Leadership attended site to walk through and view progress and do an official signing of the steel structure. Cartwheeling Boys sculptures fixing method design has been completed by the Structural Engineer and calculations have been provided for MSC fabrication of the subframe.
Economic and cultural success	Improve the technology offer and access to library services funded through the Libraries Improvement Fund.	On track	Progress continues to be made, the purchasing arising is split into 11 lots and 5 are complete with 6 to go. The next purchases should be cabinets for library provision at community centres. All library sites will see installs this quarter and these will be publicised in Q3.
Sustainable and Healthy Environment	Deliver the Bus Service Improvement Plan to improve the reliability of bus services by increasing bus priority.	On track	The revenue elements of the BSIP have been successfully delivered, including investment of £6m into reduced fares to passengers, Figures released in November 2024 showed there had been an 11% increase in bus passenger journeys to 19.5m in 2023/24. The BSIP capital programme continues to progress well, with 3 new bus lanes opened in 24/25 and the new A33 Bus Lane (and pedestrian cycle bridge) due to be complete in October 2025. Further investment has been received from DfT, which has

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
			been incorporated into the new BSIP programme, approved by Members and the Enhanced Partnership with local bus operators.
Sustainable and Healthy Environment	Deliver funded active travel schemes to encourage more walking and cycling.	At risk	The Councils (funded) Active Travel Programme is continuing to progress. In terms of behavioural change initiatives, our Active Travel officer engages with schools to support their travel planning, alongside which the Council offers bike ability training through schools, as well as offering adult cycle training. We have also introduced a new pilot "wellbeing walk" programme, providing self-guided walks around the town. In relation to our capital programme, the main scheme being progressed is castle hill / bath road cycle scheme. This is currently going through a design-review alongside members and key stakeholders. This has been identified as "amber" until such time as member feedback and challenge has been resolved, and subject to a financial assessment of the final scheme. Officers continue to manage expectations and are progressing revised designs in line with the feedback received.
Sustainable and Healthy Environment	Complete the £8 million programme of work to improve residential roads and pavements.	On track	Residential road micro asphalt surfacing programme completed. Phases 1, 2 & 3 of 5 completed on the Major / Main Road resurfacing underway and on programme.
Sustainable and Healthy Environment	Adopt the Town Centre Public Realm Strategy to secure funding and improvements to Reading's streets and open spaces.	On track	Still to be adopted in year but delayed due to priority given to Local Plan hearing and amendments required following concerns from Reading Buses. Likely to move from November to March Strategic Environment, Planning and Transport Committee (SEPT) for adoption.
Sustainable and Healthy Environment	Develop electric vehicle charging infrastructure, including charging points, to move away from fossil-fuelled vehicles.	On track	Local Electric Vehicle Infrastructure (LEVI) tender in progress. Project timescale is for contract signing by end of 2025. First charge points expected April 2026.
Sustainable and Healthy Environment	Reduce carbon emissions from our buildings, operations, and fleet, including investing in solar panels, energy efficiency in our buildings, and electric vehicles.	At risk	The first quarter of the year involves collecting data for the previous year's carbon footprint calculation. The actions include the full electrification of the civic offices building and this should reduce the emissions associated with this. Other projects are progressing, but carbon savings only materialise once the operational phase is reached and so the currently position of 73% reduction from baseline at 23/24 year remains the most up to date data but is unlikely to be at target levels in 24/25.
Sustainable and Healthy Environment	Work with partners to deliver the Climate Strategy for 2025 to 2030 to achieve a net zero Reading resilient to climate change.	At risk	Data is released at UK level in July each year for the calendar year ending 18 months prior (2023 published July 2025). The 2023 data shows that the emissions were 468kT from Reading Borough which is a reduction of 7% on the previous year but remains above target for the 2030 pathway.

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
Sustainable and Healthy Environment	Dispose of property and land that no longer contribute towards the Council's objectives to invest in assets and service transformation.	On track	In this quarter the asset disposal policy has been drafted and sent to Transformation & Efficiency Board. Following further input from the Assistant Director of Legal, the final draft will be shared with Corporate Management Team officers for comment and then it will come forward to Leadership before going to Policy Committee for approval. Within the Asset Strategy Action Plan the Community Assets workstream is progressing within the officer group. A one-million-pound sale completed at 16 Bennet Road which is near two thirds of the 2025/26 MTFS Target. Officers will be preparing to market one of the commercial assets – Friars for sale once approval is received.
Sustainable and Healthy Environment S11 2025/26	Introduce changes to the waste collection service in line with the 'Simpler Recycling' legislation.	At risk	Report presented to Policy Committee July 21st, report sets out consideration of the Council's options to meet the legislative obligations of simpler recycling and will seek approval to consider in further detail the preferred options, with a further detailed timeline and financial implications paper to be presented to policy Autumn 2025. As with a number of councils across the country, including several in Berkshire, full compliance by April 2026 is challenging for a number of practical and procurement reasons. In particular, the need to secure vehicles and the long lead times expected for delivery. Whilst the project itself is on track, it remains amber as we are unlikely to deliver the project in line with government timelines.
Adults and children	Deliver Family Hubs to bring together a range of support services in one place, reducing escalation of need and the number of children entering care.	At risk	Family Hub design and development has been challenged by the impact of inspection activity and an initial lack of partnership engagement.  In response to this and in the wider context of Families First national reform, a new strategic lead has been identified to oversee and energise developments at pace. Following discussion with Statutory and Voluntary sector leaders, partnership support has been secured, and 11 partnership leaders are actively working together to co-design the Family Hub offer. This will allow four Family Hubs to be stood up in the course of 25/26.  A Change Delivery Consultant from the Programme Management Office has been identified to provide a clear partnership PMO plan.
Adults and children	Redesign and commission an integrated 0-19 child health programme.	At risk	West Berkshire and Reading currently jointly commission these services from Berkshire Healthcare Foundation Trust, along with Wokingham. The

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
		At Risk	<p>current contract ends in March 2027, and we have initiated a project for recommissioning beyond this point. We are currently exploring options around the service model, joint commissioning, and procurement route.</p> <p>As a first step a health needs assessment has been drafted that outlines the needs, current service, and are triangulating the initial findings and provisional recommendations for improvement.</p> <p>Due to the current high level of concern about delivery – and the need to be clear about how the risks in the current provision need to inform the 0-19 redesign.</p>
Adults and children	Increase the number of Brighter Futures for Children/Council foster carers to increase the proportion of children in care living in Reading wherever possible	At Risk	<p>The plan for 2025/26 is for 6 - 8 foster carers to be recruited, to also provide care for children presenting with greater needs. We have approximately 8 carers leaving (5 placements).</p> <p>We have 7 assessments of new carers underway and based on recent recruitment we anticipate receiving around a further 4 applications by the end of December (which could achieve approval by the end of March 2026).</p>
Adults and children	Deliver an in-house assessment home and children's homes in Reading to ensure that children in residential care remain living in Reading wherever possible.	Off track	<p>The project is reporting a red status, driven by two critical factors: Budgetary pressures and schedule delays. Mitigating actions are underway, including value engineering and cost rebase lining. This exercise is underway to reduce expenditure while preserving core functionality. Despite these challenges, progress continues across regulatory engagement, recruitment, and planning, with a focus on maintaining delivery confidence and alignment with strategic objectives.</p>
Adults and children	Enable more children with special educational needs and disabilities to be educated in mainstream schools and deliver new special school places	At risk	<p>There are several initiatives currently in motion to explore the sufficiency of SEN placements both locally and nationally. The new school build is in the design phase with a proposed delivery date within 2028. Architects, assets, and the schools are having regular meetings to explore usage and current as is set up of the buildings.</p> <p>To ensure a full system approach to SEN provision we are reviewing the current provision of children with an Education, Health, and Care Plan's inclusive of the social care package to ensure decisions taken do not shift need to another part of the system. We are exploring all avenues to provide education in settings which meet need and are sustainable, ensuring that</p>

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
			strategic school placed planning is in place and ensuring children are moved across provision type to build capacity within the system. Work is underway to ensure SEND is brought into other projects to ensure sufficiency across the entire system.
Adults and children	Promote independent and active travel to school for children with special educational needs and disabilities.	On track	We have successfully trained 10 young people so far since July 2024. We have 2 on the case load of the Travel Trainer and a further 2 on the waiting list. The time taken to ensure young people are independently and safely travelling can be lengthy. However, if delivered successfully we can provide the tools and skills for lifelong independence. We are currently in the process of reviewing a number of previously trained young people to establish the impact this has had on them. There is a risk to the RAG status in that the Travel Trainer has given notice, and the post will soon be vacant. How we provide travel training moving forward is under review
Adults and children	Implement technology systems to support people to live independently at home.	On track	Reading TEC service is underpinned by a person-centred, outcome-based approach. We consider how TEC can enable people to remain as safe and independent as possible in the place they call home. The Technology Enabled Care (TEC) team offer over the last quarter has delivered monitored and unmonitored devices and includes in-home call systems, pendant alarms, movement sensors, medication dispensers and devices to manage the risks of fire. Our TEC offer remains one of our key preventative offers.
Adults and children	Deliver four new adult social care services to support people with complex needs, replacing existing buildings that are no longer fit for purpose.	On track	The Amethyst and Hexham projects are progressing well on site with no reportable issues and remain on track for completion in mid-2026. All key planning conditions have been met, and no significant risks to delivery have been identified. A recent safety inspection at Amethyst confirmed satisfactory health and safety arrangements. Meanwhile, the Battle project has completed early design and planning agreements with Graham Construction and preparations are underway for a site start in spring 2026. Overall, the projects are progressing well and remain aligned with programme expectations.
Adults and children	Support children into adulthood, promoting greater independence and confidence.	At risk	There is an established process for supporting children into adult social care services. However, the number of young people who transition into adult social care services is a small proportion of those supported within children's social care and SEND due to the differences in legislation they are bound by. There is additional work underway between BFFC, Health partners, voluntary sector, and other partners to promote the independence

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
			of those that do not meet the statutory threshold of Adult Services but require support in greater independence
Adults and children	Implement our improved carers offer, including employing a dedicated carers lead and delivering carers' breaks.	On track	The Carers Lead has been in post for 3 months and has contributed extensively to a successful Carers Week. The Carers Break Service commission is progressing well and opportunity for joint work with Wokingham is being explored to improve the offer. The commission for the Information and Advice Service is progressing well through Closing the Gap with new contracts on track for 1st November 2025.
Adults and children	Improve the process of discharge from hospital to prevent patients being readmitted.	On track	Adult Social Care are active members of the RBH Discharge Improvement Group. The group has undertaken some deep dives into several areas of concern in the discharge pathway, these include Integrated Care Board funding delays, equipment and Technology Enabled Care delays and transport on discharge.
Page 8 Adults and children	Refresh the existing Home Care and Supported Living Framework to ensure sufficient supply.	On track	Adults, Children and Education Committee (ACE) has granted delegated authority to award the tender once completed. The tender documents are in development, and both are on track to go out for Procurement in September. For supported Living they have a working group with 8 services users, but no service users have been found for home care but alternative options for engagement are being considered. Both tenders are holding engagement with providers in designing the specifications.
Fit for the Future	Continue to develop our new IT systems in customer services and housing repairs to enable residents to resolve queries at a time that suits them.	At risk	Housing repairs web application has updated with an auto update feature for documents, so staff have access to updated risk assessments, asbestos register, etc. The mobile Arcus app being tested for field access to Case and Customer Management (CCM).
Fit for the Future	Review the content of our website to ensure it is accessible and to drive customer self-service.	On track	Following the success of two previous in-depth content reviews, the Web Content team recently partnered with the Community Safety Partnership (CSP) to improve how residents access information on the council website. Through workshops, user research, service feedback, and daily collaboration, we mapped out the journeys and identified areas for improvement in content, navigation, structure, and accessibility. We worked collaboratively across the organisation to ensure changes were grounded in evidence and aligned with resident needs. The CSP team organised a service-wide workshop to gather additional feedback and insights into the journey's pain points, which was great for extended engagement.

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
Fit for the Future	Ensure continued good services for children by bringing Brighter Futures for Children (children's services) back into the Council.	On track	All Projects are on track to meet the transition date of 1st October. Risks are being sufficiently managed.
Fit for the Future	Implement an improved telephone system that routes customers effectively and improves the customer data we collect to help continually improve how we support residents.	On Track	Timelines are in place; tender has been published. Evaluation is underway in quarter two.
Fit for the Future	Deliver and embed our social care customer front door through enhancing our systems and working with the voluntary sector in providing support.	On track	The Voluntary Community Sector work is progressing well, with recruitment underway to fill Local Connector Service vacancies and a Community Activator Service contract award targeted for September 2025 following provider engagement. The Working for People programme remains on track, with key case management forms and flows due for deployment in August and further service mapping aligned to the Mosaic upgrade later this year. The Provider Portal is nearly complete, with a live pilot launching in August involving selected care providers and first payments planned for October. Overall, these initiatives are progressing strongly and remain on schedule.
Fit for the Future	Deliver additional cemetery space in order to continue offering a burial service to all residents	On track	The plan to reclaim the allotments by 2028 is on schedule. Engagement with allotment holders on the plan will commence in Q2.
Fit for the Future	Introduce remote technology for staff who work outside of the office to improve efficiency.	On track	The team is currently testing different mobile devices that would work for the field teams. Microsoft has offered trial devices via its partners which is being trialled in Planning, Licensing, Building Control and Housing
Fit for the Future	Introduce artificial intelligence to improve customer service and reduce administration costs in line with our strategy.	On track	Rolled out comms for Copilot Chat on 8th May. Tracking usage and statistics with monthly reporting to Digital Technology Board. Legal Business case for M365 Copilot signed off. Magic Notes joint procurement with Housing, ASC and Children business case signed off. Currently in procurement stages.
Fit for the Future	Deliver the new Social Value Policy with our partners to increase the number of contracts delivering spend and social value in the local area.	At risk	Implementation of policy in place - all contracts over the £125k threshold that have passed through procurement governance have included a social value criterion in bid evaluation. Next steps will include further refining of the model, training for the Council and current suppliers/potential bidders, and tracking delivery in active contracts to enable more quantifiable and transparent reporting

## Appendix 6: Council Plan Projects Q1 2025/26

Green = on track, Amber = at risk, Red = off track

Council Plan Priority	Project	Q1	Comments
Fit for the Future	Deliver our three-year Medium Term Financial Strategy and the financial savings within to ensure that the Council lives within its means.	At risk	The 2025/26-2027/28 Medium Term Financial Strategy (MTFS), approved by Council in February 2025, identified a significant budget gap across 2026/27 and 2027/28 that will need to be addressed as part of the 2026/27 Budget and 2026/27-2028/29 MTFS in conjunction with the Fair Funding Review 2.0 launched by Central Government in June 2025.
Fit for the Future	Ensure recruitment and selection processes support the Council's move towards ensuring the workforce represents the demographics of the Borough.	At risk	Work continues on this priority – including focussed work to continue to improve our recruitment and selection processes and to improve our monitoring of performance. This will enable issues to be identified and addressed.
Fit for the Future	Continue to develop talent within the Council, including through our apprentice and work experience programmes.	On track	In Q1, two work experience programmes were successfully delivered, engaging students from New Meaning College (ages 16+ with Education, Health, and Care Plans), Reading College, and The Wren School. The current rate for new apprentices stands at 2.5% of headcount, exceeding target. In addition, 54 existing employees are actively participating in apprenticeship programmes to gain further professional qualifications.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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Policy Committee

17 September 2025



<b>Title</b>	Broad Street Mall Redevelopment
<b>Purpose of the report</b>	To make a key decision
<b>Report status</b>	Partly open to the public and part exempt - see reasons below
<b>Executive Director/ Statutory Officer Commissioning Report</b>	Emma Gee, Executive Director of Economic Growth and Neighbourhood Services
<b>Report author</b>	Emma Gee, Executive Director of Economic Growth and Neighbourhood Services
<b>Lead Councillor</b>	Cllr Micky Leng, Lead Councillor for Planning and Assets, Deputy Leader
<b>Council priority</b>	Secure Reading's economic & cultural success
<b>Recommendations</b>	<p>That Policy Committee:</p> <ol style="list-style-type: none"> <li>Approves the Heads of Terms for the full surrender of the Council's lease of the Broad Street Mall carpark recommended under Option A.</li> <li>Agrees the principles proposed for an overarching Construction and Management Agreement.</li> <li>Notes the proposed route map and timeline up to exchange of the agreement for surrender of the carpark and related conditionality for the completion of the surrender.</li> <li>Delegates Authority to the Executive Director for Economic Growth and Neighbourhood Services in consultation with the Leader, Lead Councillor for Planning and Assets, the Assistant Director of Legal and Democratic Services, the Director of Finance; and the Assistant Director of Property and Asset Management to:             <ol style="list-style-type: none"> <li>negotiate and conclude terms with the relevant parties in respect of the Heads of Terms for the surrender and the Construction and Management Agreement;</li> <li>negotiate and conclude terms for disposals and acquisitions in accordance with s.123 and s.120 of the Local Government Act 1972; and,</li> </ol> </li> </ol>

	<p>(c) negotiate to enter into any required and/or ancillary documentation and agreements to facilitate the Broad Street Mall development;</p> <p>(d) procure the necessary commercial, professional technical and legal advisors and consultants as, to facilitate the Broad Street Mall development</p>
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This report contains exempt information within the meaning of the following paragraph of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985 and by the Local Government (Access to information) (Variation) Order 2006:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

And in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information because:

The proposed contractual terms, land transactions and ultimate development is subject to confidential legal financial and other negotiations and to reveal details of these would adversely impact upon the Council's ability to manage its commercial, financial and business affairs and could also be detrimental to the Council's ability to achieve best value for money in relation to this and future land-related negotiations.

## 1. Executive Summary

- 1.1. Broad Street Mall (**BSM**) shown in purple on the plan attached at *Appendix A*, is a town centre shopping mall that has been around and served the Borough since it was built in the 1970s.
- 1.2. The Council holds a long leasehold interest of the BSM carpark dated 30<sup>th</sup> March 1974 which expires in March 2097 and comprises circa 784 spaces.
- 1.3. The BSM development forms a significant part of the wider regeneration of Minster Quarter, which represents a longstanding and major strategic ambition for the Council for the town centre.
- 1.4. To secure BSM's longevity in the Borough as a town centre shopping centre, the current landlord and freeholder, UREF III LP (**AEW**), intends to redevelop part of Broad Street Mall to deliver a residential led development whilst retaining part of the shopping centre in order.
- 1.5. AEW have appointed McLaren Living Limited (**McL BSM**) as their developer and a planning application for the development was submitted by in February 2024. On 30<sup>th</sup> April

2025, Planning Application Committee resolved to grant planning permission, subject to the completion of a s106 agreement.

- 1.6. To enable the development, AEW and McLaren BSM will require access to the carpark; and would also need to make alterations to the carpark and adjoining Council-owned land and structures at Minster Quarter, including parts of Minster Quarter Central (MQC) and reducing the number of parking spaces available to the public.
- 1.7. This report details the options available for the Council in relation to providing the BSM carpark to the AEW for MCL BSM to carry out the development and sets out the proposals for managing the access requirements for the BSM development over the Council's adjoining land in Minster Quarter.
- 1.8. This report also sets out the matters the Council, McL BSM, AEW and McLaren Living Limited Minster Quarter Central (**McL MQC**) will need to address to facilitate the delivery of the BSM development including the legal agreement through which works and approvals for land in Council ownership will be managed.
- 1.9. Further details of the recommended commercial transaction, construction requirements and parties involved are provided in the *Exempt Report* and *Exempt Appendices*.

## 2. **Background and Policy Context**

### **Policy Context**

- 2.1. BSM is part of a long-standing opportunity for the redevelopment of the southwestern part of the town centre known as the 'Minster Quarter'. It is a key component of the West Side Opportunity Area allocated in the Reading Borough Local Plan (2019) and the Partial Update of 2024 under Policy CR12e Hosier Street. It is also supported by the *Minster Quarter Area Outline Development Framework* which was adopted as a Supplementary Planning Document (SPD) by the Council in December 2018.
- 2.2. The Minster Quarter area is shown on the plan attached at *Appendix A* and is made of the following landholdings:
  - 2.2.1 BSM shopping centre, including Fountain House and the carpark
  - 2.2.3 Thames Valley Police former HQ building
  - 2.2.3 The Hexagon Theatre; and
  - 2.2.4 Minster Quarter Central
- 2.3. The Council's vision for Minster Quarter, including the BSM development, is to deliver over 1,200 new homes, commercial space, a hotel, and community facilities. It will also feature improvements to the Hexagon Theatre and a new Studio Theatre, all set within a high-quality public realm designed to support community uses and the continued operation of the Hosier Street market.
- 2.4. There are commercial and placemaking interdependencies between the various land holdings and proposed developments that are essential to delivering the overall vision for the Minster Quarter. These interdependencies are relevant to the Council's consideration of its legal interest in the carpark and are also relevant to the structure and the terms of

the proposed overarching Construction and Management Agreement (**CMA**) which is intended to govern how the schemes are built out.

## **Development Overview and Background to BSM Car Park Surrender**

- 2.5. The Car Park is located on the upper two floors of the building and the roof space) and the BSM development proposal is to deliver the residential units across three new towers constructed within the curtilage of the shopping centre car park. This will require a partial demolition of the car park, resulting in the permanent reduction in the size of the car park and the loss of circa 330 car parking spaces. Extracted drawings from the BSM planning application are included in *Appendix B*, these show the planning redline boundary and the extent to which this overlaps the car park.
- 2.6. The development proposes the delivery of circa 643 Build To Rent (BTR) units including a negotiated circa 12.44% affordable housing contribution with associated public realm improvements.
- 2.7. The primary reason for the Council's consideration of options for the surrender of the BSM Car Park is to facilitate the BSM development and deliver the Council's strategic vision for Minster Quarter.
- 2.8. To deliver the development, AEW and McLaren BSM are relying on possession of the Car Park as well as rights to access and make required alterations to the Council's adjoining land in Minster Quarter. This dependency is an essential consideration for the Council in negotiating the Car park Surrender Heads of Terms and the CMA; and is also a key reason for linking the two agreements.
- 2.9. The key proposed parties involved in the BSM development are:
  - 2.9.1. UREF III LP and UREF III GP Limited, the Landlord for the Mall and carpark (AEW)
  - 2.9.2. McLaren Living (Broad Street Mall) Limited (McL BSM) – Developer BSM (Development Management Agreement with AEW).
  - 2.9.3. The Council – Tenant of BSM car park; and the freehold owner of the adjoining MQC development site, the Hexagon Theatre and the private roads and walkways in Minster Quarter (including Queens Walk and Dusseldorf Way).
  - 2.9.4. McLaren Living (MQC) Limited (McL MQC) – Developer of and future leaseholder of adjoining land at Minster Quarter Central development site

## **Considerations for delivery of the BSM Development**

- 2.10. The Council's objective is to assist in facilitating the development in order to deliver the long-term strategic vision for Minster Quarter.
- 2.11. The following considerations have informed the options for the surrender of the Council's lease of the car park, the structure for the overarching CMA, the route map to delivery of the BSM development; and link and interdependencies between them:
  - 2.11.1. Delivery of the Council's strategic objectives for Minster Quarter.

- 2.11.2. Mitigating risks to the delivery of the projects being the Hexagon Studio Theatre, Minster Quarter Central and the Reading Heat Network.
- 2.11.3. Obtaining best consideration (capital receipts) for the car park lease surrender.
- 2.11.4. Mitigating risks to the Council, generally – including financial, legal, health and safety, operational and public relations.
- 2.11.5. Maintaining town centre parking provision and the associated income stream from the car park, until there is certainty that the BSM development will proceed; and, for as long as is feasible before construction commences.
- 2.11.6. Mitigating impact for day-to-day operation of the Hexagon Theatre

### **3. Broad Street Mall Carpark Transaction**

- 3.1 As noted in paragraph 1.6 of this report, AEW require access to, and a transfer of, the whole or part of the carpark to AEW to enable delivery of the BSM development. Council officers with the Council's external advisers considered 3 options as set out below:
  - 3.1.1 Option A – Surrender of the whole carpark to AEW (**Full Surrender**)
  - 3.1.2 Option B – Surrender of part of the car park to AEW (**Part Surrender**)
  - 3.1.3 Option C – Do Nothing

- 3.2 Option A - Full Surrender (recommended option)

The principles of the Full Surrender are as set out below:

- 3.2.1 The Council surrenders (being a disposal/sale) the lease of the carpark to AEW for a capital receipt that is best consideration. Best consideration is the best value that can be reasonably obtained for the asset, and typically takes account of commercial, economic and monetary value.
- 3.2.2 The disposal of the carpark to AEW would be subject to certain conditions being met to ensure that the carpark remains operational and in Council ownership until such time as there is certainty that the development will proceed.
- 3.2.3 The Conditions proposed include:
  - (a) a requirement that the Construction and Management Agreement (Section 4 of this report) is agreed and entered into;
  - (b) certainty as to funding arrangements and deliverability of the development;
  - (c) timelines for key events including completion of the CMA and transfer of the carpark to the developer
- 3.2.4 The disposal will be subject to a minimum number of car parking spaces being retained for public use for an agreed period, subject to conditions including carpark

usage. The Council also proposes retaining car parking spaces to facilitate the operations of the Hexagon Theatre on an underlease.

### 3.3 Options B and C – Partial Surrender and do Nothing

The Council have also considered a surrender and regrant option where the Council would make the car park available to AEW to enable them carry out the BSM development. The car park would be given up to AEW for the time required for the BSM development without disposing (surrendering) of the car park lease to AEW; and following BSM development, the Council would surrender its lease of the whole car park to AEW and AEW would grant the Council a new lease of the part of the car park which has not been developed.

### 3.4 Options Evaluation and Recommendation

- 3.4.1 The options were considered by Council Officers and the Council's consultants, Vails, and following careful deliberations with Council's appointed consultant, officers recommend Option A as the preferred option.
- 3.4.2 The Council Officers retained Vails to provide a valuation for the surrender of the Carpark under Option A and their report notes that proposals under Option A on the principles agreed with AEW represents Best Consideration.
- 3.4.3 Further details on the Options and considerations for the recommendation of Option A are set out in the *Exempt Report* and at *Exempt Appendices C and D respectively*

### 3.5 BSM Car Park Capacity Considerations

- 3.5.1 With recommended Option A, the BSM development will provide circa 453 car parking spaces, including a minimum of 325 public car parking spaces, circa 30 spaces for Council use (including for Hexagon staff), and up to 100 for Build to Rent residents.
- 3.5.2 It is proposed that the existing ratio of accessible parking spaces is retained in the new development, with no fewer accessible spaces provided than required by the Council's Parking Standards and Design SPD (2011).
- 3.5.3 The long-term loss of spaces from the car park is not considered a concern for Parking Services. This is supported by occupancy figures in the Council's Town Centre Parking Study which was commissioned by the Council in February 2025.
- 3.5.4 During the temporary closure of the car park (currently envisaged to be for a period of approximately 12 months), additional traffic pressures are anticipated because there will potentially be no replacement parking on the western edge of the town centre.
- 3.5.5 Current build programmes for the BSM development and future and MQC development indicate that closure of the BSM car park and Civic Car park B in Minster Quarter will not overlap.

## **4 Overarching Construction and Management Agreement**

### **4.1 The Development – Background**

- 4.1.1 To enable the developer, MCL BSM to deliver the proposed development for AEW, they will require access and, in some cases, permanent changes to the Council's adjoining land and structures including to Dusseldorf Way and Queens Walk.
- 4.1.2 The developer, McL BSM's requirements cover a range of themes, and can be broadly categorised as follows:
  - (a) Temporary (e.g. Access, construction plant, including heavy machinery, hoarding, scaffolds, site accommodation)
  - (b) Temporary – Reinstatement to existing standard or to approved planning design (e.g. where crane base and access ramp are installed)
  - (c) Permanent – Reprovision (e.g. podium alterations, Hexagon sub-podium storage demolition and reprovision)
  - (d) Permanent – Legal interest in land (e.g. balcony oversailing))
  - (e) Facilitation - Surveys and Investigations etc
- 4.1.3 The land required sits within the development boundary for MQC which is to be let via a long leasehold to the Council's development partner McLaren MQC (McL MQC) in accordance with the terms of the Minster Quarter Central Development Agreement.
- 4.1.4 The current, provisional high-level programmes for the parallel Minster Quarter projects (Broad Street Mall, Minster Quarter Central, the Hexagon Studio and the Decarbonisation and Heat Network) indicate there will, at points be overlaps in the timelines for demolition, enabling and/or construction.
- 4.1.5 These inter-dependencies, and particularly the robust safeguarding of the delivery the MQC development and protections for the Hexagon's day-to-day operation, are key considerations in the structure and terms of the agreement.

### **4.2 The Development Strategy – Current Position**

- 4.2.1 Council officers anticipate that the developer will not be able to provide sufficient detail for their access requirements until the technical design is underway and the developer's construction programme and logistics planning is further developed.

4.2.2 In recognition of the matters set out in paragraph 4.2.1 above, Council officers have proposed there is an overarching construction and management agreement (CMA), setting out terms and obligations of the parties during the construction process and in relation to management after the development has been completed, including provisions for dealing with land and title matters; This strategy provides AEW, the Council, McL MQC and McL BSM a degree of certainty ahead of the finer details of the construction / technical solutions being confirmed.

4.2.3 The CMA is proposed to create a framework to ensure appropriate mechanisms are in place for Council officers to approve the detail of the proposed works, access, and management plans under the Policy Committee delegation, helping to mitigate risk and streamline work for efficient management of Council resources.

4.2.4 The CMA will have supplementary agreements such as a lease and licences that will cascade from it to facilitate its operation. These supplementary documents would be subject to agreement later, when the necessary details are available from the Developer and, where required, under the officer delegations recommended by this report.

4.2.5 McL BSM, the BSM developer, has proposed that most of the construction logistics matters are dealt with under single lease or licence of the part of the Minster Quarter Central site which they need to occupy for a period to enable them to construct the BSM scheme. The occupation by BSM and AEW of part of the Minster Quarter Central Site and the works they intend to do will be governed by the CMA. .

4.2.6 The Council is exploring options with McL BSM for whether a lease or Licence is granted for the main BSM works requirements on the MQC site. The key considerations for determining the most appropriate solution are:

- Compatibility with the Council's Development Agreement and lease terms for the Minster Quarter Central site, including development programmes
- Protections for the Hexagon Theatre
- The McL BSM development funding requirements and arrangements
- Continuity of construction logistics for BSM
- Termination rights for the Council
- Potential S123 requirements (for lease, subject to terms)

4.2.7 The option of a lease or licence will be subject to further legal advice from external solicitors. However, it is recommended by Officers that in either case suitable obligations are placed on AEW/McL BSM, (the BSM developer) in the CMA to govern their occupation and their works on the Minster Quarter Central Site whilst giving them flexibility to conduct the work in line with their development requirements. McL BSM would be required to provide the usual warranties and indemnities to provide comfort to the Council as freeholder and in relation to the Minster Quarter Central development site.

- 4.2.8 The approach referred in paragraph 4.2.7 above, is proposed also because it is considered that it would enable the parties to take a more flexible approach to how the works are managed, carried out and monitored without impeding BSM development works' progress. It also allows for any works that may affect the Hexagon Theatre and or its operations or matters on the Council's adjoining or neighbouring land, to be monitored to ensure as little impact as possible on such land and property and the Hexagon Theatre operations, whilst facilitating the progression of the BSM development.
- 4.2.9 It is proposed that the car park surrender and the CMA are linked, with completion of the car park surrender deed conditional on the exchange of the CMA along with other conditions. This is to provide the Council with certainty that the BSM development will proceed prior to the Council surrendering the car park lease.
- 4.2.10 Officers' recommendation is for the Council to proceed with the CMA for the reasons stated in the above paragraphs

## 5 Contribution to Strategic Aims

5.1 The recommendations in this report align with the Council's five priorities for the years 2025-28 by facilitating the development of a vibrant, mixed-use urban quarter that benefits residents, businesses, and the wider community.

### 5.2 Promote more equal communities in Reading

The integrated uses expected to be provided by the development, and the wider Minster Quarter regeneration are intended to support holistic economic growth while ensuring benefits are accessible to people from diverse backgrounds and promoting equality and diversity in the town centre.

### 5.3 Secure Reading's economic and cultural success

The proposed carpark surrender will create a capital receipt for the Council and will reduce the ongoing management and operational risk and costs currently borne by the Council.

The terms of the CMA will protect the ongoing operations of the Hexagon to secure the success of this important cultural venue. The terms of the recommended carpark surrender option provides rent free spaces for Council employees, including for Hexagon staff, further supporting the Theatre's day-to-day operations.

### 5.4 Deliver a sustainable and healthy environment and reduce our carbon footprint

AEW's proposals for the BSM carpark include a rooftop carpark improvement scheme, with hard and soft landscaping and green walls. The proposed and expected output is to bring biodiversity gains to the existing carpark whilst maintaining access and circulation.

### 5.5 Safeguard and support the health and wellbeing of the Council's adults and children

The BSM development, with MQC will deliver significant upgrades to the public realm alongside public realm stewardship strategies. This will provide improved access to high quality outdoor space and will positively contribute to biodiversity, active travel, wayfinding and play strategies in the Town Centre.

5.6 Ensure Reading Borough Council is fit for the future

The capital receipt from the recommended carpark transaction (Option A - surrender of the carpark) will make a positive contribution to the Council's budget, supporting investment in strategic priorities for the future.

**6 Environmental and Climate Implications**

6.1 The structure and terms of the Overarching Construction and Management Agreement seek not only to facilitate the BSM development but to safeguard the delivery of the Council's own projects at the Minster Quarter – in particular Minster Quarter Central and the potential Heat Network which will in combination deliver energy efficient new homes on this strategic site.

**7 Community Engagement**

The obligation to engage with adjoining owners and stakeholders will be detailed in the terms of the Overarching Construction and Management Agreement.

**8 Equality Implications**

8.1 The development proposes to deliver investment in public realm including new; improved and accessible public and private spaces for the benefit of residents and visitors to the wider area; and, inclusive public spaces that will cater for all users, considering neurodiversity, age, and ability.

8.2 Equality implications in relation protected characteristics in the context of the Development were reviewed as part of the planning application process. This process considered that there is no indication or evidence that the protected groups have or will have different needs, experiences, issues and priorities in relation to this particular application.

**9 Legal Implications**

9.1 Surrendering the whole or part of the carpark Lease is a disposal and thus, triggers the Council's obligation to obtain best consideration reasonably obtainable under section 123 of the Local Government Act 1972 (LGA).

9.2 In relation to the proposal under Option A for the Council to retain some parking spaces under a new lease granted by AEW to the Council, s.120 of the Local Government Act 1972 applies which provides that the Council (as a local authority) may by agreement acquire land for any of its statutory functions; or for the benefit, improvement or development of its area.

9.3 Principal Lawyer for Regeneration from the Directorate of Resources, has cleared these Legal Implications.

**10 Financial Implications**

10.1 Carpark Transaction

10.2.1 The recommended Option A for Full Surrender has the most financial benefit to the Council, as it provides a capital receipt, removes future service charges, and the costs to implement are either recoverable from AEW or able to be charged against the capital receipt proceeds.

10.2.2 The downside of Full Surrender is the permanent loss of income from the carpark. This financial impact has been built into the Medium-Term Financial Strategy as part of the 2025/26 Budget & 2025/26-2027/28 Medium-Term Financial Strategy Report approved by council in February 2025. Maximising the remaining carparking income in the period before closure will provide a further small benefit to the Council.

**10.2 Construction and Management Agreement**

The Overarching Construction and Management Agreement will set out terms for reimbursement of costs related to this agreement, supplementary agreements and any technical, monitoring or project management costs.

10.3 Further details are provided in the *Exempt Report* and *Exempt Appendix E*.

10.4 Strategic Finance Business Partner – Economic Growth & Neighbourhood Services, has cleared these Financial Implications.

**11 Timetable for Implementation**

A provisional timeline with key dates is provided in the Exempt Report.

**12 Background Papers**

There are none.

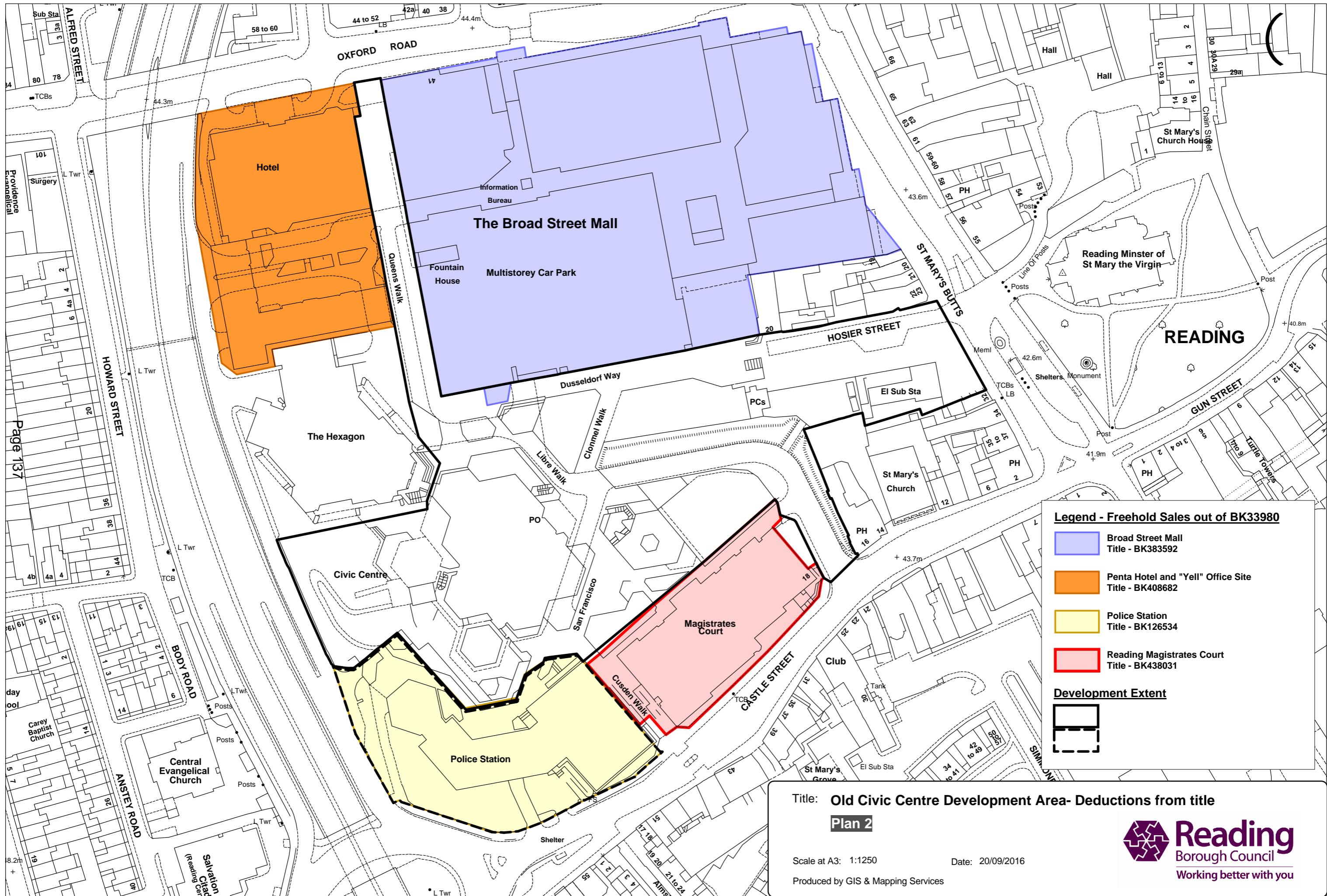
## **Public Appendices**

**Appendix A:** Indicative Plan showing BSM and adjoining ownerships in the context of the Minster Quarter Central development site for identification purposes only

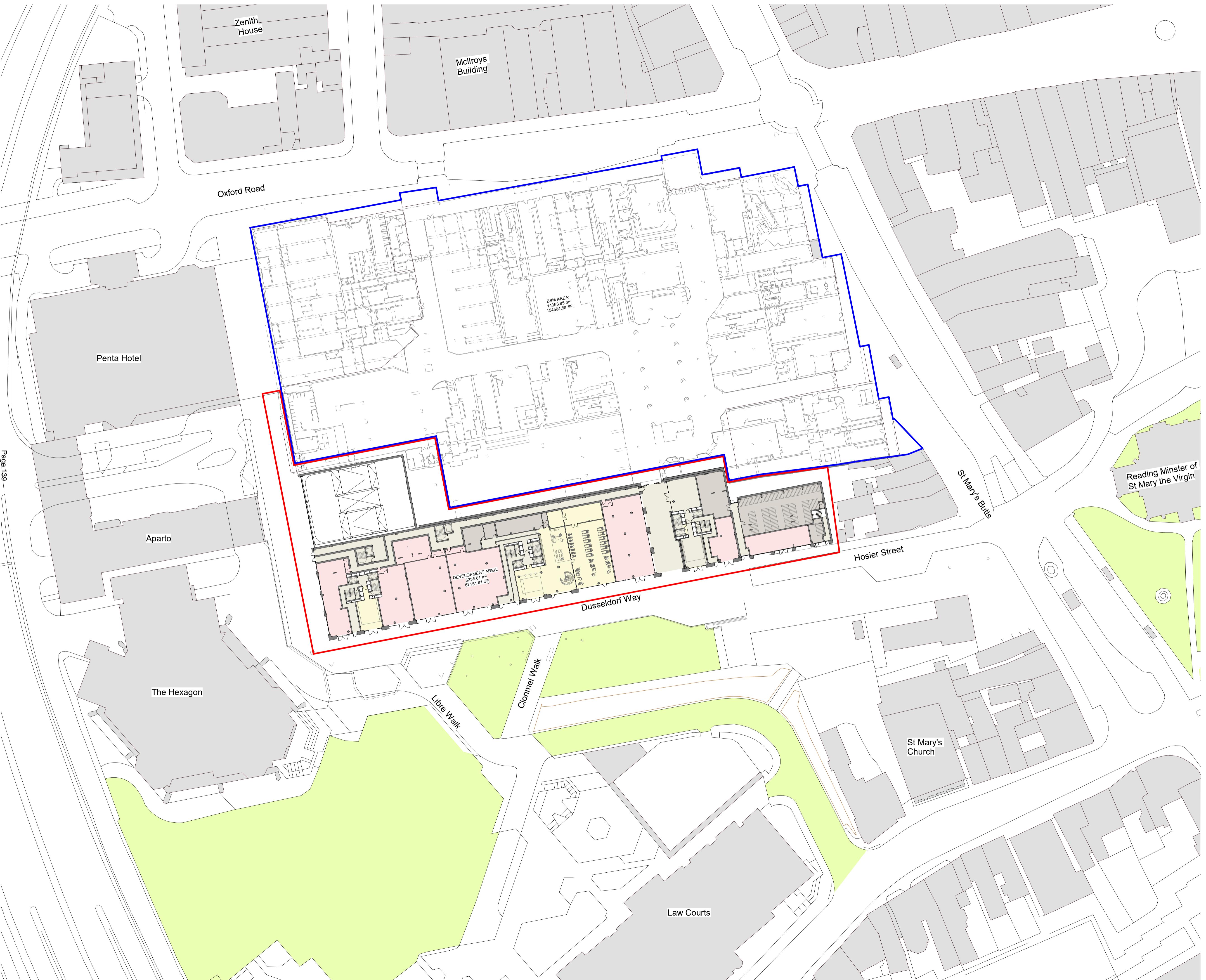
**Appendix B:** Extract from Planning Drawings for BSM showing extent to which BSM development redline includes BSM carpark.

## **Exempt Documents**

1. **Exempt Report (Part Two)**
2. **Exempt Appendices**
  - 2.1 **Exempt Appendix C:** BSM Carpark Options Table
  - 2.2 **Exempt Appendix D:** Carpark Heads of Terms (Principles)
  - 2.3 **Exempt Appendix E:** Indicative Structure of Agreements



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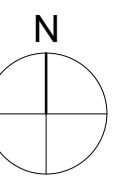
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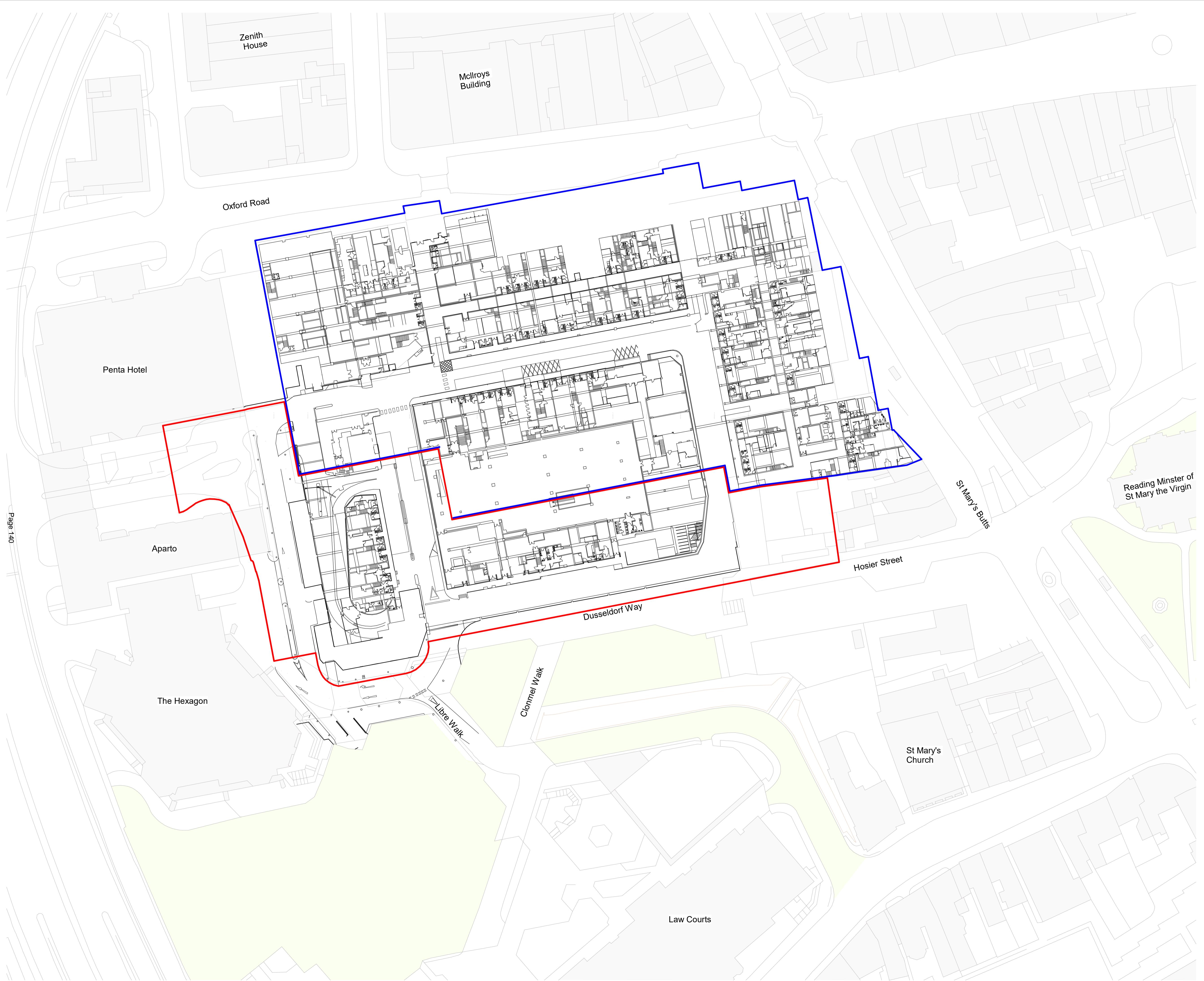
T +44(0)161 8287900 E manchester@ahr.co.uk www.ahr.co.uk
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project Broad Street Mall Residential
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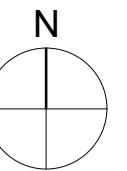
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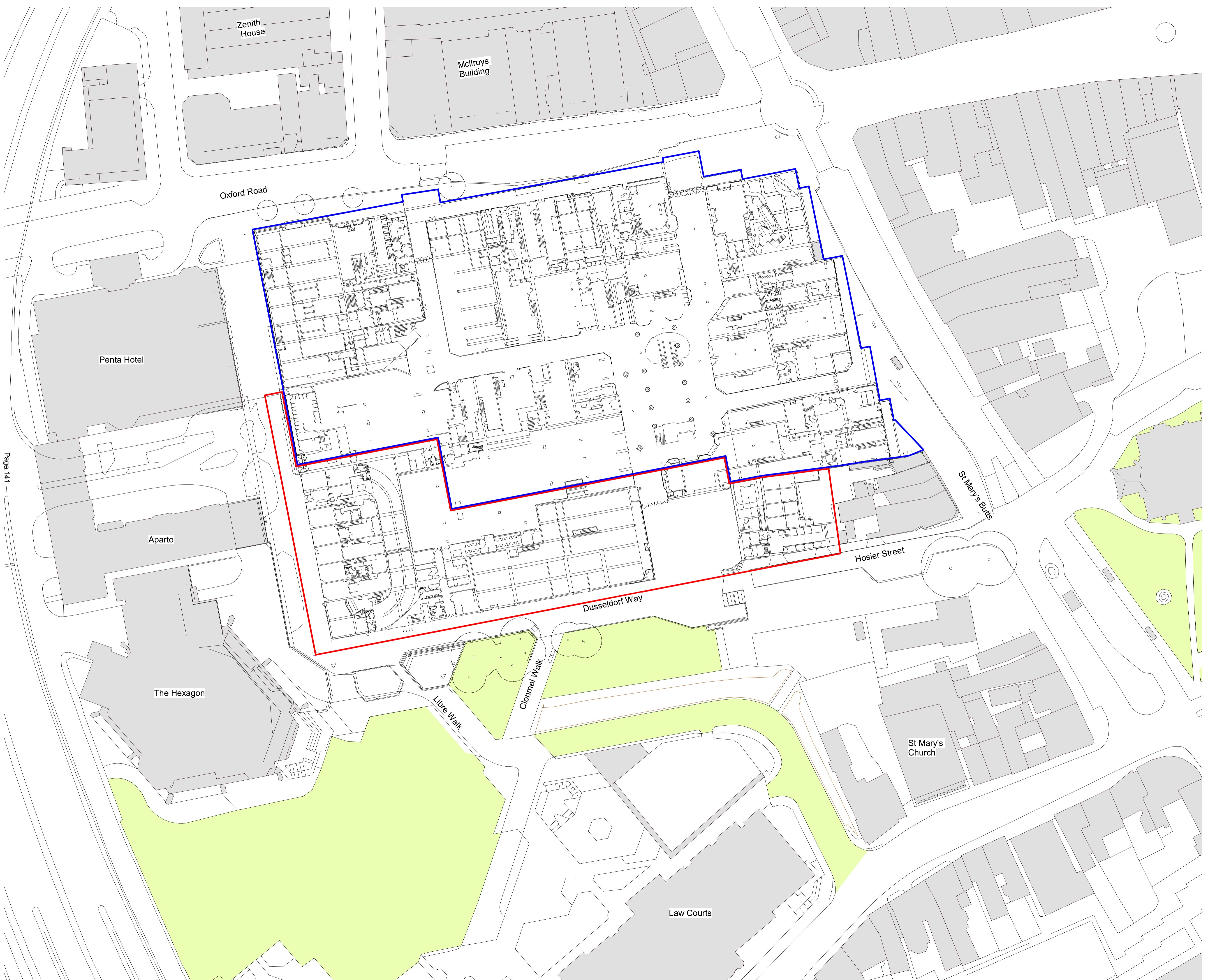
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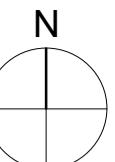
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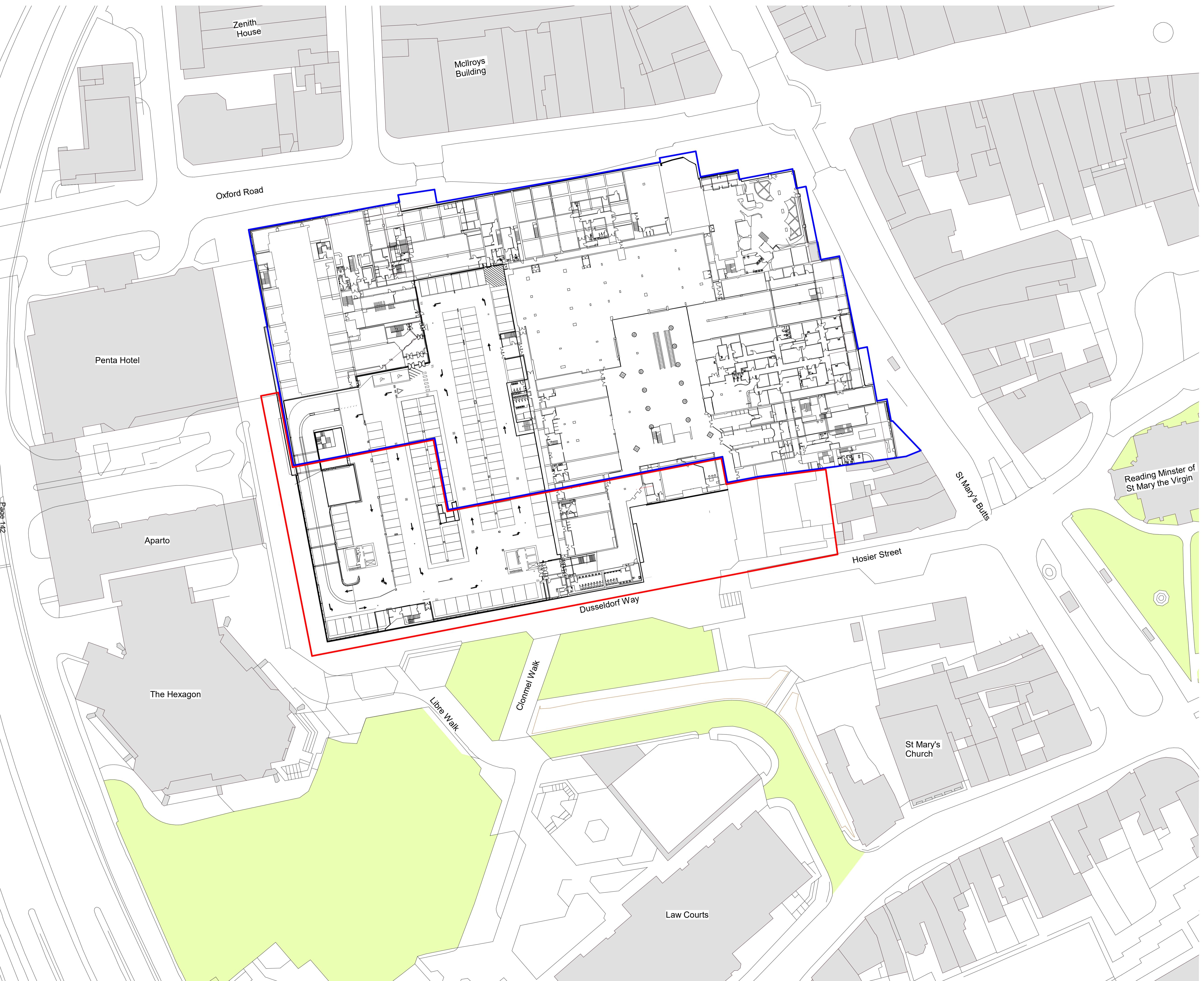
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**NOTE**  
In the absence of Level 2 Broad Street Mall Topo, the plan for Level 1 is shown.  
Slight visual clashes and inaccuracies might be visible.

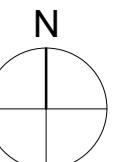


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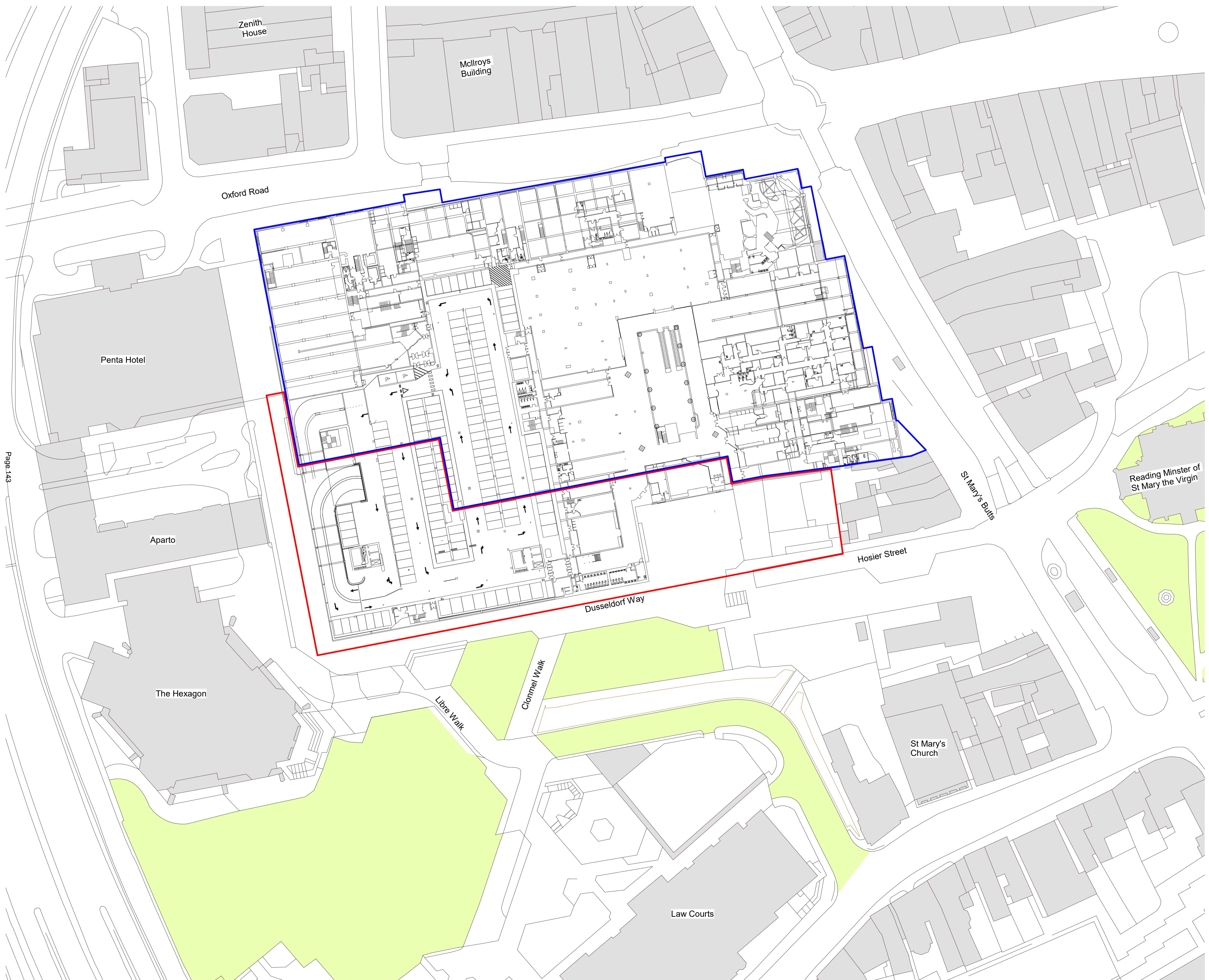
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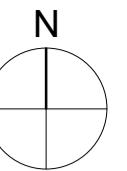
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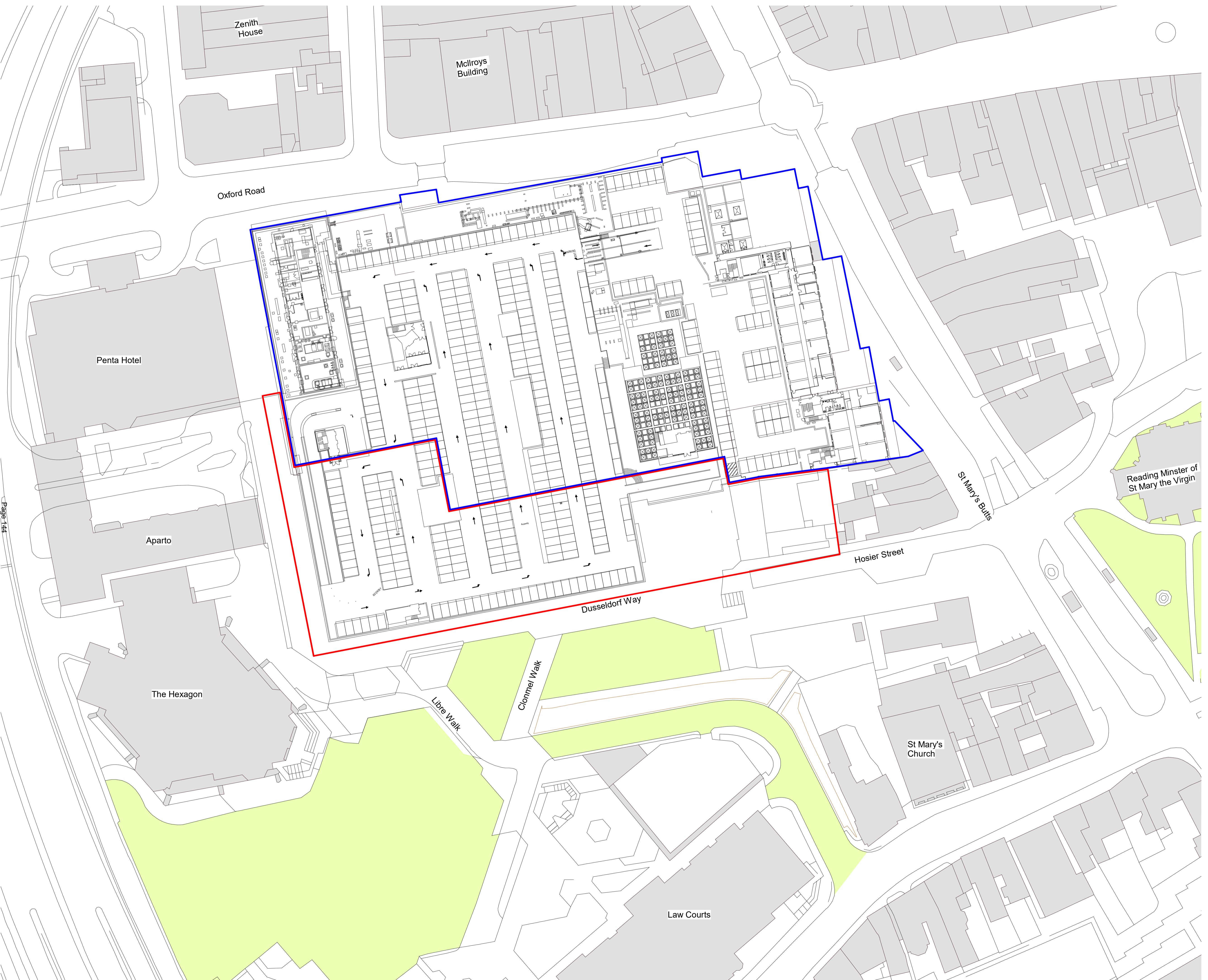
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client name	McLaren (Broad Street Mall) Ltd and UREF III LP		
project	Broad Street Mall Residential		
drawing	Existing Site Plan - Roof Level		
computer file	plot date		
11/32.111.DEM_Projel_Folder_reduced.bethany.stewart\Documents\Revit	FileLoc\Local\Files\Revit\2021\BSM-AHR-ZZ-ZZ-M3-A-2001 -	1	
project number	scale		
BSM-AHR-ZZ-03-DR-A-08107	1 : 500	@A1	
drawing number	rev	issue status	
P1	S2		

This drawing is to be read in conjunction with all related drawings. All dimensions must be checked and verified on site before commencing any work or producing shop drawings. The originator should be notified immediately of any discrepancy. This drawing is copyright and remains the property of AHR.

# Agenda Item 12

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
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# Agenda Item 13

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