

Summons and Agenda 24 February 2026

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



Reading
Borough Council
Working better with you

Jackie Yates
CHIEF EXECUTIVE

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To: All Members of the Council

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16 February 2026

Your contact is: Simon Hill / Richard Woodford - Committee Services

Dear Sir/Madam

You are hereby summoned to attend a meeting of the Reading Borough Council to be held in the **Council Chamber, Civic Offices, Reading** on **Tuesday, 24 February 2026 at 6.30 pm**, when it is proposed to transact the business specified in the Agenda enclosed herewith.

Yours faithfully

CHIEF EXECUTIVE

A G E N D A

1. MAYOR'S ANNOUNCEMENTS

To receive Mayor's Announcements.

2. DECLARATIONS OF INTEREST

To receive any declarations of interest.

3. MINUTES

9 - 12

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

4. PETITIONS

Public petitions may be submitted on any matter within the Council's responsibilities, or on issues affecting the Borough or its residents. Submissions should be emailed to committee.services@reading.gov.uk and must be received **no later than 12 noon, four clear working days before the meeting.**

5. QUESTIONS FROM MEMBERS OF THE PUBLIC

Public questions may be submitted on any matter within the Council's responsibilities, or on issues affecting the Borough or its residents. Submissions should be emailed to committee.services@reading.gov.uk and must be received **no later than 12 noon, four clear working days before the meeting.**

6. QUESTIONS FROM COUNCILLORS

Reports and Recommendations from Committees

7. CHIEF FINANCE OFFICER'S REPORT ON THE ROBUSTNESS OF THE 2026/27 BUDGET

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Report by Director of Finance

8. 2026/27 BUDGET & MEDIUM TERM FINANCIAL STRATEGY 2026/27 - 2028/29

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Report by Director of Finance

9. CAPITAL STRATEGY 2026/27

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Report by Director of Finance

10. TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27

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Report by Director of Finance

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	Report by Director of Finance / KPMG External Auditors	
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14.	STATEMENT OF ACCOUNTS 2024/25	269 - 442
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COUNCIL MEETING MINUTES - 27 JANUARY 2026

Present: Councillor Mpofu-Coles (Mayor);

Councillors Gittings (Deputy Mayor), Asare, Ballsdon, Barnett-Ward, Cresswell, Davies, Dennis, Eden, Emberson, Ennis, Gavin, Griffith, Hacker, Hornsby-Smith, Hoskin, Keane, Keeping, Lanzoni, Leng, Lovelock, Magon, McCann, McElroy, McEwan, McGoldrick, McGrother, Mitchell, Moore, Naz, Nikulina, O'Connell, Rowland, R Singh, DP Singh, Stevens, Tarar, Terry, Thompson, White, Williams, Woodward and Yeo

Apologies: Councillors Ayub, Cross, Edwards, Goss and Juthani

34. MAYOR'S ANNOUNCEMENTS

The Mayor reported that the Monitoring Officer had exercised her delegation, on the recommendation of the Conservative Group Leader, to appoint Councillor Ballsdon to a vacancy on the Audit & Governance Committee.

35. MINUTES

The Minutes of the meetings held on 14 October and 25 November 2025 were agreed as correct records and signed by the Mayor.

36. QUESTIONS FROM MEMBERS OF THE PUBLIC

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

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Eleonora Galli	Kings Road Crossing	Cllr Ennis

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

37. QUESTIONS FROM COUNCILLORS

Questions on the following matters were submitted by Councillors:

	<u>Questioner</u>	<u>Subject</u>	<u>Reply</u>
1.	Cllr White	Homes for Reading 'No Fault' Evictions	Cllr Terry

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

38. APPROVAL OF THE LOCAL COUNCIL TAX SUPPORT SCHEME AND THE COUNCIL TAX BASE FOR 2026/27

The Director of Finance submitted a report setting out the Council Tax Reduction Scheme and Council Tax Base calculation for 2026/27.

The report noted that the Council was required to calculate a Council Tax Base for its area annually in accordance with the Local Government Finance Act 1992 and the Local Authorities (Calculation of Council Tax Base (England)) Regulations 2012 and notify Major Precepting Authorities (the Office of the Police & Crime Commissioner for the Thames Valley and Royal Berkshire Fire and Rescue Service) by 3 January 2026. The Tax Base for 2026/27 was calculated for the above purposes as being 60,353.38 (band D equivalent) properties which was an increase of 1.32% on the 2025/26 Tax Base of 59,566.99. The report also set out details of the estimated deficit on the Council Tax Collection Fund balance which was paid out/recoverable by the Collection Fund in full in the following financial year. The estimated balance as at 31 March 2026 on the Council Tax Collection Fund was a projected net deficit of £2.092m of which the Council's overall share was £1.781m.

The report explained that the Welfare Reform Act 2012 and Local Government Finance Act 2012 had replaced the Council Tax Benefit scheme with a locally determined Council Tax Reduction Scheme (also known as a local Council Tax Support Scheme), which was effectively a type of Council Tax discount. The legislation required the Council to approve a Scheme, including amendments to an existing scheme, by the end of January preceding the start of the financial year. The recommended Scheme for 2026/27 was unchanged from the Scheme agreed by Council for 2025/26.

The report noted that each year the Government amended the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 to ensure that pension-age Local Council Tax Support (LCTS) schemes were updated in line with changes in the wider benefits system. The annual update also provided an opportunity to ensure that the residency requirements for accessing both pension-age and working-age LCTS remained consistent with the UK's immigration policy. These updates would be incorporated into the Council's 2026/27 Scheme in accordance with the principles of the Council's original Local Scheme agreed following consultation in the Summer/Autumn of 2012.

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

Resolved –

- (1) That the existing Council Tax Reduction Scheme be retained for 2026/27;**
- (2) That the Tax Base calculation for 2026/27 of 60,353.38 band D equivalent properties be approved;**
- (3) That the following be noted:**

COUNCIL MEETING MINUTES - 27 JANUARY 2026

- a) The assumed Council Tax collection rate of 98.50% for 2026/27;
- b) That the 2026/27 Council Tax Reduction Scheme would be updated in line with the Scheme's regulations;
- c) That the estimated balance of the Council Tax Collection Fund as at 31 March 2026 was an overall net deficit of £2.092m and that the Council's overall share of this deficit was £1.781m.

39. COUNCILLORS' ALLOWANCES SCHEME 2026/27

The Executive Director of Resources submitted a report setting out a scheme of Councillors Allowances for 2026/27 as recommended by the Independent Remuneration Panel. Attached to the report at Appendix A was a report on the Panel's consideration of the scheme and at Appendix B their recommended scheme.

The report explained that the Panel had met on 19 November 2025 for their annual review of the scheme. No significant changes were recommended for the final year of the current four-year scheme which was in place until April 2027.

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

Resolved –

That the Councillors Allowances Scheme 2026/27, as recommended by the Independent Remuneration Panel and set out at Appendix B to the report, be adopted.

40. APPOINTMENT OF ELECTORAL REGISTRATION OFFICER AND RETURNING OFFICER

The Assistant Director of Legal & Democratic Services submitted a report setting out a recommendation made by the Personnel Committee at its meeting on 20 November 2025 (Minute 10 refers), to appoint the Executive Director of Resources as Electoral Registration Officer and Returning Officer. An Appendix to the report set out consequential amendments to the Council's Constitution to reflect the proposed changes.

The report noted that, following the previous postholder's departure from the Council in December 2025, the post of Assistant Director of Legal and Democratic Services was filled by an interim officer pending permanent recruitment. With local elections scheduled for May 2026, it was not considered appropriate for them to be managed by an interim officer, and therefore Personnel Committee had been asked to recommend that the Electoral Registration Officer and Returning Officer roles be reallocated to the Executive Director of Resources. It was essential for the Council to have both an Electoral Registration Officer and Returning Officer in place to ensure the smooth running of electoral processes and uphold democratic integrity. These statutory roles were crucial for overseeing the organisation of elections, maintaining accurate electoral registers, and guaranteeing that all legal requirements were met. The Executive Director of Resources had experience of managing local elections and had undertaken relevant training.

COUNCIL MEETING MINUTES - 27 JANUARY 2026

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

Resolved –

- (1) That the appointment of Louise Duffield, Executive Director of Resources, as Electoral Registration Officer and Returning Officer, be approved;**
- (2) That the Monitoring Officer be authorised to make the consequential amendments to the Council's Constitution as set out in the Appendix to the report.**

(The meeting closed at 6.57 pm)

Council

24 February 2026



Reading
Borough Council
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Title	Chief Finance Officer's report on the robustness of the Council 2026/27 Budget
Purpose of the report	To make a key decision
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Darren Carter, Director of Finance
Report author	Darren Carter, Director of Finance
Lead Councillor	Councillor Terry, Leader of the Council
Council priority	All
Recommendations	1. That Council considers the contents of this report in setting the Budget for 2026/27

1. Executive Summary

- 1.1. Local authorities are required to set a balanced budget on an annual basis. The process is underpinned by the professional judgement of the Chief Finance Officer (CFO) who is legally required to write a Section 25 statement. The Local Government Act 2003 (Section 25) requires that the Chief Finance Officer reports the following matters to members when agreeing the annual budget and precept:

- the robustness of the estimates made for the purposes of the budget calculations
- the adequacy of the proposed financial reserves

- 1.2. The Members of Reading Borough Council shall have regard to this report when making decisions about the 2026/27 Budget.

2. Policy Context

SEND deficits

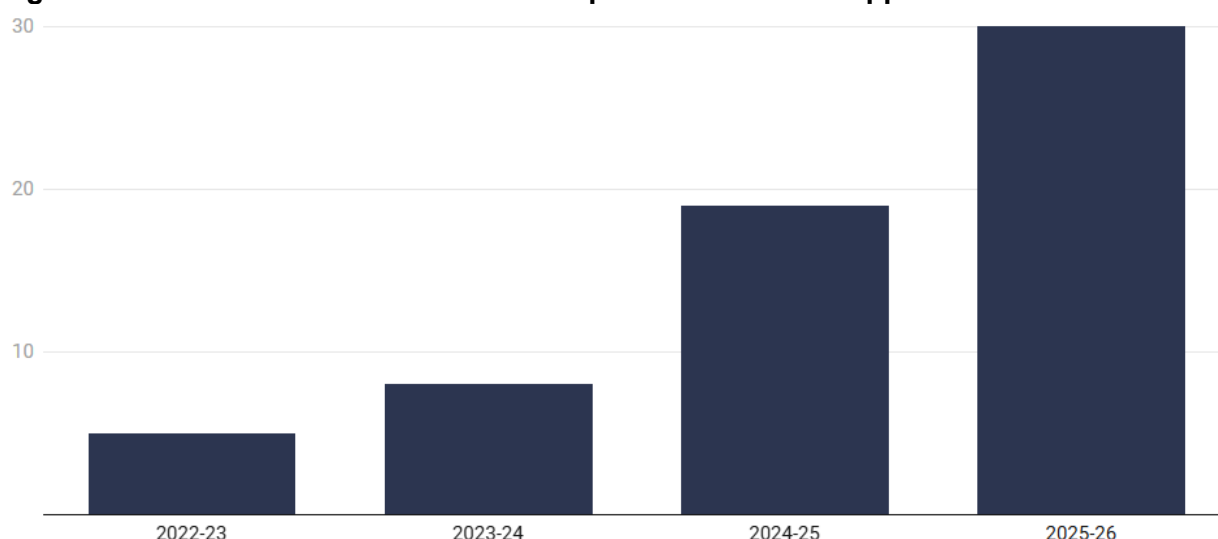
- 2.1. The Ministry of Housing, Communities and Local Government (MHCLG) amended the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 to introduce a statutory override where a DSG deficit at the end of a financial year must not be charged to a revenue account and instead must be charged to an account established solely for the purpose of recognising deficits in the schools budget. This accounting practice has the effect of separating schools budget deficits from the local authority General Fund and means that these deficits are not charged to the General Fund.
- 2.2. The intention of the statutory override was to give local authorities flexibility in reducing their DSG deficits. However, the scale of the challenge in the SEND system has made this impossible, and deficits have continued to rise nationally despite the best efforts of the sector.

- 2.3. As a consequence, many authorities including Reading Borough Council have SEND deficits on their balance sheets, which, if the statutory override were to be removed, would result in the authority being unable to produce a balanced budget or maintain adequate levels of general fund reserves.
- 2.4. In November's Budget the government announced that responsibility for funding SEND services would transfer from local government to central government from 2028. This is a significant change that has the potential to radically alter the financial pressures that councils are facing.
- 2.5. The Final Local Government Finance Settlement announced in February 2026 confirmed the Government will fund 90% of the accumulated High Needs Block (SEND) deficit balance as at 31 March 2026. The Council's forecast deficit at the end of this financial year is £48.627m which means this new funding announcement, which is subject to the Council submitting and securing the Department for Education's approval of a local SEND reform plan, will reduce the cumulative deficit to £4.863m.
- 2.6. The Council will need to set aside funding for the remaining 10% of the forecast deficit, together with a contribution to any further deficits that might arise over 2026/27 and 2027/28 after which this expenditure will be fully funded by the Government.
- 2.7. Uncertainty remains about what will happen to the deficits that will arise in 2026/27 and 2027/28, with the final settlement simply saying that "local authorities can expect that we will continue to take an appropriate and proportionate approach, though it will not be unlimited".

Exceptional Financial Support (EFS)

- 2.8. On 17th December 2025 MHCLG announced that the government had agreed to provide 30 councils with support to manage financial pressures via the Exceptional Financial Support process, including 3 of the 6 Berkshire councils, and set aside Council Tax referendum principles for 6 authorities.
- 2.9. The following graph shows the number of Councils granted EFS over the last 4 years.

Figure 1. Number of Councils Grants Exceptional Financial Support



The Final Local Government Finance Settlement and Fair Funding 2.0

- 2.10. The 2026/27 Settlement is the first multi-year Settlement in a decade, running from 2026/27 to 2028/29. This provides the local government sector with a welcome degree of predictability of funding that will encourage longer-term planning.
- 2.11. A significant proportion of the funding announced in the settlement will be allocated using the principles detailed in Fair Funding 2.0 which seeks to target funding based on

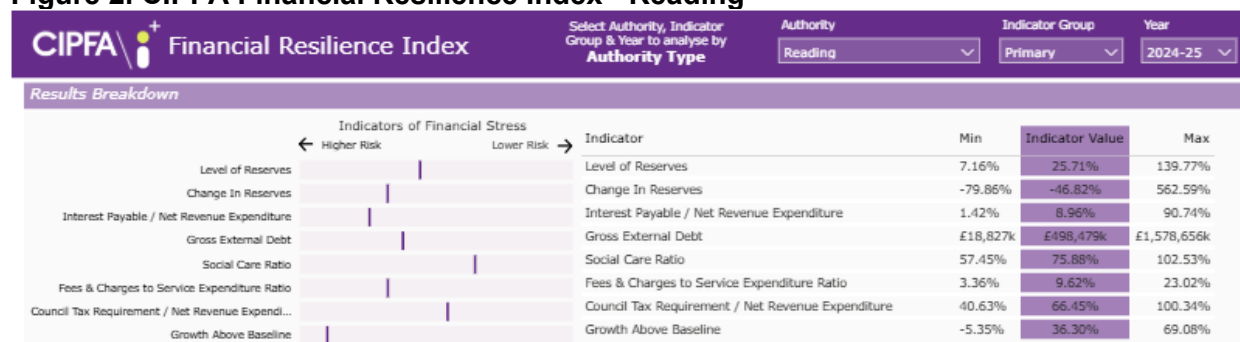
a clear assessment of need. It is therefore disappointing that the Government has chosen to continue to allocate £865 million of funding outside of the Fair Funding principles, using the method introduced last year through the 'Recovery Grant'. Reading Borough Council will receive none of this £865 million.

- 2.12. If the £865m had been included in the pot of funding distributed through the fair funding formula, as had been originally intended, Reading Borough Council would have been entitled to additional funding of £2.050m.
- 2.13. The additional total funding allocated to Reading Borough Council through the funding streams that are included in Core Spending Power is to £6.264m (£3.562m in 2026/27, £1.390m in 2027/28 and £1.392m in 2028/29). This includes an increase in the Homelessness, Rough Sleeping and Domestic Abuse grant, announced in the Final Settlement, of £1.347m in 2026/27, rising to £2.125m in 2028/29.
- 2.14. In the Final Settlement there was also confirmation that the Government will fund 90% of the accumulated High Needs Block SEND deficit as at 31 March 2026. This new ring-fenced grant is subject to each local authority submitting and securing the Department for Education's approval of a local SEND reform plan. Based on current forecasts this one off grant is estimated to reduce Reading Borough Council's cumulative deficit by £44m, with the Council needing to fund the remaining 10% of the deficit in 2028/29. The grant will be applied to the cumulative High Needs Block deficit currently held in the unusable reserves section of the Council's balance sheet, in accordance with the provisions of the statutory override that is in place until 31st March 2028.

The CIPFA Financial Resilience Index

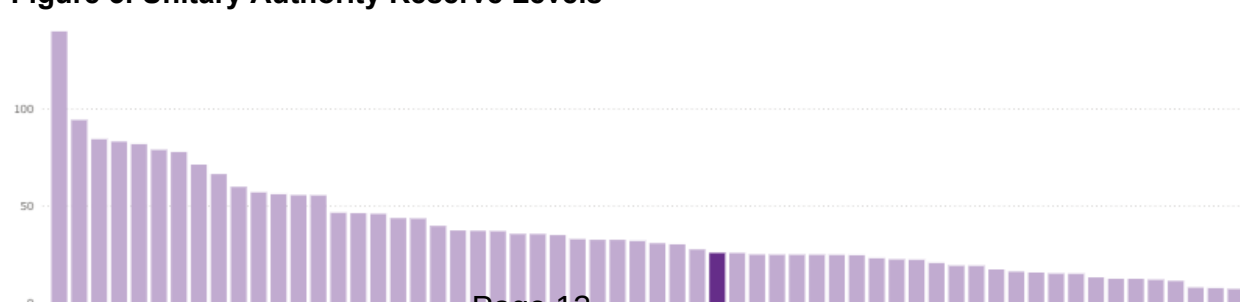
- 2.15. The CIPFA financial resilience index is a comparative analytical tool intended for use by Chief Financial Officers to support good financial management. The index shows a council's position on a range of measures associated with financial risk, highlighting where additional scrutiny may be required. The index for Reading Borough Council as compared to other unitary authorities is as follows:

Figure 2. CIPFA Financial Resilience Index - Reading



- 2.16. Nationally, the findings from this year's Financial Resilience Index show that usable reserves continue to fall, debt levels are rising and social care expenditure remains high.
- 2.17. On 31st March 2025, the level of reserves held by Reading Borough Council equated to 25.71% of net revenue expenditure. The following chart shows the level of reserves of all unitary authorities, with Reading being the darker coloured line in the chart.

Figure 3. Unitary Authority Reserve Levels



The CIPFA Financial Management Code

- 2.18. CIPFA launched the Financial Management Code in 2019. The Code sets out 17 standards of financial management for local authorities to assess themselves against and councils are required to undertake an annual self-assessment.
- 2.19. The most recent self-assessment was reported to Audit and Governance Committee in April 2025 and indicated an overall rating of Amber, with 11 Green ratings (indicating full compliance, a decrease of 1 from the previous year) and 6 Amber ratings (indicating that minor to moderate improvements were required to demonstrate full compliance, an increase of 1 from the previous year).

Statutory Accounts

- 2.20. KPMG issued a 'disclaimer of opinion' for the 2023/24 Statement of Accounts on 28th February 2025, with another disclaimer anticipated for the 2024/25 accounts as they follow the prescribed approach to 'building back assurance'.
- 2.21. As a result, I have not received any external audit opinion on the level of General Fund reserves held by Reading Borough Council on 31st March 2025.

Robustness of the Estimates

- 2.22. The Finance Team has led the production of the 2026/27 Budget and the 2026/27 to 2028/29 Medium Term Financial Strategy (MTFS) with input from the Council's Corporate Management Team.
- 2.23. All aspects of the Council's budget, savings, income, service changes, inflation, pressures, capital projects and new revenue bids have been subject to review, with services being required to review the plans they put forward in previous years and confirm delivery of the proposals or, put forward business cases for change where necessary. Budget proposals have subsequently been reviewed by:
- The Finance Team
 - Corporate Management Team
 - Lead Councillors
- 2.24. The 2026/27 Budget and the 3-year MTFS have been built on a range of assumptions reviewed and assessed by the finance team with support from our professional networks and specialist advisors. These are set out in detail in the Medium Term Financial Strategy attached as Appendix 1 to the Budget report.
- 2.25. The 2026/27 Budget proposes an increase of £4.700m for Adult Social Care services, an increase of £3.843m for Children's Services, and increases required to address budget pressures in Economic Growth & Neighbourhoods.
- 2.26. In order to manage growing financial pressures, there is a corporate contingency of £1.767m.

Adequacy of Reserves

- 2.27. The level of reserves a council should maintain is a matter of judgement. The consequence of not having adequate reserves can be significant. In the event of a serious problem or a series of events, the Council could run the risk of a deficit or be forced to cut expenditure in a damaging or arbitrary way should reserves not be available.
- 2.28. The proposed working balance for the General Fund reserve is set at 5% of the net budget requirement, equivalent to £9.983m. I consider this to be an adequate working balance.
- 2.29. The Council also maintains a range of earmarked reserves that are directly linked to the risk areas highlighted in this report:

- Financial Resilience reserve £2.045m. This reserve provides cover for a range of risks including local government funding reform, equal pay and Minimum Revenue Provision for which there are known sector-wide risks but for which we have no specific information that would require inclusion in the approved Medium Term Financial Strategy. £0.336m of this reserve will be required to balance the budget in 2026/27.
 - Collection Fund reserve of £6.562m to mitigate against the impact of an economic downturn on the collection of Council Tax and Business Rates. £6.062m will be required in 2026/27 to fund the 2025/26 Collection Fund deficit.
 - Commercial Property reserve £0.923, of which £0.348m will be required in 2026/27.
- 2.30. The Council also maintains the following reserves to protect against the impact of unforeseen events or liabilities:
- Self-insurance reserve £3.208m to meet estimated liabilities in connection with internally held risks related to the Council's Insurance programme.
 - Legal and taxation reserve £0.193m to cover one-off legal or tax liabilities.
 - School deficits reserve £1.301m.
- 2.31. Earmarked reserves are also held for the following:
- Unspent revenue grants £2.399m.
 - Reserves which have a statutory limitation as to their use, such as Schools Balances, Dedicated Schools Grant and Housing Revenue Account (HRA) reserves
 - Committed but unspent budgeted amounts carried forward at the end of the financial year to deliver specific projects
- 2.32. The Council's General Fund revenue reserves, including earmarked reserves, were £49.803m on 31st March 2025 and are forecast to be £30.201m by 31st March 2026. This includes the funding of the projected 2025/26 adverse variance, the planned use of revenue grants brought forward from previous years and the funding of the 2025/26 Collection Fund deficit.
- 2.33. While this level of General Fund reserves is adequate for the setting of the 2026/27 budget there is a need to increase the level of reserves in order to give greater resilience in future years.
- 2.34. A full schedule of reserves and balances including those which are ring fenced to the Housing Revenue Account and Schools is attached at Appendix 1 together with an explanation as to their intended use. It should be noted that the earmarked reserves figures are indicative and will change depending on how quickly associated expenditure is incurred.
- 2.35. The HRA minimum balance is £4.793m for 2026/27 and increases in line with annual rent increases. The forecast HRA balance, which excludes other HRA earmarked reserves, as at 31st March 2026 is £19.187m. The 30-year Business Plan shows the HRA balance reducing to a minimum point of £0.700m headroom against the minimum balance in 2030/31 before increasing again in the remaining years of the plan.

3. The Proposal

- 3.1. The main budget proposals are contained elsewhere on this agenda.
- 3.2. In considering the proposals Members should be aware of the following risks:

Inflation

- 3.3. Inflationary pressures on the Council's employee and contractor costs represent a significant annual pressure that needs to be funded. Equally, inflation rates impact on

fees and charges, Council Tax capping levels and business rates income through the nationally set Non-Domestic Rates Multiplier.

- 3.4. The annual inflation rate in the United Kingdom as measured by the Consumer Price Index (CPI) stands at 3.4% as at December 2025, up from 2.5% in December 2024. The Consumer Price Index including owner occupiers' housing cost (CPIH) stands at 3.6% as at December 2025, and was 3.5% in December 2024.

Pay Award

- 3.5. The proposed budget includes an increase of 2.4% per annum for 2026/27 with 1.9% for 2027/28 and 2028/29.

Adult Social Care

- 3.6. There are significant pressures in the social care system. These pressures include an increase in the number of service users, in addition to the number of complex care packages and increasing contract inflation. This updated MTFS includes a proposed increase of £4.700 million for Adult Social Care services in 2026/27 to address these pressures.

Children's Social Care

- 3.7. This MTFS update includes a provisional increase of £3.843 million in 2026/27, predominantly in respect of placements for Looked After Children due to increases in costs associated with the age profile and complexity of need.

Savings

- 3.8. The budget proposals require the delivery of £9.657 million of savings in 2026/27; and £14.781 million across the 3-years of the MTFS.

Companies

- 3.9. Reading Borough Council operates the following wholly owned companies:

- Reading Transport Limited (RTL)

The company is experiencing a difficult year financially due to a decline in fare-paying passengers and increasing costs but it is expected to return to profitability in 2026/27.

- Homes for Reading (HfR)

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

- Brighter Futures for Children

Brighter Futures for Children ceased operating on 30th September 2025 and the functions formerly carried out by the company transferred back to Reading Borough Council on 1st October 2025.

4. Contribution to Strategic Aims

- 4.1. 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.

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

5. Environmental and Climate Implications

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

6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 18th December 2025 until xx January 2026. The feedback from this engagement, alongside the feedback from the Residents' Survey 2025 is set out in Appendices xx and xx of the Budget Report.

7. Equality Implications

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

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

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

10. Financial Implications

- 10.1. These are set out in the main body of the Budget reports included in this agenda.

11. Timetable for Implementation

- 11.1. Not Applicable.

12. Background Papers

- 12.1. There are none.

Appendices

1. Summary of Estimated Reserve Movements

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Appendix 1 - Summary of Estimated Reserve Movements

		Balance	31/03/25	Movement	Balance	Movement	Balance	Movement in	Balance	Movement in	Balance
		£000s	£000s	in year	31/03/26	in year	31/03/27	year	31/03/28	year	31/03/29
					£000s		£000s	£000s	£000s	£000s	£000s
General Fund Balance		Minimum level of unallocated reserves, 5% of net revenue budget			(8,905)	(1,078)	(9,983)	(937)	(10,920)	(498)	(11,418)
Earmarked Reserves - General Fund											
<i>Planned Future Revenue and Capital Spending Earmarked Reserves</i>											
Climate Change Revenue Reserve	To allow for revenue investment to address the climate emergency	(153)	81	(72)	0	(72)	0	(72)	0	(72)	
Communications Reserve	To allow for investment in communications strategies and engaging with the public	(106)	20	(86)	20	(66)	20	(46)	20	(26)	
Elections Reserve	To provide a smoothing reserve for elections over a rolling 5 year cycle.	(41)	(211)	(252)	119	(133)	119	(14)	(46)	(60)	
Hardship Fund	To fund hardship relief	(347)	347	(0)	0	(0)	0	(0)	0	(0)	
Health & Safety	To fund a temporary Risk Management Officer	(29)	29	0	0	0	0	0	0	0	
Project Management Office	To fund temporary support to the Project Management Office	(163)	0	(163)	0	(163)	0	(163)	0	(163)	
Revenue Grant Unapplied Reserve	To hold Revenue Grant balances where the conditions for use have been met but relevant expenditure has not yet been incurred	(7,133)	4,734	(2,399)	383	(2,015)	0	(2,015)	0	(2,015)	
Transformation Reserve	To allow for potential slippage in the delivery of capital receipts to fund transformation as well as funding tranformation projects beyond the end of the flexible capital receipts directive in 2024/25.	(1,149)	1,149	0	0	0	0	0	0	0	
<i>Planned Future Revenue and Capital Spending Earmarked Reserves</i>		(9,120)	6,149	(2,971)	522	(2,449)	139	(2,310)	(26)	(2,336)	
Specific Risks Earmarked Reserves											
Abortive Capital Cost Reserve	To provide for the cost of feasibility studies that do not progress into capital schemes	(91)	20	(71)	0	(71)	0	(71)	0	(71)	
Commercial Property Liabilities Reserve	To manage urqent liabilities associated with the Council's property	(1,968)	1,045	(923)	348	(575)	287	(288)	96	(192)	
Cyber Security Risk Reserve	To mitigate against potential cyber security risks	(2,059)	1,819	(240)	120	(120)	120	(0)	0	(0)	
Emergency Planning Reserve	To cover for unforeseen emergencies not budgeted for	(949)	949	(0)	0	(0)	0	(0)	0	(0)	
Legal and Taxation Reserve	To meet potential one-off legal or tax liabilities	(354)	161	(193)	0	(193)	0	(193)	0	(193)	
Pay & Inflation Reserve	To mitigate against potential additional pay & inflationary pressures	(1,670)	1,670	0	0	0	0	0	0	0	
Pooled Investment Fund Reserve	To mitigate against any fluctuations in the fair value of pooled investments (statutory override currently due to end 31/03/2025)	(1,200)	1,200	0	0	0	0	0	0	0	
Schools Deficit Liability Reserve	To fund potential deficits of schools that may become academies in the future	(1,301)	0	(1,301)	0	(1,301)	0	(1,301)	0	(1,301)	
Self Insurance Reserve	To meet estimated liabilities in connection with internally-held risks related to the Council's Insurance programme	(3,046)	(162)	(3,208)	(362)	(3,570)	(362)	(3,932)	(362)	(4,294)	

Appendix 1 - Summary of Estimated Reserve Movements

		Balance 31/03/25 £000s	Movement in year £000s	Balance 31/03/26 £000s	Movement in year £000s	Balance 31/03/27 £000s	Movement in year £000s	Balance 31/03/28 £000s	Movement in year £000s	Balance 31/03/29 £000s
Specific Risks Earmarked Reserves		(12,638)	6,702	(5,936)	106	(5,830)	45	(5,785)	(266)	(6,051)
Budget Stabilisation Earmarked Reserves										
Collection Fund Smoothing Reserve	To provide for the potential downturn in the economy that would reduce the level of Business Rates/Council Tax	(2,765)	(3,797)	(6,562)	6,062	(500)	0	(500)	0	(500)
Financial Resilience Reserve	To provide the Council with financial resilience in respect of implications from future local government funding reform including the business rates reset	(11,510)	9,465	(2,045)	1,776	(269)	498	229	0	229
Budget Stabilisation Earmarked Reserves		(14,276)	5,668	(8,608)	7,838	(770)	498	(272)	0	(272)
Ringfenced Earmarked Reserves										
Better Care Fund Reserve	To meet costs relating to the Hospital Discharge Scheme	(1,411)	1,276	(135)	135	0	0	0	0	0
Public Health Reserve	The Public Health Grant is ring-fenced so any underspend is carried forward and spent in future years	(1,698)	885	(813)	0	(813)	0	(813)	0	(813)
Joint Legal Team Reserve		(408)	0	(408)	0	(408)	0	(408)	0	(408)
Schools Balances	Schools are able to carry forward any underspends on their budgets	(1,348)	0	(1,348)	0	(1,348)	0	(1,348)	0	(1,348)
Ringfenced Earmarked Reserves		(4,864)	2,161	(2,703)	135	(2,568)	0	(2,568)	0	(2,568)
Total Earmarked Reserves - General Fund		(40,898)	20,680	(20,218)	8,601	(11,617)	682	(10,935)	(292)	(11,227)
Total General Fund Revenue Reserves		(49,803)	19,602	(30,201)	7,664	(22,537)	184	(22,353)	(292)	(22,645)
Housing Revenue Account (HRA) Reserves										
HRA	Cumulative HRA balance which is ringfenced to support the management and maintenance of the Council's housing stock and to fund the provision of new council housing.	(24,245)	5,058	(19,187)	3,108	(16,079)	3,176	(12,903)	4,039	(8,864)
North Whitley PFI	To provide a smoothing reserve for PFI payments	(8,591)	927	(7,664)	927	(6,737)	927	(5,810)	927	(4,883)
Total Housing Revenue Account (HRA) Reserves		(32,836)	5,985	(26,851)	4,035	(22,816)	4,103	(18,713)	4,966	(13,747)
Total Revenue Reserves		(82,639)	25,587	(57,052)	11,699	(45,353)	4,287	(41,066)	4,674	(36,392)

Council

16 February 2026



Reading
Borough Council
Working better with you

Title	2026/27 Budget & Medium Term Financial Strategy 2026/27 - 2028/29
Purpose of the report	To make a decision
Report status	Public report
Report author	Darren Carter, Director of Finance
Lead Councillor	Councillor Terry, Leader of the Council
Corporate priority	Our Foundations
Recommendations	That Council, having due regard of the results of the budget engagement exercise (as outlined in Appendix 11) and Resident's Survey, approve the 2026/27 General Fund and Housing Revenue Account budgets, Capital Programme and Medium Term Financial Strategy as set out in Appendices 1-10, noting the following: 1. The Council's General Fund Budget Requirement of £199.662m for 2026/27 and an increase in the band D Council Tax for the Council of 2.99% plus an additional 2.00% Adult Social Care Precept, representing a band D Council Tax of £2,223.18 per annum, an increase of £105.66 per annum excluding precepts from Police and Fire, as set out in paragraph 2.4 below; 2. The proposed savings and efficiencies of £9.657m and increased income and fees and charges of £2.366m, required to achieve a balanced budget for 2026/27 as set out in Appendices 2 and 3; 3. The overall savings and efficiencies of £14.781m and increased income, fees and charges of £3.154m currently proposed within the MTFS, and gross three-year growth changes to service and corporate budgets of £68.401m as set out in Appendices 3 and 4; 4. The budgeted net drawdown from earmarked reserves in 2026/27 totalling £7.302m, as set out in paragraph 10.2; 5. The Housing Revenue Account budget for 2026/27 of £58.925m as set out in Appendix 5 and the average increase of 4.8% in social dwelling rents from April 2026, and the move to full cost recovery for landlord cleaning and lighting service; 6. The allocation of £124.259m Dedicated Schools Grant (DSG) as set out in Appendix 6; 7. The General Fund and Housing Revenue Account Capital Programmes totalling £140.858m and £232.141m respectively over the next five years, as set out in Appendices 7a and 7b; 8. The Strategy for the use of flexible capital receipts to deliver future transformation and ongoing savings as set out in Appendix 8; 9. The Fees and Charges set out in Appendix 9 of the report; and 10. The Equalities Impact Assessment as set out in Appendix 10..

1. Executive Summary

- 1.1. Policy Committee at its meeting on 17th December 2025 reviewed the Medium-Term Financial Strategy (MTFS) Update for the three years 2026/27 – 2028/29. This report updates Members on the results of the subsequent budget engagement exercise, changes arising from the publication of the Final Local Government Finance Settlement 2026/27, published on the 9th February 2026, as well as other changes that have arisen since the report to Policy Committee.
- 1.2. The 2026/27 Budget & Medium Term Financial Strategy 2026/27 - 2028/29 report presented to Policy Committee on 16th February 2024 was based on the Provisional Local Government Finance Settlement published on 17th December 2025.
- 1.3. This report to Council has been updated to reflect announcements made as part of the Final Local Government Finance Settlement published on 9th February 2026.
- 1.4. The updates reflect:
 - An increase of £1.347m in 2026/27, rising to £2.125m in 2028/29 in the Homelessness, Rough Sleeping and Domestic Abuse grant. This has enabled the removal of previously planned savings in homelessness support services.
 - Confirmation that the Government will fund 90% of the accumulated High Needs Block SEND deficit as at 31st March 2026. This new ring-fenced grant is subject to each local authority submitting and securing the Department for Education's approval of a local SEND reform plan. Based on current forecasts this one off grant is estimated to reduce Reading Borough Council's cumulative deficit by £44m, with the Council needing to fund the remaining 10% of the deficit in 2028/29. The grant will be applied to the cumulative High Needs Block deficit currently held in the unusable reserves section of the council's balance sheet, in accordance with the provisions of the statutory override that is in place until 31st March 2028.
- 1.5. There were no other relevant changes from the Provisional Local Government Finance Settlement.
- 1.6. The underpinning rationale of the Medium-Term Financial Strategy is to deliver a balanced and affordable 2026/27 budget, to ensure that the Council's finances are robust and sustainable over the medium term and that, in the longer term, the Council's finances are not reliant on the unsustainable use of one-off reserves or funding. The Strategy is informed by the Council's Vision: "to help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success", as well as its Council Plan priorities.
- 1.7. The 2026/27 Budget and MTFS 2026/27-2028/29 reflects the changing landscape in which Councils are now operating, including the impact of funding reform and the announcement of a three-year Local Government funding settlement from Central Government. The most significant impacts on the Budget and the MTFS include demand pressures and placement costs in adult and children's social care and Special Education Needs arising from increased demand, complexity and market challenges.
- 1.8. The budget and MTFS assumptions include:
 - a) Council Tax increases of 2.99% plus an Adult Social Care precept of 2.0% for each year 2026/27-2028/29;
 - b) Delivery of £17.935m of efficiencies and increased income across 2026/27-2028/29;

- c) A net draw from earmarked reserves totalling £7.302m in 2026/27, as set out in paragraph 10.2;
 - d) A housing rent increase for 2026/27 of 4.8% in line with approved government policy of CPI + 1% and rent convergence starting at £1 per week in 2028/29 increasing to £2 per week in 2029/30;
 - e) General Fund capital investment of £140.858m and Housing Revenue Account (HRA) capital investment of £232.141m over the 5 year period 2026/27 to 2030/31;
 - f) An initial allocation of £1.500m of transformation funding for each year from 2026/27 to 2029/30 to support delivery of efficiency savings assumed within the MTFS, taking the total transformation funding to £29.229m across the whole life of the Delivery Fund.
- 1.9. The Dedicated Schools Grant High Needs Block is anticipated to be £48.627m in deficit by 31st March 2026. Further details are set out in paragraphs 2.8 to 2.16 below and in Appendix 6.
- 1.10. This report has been prepared with reference to the following documents:
- Medium Term Financial Strategy 2026/27-2028/29 Update Report agreed by Policy Committee (17th December 2025)
 - Autumn Budget 2025 – HM Treasury (26th November 2025)
 - Final Local Government Finance Settlement 2026/27 – MHCLG (9th February 2026)

2. Policy Context

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

Overview

- 2.2. Attached to this summary report are a series of appendices which together provide a comprehensive overview of the Council's financial position in the short to medium term given the constraints within which we are operating. The rest of this report summarises the contents of those appendices.

General Fund

- 2.3. Appendix 1 sets out the Council's Medium Term Financial Strategy and is supported in respect of the General Fund (GF) by Appendices 2, 3 and 4 which set out the financial figures for the 2026/27 Budget and the indicative budgets for 2027/28 and 2028/29. As illustrated in Appendix 2, this provides for a balanced budget in 2026/27 and a Net Budget Requirement of £199.662m, which after allowing for other funding streams leaves a Council Tax Requirement of £134.176m. The indicative budgets for 2027/28 and 2028/29 are not currently balanced with a budget gap of £1.996m currently forecast for 2027/28, reducing to a gap of £0.207m for 2028/29.
- 2.4. The 2026/27 budget proposals assume a Council Tax increase of 2.99% and an Adult Social Care Precept of 2.00%. This results in a Band D Council Tax of £2,223.18 for 2026/27, an increase of £105.66 per annum or £2.03 per week excluding precepts from Police and Fire. The same percentage uplift is assumed for both 2027/28 and 2028/29.

Housing Revenue Account

- 2.5. Appendix 5 sets out the Housing Revenue Account budget proposals. The proposed expenditure budget for 2026/27 is £58.925m. A balanced budget is delivered across all

three years with a drawdown from reserves of £3.108m in 2026/27, £2.849m in 2027/28 and £3.708m in 2028/29.

- 2.6. The budget assumes that rents and service charges will increase by 4.8% for 2026/27 in line with the maximum rent increase of CPI (as of September 2025) + 1%. The average weekly rent increase is between £5.45 and £7.86 depending upon the type of property. The budget also assumes that rent convergence of £1 per week will be applied from 2027/28, increasing to £2 per week from 2028/29. This plan also includes an increase to existing service charges to tenants to recover the full cost of Landlord cleaning and lighting services beginning 2026/27. These are required to ensure the 30-year plan doesn't breach minimum reserve levels.
- 2.7. Appendix 5 also sets out the full 30 Year Business Plan, which includes details of planned investments, how these are funded and the impact on the HRA balance. Within the 30 year HRA Business Plan the housing service is investing an additional £61.625m between 2026/27 and 2028/29 in the maintenance of the existing housing stock and £155.882m in new build and acquisitions. The Business Plan currently assumes that rent convergence will commence from April 2027, in line with national guidance.

Dedicated Schools Budget

- 2.8. Appendix 6 sets out the Dedicated Schools Grant Budget proposals for 2026/27. Dedicated Schools Grant (DSG) is split into four blocks, for which the allocations for 2026/27 were published by the Government on 17th December 2025. Overall, the gross DSG for schools will increase by £9.915m (5.0%) from £199.357m to £209.272m. Details of the allocations are provided at Appendix 6.
- 2.9. High needs funding supports provision for pupils and students with Special Educational Needs and Disabilities (SEND) who require additional resources to participate in education and learning, from their early years to age 25 in schools and colleges (excluding students aged 19 to 25 who do not have an Education, Health and Care Plan (EHCP)) and pre-16 pupils in Alternative Provision (AP) who, because of exclusion, illness, or other reasons, cannot receive their education in mainstream schools. High needs funding is provided to local authorities through the high needs block of the DSG. While High Needs Block funding has been increasing, it has not kept pace with the growth in the number of EHCP's or the cost of meeting the increasingly complex needs of the pupils.
- 2.10. The Ministry of Housing, Communities and Local Government (MHCLG) amended the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 to introduce a statutory override where a DSG deficit at the end of a financial year must not be charged to a revenue account and instead must be charged to an account established solely for the purpose of recognising deficits in the schools budget. This accounting practice has the effect of separating schools budget deficits from the local authority General Fund and means that these deficits are not charged to the General Fund, but the General Fund is still required to pick up the cost of interest payments on the cumulative debt.
- 2.11. The intention of the statutory override was to give local authorities flexibility in reducing their DSG deficits. However, the scale of the challenge in the SEND system has made this impossible, and deficits have continued to rise nationally despite the best efforts of the sector, including in Reading the use of Additionally Resourced Provision and the plans for a new Special School.
- 2.12. As a consequence, many authorities including Reading Borough Council have SEND deficits on their balance sheets, which, if the statutory override were to be removed, would result in the authority being unable to produce a balanced budget or maintain adequate levels of general fund reserves.

- 2.13. In the November 2025 Budget the government announced that responsibility for funding SEND services would transfer from local government to central government from 2028.
- 2.14. In addition to this, the Local Government Finance Settlement announced in February 2026 confirmed the Government will fund 90% of the accumulated High Needs Block (SEND) deficit balance as at 31st March 2026. The Council's forecast deficit at the end of this financial year is £48.627m which means this new funding announcement, which is subject to the Council submitting and securing the Department for Education's approval of a local SEND reform plan, will reduce the cumulative deficit to £4.863m.
- 2.15. The Council will need to set aside funding for the remaining 10% of the forecast deficit, together with a contribution to any further deficits that might arise over 2026/27 and 2027/28 after which this expenditure will be fully funded by the Government.
- 2.16. The Council will continue to play its part in managing SEND expenditure and will review its funding options over 2026/27 as it prepares the following year's budget and Medium Term Financial Strategy.

Capital

- 2.17. The Council's overarching Capital Strategy is set out in a separate report elsewhere on this agenda and has been extended to provide a five year projection in accordance with best practice. The specific projects laid out in the Capital Programme, attached at Appendix 7a for the General Fund and Appendix 7b for the HRA are also set out over a five year period to align with the Capital Strategy. The General Fund Capital Programme totals £140.858m and the HRA Capital Programme totals £232.141m; which will require the support of £74.340m and £184.963m respectively of Council resources including capital receipts and external borrowing over the five year period. The major General Fund schemes include 3 new Children's homes, the completion of the Levelling Up Fund projects at the Hexagon Theatre and central library, the corporate solar programme, additional burial space, new and refurbished schools, and the continued investment in the highways infrastructure programme.
- 2.18. A scheme included in the approved Capital Programme shall remain subject to:
- (i) Spending approval in detail by the responsible committee or officer, as outlined in the Scheme of Delegation; and
 - (ii) The Director of Finance confirming the availability of funds.
- 2.19. The Council's transformation programme supported by the extension to the flexible use of capital receipts permitted by regulation is set out in Appendix 8.

Fees & Charges

- 2.20. The 2026/27 schedule of Fees and Charges assumed within the budget proposals and effective from 1st April 2026 is set out in Appendix 9.

Engagement

- 2.21. The Council is required by legislation to consider the impact of its budget proposals upon all groups within the local community. This is demonstrated by the Equalities Impact Assessment of the Budget Proposals set out in Appendix 10.
- 2.22. A summary of the results of the budget engagement held from 19th December 2025 to 17th January 2026 is provided within Appendix 11. The results of the Residents Survey carried out in the summer of 2025 was published online and can be viewed [here](#).
- 2.23. The engagement analysis highlights that residents were most comfortable with reducing spending on Central Services (Customer Services, Human Resources, Finance, Legal,

Digital and Technology) and Executive Management Team and Communications. Around two-thirds of residents placed these areas in their top 3 areas for reducing spending. Residents were much more divided in their opinions about where they would be least comfortable reducing spend. Adult Social Care split opinions most: 34% of residents put this in their top 3 areas for reducing spend; while 40% put this in their top 3 areas for not reducing spend.

- 2.24. The Council consulted with local business rates payers on 9th February 2026 as part of its statutory requirements.

3. Key Considerations

Exceptional Financial Support

- 3.1. On 17th December 2025 MHCLG announced that the government had agreed to provide 30 councils with support to manage financial pressures via the Exceptional Financial Support (EFS) process, including 3 of the 6 Berkshire councils, and set aside Council Tax referendum principles for 6 authorities. The Local Government Chronicle also reported that MHCLG is planning for up to 74 councils to apply for EFS next year.
- 3.2. The financial crisis that local authorities are encountering comes after significant reductions in local authorities' spending power since 2010 which has itself coincided with increasing demand for services and inflationary pressures driving up costs. Ultimately, the levels of funding available to local authorities, through council tax, retained business rates, and government grants have not kept pace with these pressures. In addition, many Councils are dealing with the long-term impact of not increasing Council Tax by the maximum amount available and poor investment decisions. In combination, these factors are leading to a funding gap that is being addressed through the EFS process.
- 3.3. The proposed 2026/27 budget has been based on current information available, but it is important that the Council is aware of the significant risks it faces in a number of key areas:

Fair Funding 2.0

- 3.4. The 2026/27 Settlement is the first multi-year Settlement in a decade, running from 2026/27 to 2028/29. This provides the Local Government sector with a welcome degree of predictability of funding that will encourage longer-term planning.
- 3.5. A significant proportion of the funding announced in the settlement will be allocated using the principles detailed in Fair Funding 2.0 which seeks to target funding based on a clear assessment of need. However, for 2026/27, approximately £865 million of funding is allocated outside of the Fair Funding principles, using the method introduced last year through the 'Recovery Grant', 'Recovery Grant Guarantee' and 'Recovery Grant Uplift'. Reading Borough Council will receive none of this £865 million.
- 3.6. The total additional funding allocated to Reading Borough Council through those funding streams that are included in Core Spending Power, including Business Rates, is £6.264m over the next three years (£3.562m in 2026/27, £1.390m in 2027/28 and £1.312m in 2028/29). For comparison, the 2025/26 increase for Reading was £4.277m.

Adult Social Care

- 3.7. There are significant pressures in the social care system. These pressures include an increase in the number of service users, in addition to the number of complex care packages, a shift in the demographic profile to younger people and increasing contract inflation. This updated MTFS includes a net increase of £4.700m for Adult Social Care

services in 2026/27 to address these pressures, in addition to the capital investment in facilities.

Children's Social Care

- 3.8. There is widespread recognition of the need to reform Children's Social Care, with increasing demand on services, increasing complexity of need, reducing numbers of foster carers, an insufficient supply of adequate residential placements, and an over-reliance on private sector providers driving up costs. This updated MTFS invests significant additional funds in Children's Social Care placements, with a net increase of £3.843m budgeted in 2026/27, and in the provision of new residential homes, but the upward trend is unsustainable.

Special Education Needs and Disabilities

- 3.9. The Council is forecasting a cumulative deficit of £48.627m on the high needs block by 31st March 2026. The deficit is forecast to reach £94.303m by the time the statutory override is currently due to end in March 2028. This forecast takes account of the significant investment in both Additionally Resourced Provision and a new SEND school. Council reserves will not be sufficient to fund this deficit, potentially triggering the need to issue a s114 notice. It is therefore critical that action is taken to address the deficit.

Inflation and Demand Risk

- 3.10. Whilst the budget proposals include consideration for risk, primarily in relation to the non-achievement of income targets and efficiency savings, risk remains that demographic, inflationary or other demand pressures may exceed budget and place pressures on available provisions. In addition, the budget includes a corporate contingency of £1.767m.

Savings

- 3.11. The MTFS assumes £14.781m of additional savings and efficiencies over 3 years. If these are not delivered or there is any delay to their delivery, it would pose a potential threat to the sustainability of the Council's budget. Based on the 2025/26 Quarter 2 Performance and Monitoring Report that was presented to Policy Committee in December 2025, £3.878m of savings are currently at risk of non-delivery, with £0.998m likely to be carried forward into 2026/27 following a review undertaken as part of the 2026/27 budget setting process into all existing savings proposals and where appropriate, non-deliverable savings were reprofiled, reduced or removed.
- 3.12. There are also the following considerations in respect of the Council's wholly owned companies:
- Reading Transport Limited (RTL) – The company is experiencing a difficult year financially due to a decline in fare-paying passengers and increasing costs but is expected to return to profitability in 2026/27.
 - Homes for Reading (HfR) – the housing stock is in the process of being transferred to the HRA following the decision in 2024/25 to close the company.
- 3.13. The current global and national economic position has the potential to impact the Council in a variety of ways, particularly in the current cost of living environment, these include increases in demand for social care and the levels of income and funding available to be distributed through central government. As upper tier authorities across the country are finding, changes in social care demand creates significant cost pressures within adults and children's social care budgets.
- 3.14. The Council's Chief Finance (Section 151) Officer is required under Section 25 of the Local Government Act to report to Council on the robustness of the estimates made for

the purposes of the calculations of the budget and the adequacy of the proposed level of financial reserves. This report will be presented to Council on 24th February 2026.

4. Contribution to Strategic Aims

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

5. Environmental and Climate Implications

- 5.1. The Council declared a Climate Emergency in February 2019, with the intention of achieving a carbon neutral Reading by 2030, which will require further financial commitment to achieve. Reading has cut its carbon emissions by 54% since 2005 and the Council has cut its own carbon footprint by 73% in since 2008. The Council Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.
- 5.2. The Council's 2030 climate target was already very challenging, even before taking account of the more recent financial pressures facing the Council, and local authorities in general, in addition to the government's recent scaling back of its net zero strategy commitments. Whilst the long term benefits of taking action will likely exceed the cost of inaction on climate change, this does not ease the challenge of finding resources for climate action in the immediate future.
- 5.3. Reading is one of only 112 towns and cities in the world to make the most recently published CDP A List – recognised as the gold standard of environmental reporting. It is the fourth successive year Reading has achieved the status which is currently shared with only 23 other UK local authorities. The Council has worked with local partners to make the A List and is calling on all Reading residents, businesses and organisations to work together to help us reach its ambitious target of a net zero Reading by 2030.
- 5.4. The Council's proposed Capital Programme for the next five years includes investment of £1.557m in 2026/27 for solar installations under the Corporate Solar Programme scheme. Additionally, the New Performance space at the Hexagon Theatre Levelling Up scheme includes further investment in energy saving and decarbonisation infrastructure.
- 5.5. Other capital investments, in offices, housing, transport and waste, will also contribute to the Council's carbon reduction ambitions by improving the efficiency of our buildings and operations as well as in the wider community.
- 5.6. As part of the budget setting process, 'Environment' is one of the weighting criteria applied to bids for capital funding. Going forward, major capital projects which will contribute directly to greenhouse gas emissions reduction include:
 - £1.557m for the Corporate Solar Programme (2026/27);
 - £0.575m for tree planting programmes (2026/27-2030/31);
 - £8.919m for Replacement Vehicles (2026/27-2030/31) – where part of the budget is allocated to the purchase of electric vehicle
 - £9.851m for Levelling Up Delivery Plan – New Performance Space at the Hexagon Theatre – where part of the budget is allocated to energy saving and decarbonisation measures;
 - £0.190m for Streetlighting investment to reduce energy consumption
 - The proposed budget for the Corporate and Community Buildings scheme includes a new allocation of £4.800m for works to the Town Hall. The proposed work will enhance the building's insulation and reduce heat loss.

6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 19th December 2025 until 17th January 2026. The feedback from this engagement is set out in Appendix 11. The results of the Residents Survey carried out in the summer of 2025 was published online and can be viewed [here](#).
- 6.2. The Council consulted with local business rates payers on 9th February 2026 as part of its statutory requirements.

7. Equality Implications

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

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

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

10. Financial Implications

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

- 10.2. The 2026/27 Budget is balanced by an overall £7.302m assumed draw on (contribution from) earmarked reserves, consisting of:
- £3.666m to fund service specific expenditure from specific earmarked reserves. This was already assumed in the December 2025 MTFS Update;
 - £0.503m to fund additional service specific expenditure from specific earmarked reserves following the December 2025 MTFS Update;
 - £2.797m from the Collection Fund Smoothing Reserve to fund the one-off deficit in 2026/27;
 - £0.336m from the Financial Resilience Reserve to balance the 2026/27 budget.
- 10.3. Further savings to close the budget gap in 2027/28 and beyond will need to be identified as part of the future budget setting process.
- 10.4. The Council's General Fund and HRA balances are set at 5% of the net budget requirement for 2026/27.

11. Timetable for Implementation

- 11.1. Not applicable.

12. Background Papers

- 12.1. There are none.

Appendices

- 1. The Medium Term Financial Strategy 2026/27 - 2028/29**
- 2. Summary of the Proposed General Fund Budget 2026/27 - 2028/29**
- 3. General Fund Revenue Budget by Service 2026/27 - 2028/29**
- 4. Detailed General Fund Budget Changes 2026/27 - 2028/29**
- 5. The Housing Revenue Account Proposed Budget 2026/27 - 2028/29**
- 6. The Dedicated Schools Grant Budget Proposals 2026/27**
- 7. The General Fund and HRA Capital Programmes 2026/27 - 2028/29**
- 8. The Flexible Use of Capital Receipts Strategy 2026/27**
- 9. Fees and Charges Proposals from April 2026**
- 10. Equality Impact Assessment of the Budget Proposals**
- 11. Summary of the Response to the Budget Engagement**

Appendix 1 - The Medium Term Financial Strategy 2026/27 – 2028/29

1. Background

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

2. The Current Economic and Financial Environment

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

Cost of Living Crisis

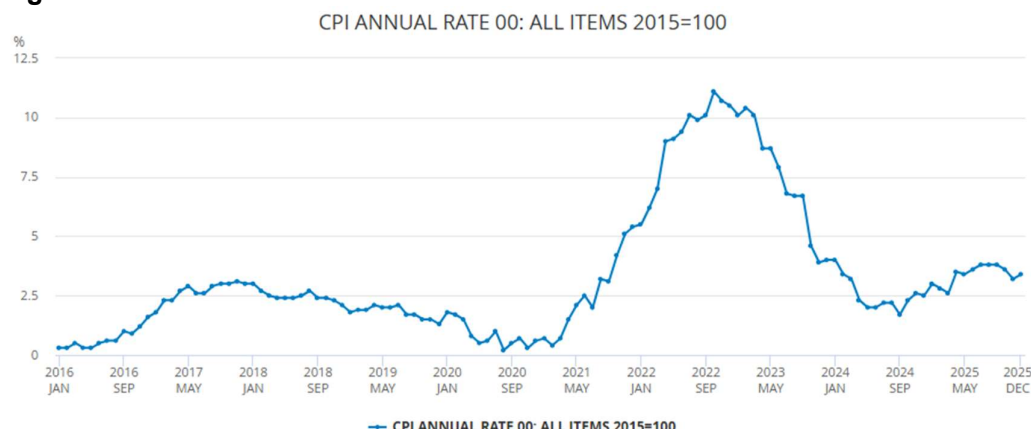
- 2.2 Since late 2021, the UK has been experiencing what is referred to as a "cost of living crisis", whereby the cost of everyday essentials like energy and food are rising much faster than average household incomes.
- 2.3 The increase in inflation underpinning the crisis was caused by the combined impact of multiple national and global events:
 - Brexit - Slowed economic growth and caused delays at the borders for traded goods due to new import and export rules;
 - The Covid-19 Pandemic - Led to disruption of working practices and global supply chains, whilst surging demands for goods were experienced post-lockdown which also contributed to rising prices;
 - The Russia-Ukraine Conflict - Led to energy price rises and global food shortages.
- 2.4 In addition, in an attempt to control inflation, the Bank of England gradually increased bank rate up to 5.25%, albeit this reduced to 3.75% as of December 2025.
- 2.5 The resulting pressures are impacting on the Council directly through increased costs but also through increased service demand. For example, pressures on the rental and

private housing markets are putting more individuals at risk of homelessness, with the number of households living in temporary accommodation in England at an all-time high.

Inflation Expectations

- 2.6 Inflationary pressures on the Council's employee and contractor costs represent a significant annual pressure that needs to be funded. Equally, inflation rates impact on fees and charges, Council Tax capping levels and business rates income through the nationally set Non-Domestic Rates Multiplier.
- 2.7 The annual inflation rate in the United Kingdom as measured by the Consumer Price Index (CPI) stands at 3.4% as at December 2025, up from 2.5% in December 2024. The Consumer Price Index including owner occupiers' housing cost (CPIH) stands at 3.6% as at December 2025, and was 3.5% in December 2024.
- 2.8 Inflation climbed steadily from February 2021 until its peak of 11.1% in October 2022, due to increased demand and limited supply on various products, including gas, oil, and food supplies, following the pandemic restrictions easing and the Ukrainian invasion. The Bank of England gradually increased interest rates to help achieve its target rate of inflation of 2.0%, and so inflation has fallen significantly since then. The increase seen in 2025 owed mostly to increases in food prices and administered prices (prices that are directly set or influenced by decisions from government or regulators). The Bank of England expects inflation to ease to 3% in early 2026 and fall to 2% over the subsequent year.

Figure 1. CPI Annual Rate



Environmental Challenges

- 2.9 The summer of 2025 has been confirmed by climate scientists at the Met Office as the hottest on record for the UK since records began in 1884. Exceptional temperatures were felt across much of the world, exacerbating extreme weather events such as heatwaves, droughts, floods and wildfires.
- 2.10 The Council declared a Climate Emergency in February 2019, with the intention of achieving a carbon neutral Reading by 2030, which is a challenging target, especially considering the Government is aiming for the UK to reach net zero by 2050. On the 6th November 2025, the Government published its revised plans and progress to achieve this target, including the implementation of targets and carbon budgets, aimed at helping the country to meet these goals by a 2050 deadline.

- 2.11 Reading has cut its carbon emissions by 57% since 2005 and the Council has cut its own carbon footprint by 73.4% since 2008.
- 2.12 Reading is one of only 112 towns and cities in the world to make the most recently published CDP A List – recognised as the gold standard of environmental reporting. It is the fourth successive year Reading has achieved the status which is currently shared with only 23 other UK local authorities. The Council has worked with local partners to make the A List and is calling on all Reading residents, businesses and organisations to work together to help us reach its ambitious target of a net zero Reading by 2030.

Fair Funding Review 2.0

- 2.13 Consultations about changes to how funding is distributed between Local Authorities have been ongoing since 2018. On 20th November 2025 the Ministry of Housing, Communities and Local Government (MHCLG) published its formal response to the Summer 2025 Fair Funding Review (FFR) 2.0.
- 2.14 The Fair Funding consultation set out proposals to: a) Simplify Council funding by reducing the number of grant funding streams and including them in the 'Settlement Funding Assessment' b) Calculate the share of the national funding that will be allocated to each council c) The transitional arrangements to move to the new funding levels.

Simplification

- 2.15 The government is simplifying more than 30 funding streams, worth nearly £47 billion across the next 3-years. In the updated system, £21.5 billion of this funding will be delivered through four new 'consolidated grants' as part of the multi-year Settlement package, and £25.3 billion will be rolled into the Revenue Support Grant, which is unfenced funding within the core Settlement.
- 2.16 The previous consultation indicated that the £600m Recovery Grant funding provided to the most deprived authorities in 2025/26 would be rolled into Revenue Support Grant in 2026/27, but has now confirmed that it will continue as a separate grant funding stream, in addition to a further increase of £150m of 'Recovery Grant Guarantee' and £115m of "Recovery Grant Uplift".
- 2.17 The consolidated grants for 2026/27 to 2028/29 are set out as follows:
- **Homelessness, Rough Sleeping and Domestic Abuse Grant** (£2.7 billion, or approx. £900m per annum) will be in core spending power and will bring together:
 - £1.1 billion of Homelessness Prevention Grant (HPG), distributed using the HPG formula previously consulted on in 2025;
 - Rough Sleeping Funding worth £879 million and distributed using a rough sleeping and single homelessness formula;
 - Renters' Rights Act new burdens worth £49.7 million;
 - DA Safe Accommodation Grant already in spending power worth £499 million over the three years;
 - Targeted funding for supported housing support services, worth £159 million.
 - **Children, Families and Youth Grant** (£3.1 billion, or approx. £1 billion per annum) will be partly within core spending power and includes:

- The current children's social care prevention grant (£809 million);
 - Supporting Families funding within the Children and Families Grant (£760 million);
 - New funding from the transformation fund announced at the 2025 Spending Review (£319 million);
 - Further new investment of £547 million;
 - Holiday, Activities and Food Grant of £623 million;
 - Pupil Premium Plus Post-16 grants, worth £41.5 million.
- **Public Health Grant** (£13.45 billion, or approx. £4.5 billion per year) will consolidate:
 - The main Public Health Grant, with existing distribution (around £12.1 billion, or £4bn pa);
 - Drug and Alcohol Treatment and Recovery Improvement Grant (£1 billion, or £330m pa);
 - Local Stop Smoking Services and Support Grant (£210 million, or £70m pa);
 - Swap to Stop scheme funding (£50 million, or £17m pa).
 - **Crisis and Resilience Fund** (£2.5 billion, or approx. £800 million pa), combining:
 - Household Support Fund;
 - Discretionary Housing Payments.

2.18 The total grant allocations for these grants before and after consolidation, over the three year period of the MTFS, is shown below:

Table 1. Consolidated Grants 2025/26 to 2028/29

Grant (£ million)	2025/26	2026/27	2027/28	2028/29	Total Change
Homelessness, Rough Sleeping and Domestic Abuse Grant	5.094	5.388	5.523	5.810	0.715
Children, Families and Youth Grant	1.878	2.925	2.901	2.558	0.680
Crisis and Resilience Fund	2.360	2.335	2.334	2.316	(0.044)
Consolidated Public Health Grant	13.532	13.693	13.922	14.184	0.651
Total	22.864	24.342	24.681	24.867	2.003
Change from Prior Year	-	1.477	0.339	0.186	2.003

2.19 The full list of grants being rolled into Revenue Support Grant is:

- Current Revenue Support Grant
- Business rates income, reflecting pilot and pooling arrangements and excluding Designated Areas/renewables
- Grants currently in spending power: Social Care Grant, Adult Social Care Market Sustainability and Improvement Fund (MSIF), Employer NI Contributions, New Homes Bonus, 2025/26 Funding Floor
- The remaining balance of the Children and Families Grant, once Supporting Families funding is excluded
- Other grants currently outside of spending power: temporary accommodation funding within the Homelessness Prevention Grant, Virtual School Head for Children with a Social Worker and Children in Kinship Care Grant, Biodiversity

Net Gain Planning Requirement, Deprivation of Liberty Safeguards Funding, Local Government Finance Data Review Funding, Enforcement of Local Restriction and Volume New Burdens Grant, Enforcement of Calorie Labelling Regulations New Burdens Grant, Awaab's Law New Burdens Grant and the Social Housing New Burdens Grant

National Funding Formula

2.20 The stated aim of the Fair Funding Review 2.0 is to better align funding with need across the country, updating for the first time in decades the formulas used to calculate local authorities' need for services relative to one another.

2.21 The 9 new formulas are:

Social care formulas:

- Adult social care - older component
- Adult social care - younger component
- Children and Young People's Services

Non-social care formulas:

- Foundation Formula - upper tier
- Foundation Formula - lower tier
- Fire and Rescue
- Highways Maintenance
- Home to School Transport
- Temporary Accommodation

2.22 These 9 formulas will be used to assess the differences in demand between councils, known as 'Relative Needs Formula' (RNF).

2.23 An 'Area Cost Adjustment' will then be applied to each RNF to account for the different costs of delivering services in different places. This will give each council a relative 'Needs Share' by weighting each RNF according to the level of national expenditure on that service.

2.24 To account for different Council Tax raising ability, the Government will then multiply each council's tax base by a notional level of Council Tax set at £2,060 for a Band D property in 2026/27. The total notional Council Tax for all council's will then be added to the grant and retained business rates available nationally to give the total notional funding available to Local Government and the funding will then be allocated according to each Council's 'Needs Share'.

2.25 Finally, the Government will subtract each council's notional Council Tax contribution to give it's 'Settlement Funding Assessment'.

Transitional Protection

2.26 The Government view is that the current funding system is unfair and there is a balance to be struck between providing transitional arrangements and moving decisively towards improved and updated allocations which are fairer for everyone. Local authorities whose existing income is furthest above their Fair Funding Assessment will need to accept some losses in income over the multi-year Settlement as this is necessary to ensure funding can be redirected to where it is assessed as needed most.

- 2.27 The transitional arrangements are that:
- The government will move local authorities to their Fair Funding Assessment allocations in increments of one third over the multi-year Settlement.
 - However, authorities which would see their income fall as a result of changes, will be further protected through a range of funding floor levels appropriate to specific groups of authorities' circumstances.

Local Government Finance Policy Statement 2026/27 to 2028/29

- 2.28 On 20th November 2025 MHCLG published a Local Government finance policy statement. Alongside the matters set out in Fair Funding 2.0 this included proposals to:

- **Incentivise house building and local economic growth:** Local authorities will benefit from the additional council tax raised for each new house built in their area, over the course of the multi-year period, and will keep the longstanding incentives in the business rates system so that authorities continue to be rewarded for local growth.
- **Give authorities greater certainty:** By providing the first multi-year Settlement in a decade, so that local authorities can plan for the next 3 years.
- **Provide support for local authorities that need it:** The government recognises that there will continue to be some authorities that request additional support. There will continue to be a framework in place for supporting those in the most difficult positions.
- **Focus on prevention:** With the aim of improving outcomes for the most vulnerable residents who rely on the services where demand and costs continue to grow, including social care, by focusing on prevention and early intervention. This includes £2.4 billion invested into children's social care prevention and de-escalation.
- **Drive public service reform:** Work across government to drive a programme of radical public service reform, centred on pooling budgets around service users and breaking through central government siloes, as well as looking for ways to reduce demands on local government to empower them to deliver for communities, including through reviewing the approach to sales, fees and charges, and statutory duties.

Autumn Budget 2025

- 2.29 The Autumn Budget 2025 was delivered by the Chancellor on 26th November 2025. The announcements included the following matters that are pertinent to the Council's finances and the wider environment in which it operates:

- Revaluations on non-domestic properties will take effect from 1 April 2026.
- For 2026/27, the current two-tier multiplier system will be replaced with five different multipliers. As a result of the 2026 revaluation, the national small business and standard multipliers have fallen by 6.7p and 7.5p respectively. Therefore, in 2026/27, all properties will pay a lower tax rate than they do now, including those on the higher multiplier.

Multiplier	2025/26	2026/27	Scope
Small business Retail Hospitality and Leisure (RHL) multiplier	—	38.2p	RHL hereditaments with RVs under £51,000
Standard RHL multiplier	—	43.0p	RHL hereditaments with RVs between £51,000 and £499,999
National small business multiplier	49.9p	43.2p	Non-RHL hereditaments with RVs under £51,000
National standard multiplier	55.5p	48.0p	Non-RHL hereditaments with RVs between £51,000 and £499,999
High-value multiplier	—	50.8p	All hereditaments with RVs of £500,000 or above

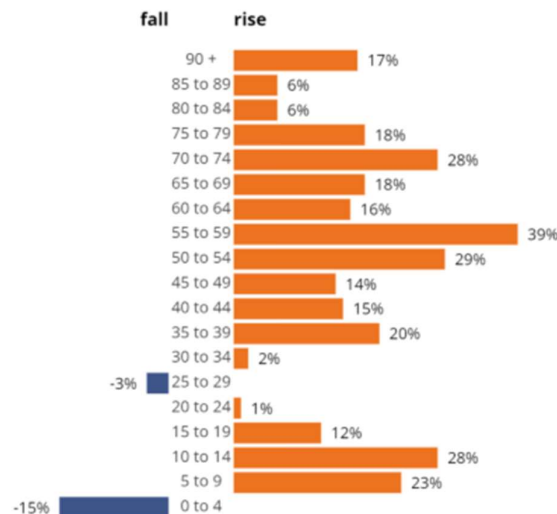
- A 0.5% cut to Department Expenditure Limits will be applied across government budgets in 2028/29, 2029/30 and 2030/31, aimed at generating £2.8 billion in savings in 2028-29, rising to £4.9 billion by 2030-31. For Local Government, this applies to local government grant funding only and excludes council tax and business rates. This is therefore equivalent to around 0.1% of Core Spending Power in 2028/29.
- A High Value Council Tax Surcharge in England will be introduced for residential properties worth £2m or more, from April 2028. Local authorities will collect this revenue on behalf of central government and will be fully compensated for the additional costs of administering this new tax. A public consultation on details relating to the surcharge is expected in early 2026.
- Pension contributions above £2,000 made through salary sacrifice will face National Insurance from April 2029, meaning they will be “treated as ordinary employee pension contributions in the tax system”.
- Income tax thresholds and the equivalent National Insurance Contribution thresholds for employees and self-employed individuals will be maintained at their current levels for a further three years from April 2028 to April 2031.
- From 1 April 2026, the National Living Wage will increase by 4.1% to £12.71 per hour. The National Minimum Wage for 18-20 year olds will also increase by 8.5% to £10.85 per hour and for 16-17 year olds and apprentices by 6.0% to £8.00 per hour.
- The Government indicated that it would not expect local authorities to need to fund future special educational needs costs from general funds, once the Statutory Override ends at the end of 2027/28. It will set out further details on its plans to support local authorities with historic and accruing deficits and conditions for accessing such support through the upcoming Local Government Finance Settlement.
- An additional £1.5 billion capital investment will be provided to tackle fuel poverty through the Warm Homes Plan, in addition to the £13.2 billion of funding allocated at Spending Review 2025.
- By 2029/30, over £2 billion annually will be committed for local authorities to repair, renew and fix potholes on their roads.

- £100 million will be allocated to local authorities and public bodies to accelerate installation of charge points where people live and work.

Demographic Forecasts

- 2.30 Demographic growth is one of the key drivers of demand for Council services and, consequently, cost pressures. Whilst general central government funding has seen real terms decreases over the last decade, service demand and demographic pressures have risen.
- 2.31 According to the Office of National Statistics' latest census in 2021, since 2011 Reading's total population has risen by 11.9% to 174,200, one of the highest percentage increases in the South East. In their revised mid-year population estimates for 2024, Reading's population had grown to 182,907, approximately a 5% increase from the census in 2021. Its demographic composition has also been changing, with both older and younger age groups increasing. Residents aged 65+ increased by 17.2%, while those aged under 15 have increased by 8.6%, although this figure has been impacted by a large reduction in children aged 0-4. These changes in demographics are reflected in the increase in demand for Adult and Children's Social Care services set out above.

Figure 2. Population Change % by Age Group in Reading, 2011 to 2021



Unemployment

- 2.32 Around 5,535 people aged 16 and over in Reading were unemployed in the year ending September 2025. This is a rate of 4.5%. This was a slight increase compared to the year ending September 2024 when the unemployment rate was 4.4%. Across the South East, from the year ending September 2025 to the year ending September 2024, there was also a slight increase in the unemployment rate from 5.5% to 5.7%.

Deprivation

- 2.33 One of the key outcomes for the Council is to improve the well-being of its residents and to address the needs of those most in need. From 2025/26 the Government has started to directly factor in deprivation scores into how councils' core funding is allocated. The degree to which assessed need and inequality might be measured is by reference to the national Indices of Deprivation (IoD).

2.34 IoD scores and weightings are based on seven domains of deprivation and are weighted individually to provide an overall Index of Multiple Deprivation (IMD) score. There are also two additional indices as set out below:

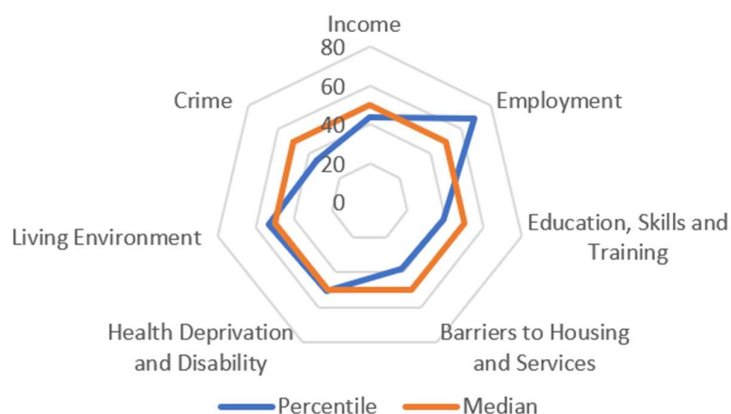
1. Income Deprivation (22.5% of the overall index)
2. Employment Deprivation (22.5%)
3. Education, Skills, and Training Deprivation (13.5%)
4. Health Deprivation and Disability (13.5%)
5. Crime (9.3%)
6. Barriers to Housing and Services (9.3%)
7. Living Environment Deprivation (9.3%)
8. Index of income deprivation affecting children
9. Index of income deprivation affecting older people

2.35 Key Headlines, based on the latest 2025 data, are:

- According to the overall IMD, Reading as a whole is ranked the 147th most deprived out of 296 local authorities in the country, which puts Reading on the 49.7th percentile, i.e. very slightly less deprived than the average (50%).
- Deprivation is higher than average for the following domains: Income, Education, Skills and Training, Barriers to Housing and Services, Crime and in particular Income Deprivation Affecting Older People.
- There are now no Lower Super Output Areas (LSOAs) within the most deprived 10% nationally (compared to 5 in 2019). 11 LSOAs are within the 20% most deprived.
- There are LSOAs in the most deprived 5% nationally in terms of the following domains: Education, Skills & Training (including both sub-domains), Crime (none in 2019) and Income Deprivation Affecting Older People. There are also LSOAs in the 5% most deprived in terms of the 'wider barriers' and 'outdoor' sub-domains.
- One LSOA in Church is within the most deprived 1% nationally on the Education, Skills & Training domain.

2.36 The chart below illustrates the 2025 IoD rankings for each of the above seven domains relative to the (median) average across all 296 local authority areas, showing that Reading has a higher deprivation score than the median or is very similar to the median on 6 of the 7 indicators, but is less deprived in terms of employment than the median:

Figure 3. Indices of Deprivation (2025) - domains



Interest Rates

- 2.37 When the 2025/26 Budget and 2025/26-2027/28 MTFS was approved in February 2025, the Bank of England Bank Rate stood at 4.50%. It has subsequently decreased over the year to 3.75%. Forecasts suggest interest rates will continue to gradually decrease over the next 12-24 months.
- 2.38 Interest rates impact on both the amount of interest that the Council forecasts it will need to pay in respect of current and forecast future borrowing, as well as the amount of interest income receivable in respect of the levels of forecast investments. As set out in the Council's Borrowing Strategy, the Council is currently attempting to avoid taking any long-term borrowing whilst interest rate forecasts indicate further decreases. As a consequence, the Council is currently utilising existing cash balances to cashflow Capital Programme expenditure and therefore has less cash available to invest in longer term investments that generate higher levels of interest receivable income. The costs avoided by deferring longer term borrowing whilst borrowing rates remain high are greater than the lost investment opportunities. The Borrowing Strategy will be reviewed as part of the 2026/27 Treasury Management Strategy Statement that will be brought forward for consideration and approval in February 2026.
- 2.39 For planning purposes, the Council has assumed that the Bank of England will gradually decrease interest rates from 3.75% to 3.25% by March 2028. The MTFS assumes an average borrowing rate of 3.84% for 2026/27, decreasing to 3.67% and 3.63% in 2027/28 and 2028/29 respectively.
- 2.40 Current UK interest rate forecasts (including the 20-basis point certainty rate reduction) are outlined in the following table:

Table 2. Interest Rate Forecasts

	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
	%	%	%	%	%	%	%	%	%	%	%	%
Bank Rate	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
5-year PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10-year PWLB	5.20	5.00	4.90	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.60
25-year PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.20	5.20	5.20	5.20

3. Expenditure Assumptions

Pay Award

- 3.1 2.4% has been allowed for pay inflation in 2026/27 with 1.9% for 2026/27 and 2027/28.

National Living Wage

- 3.2 In the Autumn Statement the Chancellor announced that from 1 April 2026, the National Living Wage will increase by 4.1% to £12.71 per hour. The National Minimum Wage for 18-20 year olds will also increase by 8.5% to £10.85 per hour and for 16-17 year olds and apprentices by 6.0% to £8.00 per hour.

General Inflation

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

Pension Fund

- 3.4 The triennial valuation of the Pension Fund took place on 31st March 2025. The primary rate is set as 14.8% for the three years of the MTFS period.

Capital Financing

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

4. Significant Impacts on the Council's 2026/27 Budget

Adult Social Care

- 4.1 Across the country, the adult social care sector is facing serious challenges in relation to ever increasing demand, rising costs, a shift in the demographic profile to younger people and workforce challenges. The Health Foundation has forecast that to meet growing demand for social care and cover rising costs to employers, an extra £3.4bn of funding will be needed in 2028/29, with an extra £9.1bn being needed by 2034/35, requiring a 3.1% annual real-terms increase in overall funding.
- 4.2 In Reading, the Council has seen an increase in the numbers of people presenting to the service and those people have increased complexity, and acuity of need. The service users in place on 1st April 2025 was 1,755 and by 31st December 2025 this had increased to 2,066. This is an increase of 311 service users, which is nearly three times the service user increase in the whole of 2024/25.
- 4.3 In 2025/26 the Council has seen a shift in the percentage of new Adult Social Care service users from the working age adult cohort, comprising of around 30% of new service users each period, whereas historically demand for this demographic remained steady. While the support provisions for these service users are lower cost on a unit level, the increase in volume and duration of support provided places additional financial pressure on the budget.
- 4.4 As a result, the services delivered are more costly and a net increase of £4.700m for Adult Social Care services is proposed for 2026/27 to address these pressures, in

addition to the capital investment in facilities.

Children Social Care

- 4.5 Nationally, the number of Children Looked After (CLA) reported by local authorities on 31st March 2025 was 81,770, a decrease of 2% (down 1,760 children) compared to 31st March 2024. This decrease was due to a fall of 1% in the number of non-Unaccompanied Asylum-Seeking Children (UASC) CLA (down 860 children) and a fall of 12% in the number of CLA who were UASC (down 900).
- 4.6 The rate of all CLA per 10,000 children aged under 18 years has decreased to 67 - down from 69 last year and down from a peak of 70 in both 2022 and 2023.
- 4.7 The number of children starting to be looked after during the year has fallen and the number of CLA ceasing during the year has risen. CLA ceasing due to being the subject of a special guardianship order (SGO) increased by 6% (up 220 children) and CLA adopted increased by 1% (up 20 children).
- 4.8 CLA placed in children's homes including secure children's homes increased by 9% (770 children) to 9,480, which is 12% of all CLA.
- 4.9 This 2% reduction in the number of CLA nationally as at March 2025 was not replicated in Reading where CLA numbers rose by 1.8% from 267 to 272. This equates to 70 CLA per 10,000 population.
- 4.10 As at 31st December 2025 the number of CLA in Reading stood at 297, a further 9.2% increase since 31st March.
- 4.11 This budget invests significant additional funds in Children's Social Care placements and in the provision of new residential homes, but the upward trend is unsustainable.

Dedicated Schools Grant - High Needs Block

- 4.12 The Office for Budget Responsibility's November 2025 Economic and Fiscal Outlook report stated that a key risk to the medium-term fiscal forecast is that local authority borrowing has increased by around £7 billion a year in this forecast compared to March, reflecting recent upward revisions to outturn and financial pressures including from the costs of Special Education Needs and Disabilities (SEND).
- 4.13 High needs funding supports provision for pupils and students with Special Educational Needs and Disabilities (SEND) who require additional resources to participate in education and learning, from their early years to age 25 in schools and colleges (excluding students aged 19 to 25 who do not have an Education, Health and Care Plan (EHCP)) and pre-16 pupils in Alternative Provision (AP) who, because of exclusion, illness, or other reasons, cannot receive their education in mainstream schools. High needs funding is provided to local authorities through the high needs block of the DSG. While High Needs Block funding has been increasing, it has not kept pace with the growth in the number of EHCP's or the cost of meeting the increasingly complex needs of the pupils.
- 4.14 The Ministry of Housing, Communities and Local Government (MHCLG) amended the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 to introduce a statutory override where a DSG deficit at the end of a financial year must not be charged to a revenue account and instead must be charged to an account established solely for the purpose of recognising deficits in the schools budget. This accounting practice has the effect of separating schools budget deficits from the local

authority General Fund and means that these deficits are not charged to the General Fund, but the General Fund is still required to pick up the cost of interest payments on the cumulative debt.

- 4.15 The intention of the statutory override was to give local authorities flexibility in reducing their DSG deficits. However, the scale of the challenge in the SEND system has made this impossible, and deficits have continued to rise nationally despite the best efforts of the sector, including in Reading the use of Additionally Resourced Provision and the plans for a new Special School.
- 4.16 As a consequence, many authorities including Reading Borough Council have SEND deficits on their balance sheets, which, if the statutory override were to be removed, would result in the authority being unable to produce a balanced budget or maintain adequate levels of general fund reserves.
- 4.17 In the November 2025 Budget the government announced that responsibility for funding SEND services would transfer from local government to central government from 2028.
- 4.18 In addition to this, the Local Government Finance Settlement announced in February 2026 confirmed the Government will fund 90% of the accumulated High Needs Block (SEND) deficit balance as at 31st March 2026. The Council's forecast deficit at the end of this financial year is £48.627m which means this new funding announcement, which is subject to the Council submitting and securing the Department for Education's approval of a local SEND reform plan, will reduce the cumulative deficit to £4.863m.
- 4.19 The Council will need to set aside funding for the remaining 10% of the forecast deficit, together with a contribution to any further deficits that might arise over 2026/27 and 2027/28 after which this expenditure will be fully funded by the Government.
- 4.20 The Council will continue to play its part in managing SEND expenditure and will review its funding options over 2026/27 as it prepares the following year's budget and Medium Term Financial Strategy.

2025/26 Financial Position

- 4.21 The Quarter 2 Performance and Monitoring Report, presented to Policy Committee in December 2025, is forecasting a net adverse variance of £3.968m. This is despite additional in year savings of £5.574m having been identified in response to pressures identified earlier in the year. The most significant pressure in the Quarter 2 report relates to Children's Services, which is forecasting a variance of £5.424m, which is partially offset by £1.456m of positive net variances across other services.
- 4.22 Should an adverse variance crystallise then the balance of the variance will need to be funded by a draw from earmarked reserves as part of 2025/26 outturn processes and the 2025/26 Performance Report to Policy Committee in July 2026.

5. Final Local Government Finance Settlement 2026/27 & Other Changes from the December 2025 MTFS Update

- 5.1 A three-year Final Local Government Finance Settlement was published on 9th February 2026. The settlement provides more detail for 2026/27, which for Reading is as follows:

Business Rates Local Share

- 5.2 As part of the Government's Fair Funding Review, legacy business rates and grant funding have been rolled in and redistributed to provide each local authority with a new Baseline Funding Level (BFL), accompanied by the introduction of new Revenue Support Grant (RSG) allocations. For 2026/27, the Council's BFL has been set £9.884m lower than the level assumed in the December 2025 MTFS Update, reducing by a further £0.051m in 2027/28 and £0.143m in 2028/29. This majority of this decrease has been offset by an increase in RSG.

Revenue Support Grant

- 5.3 Revenue Support Grant has been the core general purpose grant from central government for many years. The government intend that RSG will play a key role in phasing the 2028/29 fair funding shares over the course of the multi-year settlement, with only 2028/29's allocations intended to fully reflect the distribution of the Fair Funding Assessment. For 2026/27, following from the reduction in the baseline funding level, the Council is due to receive £5.819m more RSG than assumed in the December 2025 MTFS Update, with a further £2.823m expected in 2027/28 and a reduction of £0.081m in 2028/29.
- 5.4 In addition, changes to which grants are being rolled into RSG and in what year, have resulted in the Council's grant income within the services being £2.909m higher than previously assumed in 2026/27, but decreasing by £3.322m in 2027/28 when the Local Authority Better Care Grant is incorporated into RSG.

Public Health Grant

- 5.5 Allocations in respect of the Public Health Grant for 2026/27 were announced on 18th December 2025. In 2026/27 the Council's allocation is £13.693m, which includes amounts previously relating to smoking, drug and alcohol support grants. This is an increase of £0.161m from the total of the three grants in 2025/26, but a decrease of £0.126m from what was assumed in the December 2025 MTFS Update. The 2027/28 allocation is £0.020m lower than previously anticipated and the 2028/29 allocation is an increase of £0.262m. As the grant is ringfenced any increase/decrease to the Council's grant allocation is offset by a corresponding increase/decrease in expenditure. Therefore, the MTFS assumes a nil impact on the bottom line.

Homelessness, Rough Sleeping and Domestic Abuse Grant

- 5.6 An increase in the allocations for the Homelessness, Rough Sleeping and Domestic Abuse Grant was announced in the Final Local Government Finance Settlement on the 9th February 2026. For 2026/27 this means an increase of £1.347m, with a further increase of £0.315m and £0.463m due in 2027/28 and 2028/29 respectively.
- 5.7 This has enabled the removal of two proposed savings, previously proposed within the Homelessness service, totalling £0.069m in 2026/27, £0.054m in 2027/28 and £0.039m in 2028/29. The remaining balance of the grant has been added to the expenditure budget for the Homelessness service.

Other Changes from the December 2025 MTFS Update

Additional/Revised Service/Corporate Budgets

- 5.8 Since December, a number of new and revised business cases and technical budget adjustments have been submitted, reviewed and amended. This has resulted in a

£4.001m net reduction to the 2026/27 budget, a £1.981m net reduction for 2027/28 but an added net pressure of £0.093m in 2028/29.

Council Tax

- 5.9 At its meeting on 27th January 2026, Council approved a revised Council Tax Base of 60,353.38 (band D equivalent) properties for 2025/26 – an increase of 1.32% on the 2025/26 Tax Base of 59,566.99.
- 5.10 The Tax Base of 60,353.38 band D equivalents has been updated from the Tax Base of 60,354.06 used in the December 2025 MTFS Update to accurately reflect the number of chargeable dwellings, discounts, exemptions, eligible Local Council Tax Reduction Scheme claimants and revised estimates of new build and collection performance. The effect of this is an reduction in Council Tax income of £0.002m for 2026/27.
- 5.11 The Council Tax Base report declared the estimated balance on the Council Tax Collection Fund as at 31st March 2026. The Council's share of the estimated deficit balance is £1.781m, which is an increase in deficit of £0.971m in 2026/27.

Business Rates

- 5.12 The NNDR1 return to central government in January 2025 projected an estimated deficit balance on the Business Rates Collection Fund as at 31st March 2025. The Council's share of this deficit is £4.281m, which is an increase in deficit of £1.826m in 2026.27.

Capital Financing

- 5.13 The revenue impact of the proposed Capital Programme has been updated to reflect changes to existing schemes (including re-profiling) and the addition of new schemes. The cumulative effect of these changes on capital financing costs is a decrease in costs of £0.565m in 2026/27 but an increase of £1.377m in total, across the MTFS period.

Contingency

- 5.14 A reduction to the Contingency provision of £0.202m for 2026/27 and £0.501m for 2027/28 has been made due to the specific pressures these funds were intended to mitigate against no longer being anticipated to materialise.

Contribution to/(from) Reserves

- 5.15 Following the December 2025 MTFS Update, an additional £3.636m draw on (contribution from) earmarked reserves has been required, consisting of:
- £0.503m to fund additional service specific expenditure from specific earmarked reserves;
 - £2.797m from the Collection Fund Smoothing Reserve to fund the one-off deficit in 2026/27;
 - £0.336m from the Financial Resilience Reserve to balance the 2026/27 budget.

Summary of Changes

- 5.16 The changes outlined in paragraphs 5.2-5.15 are summarised below:

Table 3. Summary of Changes from December 2025

	2026/27 £000	2027/28 £000	2028/29 £000
Net Budget (Surplus)/Deficit as at December 2025 Policy Committee	4,449	6,814	3,490
<i>Changes Arising from the Final Local Government Finance Settlement:</i>			
Business Rates Local Share	9,884	51	143
Revenue Support Grant	(5,819)	(2,823)	81
Grants Rolled in to Revenue Support Grant	(2,909)	3,322	0
Public Health Grant Expenditure	(126)	(20)	262
Public Health Grant Income	126	20	(262)
Homelessness Prevention Services Expenditure Growth	1,278	261	424
Removal of Proposed Homelessness Savings	69	54	39
Additional Homelessness, Rough Sleeping and Domestic Abuse Grant	(1,347)	(315)	(463)
<i>Other Changes since the December 2025 MTFS Update:</i>			
Additional/Revised Service/Corporate Budgets	(4,001)	(1,981)	93
Changes to Council Tax Base	2	(1)	1
Council Tax Collection Fund (Surplus)/Deficit	971	(971)	0
Business Rates Collection Fund (Surplus)/Deficit	1,826	(1,826)	0
Adjustment to Capital Financing Costs	(565)	725	1,217
Increase/(Decrease) to Corporate Contingency	(202)	(501)	0
Additional Contribution to/(from) Reserves	(3,636)	3,636	0
Sum of Changes	(4,449)	(369)	1,535
Cumulative Impact of Changes	(4,449)	(4,818)	(3,283)
Net Budget (Surplus)/Deficit after Changes	0	1,996	207

6. Risks

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

- The ability to contain demand pressures;
- Adverse interest rate movements;
- Increased inflationary pressures, including pay award;
- Delivery of capital receipts to fund the flexible use for transformation purposes and avoid prudential borrowing charges;
- National SEND reforms;
- The capacity to deliver the savings and income projections in line with assumptions.

6.2 Additionally, the Council's 2024/25 accounts are still subject to audit which may mean there could be some movement in the assumed baseline level of reserves.

7. Reserve Levels

7.1 CIPFA have stated that there should be no imposed limit on the level or nature of balances required to be held by an individual Council. Many authorities are currently struggling to manage their pressures with an increasing number of local authorities issuing s114 notices or requesting exceptional financial support over recent years. In

light of previous high-profile failures and funding concerns raised by authorities, CIPFA launched a financial resilience index which uses a basket of indicators to measure individual Local Authorities' financial resilience compared to their comparators.

7.2 This index, which is based on the latest published data from Central Government (2024/25), shows that the level of reserves held by Reading Borough Council equated to 25.71% of net revenue expenditure.

7.3 The Council has shifted towards the "higher risk" end of the scale in terms of the "Change to Reserves" measure as a result of decreasing levels of reserves over the last three years. However, as set out in the main body of the report, this MTFS is forecasting a combined cumulative budget gap of £2.203m over the next three years. This compares to the forecast level of the combined General Fund balance and Financial Resilience earmarked reserves of £12.028m as of 31st March 2026. Other earmarked reserves are set aside to fund specific risks, should they materialise, and expenditure funded by ringfenced grants.

8. Savings

8.1 Savings required to balance the 2026/27 budget and assumed within the MTFS include efficiency savings and invest-to-save initiatives. They are summarised below. Further detail is provided in Appendices 3 and 4:

Table 4. General Fund Savings Summary 2026/27 to 2028/29 by Directorate

	2026/27 (£000)	2027/28 (£000)	2028/29 (£000)	Total (£000)
Communities and Adult Social Care	(4,373)	(2,373)	(881)	(7,627)
Children's Services	(2,094)	(670)	(547)	(3,311)
Economic Growth & Neighbourhood Services	(1,603)	(361)	(207)	(2,171)
Resources	(1,517)	(2)	(52)	(1,571)
Chief Executive Services	(70)	(15)	(16)	(101)
Total	(9,657)	(3,421)	(1,703)	(14,781)

Table 5. General Fund Savings Summary 2026/27 to 2028/29 by Type

	Efficiency Savings (£000)	Invest to Save Schemes (£000)	Total (£000)
Communities and Adult Social Care	(7,627)	0	(7,627)
Children's Services	(1,970)	(1,341)	(3,311)
Economic Growth & Neighbourhood Services	(2,011)	(160)	(2,171)
Resources	(1,344)	(227)	(1,571)
Chief Executive Services	(101)	0	(101)
Total	(13,053)	(1,728)	(14,781)

8.2 In order to balance the MTFS in future years on a sustainable basis, further savings need to be found for 2027/28 and 2028/29.

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Appendix 2 - Summary of the Proposed General Fund Budget 2026/27 to 2028/29

Directorate/Service	Approved Budget 2025/26 £'000	Proposed Budget 2026/27 £'000	Proposed Budget 2027/28 £'000	Proposed Budget 2028/29 £'000
Communities & Adult Social Care				
Commissioning, Transformation & Performance	(7,948)	(7,786)	(7,725)	(7,645)
Adult Social Care Operations	62,631	67,337	74,172	78,051
Safeguarding, Quality & Practice	7,897	7,752	7,746	7,740
Community & Adult Social Care Management	1,570	1,547	1,546	1,545
Housing & Communities	3,582	5,325	5,660	5,955
Public Health	0	0	0	0
Communities & Adult Social Care	67,732	74,175	81,399	85,646
Children's Services				
Family Help & Safeguarding	49,663	53,697	52,632	53,032
Children's Commissioning, Resource & Performance Services	3,347	3,344	3,341	3,338
Education Services	5,989	5,801	5,601	5,457
Children's Services	58,999	62,842	61,574	61,827
Economic Growth & Neighbourhood Services				
Planning, Transport & Public Protection	(101)	1,392	2,153	2,078
Culture	3,059	2,426	1,935	1,627
Environmental & Commercial Services	18,603	18,668	20,744	21,003
Property & Asset Management	376	418	352	348
Management & Sustainability	908	1,276	1,561	1,927
Economic Growth & Neighbourhood Services	22,845	24,180	26,745	26,983
Resources				
Policy, Change & Customer Services	4,163	3,707	3,673	3,539
Human Resources & Organisational Development	2,661	2,416	2,393	2,390
Finance	6,961	6,607	6,601	6,595
Legal & Democratic Services	3,834	3,551	3,548	3,545
Digital & IT	8,147	7,781	7,803	7,801
Resources	25,766	24,062	24,018	23,870
Chief Executive Services				
Executive Management Team	944	944	944	944
Communications	706	636	621	605
Chief Executive Services	1,650	1,580	1,565	1,549
Total Service Expenditure	176,992	186,839	195,301	199,875
Corporate Budgets				
Capital Financing Costs	17,296	17,215	19,363	20,580
Corporate Contingency	938	1,767	2,594	2,594
Movement to/(from) Reserves	(3,945)	(7,302)	(340)	(340)
Other Corporate Budgets	(13,172)	1,143	3,484	5,866
Corporate Budgets	1,117	12,823	25,101	28,700
Net Budget Requirement	178,109	199,662	220,402	228,575
Financed By:				
Council Tax Income	(126,134)	(134,176)	(142,281)	(150,874)
Business Rates Local Share	(34,330)	(34,808)	(35,606)	(36,325)
Section 31 Grant (Business Rates Retention Scheme)	(13,514)	0	0	0
New Homes Bonus	(812)	0	0	0
Revenue Support Grant*	(2,771)	(36,740)	(40,519)	(41,169)
One-off Collection Fund (Surplus)/Deficit - Council Tax	(408)	1,781	0	0
One-off Collection Fund (Surplus)/Deficit - Business Rates	(140)	4,281	0	0
Total Funding	(178,109)	(199,662)	(218,406)	(228,368)
Over/(Under) Budget	0	0	1,996	207

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Appendix 3 - Summary of General Fund Revenue Budget by Service 2026/27 - 2028/29

2026/27	Original Budget 2025/26 £'000	Hierarchy Movements £'000	Virements £'000	Approved Budget 2025/26 £'000	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Proposed Budget 2026/27 £'000
Communities & Adult Social Care										
Commissioning, Transformation & Performance	(3,334)	0	(4,614)	(7,948)	160	80	(68)	0	(10)	(7,786)
Adult Social Care Operations	55,437	0	7,194	62,631	2,520	5,904	(3,718)	0	0	67,337
Safeguarding, Quality & Practice	7,103	0	794	7,897	0	0	(145)	0	0	7,752
Community & Adult Social Care Management	1,670	0	(100)	1,570	0	0	(23)	0	0	1,547
Housing & Communities	3,682	0	(100)	3,582	0	3,509	(419)	0	(1,347)	5,325
Public Health	0	0	0	0	0	0	0	0	0	0
Communities & Adult Social Care	64,558	0	3,174	67,732	2,680	9,493	(4,373)	0	(1,357)	74,175
Children's Services										
Family Help & Safeguarding	0	0	49,663	49,663	442	5,520	(1,165)	(613)	(150)	53,697
Children's Commissioning, Resource & Performance Services	0	0	3,347	3,347	0	0	(3)	0	0	3,344
Education Services	0	0	5,989	5,989	0	125	(313)	0	0	5,801
Retained by Council	855	0	(855)	0	0	0	0	0	0	0
Brighter Futures for Children	64,426	0	(64,426)	0	0	0	0	0	0	0
Children's Services	65,281	0	(6,282)	58,999	442	5,645	(1,481)	(613)	(150)	62,842
Economic Growth & Neighbourhood Services										
Planning, Transport & Public Protection	(547)	0	446	(101)	0	1,762	(259)	(10)	0	1,392
Culture	2,648	0	411	3,059	0	72	(705)	0	0	2,426
Environmental & Commercial Services	20,877	0	(2,274)	18,603	293	701	(360)	(90)	(479)	18,668
Property & Asset Management	(2,447)	0	2,823	376	0	201	(159)	0	0	418
Management & Sustainability	446	0	462	908	0	480	(20)	0	(92)	1,276
Economic Growth & Neighbourhood Services	20,977	0	1,868	22,845	293	3,216	(1,503)	(100)	(571)	24,180
Resources										
Policy, Change & Customer Services	3,256	0	907	4,163	0	72	(335)	(35)	(158)	3,707
Human Resources & Organisational Development	1,969	0	692	2,661	0	0	(115)	0	(130)	2,416
Finance	5,251	0	1,710	6,961	0	0	(354)	0	0	6,607
Legal & Democratic Services	3,276	0	558	3,834	0	0	(283)	0	0	3,551
Digital & IT	6,430	0	1,717	8,147	0	29	(206)	(189)	0	7,781
Resources	20,182	0	5,584	25,766	0	101	(1,293)	(224)	(288)	24,062
Chief Executive Services										
Executive Management Team	911	0	33	944	0	0	0	0	0	944
Communications	597	0	109	706	0	0	(70)	0	0	636
Chief Executive Services	1,508	0	142	1,650	0	0	(70)	0	0	1,580
Total Budget at Service Level	172,506	0	4,486	176,992	3,415	18,455	(8,720)	(937)	(2,366)	186,839
Corporate Budgets										
Capital Financing Costs	17,296	0	0	17,296	0	(81)	0	0	0	17,215
Corporate Contingency	3,238	0	(2,300)	938	0	829	0	0	0	1,767
Movement to/(from) Reserves	(3,945)	0	0	(3,945)	0	(3,357)	0	0	0	(7,302)
Other Corporate Budgets	(10,986)	0	(2,186)	(13,172)	2,712	11,603	0	0	0	1,143
Corporate Budgets	5,603	0	(4,486)	1,117	2,712	8,994	0	0	0	12,823
Total	178,109	0	0	178,109	6,127	27,449	(8,720)	(937)	(2,366)	199,662

Appendix 3 - Summary of General Fund Revenue Budget by Service 2026/27 - 2028/29

2027/28	Proposed Budget 2026/27 £'000	Hierarchy Movements £'000	Virements £'000	Proposed Budget 2026/27 £'000	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Proposed Budget 2027/28 £'000
Communities & Adult Social Care										
Commissioning, Transformation & Performance	(7,786)	0	0	(7,786)	69	0	(3)	0	(5)	(7,725)
Adult Social Care Operations	67,337	0	0	67,337	2,723	6,667	(2,555)	0	0	74,172
Safeguarding, Quality & Practice	7,752	0	0	7,752	0	0	(6)	0	0	7,746
Community & Adult Social Care Management	1,547	0	0	1,547	0	0	(1)	0	0	1,546
Housing and Communities	5,325	0	0	5,325	0	458	192	0	(315)	5,660
Public Health	0	0	0	0	0	0	0	0	0	0
Communities & Adult Social Care	74,175	0	0	74,175	2,792	7,125	(2,373)	0	(320)	81,399
Children's Services										
Family Help & Safeguarding	53,697	0	0	53,697	452	(1,200)	(108)	(359)	150	52,632
Children's Commissioning, Resource & Performance Services	3,344	0	0	3,344	0	0	(3)	0	0	3,341
Education Services	5,801	0	0	5,801	0	0	(200)	0	0	5,601
Retained by Council	0	0	0	0	0	0	0	0	0	0
Brighter Futures for Children	0	0	0	0	0	0	0	0	0	0
Children's Services	62,842	0	0	62,842	452	(1,200)	(311)	(359)	150	61,574
Economic Growth & Neighbourhood Services										
Planning, Transport & Public Protection	1,392	0	0	1,392	0	657	8	(4)	100	2,153
Culture	2,426	0	0	2,426	0	(213)	(278)	0	0	1,935
Environmental and Commercial Services	18,668	0	0	18,668	480	1,616	(24)	4	0	20,744
Property and Asset Management	418	0	0	418	0	0	(66)	0	0	352
Management & Sustainability	1,276	0	0	1,276	0	286	(1)	0	0	1,561
Economic Growth & Neighbourhood Services	24,180	0	0	24,180	480	2,346	(361)	0	100	26,745
Resources										
Policy, Change & Customer Services	3,707	0	0	3,707	0	39	26	(3)	(96)	3,673
Human Resources & Organisational Development	2,416	0	0	2,416	0	0	(3)	0	(20)	2,393
Finance	6,607	0	0	6,607	0	0	(6)	0	0	6,601
Legal & Democratic Services	3,551	0	0	3,551	0	0	(3)	0	0	3,548
Digital & IT	7,781	0	0	7,781	0	35	(13)	0	0	7,803
Resources	24,062	0	0	24,062	0	74	1	(3)	(116)	24,018
Chief Executive Services										
Executive Management Team	944	0	0	944	0	0	0	0	0	944
Communications	636	0	0	636	0	0	(15)	0	0	621
Chief Executive	1,580	0	0	1,580	0	0	(15)	0	0	1,565
Total Budget at Service Level	186,839	0	0	186,839	3,724	8,345	(3,059)	(362)	(186)	195,301
Corporate Budgets										
Capital Financing Costs	17,215	0	0	17,215	0	2,148	0	0	0	19,363
Corporate Contingency	1,767	0	0	1,767	0	827	0	0	0	2,594
Movement to/(from) Reserves	(7,302)	0	0	(7,302)	0	6,962	0	0	0	(340)
Other Corporate Budgets	1,143	0	0	1,143	2,341	0	0	0	0	3,484
Corporate Budgets	12,823	0	0	12,823	2,341	9,937	0	0	0	25,101
Total	199,662	0	0	199,662	6,065	18,282	(3,059)	(362)	(186)	220,402

Appendix 3 - Summary of General Fund Revenue Budget by Service 2026/27 - 2028/29

2028/29	Proposed Budget 2027/28 £'000	Hierarchy Movements £'000	Virements £'000	Proposed Budget 2027/28 £'000	Contractual Inflation £'000	Budget Pressures £'000	Efficiency Savings £'000	Invest to Save £'000	Income, Fees & Charges £'000	Proposed Budget 2028/29 £'000
Communities & Adult Social Care										
Commissioning, Transformation & Performance	(7,725)	0	0	(7,725)	83	0	(3)	0	0	(7,645)
Adult Social Care Operations	74,172	0	0	74,172	2,824	2,060	(1,005)	0	0	78,051
Safeguarding, Quality & Practice	7,746	0	0	7,746	0	0	(6)	0	0	7,740
Community & Adult Social Care Management	1,546	0	0	1,546	0	0	(1)	0	0	1,545
Housing and Communities	5,660	0	0	5,660	0	624	134	0	(463)	5,955
Public Health	0	0	0	0	0	0	0	0	0	0
Communities & Adult Social Care	81,399	0	0	81,399	2,907	2,684	(881)	0	(463)	85,646
Children's Services										
Family Help & Safeguarding	52,632	0	0	52,632	0	800	(31)	(369)	0	53,032
Children's Commissioning, Resource & Performance Services	3,341	0	0	3,341	0	0	(3)	0	0	3,338
Education Services	5,601	0	0	5,601	0	0	(144)	0	0	5,457
Retained by Council	0	0	0	0	0	0	0	0	0	0
Brighter Futures for Children	0	0	0	0	0	0	0	0	0	0
Children's Services	61,574	0	0	61,574	0	800	(178)	(369)	0	61,827
Economic Growth & Neighbourhood Services										
Planning, Transport & Public Protection	2,153	0	0	2,153	0	(41)	(34)	0	0	2,078
Culture	1,935	0	0	1,935	0	(210)	(98)	0	0	1,627
Environmental and Commercial Services	20,744	0	0	20,744	480	(108)	(10)	(60)	(43)	21,003
Property and Asset Management	352	0	0	352	0	0	(4)	0	0	348
Management & Sustainability	1,561	0	0	1,561	0	367	(1)	0	0	1,927
Economic Growth & Neighbourhood Services	26,745	0	0	26,745	480	8	(147)	(60)	(43)	26,983
Resources										
Policy, Change & Customer Services	3,673	0	0	3,673	0	0	(38)	0	(96)	3,539
Human Resources & Organisational Development	2,393	0	0	2,393	0	0	(3)	0	0	2,390
Finance	6,601	0	0	6,601	0	0	(6)	0	0	6,595
Legal & Democratic Services	3,548	0	0	3,548	0	0	(3)	0	0	3,545
Digital & IT	7,803	0	0	7,803	0	0	(2)	0	0	7,801
Resources	24,018	0	0	24,018	0	0	(52)	0	(96)	23,870
Chief Executive Services										
Executive Management Team	944	0	0	944	0	0	0	0	0	944
Communications	621	0	0	621	0	0	(16)	0	0	605
Chief Executive Services	1,565	0	0	1,565	0	0	(16)	0	0	1,549
Total Budget at Service Level	195,301	0	0	195,301	3,387	3,492	(1,274)	(429)	(602)	199,875
Corporate Budgets										
Capital Financing Costs	19,363	0	0	19,363	0	1,217	0	0	0	20,580
Corporate Contingency	2,594	0	0	2,594	0	0	0	0	0	2,594
Movement to/(from) Reserves	(340)	0	0	(340)	0	0	0	0	0	(340)
Other Corporate Budgets	3,484	0	0	3,484	2,382	0	0	0	0	5,866
Corporate Budgets	25,101	0	0	25,101	2,382	1,217	0	0	0	28,700
Total	220,402	0	0	220,402	5,769	4,709	(1,274)	(429)	(602)	228,575

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Appendix 4 - Detailed General Fund Budget Changes 2026/27 - 2028/29

Directorate/Service	Contractual Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees & Charges	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Communities & Adult Social Care						
Commissioning, Transformation & Performance	312	80	(74)	0	(15)	303
Adult Social Care Operations	8,067	14,631	(7,278)	0	0	15,420
Safeguarding, Quality & Practice	0	0	(157)	0	0	(157)
Community & Adult Social Care Management	0	0	(25)	0	0	(25)
Housing & Communities	0	4,591	(93)	0	(2,125)	2,373
Public Health	0	0	0	0	0	0
Communities & Adult Social Care	8,379	19,302	(7,627)	0	(2,140)	17,914
Children's Services						
Family Help & Safeguarding	894	5,120	(1,304)	(1,341)	0	3,369
Children's Commissioning, Resource & Performance Services	0	0	(9)	0	0	(9)
Education Services	0	125	(657)	0	0	(532)
Children's Services	894	5,245	(1,970)	(1,341)	0	2,828
Economic Growth & Neighbourhood Services						
Planning, Transport & Public Protection	0	2,378	(285)	(14)	100	2,179
Culture	0	(351)	(1,081)	0	0	(1,432)
Environmental & Commercial Services	1,253	2,209	(394)	(146)	(522)	2,400
Property & Asset Management	0	201	(229)	0	0	(28)
Management & Sustainability	0	1,133	(22)	0	(92)	1,019
Economic Growth & Neighbourhood Services	1,253	5,570	(2,011)	(160)	(514)	4,138
Resources						
Policy, Change & Customer Services	0	111	(347)	(38)	(350)	(624)
Human Resources & Organisational Development	0	0	(121)	0	(150)	(271)
Finance	0	0	(366)	0	0	(366)
Legal & Democratic Services	0	0	(289)	0	0	(289)
Digital & IT	0	64	(221)	(189)	0	(346)
Resources	0	175	(1,344)	(227)	(500)	(1,896)
Chief Executive Services						
Executive Management Team	0	0	0	0	0	0
Communications	0	0	(101)	0	0	(101)
Chief Executive Services	0	0	(101)	0	0	(101)
Service Total	10,526	30,292	(13,053)	(1,728)	(3,154)	22,883
Corporate Budgets						
Capital Financing Costs	0	3,284	0	0	0	3,284
Corporate Contingency	0	1,656	0	0	0	1,656
Movement to/(from) Reserves	0	3,605	0	0	0	3,605
Other Corporate Budgets	7,435	11,603	0	0	0	19,038
Corporate Budgets Total	7,435	20,148	0	0	0	27,583
Total	17,961	50,440	(13,053)	(1,728)	(3,154)	50,466

Appendix 4a - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Communities & Adult Social Care

Overall Summary						Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
Service						£'000	£'000	£'000	£'000	£'000	£'000
Commissioning, Transformation & Performance						312	80	(74)	-	(15)	303
Adult Social Care Operations						8,067	14,631	(7,278)	-	-	15,420
Safeguarding, Quality & Practice						-	-	(157)	-	-	(157)
Community & Adult Social Care Management						-	-	(25)	-	-	(25)
Housing & Communities						-	4,591	(93)	-	(2,125)	2,373
Public Health						-	-	-	-	-	-
Directorate Total						8,379	19,302	(7,627)	-	(2,140)	17,914

Summary of MTFS Position				February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
				2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
Service Pressures				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning, Transformation & Performance				61	62		179	7	83	240	69	83	392
Adult Social Care Operations				6,142	5,709		2,282	3,681	4,884	8,424	9,390	4,884	22,698
Safeguarding, Quality & Practice				-	-		-	-	-	-	-	-	-
Community & Adult Social Care Management				-	-		-	-	-	-	-	-	-
Housing & Communities				(54)	-		3,563	458	624	3,509	458	624	4,591
Public Health				-	-		-	-	-	-	-	-	-
Directorate Total				6,149	5,771		6,024	4,146	5,591	12,173	9,917	5,591	27,681

				February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
				2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
Service Savings				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Commissioning, Transformation & Performance				(13)	(7)		(65)	(1)	(3)	(78)	(8)	(3)	(89)
Adult Social Care Operations				(580)	(579)		(3,138)	(1,976)	(1,005)	(3,718)	(2,555)	(1,005)	(7,278)
Safeguarding, Quality & Practice				(7)	(4)		(138)	(2)	(6)	(145)	(6)	(6)	(157)
Community & Adult Social Care Management				(1)	-		(22)	(1)	(1)	(23)	(1)	(1)	(25)
Housing & Communities				(3)	(2)		(1,763)	(121)	(329)	(1,766)	(123)	(329)	(2,218)
Public Health				-	-		-	-	-	-	-	-	-
Directorate Total				(604)	(592)		(5,126)	(2,101)	(1,344)	(5,730)	(2,693)	(1,344)	(9,767)

Directorate Total				5,545	5,179		898	2,045	4,247	6,443	7,224	4,247	17,914

Appendix 4a - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Communities & Adult Social Care

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
Commissioning, Transformation & Performance														
23	DCASC-2627-02	Amendment	DCASC-2526-02	Adult Social Care Contract Inflation	61	62		99	7	83	160	69	83	312
24				Total Contractual Inflation	61	62		99	7	83	160	69	83	312
25	N/A - Technical Adj	New		Public Health Funding Reallocation	-	-		80	-	-	80	-	-	80
26				Total Budget Pressures	-	-		80	-	-	80	-	-	80
27	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(3)	(2)		(65)	(1)	(3)	(68)	(3)	(3)	(74)
28				Total Efficiency Savings	(3)	(2)		(65)	(1)	(3)	(68)	(3)	(3)	(74)
29					-	-		-	-	-	-	-	-	-
30				Total Invest to Save	-	-		-	-	-	-	-	-	-
31			DCASC-2526-07	Adult Social Care Income Review	(10)	(5)		-	-	-	(10)	(5)	-	(15)
32				Total Income, Fees and Charges	(10)	(5)		-	-	-	(10)	(5)	-	(15)
33				Total	48	55		114	6	80	162	61	80	303

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
Adult Social Care Operations														
34	DCASC-2627-01	Amendment	DCASC-2526-01	Adult Social Care Placements Inflation	3,369	3,554		(849)	(831)	2,824	2,520	2,723	2,824	8,067
35				Total Contractual Inflation	3,369	3,554		(849)	(831)	2,824	2,520	2,723	2,824	8,067
36	DCASC-2627-03	Amendment	DCASC-2526-04	Adult Social Care Demography	488	529		234	207	751	722	736	751	2,209
37	DCASC-2627-09	Amendment	DCASC-2526-03	ASC Pressure for Children Transitioning to Adults from BFFC	1,533	851		(502)	35	317	1,031	886	317	2,234
38			DCASC-2526-05	Supported Care Cost of Care Pressure	752	775		-	-	-	752	775	-	1,527
39	DCASC-2627-04	New		Adult Social Care Predicted Dependency Pressure	-	-		907	948	992	907	948	992	2,847
40	DCASC-2627-16	New		Adult Social Care Night Service	-	-		-	-	-	-	-	-	-
41	N/A - Technical Adj	New		Fair Funding Reform - Market Sustainability & Improvement Fund	-	-		2,492	-	-	2,492	-	-	2,492
42	N/A - Technical Adj	New		Fair Funding Reform - Local Authority Better Care Grant	-	-		-	3,322	-	-	3,322	-	3,322
43				Total Budget Pressures	2,773	2,155		3,131	4,512	2,060	5,904	6,667	2,060	14,631
44			DCASC-2526-06	Supported Living Efficiency	(575)	(576)		-	-	-	(575)	(576)	-	(1,151)
45	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(5)	(3)		(114)	(2)	(5)	(119)	(5)	(5)	(129)
46	DCASC-2627-05	New		DCASC Group Homes	-	-		-	-	-	-	-	-	-
47	DCASC-2627-11	Amendment	DCASC-2526-13	Adult Social Care Placement Budget - Spending Wisely	-	-		(2,631)	(1,974)	(1,000)	(2,631)	(1,974)	(1,000)	(5,605)
48	DCASC-2627-17	New		S117 Clients & Specialist Rent Reviews	-	-		(104)	-	-	(104)	-	-	(104)
49	N/A - Technical Adj	New	DCASC-2627-12	Adult Social Care Staffing Establishment	-	-		(289)	-	-	(289)	-	-	(289)
50				Total Efficiency Savings	(580)	(579)		(3,138)	(1,976)	(1,005)	(3,718)	(2,555)	(1,005)	(7,278)
51					-	-		-	-	-	-	-	-	-
52				Total Invest to Save	-	-		-	-	-	-	-	-	-
53					-	-		-	-	-	-	-	-	-
54				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
55				Total	5,562	5,130		(856)	1,705	3,879	4,706	6,835	3,879	15,420

Appendix 4a - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Communities & Adult Social Care
Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	All Years £'000
56				Safeguarding, Quality & Practice				-	-	-	-	-	-	-
57				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
58					-	-		-	-	-	-	-	-	-
59				Total Budget Pressures	-	-		-	-	-	-	-	-	-
60	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(7)	(4)		(138)	(2)	(6)	(145)	(6)	(6)	(157)
61				Total Efficiency Savings	(7)	(4)		(138)	(2)	(6)	(145)	(6)	(6)	(157)
62					-	-		-	-	-	-	-	-	-
63				Total Invest to Save	-	-		-	-	-	-	-	-	-
64					-	-		-	-	-	-	-	-	-
65				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
66				Total	(7)	(4)		(138)	(2)	(6)	(145)	(6)	(6)	(157)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	All Years £'000
67				Community & Adult Social Care Management	-	-		-	-	-	-	-	-	-
68				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
69					-	-		-	-	-	-	-	-	-
70				Total Budget Pressures	-	-		-	-	-	-	-	-	-
71	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(1)	-		(22)	(1)	(1)	(23)	(1)	(1)	(25)
72				Total Efficiency Savings	(1)	-		(22)	(1)	(1)	(23)	(1)	(1)	(25)
73					-	-		-	-	-	-	-	-	-
74				Total Invest to Save	-	-		-	-	-	-	-	-	-
75					-	-		-	-	-	-	-	-	-
76				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
77				Total	(1)	-		(22)	(1)	(1)	(23)	(1)	(1)	(25)

Appendix 4a - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Communities & Adult Social Care
Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
78				Housing & Communities	-	-	-	-	-	-	-	-	-	-
79				Total Contractual Inflation	-	-	-	-	-	-	-	-	-	-
80			DCASC-2526-08	Cost of Emergency Accommodation	(54)	-	-	-	-	-	(54)	-	-	(54)
81	N/A - Technical Adj	New		Homelessness Prevention Services Growth	-	-	-	1,278	261	424	1,278	261	424	-
82	N/A - Technical Adj	New		Fair Funding Reform - Temporary Accommodation element of Homelessness Prevention Grant	-	-	-	1,532	-	-	1,532	-	-	1,532
83	DCASC-2627-15	New		Housing Needs General Fund Future Pressures	-	-	-	392	197	200	392	197	200	789
84	N/A - Technical Adj	New		Public Health Funding Reallocation	-	-	-	361	-	-	361	-	-	361
85				Total Budget Pressures	(54)	-	-	3,563	458	624	3,509	458	624	2,628
86	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(3)	(2)	-	(83)	(2)	(3)	(86)	(4)	(3)	(93)
87	N/A - Technical Adj	New		Emergency Accomodation	-	-	-	(333)	196	137	(333)	196	137	-
88				Total Efficiency Savings	(3)	(2)	-	(416)	194	134	(419)	192	134	(93)
89					-	-	-	-	-	-	-	-	-	-
90				Total Invest to Save	-	-	-	-	-	-	-	-	-	-
91	N/A - Technical Adj	New		Homelessness, Rough Sleeping and Domestic Abuse Grant	-	-	-	(1,347)	(315)	(463)	(1,347)	(315)	(463)	(2,125)
92				Total Income, Fees and Charges	-	-	-	(1,347)	(315)	(463)	(1,347)	(315)	(463)	(2,125)
93				Total	(57)	(2)	-	1,800	337	295	1,743	335	295	410

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
94				Public Health	-	-	-	-	-	-	-	-	-	-
95				Total Contractual Inflation	-	-	-	-	-	-	-	-	-	-
96	N/A - Technical Adj	Amendment	N/A - Technical Adj	Public Health Grant - Expenditure	287	249	-	(126)	(20)	262	161	229	262	652
97	N/A - Technical Adj	Amendment	N/A - Technical Adj	Public Health Grant - income	(287)	(249)	-	126	20	(262)	(161)	(229)	(262)	(652)
98				Total Budget Pressures	-	-	-	-	-	-	-	-	-	-
99					-	-	-	-	-	-	-	-	-	-
100				Total Efficiency Savings	-	-	-	-	-	-	-	-	-	-
101					-	-	-	-	-	-	-	-	-	-
102				Total Invest to Save	-	-	-	-	-	-	-	-	-	-
103					-	-	-	-	-	-	-	-	-	-
104				Total Income, Fees and Charges	-	-	-	-	-	-	-	-	-	-
105				Total	-	-	-	-	-	-	-	-	-	-
106				Directorate Total	5,545	5,179	-	898	2,045	4,247	6,443	7,224	4,247	15,951

Appendix 4b - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Children's Services

Overall Summary						Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total	
<u>Service</u>						£'000	£'000	£'000	£'000	£'000	£'000	
1	Family Help & Safeguarding						894	5,120	(1,304)	(1,341)	-	3,369
2	Children's Commissioning, Resource & Performance Services						-	-	(9)	-	-	(9)
3	Education Services						-	125	(657)	-	-	(532)
4	Directorate Total						894	5,245	(1,970)	(1,341)	-	2,828

Summary of MTFS Position						February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total	
						2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years	
<u>Service Pressures</u>						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
5	Family Help & Safeguarding						1,222	1,037		4,740	(1,785)	800	5,962	(748)	800	6,014
6	Children's Commissioning, Resource & Performance Services						-	-		-	-	-	-	-	-	-
7	Education Services						-	-		125	-	-	125	-	-	125
8	Directorate Total						1,222	1,037		4,865	(1,785)	800	6,087	(748)	800	6,139
						February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total	
						2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years	
<u>Service Savings</u>						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
9	Family Help & Safeguarding						(1,770)	(415)		(158)	98	(400)	(1,928)	(317)	(400)	(2,645)
10	Children's Commissioning, Resource & Performance Services						-	-		(3)	(3)	(3)	(3)	(3)	(3)	(9)
11	Education Services						-	-		(313)	(200)	(144)	(313)	(200)	(144)	(657)
12	Directorate Total						(1,770)	(415)		(474)	(105)	(547)	(2,244)	(520)	(547)	(3,311)
13	Directorate Total						(548)	622		4,391	(1,890)	253	3,843	(1,268)	253	2,828

Appendix 4b - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Children's Services

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
				Family Help & Safeguarding										
14	N/A - Technical Adj	Amendment	N/A - Technical Adj	Pay & Inflation	681	585		(681)	(585)	-	-	-	-	-
15			N/A - Technical Adj	Contract Inflation	442	452		-	-	-	442	452	-	894
16				Total Contractual Inflation	1,123	1,037		(681)	(585)	-	442	452	-	894
17	N/A - Technical Adj	Amendment	BFFC-2425-02	Demography	99	-		(99)	-	-	-	-	-	-
18	BFFC-2627-01	New		Children in Care - Placement Demand & Demography	-	-		5,128	(1,200)	800	5,128	(1,200)	800	4,728
19	BFFC-2627-06	New		Fostering, Kinship and Adoption	-	-		392	-	-	392	-	-	392
20				Total Budget Pressures	99	-		5,421	(1,200)	800	5,520	(1,200)	800	5,120
21			BFFC-2425-03	Increase in in-house foster carers	(107)	-		-	-	-	(107)	-	-	(107)
22			BFFC-2425-05	Development of Edge of Care	(970)	-		-	-	-	(970)	-	-	(970)
23	BFFC-2627-16	Amendment	BFFC-2526-08	Service Reductions Business Support /Admin	(80)	-		(117)	(117)	-	(197)	(117)	-	(314)
24			N/A - Technical Adj	Closure of BFTC and re-integrating into the Council	(200)	-		-	-	-	(200)	-	-	(200)
25	BFFC-2627-12	New		Children's Social Care - Efficiencies from Magic Notes	-	-		-	-	-	-	-	-	-
26	N/A - Technical Adj	New		Children's Social Care Management and Structures	-	-		-	-	-	-	-	-	-
27	BFFC-2627-17	New		Review of Market Supplements - Childrens Social Care	-	-		(24)	25	(15)	(24)	25	(15)	(14)
28	N/A - Technical Adj	New		Fair Funding Reform - Children and Families Grant	-	-		353	-	-	353	-	-	353
29	CORP-2627-01	Amendment		Vacancy Factor	-	-		(20)	(16)	(16)	(20)	(16)	(16)	(52)
30				Total Efficiency Savings	(1,357)	-		192	(108)	(31)	(1,165)	(108)	(31)	(1,304)
31			BFFC-2526-02	BFFC Children's Home	(413)	-		-	-	-	(413)	-	-	(413)
32	BFFC-2627-05	Amendment	BFFC-2526-CAP02	BFFC Children with Disabilities Business Case	-	(415)		-	239	(224)	-	(176)	(224)	(400)
33	N/A - Technical Adj	New	BFFC-2627-08	Care Cubed	-	-		(150)	(116)	(111)	(150)	(116)	(111)	(377)
34	N/A - Technical Adj	New	BFFC-2627-09	Cross Regional Project	-	-		-	(67)	(34)	-	(67)	(34)	(101)
35	N/A - Technical Adj	New	BFFC-2627-11	Optimisation of expenditure related to CHIN and NRPF	-	-		(50)	-	-	(50)	-	-	(50)
36				Total Invest to Save	(413)	(415)		(200)	56	(369)	(613)	(359)	(369)	(1,341)
37	BFFC-2627-07	New		Charging Policy for Children in Care	-	-		-	-	-	-	-	-	-
38	N/A - Technical Adj	New	N/A - Technical Adj	Children, Families and Youth Grant	-	-		(150)	150	-	(150)	150	-	-
39				Total Income, Fees and Charges	-	-		(150)	150	-	(150)	150	-	-
40				Total	(548)	622		4,582	(1,687)	400	4,034	(1,065)	400	3,369

Appendix 4b - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Children's Services

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
				<u>Children's Commissioning, Resource & Performance Services</u>										
41	CORP-2627-01	Amendment			-	-		-	-	-	-	-	-	-
42			Total Contractual Inflation	-	-		-	-	-	-	-	-	-	-
43				-	-		-	-	-	-	-	-	-	-
44			Total Budget Pressures	-	-		-	-	-	-	-	-	-	-
45			Vacancy Factor	-	-		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(9)
46			Total Efficiency Savings	-	-		(3)	(3)	(3)	(3)	(3)	(3)	(3)	(9)
47				-	-		-	-	-	-	-	-	-	-
48			Total Invest to Save	-	-		-	-	-	-	-	-	-	-
49				-	-		-	-	-	-	-	-	-	-
50			Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-	-
51					-	-		-	-	-	-	-	-	
52				Total	-	-		(3)	(3)	(3)	(3)	(3)	(3)	(9)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	All Years £'000
				<u>Education Services</u>										
53					-	-		-	-	-	-	-	-	-
54				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
52	BFFC-2627-02	New		SEND Team capacity	-	-		125	-	-	125	-	-	125
53				Total Budget Pressures	-	-		125	-	-	125	-	-	125
54	BFFC-2627-04	New		Participation of YP in Education, Employment or Training	-	-		(30)	-	-	(30)	-	-	(30)
55	BFFC-2627-14	New		Education Psychology Service	-	-		(221)	-	-	(221)	-	-	(221)
56	N/A - Technical Adj	New		Home to school transport Post 16	-	-		-	(199)	(142)	-	(199)	(142)	(341)
57	N/A - Technical Adj	New		Fair Funding Reform - Children and Families Grant (VSH)	-	-		150	-	-	150	-	-	150
58	CORP-2627-01	Amendment		Vacancy Factor	-	-		(2)	(1)	(2)	(2)	(1)	(2)	(5)
59	N/A - Technical Adj	New		DSG Technical Adjustment	-	-		(210)	-	-	(210)	-	-	(210)
60				Total Efficiency Savings	-	-		(313)	(200)	(144)	(313)	(200)	(144)	(30)
61					-	-		-	-	-	-	-	-	-
62				Total Invest to Save	-	-		-	-	-	-	-	-	-
63					-	-		-	-	-	-	-	-	-
64				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
65					-	-		-	-	-	-	-	-	-
66				Total	-	-		(188)	(200)	(144)	(188)	(200)	(144)	(532)
67				Directorate Total	(548)	622		4,391	(1,890)	253	3,843	(1,268)	253	2,828

Appendix 4c - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Economic Growth and Neighbourhood Services

						Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
						£'000	£'000	£'000	£'000	£'000	£'000
1	<u>Service</u>	Planning, Transport & Public Protection				-	2,378	(285)	(14)	100	2,179
2		Culture				-	(351)	(1,081)	-	-	(1,432)
3		Environmental & Commercial Services				1,253	2,209	(394)	(146)	(522)	2,400
4		Property & Asset Management				-	201	(229)	-	-	(28)
5		Management & Sustainability				-	1,133	(22)	-	(92)	1,019
6		Directorate Total				1,253	5,570	(2,011)	(160)	(514)	4,138

Summary of MTFS Position		February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
		2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
7	<u>Service Pressures</u>										
8	Planning, Transport & Public Protection	724	-		1,038	657	(41)	1,762	657	(41)	2,378
9	Culture	(2)	(213)		74	-	(210)	72	(213)	(210)	(351)
10	Environmental & Commercial Services	643	518		351	1,578	372	994	2,096	372	3,462
11	Property & Asset Management	(600)	515		801	(515)	-	201	-	-	201
12	Management & Sustainability	128	190		352	96	367	480	286	367	1,133
	Directorate Total	893	1,010		2,616	1,816	488	3,509	2,826	488	6,823

		February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
		2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13	<u>Service Savings</u>										
14	Planning, Transport & Public Protection	(120)	98		(149)	6	(34)	(269)	104	(34)	(199)
15	Culture	(380)	(180)		(325)	(98)	(98)	(705)	(278)	(98)	(1,081)
16	Environmental & Commercial Services	(165)	28		(764)	(48)	(113)	(929)	(20)	(113)	(1,062)
17	Property & Asset Management	(5)	(2)		(154)	(64)	(4)	(159)	(66)	(4)	(229)
18	Management & Sustainability	(22)	(10)		(90)	9	(1)	(112)	(1)	(1)	(114)
	Directorate Total	(692)	(66)		(1,482)	(195)	(250)	(2,174)	(261)	(250)	(2,685)

19	Directorate Total	201	944		1,134	1,621	238	1,335	2,565	238	4,138

Appendix 4c - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Economic Growth and Neighbourhood Services

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Planning, Transport & Public Protection														
20					-	-		-	-	-	-	-	-	
21				Total Contractual Inflation	-	-		-	-	-	-	-	-	
22	N/A - Technical Adj	Amendment	DEGNS-2526-01	Broad Street Mall	724	-		(543)	543	-	181	543	-	724
23	N/A - Technical Adj	New	DEGNS-2627-01	Building Safety Levy Collection Officer	-	-		-	-	-	-	-	-	
24	DEGNS-2627-02	New		Concessionary Travel Budget Shortfall	-	-		547	50	-	547	50	-	597
25	DEGNS-2627-07	New		Rebase HMO Mandatory Licensing Income Target	-	-		189	(41)	(41)	189	(41)	(41)	107
26	N/A - Technical Adj	New	DEGNS-2627-08	Renters Reform Bill	-	-		-	-	-	-	-	-	-
27	DEGNS-2627-10	New		Car Parking & Enforcement - Mitigation of budgeted income level	-	-		845	105	-	845	105	-	950
28				Total Budget Pressures	724	-		1,038	657	(41)	1,762	657	(41)	2,378
29			DEGNS-2526-03	Coroner Apportionment moving to Pop Base and Contract inflation	(11)	6		-	-	-	(11)	6	-	(5)
30			DEGNS-2526-06	Rationalisation of Pay & Display Assets, Tariff Changes and Emissions Based Parking	(91)	-		-	-	-	(91)	-	-	(91)
31	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(8)	(4)		(77)	(2)	(6)	(85)	(6)	(6)	(97)
32	N/A - Technical Adj	New	DEGNS-2627-04	Coroner's Body Collection Team Workforce Review	-	-		(12)	-	-	(12)	-	-	(12)
33	DEGNS-2627-05	New		Direct Cremations	-	-		(13)	9	(26)	(13)	9	(26)	(30)
34	DEGNS-2627-06	New		Public Health Funerals	-	-		(1)	(1)	(2)	(1)	(1)	(2)	(4)
35	N/A - Technical Adj	New		Planning Enforcement Staffing Reduction	-	-		(46)	-	-	(46)	-	-	(46)
36				Total Efficiency Savings	(110)	2		(149)	6	(34)	(259)	8	(34)	(285)
37			DEGNS-2526-04	PSH Discretionary Licensing Risks	(10)	(4)		-	-	-	(10)	(4)	-	(14)
38				Total Invest to Save	(10)	(4)		-	-	-	(10)	(4)	-	(14)
39			DEGNS-2526-31	BSIP Bus Services - Ticket Income	-	100		-	-	-	-	100	-	100
40				Total Income, Fees and Charges	-	100		-	-	-	-	100	-	100
41				Total	604	98		889	663	(75)	1,493	761	(75)	2,179

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Culture														
42	Page 6 of 11			Total Contractual Inflation	-	-		-	-	-	-	-	-	-
43				Hexagon and Studio Theatre	-	-		-	-	-	-	-	-	-
44		DEGNS-2627-11	Amendment	DEGNS-2526-08	(2)	(213)		(65)	-	(90)	(67)	(213)	(90)	(370)
45		DEGNS-2627-CAP02	New					120	-	(120)	120	-	(120)	
46		N/A - Technical Adj	New					19	-	-	19	-	-	19
47	DEGNS-2627-12	Amendment	DEGNS-2526-09	Total Budget Pressures	(2)	(213)		74	-	(210)	72	(213)	(210)	(351)
48	N/A - Technical Adj	New		Leisure Contract Costs Utilities and Inflation	(308)	(134)		(74)	-	(44)	(382)	(134)	(44)	(560)
49	CORP-2627-01	Amendment		Close Demountable Pool at Rivermead	-	-		(84)	-	-	(84)	-	-	(84)
50			CORP-2526-02	Vacancy Factor	(6)	(4)		(86)	(1)	(6)	(92)	(5)	(6)	(103)
51			DEGNS-2526-24	Improved Commercialisation of South Street Theatre	(25)	-		-	-	-	(25)	-	-	(25)
52	DEGNS-2627-14	Amendment	DEGNS-2526-25	Reducing the Subsidy to the Hexagon	(25)	(40)		-	-	-	(25)	(40)	-	(65)
53	DEGNS-2627-15	Amendment	DEGNS-2526-30	Reading Museum	(16)	(2)		(37)	(2)	(2)	(53)	(4)	(2)	(59)
54	DEGNS-2627-37	New	DEGNS-2626-26	Town Hall Operations	-	-		(44)	(45)	(46)	(44)	(45)	(46)	(135)
55				Review of Ranger Station	-	-		-	(50)	-	-	(50)	-	(50)
56				Total Efficiency Savings	(380)	(180)		(325)	(98)	(98)	(705)	(278)	(98)	(1,081)
57				Total Invest to Save	-	-		-	-	-	-	-	-	-
58					-	-		-	-	-	-	-	-	-
59				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
60				Total	(382)	(393)		(251)	(98)	(308)	(633)	(491)	(308)	(1,432)

Appendix 4c - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Economic Growth and Neighbourhood Services
Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	All Years £'000
61	DEGNS-2627-24	Amendment	DEGNS-2526-23	Environmental & Commercial Services Re3 Waste Disposal Contract Inflation Total Contractual Inflation Re3 Contract Transition Ash Die Back - Tree Removal Simpler Recycling - Flexible Plastics Simpler Recycling - Glass Collection Digital Traffic Regulation Orders Highways & Drainage Income Review Network Services Traffic Management Measures Total Budget Pressures Vacancy Factor Enhanced Power Reduction & Dimming of Streetlights Household Waste Recycling Centre Opening Hours Total Efficiency Savings Behaviour, comms and interventions on waste Streetlighting Obsolescence Replacement Programme Traffic Signal Obsolescence Programme Streetlighting Investment to Reduce energy Consumption Total Invest to Save Allotments Full Cost Recovery Charge for new and additional Recycling bins Extended Producer Responsibility Funding Income Total Income, Fees and Charges	543	543		(250)	(63)	480	293	480	480	1,253
62					543	543		(250)	(63)	480	293	480	480	1,253
63	N/A - Technical Adj	Amendment	DEGNS-2627-23		100	(25)		(40)	(4)	33	60	(29)	33	64
64	DEGNS-2627-17	New			-	-		258	226	(177)	258	226	(177)	307
65	DEGNS-2627-26	New			-	-		-	750	-	-	750	-	750
66	DEGNS-2627-27	New			-	-		120	667	34	120	667	34	821
67	DEGNS-2627-21	New			-	-		41	-	-	41	-	-	41
68	DEGNS-2627-28	New			-	-		200	-	-	200	-	-	200
69	DEGNS-2627-29	New			-	-		22	2	2	22	2	2	26
70					100	(25)		601	1,641	(108)	701	1,616	(108)	2,209
71	CORP-2627-01	Amendment	CORP-2526-02	DEGNS-2526-11	(8)	(4)		(298)	(6)	(10)	(306)	(10)	(10)	(326)
72	DEGNS-2627-22	New			-	-		(10)	-	-	(10)	-	-	(10)
73	DEGNS-2627-38	New			-	-		(44)	(14)	-	(44)	(14)	-	(58)
74					(8)	(4)		(352)	(20)	(10)	(360)	(24)	(10)	(394)
75					(90)	32		-	-	-	(90)	32	-	(58)
76	DEGNS-2627-CAP14	New			-	-		-	-	(35)	-	-	(35)	(35)
77	DEGNS-2627-CAP15	New			-	-		-	-	(25)	-	-	(25)	(25)
78	DEGNS-2627-CAP16	New			-	-		-	(28)	-	-	(28)	-	(28)
79					(90)	32		-	(28)	(60)	(90)	4	(60)	(146)
80	DEGNS-2627-16	Amendment	DEGNS-2526-34		(67)	-		-	-	(43)	(67)	-	(43)	(110)
81	DEGNS-2627-20	New		N/A - Technical Adjustment	-	-		(30)	-	-	(30)	-	-	(30)
82	N/A - Technical Adj	Amendment			-	-		(382)	-	-	(382)	-	-	(382)
83					(67)	-		(412)	-	(43)	(479)	-	(43)	(522)
84				Total	478	546		(413)	1,530	259	65	2,076	259	2,400

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	All Years £'000
85				Property & Asset Management Total Contractual Inflation Asset Management Additional Resource 160-163 Friar Street Kennet Wharf Acre Business Park Total Budget Pressures Vacancy Factor Cleaning Savings Proposal Land and Property Disposal Total Efficiency Savings Total Invest to Save Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
86					-	-		-	-	-	-	-	-	-
87					(83)	-		-	-	-	(83)	-	-	(83)
88	N/A - Technical Adj	Amendment	DEGNS-2425-23		-	515		668	(515)	-	668	-	-	668
89					(517)	-		-	-	-	(517)	-	-	(517)
90	DEGNS-2627-30	New	DEGNS-2526-18		-	-		133	-	-	133	-	-	133
91					(600)	515		801	(515)	-	201	-	-	201
92	CORP-2627-01	Amendment	CORP-2526-02		(5)	(2)		(79)	(2)	(4)	(84)	(4)	(4)	(92)
93	DEGNS-2627-31	New			-	-		(75)	(62)	-	(75)	(62)	-	(137)
94	N/A - Technical Adj	New	DEGNS-2627-32		-	-		-	-	-	-	-	-	-
95					(5)	(2)		(154)	(64)	(4)	(159)	(66)	(4)	(229)
96					-	-		-	-	-	-	-	-	-
97					-	-		-	-	-	-	-	-	-
98					-	-		-	-	-	-	-	-	-
99					-	-		-	-	-	-	-	-	-
100				Total	(605)	513		647	(579)	(4)	42	(66)	(4)	(28)

Appendix 4c - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Economic Growth and Neighbourhood Services
Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
101				Management & Sustainability	-	-		-	-	-	-	-	-	-
102				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
103	DEGNS-2627-34	Amendment	DEGNS-2526-22	Utility price inflation	(126)	(74)		339	86	86	213	12	86	311
104	DEGNS-2627-33	Amendment	DEGNS-2526-21	Minor Contract Inflation and Business Rates	254	264		13	10	281	267	274	281	822
105				Total Budget Pressures	128	190		352	96	367	480	286	367	1,133
106	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(1)	(1)		(19)	-	(1)	(20)	(1)	(1)	(22)
107				Total Efficiency Savings	(1)	(1)		(19)	-	(1)	(20)	(1)	(1)	(22)
108					-	-		-	-	-	-	-	-	-
109				Total Invest to Save	-	-		-	-	-	-	-	-	-
110	CEX-2627-04	Amendment	DEGNS-2526-20	Income associated with Advertising Development	(21)	(9)		79	9	-	58	-	-	58
111	N/A - Technical Adj	New	N/A - Technical Adjustment	Advertising Contract Income	-	-		(150)	-	-	(150)	-	-	(150)
112				Total Income, Fees and Charges	(21)	(9)		(71)	9	-	(92)	-	-	(92)
113				Total	106	180		262	105	366	368	285	366	1,019
114				Directorate Total	201	944		1,134	1,621	238	1,335	2,565	238	4,138

Appendix 4d - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Resources

Overall Summary						Contract Inflation	Budget Pressure s	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
<u>Service</u>						£'000	£'000	£'000	£'000	£'000	£'000
1	Policy, Change & Customer Services					-	111	(347)	(38)	(350)	(624)
2	Human Resources & Organisational Development					-	-	(121)	-	(150)	(271)
3	Finance					-	-	(366)	-	-	(366)
4	Legal & Democratic Services					-	-	(289)	-	-	(289)
5	Digital & IT					-	64	(221)	(189)	-	(346)
6	Directorate Total					-	175	(1,344)	(227)	(500)	(1,896)

Summary of MTFS Position						February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
<u>Service Pressures</u>						2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	All Years £'000
7	Policy, Change & Customer Services					48	-		24	39	-	72	39	-	111
8	Human Resources & Organisational Development					-	-		-	-	-	-	-	-	-
9	Finance					-	-		-	-	-	-	-	-	-
10	Legal & Democratic Services					-	-		-	-	-	-	-	-	-
11	Digital & IT					76	-		(47)	35	-	29	35	-	64
12	Directorate Total					124	-		(23)	74	-	101	74	-	175

						February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
<u>Service Savings</u>						2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	All Years £'000
13	Policy, Change & Customer Services					(177)	(4)		(351)	(69)	(134)	(528)	(73)	(134)	(735)
14	Human Resources & Organisational Development					(4)	(22)		(241)	(1)	(3)	(245)	(23)	(3)	(271)
15	Finance					(7)	(3)		(347)	(3)	(6)	(354)	(6)	(6)	(366)
16	Legal & Democratic Services					(4)	(2)		(279)	(1)	(3)	(283)	(3)	(3)	(289)
17	Digital & IT					(191)	(1)		(204)	(12)	(2)	(395)	(13)	(2)	(410)
18	Directorate Total					(383)	(32)		(1,422)	(86)	(148)	(1,805)	(118)	(148)	(2,071)
19	Directorate Total					(259)	(32)		(1,445)	(12)	(148)	(1,704)	(44)	(148)	(1,896)

Appendix 4d - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Resources
Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
				<u>Policy, Change & Customer Services</u>										
20					-	-		-	-	-	-	-	-	-
21				Total Contractual Inflation										
22	N/A - Technical Adj	Amendment	DOR-2526-CAP01	Cemetery Land	48	-		(48)	48	-	-	48	-	48
23	DOR-2627-01	New		Prevent	-	-		72	(9)	-	72	(9)	-	63
24				Total Budget Pressures	48	-		24	39	-	72	39	-	111
25			DOR-2425-01	Customer Experience and Digital Programmes - Savings reprofiling	(170)	-		-	-	-	(170)	-	-	(170)
26	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(7)	(4)		(126)	(2)	(6)	(133)	(6)	(6)	(145)
27	N/A - Technical Adj	New		Survey	-	-		(32)	32	(32)	(32)	32	(32)	(32)
28				Total Efficiency Savings	(177)	(4)		(158)	30	(38)	(335)	26	(38)	(347)
29	N/A - Technical Adj	New	DOR-2627-04	Registrar Venue Improvements	-	-		(5)	(3)	-	(5)	(3)	-	(8)
30	N/A - Technical Adj	New	BFFC-2627-10	Information, Advice and Support Services for children with SEND	-	-		(30)	-	-	(30)	-	-	(30)
31				Total Invest to Save	-	-		(35)	(3)	-	(35)	(3)	-	(8)
32	N/A - Technical Adj	New	DOR-2627-05	Bereavement Fees & Charges Review	-	-		(158)	(96)	(96)	(158)	(96)	(96)	(350)
33				Total Income, Fees and Charges	-	-		(158)	(96)	(96)	(158)	(96)	(96)	(350)
34				Total	(129)	(4)		(327)	(30)	(134)	(456)	(34)	(134)	(594)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	All Years £'000
				<u>Human Resources & Organisational Development</u>										
35					-	-		-	-	-	-	-	-	-
36				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
37					-	-		-	-	-	-	-	-	-
38				Total Budget Pressures	-	-		-	-	-	-	-	-	-
39	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(4)	(2)		(59)	(1)	(3)	(63)	(3)	(3)	(69)
40			N/A - Technical Adj	Defer Leadership & Development Programme for 12 months	30	-		-	-	-	30	-	-	30
41	N/A - Technical Adj	New	DOR-2627-06	HR & OD Restructure	-	-		(82)	-	-	(82)	-	-	(82)
42				Total Efficiency Savings	26	(2)		(141)	(1)	(3)	(115)	(3)	(3)	(121)
43					-	-		-	-	-	-	-	-	-
44				Total Invest to Save	-	-		-	-	-	-	-	-	-
45	N/A - Technical Adj	Amendment	DOR-2526-02	Kennet Day Nursery Income	(30)	(20)		(100)	-	-	(130)	(20)	-	(150)
46				Total Income, Fees and Charges	(30)	(20)		(100)	-	-	(130)	(20)	-	(150)
47				Total	(4)	(22)		(241)	(1)	(3)	(245)	(23)	(3)	(271)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	All Years £'000
				<u>Finance</u>										
48					-	-		-	-	-	-	-	-	-
49				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
50					-	-		-	-	-	-	-	-	-
51				Total Budget Pressures	-	-		-	-	-	-	-	-	-
52	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(7)	(3)		(116)	(3)	(6)	(123)	(6)	(6)	(135)
53	N/A - Technical Adj	Amendment	DOR-2627-08	Finance Service Review	-	-		(231)	-	-	(231)	-	-	(231)
54				Total Efficiency Savings	(7)	(3)		(347)	(3)	(6)	(354)	(6)	(6)	(366)
55					-	-		-	-	-	-	-	-	-
56				Total Invest to Save	-	-		-	-	-	-	-	-	-
57					-	-		-	-	-	-	-	-	-
58				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
59				Total	(7)	(3)		(347)	(3)	(6)	(354)	(6)	(6)	(366)

Appendix 4d - Detailed General Fund Budget Changes 2026/27-2028/29 - Directorate of Resources
Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
				<u>Legal & Democratic Services</u>										
60					-	-		-	-	-	-	-	-	-
61				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
62					-	-		-	-	-	-	-	-	-
63				Total Budget Pressures	-	-		-	-	-	-	-	-	-
64	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(4)	(2)		(57)	(1)	(3)	(61)	(3)	(3)	(67)
65	N/A - Technical Adj	New	DOR-2627-10	Legal & Democratic Services and Elections Review	-	-		(222)	-	-	(222)	-	-	(222)
66				Total Efficiency Savings	(4)	(2)		(279)	(1)	(3)	(283)	(3)	(3)	(289)
67					-	-		-	-	-	-	-	-	-
68				Total Invest to Save	-	-		-	-	-	-	-	-	-
69					-	-		-	-	-	-	-	-	-
70				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
71				Total	(4)	(2)		(279)	(1)	(3)	(283)	(3)	(3)	(289)

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
72	N/A - Technical Adj	Amendment	DOR-2425-11	Digital & IT	76	-		(76)	-	-	-	-	-	-
73				Total Contractual Inflation	76	-		(76)	-	-	-	-	-	-
74	DOR-2627-13	New		Digital Training	-	-		29	35	-	29	35	-	64
75				Total Budget Pressures	-	-		29	35	-	29	35	-	64
76	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(2)	(1)		(34)	(1)	(2)	(36)	(2)	(2)	(40)
77	N/A - Technical Adj	New	DOR-2627-14	Citrix Retirement	-	-		(31)	(11)	-	(31)	(11)	-	(42)
78	N/A - Technical Adj	New	DOR-2627-15	Contracts Review	-	-		(94)	-	-	(94)	-	-	(94)
79	DOR-2627-16	New		Transition from IMmobile to GOV.UK Notify	-	-		(20)	-	-	(20)	-	-	(20)
80	DOR-2627-17	New		Server Availability Reduction	-	-		(25)	-	-	(25)	-	-	(25)
81				Total Efficiency Savings	(2)	(1)		(204)	(12)	(2)	(206)	(13)	(2)	(221)
82			DOR-2526-07	DTAC Next Generation Operating Model	(189)	-		-	-	-	(189)	-	-	(189)
83				Total Invest to Save	(189)	-		(189)	-	-	(189)	-	-	(189)
84					-	-		-	-	-	-	-	-	-
85				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
86				Total	(115)	(1)		(251)	23	(2)	(366)	22	(2)	(346)
87				Directorate Total	(259)	(32)		(1,445)	(12)	(148)	(1,704)	(44)	(148)	(1,866)

Appendix 4e - Detailed General Fund Budget Changes 2026/27-2028/29 - Chief Executive Services

Overall Summary						Contract Inflation	Budget Pressure s	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
Service						£'000	£'000	£'000	£'000	£'000	£'000
1	Executive Management Team					-	-	-	-	-	-
2	Communications					-	-	(101)	-	-	(101)
3	Directorate Total					-	-	(101)	-	-	(101)

Summary of MTFS Position				February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
				2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4	Service Pressures				-	-	-	-	-	-	-	-	-
5	Executive Management Team				-	-	-	-	-	-	-	-	-
6	Communications				-	-	-	-	-	-	-	-	-
Directorate Total				-	-	-	-	-	-	-	-	-	-

				February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
				2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
7	Service Savings				-	-	-	-	-	-	-	-	-
8	Executive Management Team				(2)	-	(68)	(15)	(16)	(70)	(15)	(16)	(101)
9	Communications				(2)	-	(68)	(15)	(16)	(70)	(15)	(16)	(101)
10	Directorate Total				(2)	-	(68)	(15)	(16)	(70)	(15)	(16)	(101)

Appendix 4e - Detailed General Fund Budget Changes 2026/27-2028/29 - Chief Executive Services
Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
				<u>Executive Management Team</u>										
11					-	-		-	-	-	-	-	-	-
12				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
13					-	-		-	-	-	-	-	-	-
14				Total Budget Pressures	-	-		-	-	-	-	-	-	-
15					-	-		-	-	-	-	-	-	-
16				Total Efficiency Savings	-	-		-	-	-	-	-	-	-
17					-	-		-	-	-	-	-	-	-
18				Total Invest to Save	-	-		-	-	-	-	-	-	-
19					-	-		-	-	-	-	-	-	-
20				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
21				Total	-	-		-	-	-	-	-	-	-

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total All Years £'000
					2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	
				<u>Communications</u>										
22					-	-		-	-	-	-	-	-	-
23				Total Contractual Inflation	-	-		-	-	-	-	-	-	-
24					-	-		-	-	-	-	-	-	-
25				Total Budget Pressures	-	-		-	-	-	-	-	-	-
26	CORP-2627-01	Amendment	CORP-2526-02	Vacancy Factor	(2)	-		(15)	(1)	(1)	(17)	(1)	(1)	(19)
27	N/A - Technical Adj	New		Sponsorship	-	-		(21)	(14)	(15)	(21)	(14)	(15)	(50)
28	N/A - Technical Adj	New	CEX-2627-02	Staff Club Structure	-	-		(9)	-	-	(9)	-	-	(9)
29	N/A - Technical Adj	New		Communications	-	-		(23)	-	-	(23)	-	-	(23)
30				Total Efficiency Savings	(2)	-		(68)	(15)	(16)	(70)	(15)	(16)	(101)
31					-	-		-	-	-	-	-	-	-
32				Total Invest to Save	-	-		-	-	-	-	-	-	-
33					-	-		-	-	-	-	-	-	-
34				Total Income, Fees and Charges	-	-		-	-	-	-	-	-	-
35				Total	(2)	-	-	(68)	(15)	(16)	(70)	(15)	(16)	(101)
36				Directorate Total	(2)	-	-	(68)	(15)	(16)	(70)	(15)	(16)	(101)

Appendix 4f - Detailed General Fund Budget Changes 2026/27-2028/29 - Corporate Budgets

Overall Summary						Contract Inflation	Budget Pressures	Efficiency Savings	Invest to Save	Income, Fees and Charges	Total
<u>Service</u>						£'000	£'000	£'000	£'000	£'000	£'000
1	Corporate					7,435	20,148	-	-	-	27,583
2	Corporate Total					7,435	20,148	-	-	-	27,583

Summary of MTFS Position						February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
						2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
<u>Service Pressures</u>						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
3	Corporate Budgets					6,928	2,491		4,778	9,787	3,599	11,706	12,278	3,599	27,583
4	Directorate Total					6,928	2,491		4,778	9,787	3,599	11,706	12,278	3,599	27,583

						February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
						2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
<u>Service Savings</u>						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5	Corporate Budgets					2,763	-		(2,763)	-	-	-	-	-	-
6	Corporate Budgets Total					2,763	-		(2,763)	-	-	-	-	-	-
7	Corporate Budgets Total					9,691	2,491		2,015	9,787	3,599	11,706	12,278	3,599	27,583

Schedule of Detailed Budget Change Proposals

Line	Bid Reference	Bid Type	Previous Bid Ref	Service	February 2025 MTFS Agreed Movements			New Changes to MTFS to be agreed			Total Movement per Year			Total
					2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	All Years
					£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Budgets														
8	N/A - Technical Adj	Amendment	N/A - Technical Adj	Pay & Inflation	2,232	1,522		480	819	2,382	2,712	2,341	2,382	7,435
9	Total Contractual Inflation				2,232	1,522		480	819	2,382	2,712	2,341	2,382	7,435
10	N/A - Technical Adj	Amendment	N/A - Technical Adj	Capital Financing Costs	1,152	908		(1,233)	1,240	1,217	(81)	2,148	1,249	3,316
11	N/A - Technical Adj	New	N/A - Technical Adj	Increase Corporate Contingency	-	-		829	827	-	829	827	-	1,656
12	N/A - Technical Adj			Housing Benefit Subsidy	-	-		(1,000)	-	-	(1,000)	-	-	(1,000)
13	N/A - Technical Adj			Fair Funding Reform	-	-		13,039	-	-	13,039	-	-	13,039
14	N/A - Technical Adj	New	N/A - Technical Adj	Public Health Funding Reallocation	-	-		(378)	-	-	(378)	-	-	(378)
15	N/A - Technical Adj	New	N/A - Technical Adj	General Fund - HRA recharge realignment	-	-		(58)	-	-	(58)	-	-	(58)
16	N/A - Technical Adj	Amendment	N/A - Technical Adj	Movement to / (from) Reserves	3,544	61		(6,901)	6,901	-	(3,357)	6,962	-	3,605
17	Total Budget Pressures				4,696	969		4,298	8,968	1,217	8,994	9,937	1,249	20,180
18					-	-		-	-	-	-	-	-	-
19	Total Efficiency Savings				-	-		-	-	-	-	-	-	-
20					-	-		-	-	-	-	-	-	-
21	Total Invest to Save				-	-		-	-	-	-	-	-	-
22					2,763	-		(2,763)	-	-	-	-	-	-
23	Total Income, Fees and Charges				2,763	-		(2,763)	-	-	-	-	-	-
24	Total				9,691	2,491		2,015	9,787	3,599	11,706	12,278	3,631	27,583
25	Corporate Budgets Total				9,691	2,491		2,015	9,787	3,599	11,706	12,278	3,631	27,583

Appendix 5 - The Housing Revenue Account (HRA) Proposed Budget 2026/27 - 2028/29

1. Background

- 1.1. The HRA is a ring-fenced account which deals with the finances of the Council's social housing stock. Budgets have been prepared in accordance with the budget guidelines and planned programmes of works to housing stock have been updated to take account of progress during 2025/26. The HRA budget must avoid a deficit on reserves over the 30-year HRA Business Plan. In addition, it is Reading Borough Council policy to retain a minimum balance equivalent to 10% of rental income.
- 1.2. Following the abolition of the statutory limit on HRA borrowing known as the debt cap in October 2019, the HRA is able to undertake prudential borrowing to support the creation and acquisition of long-term assets, as long as it is prudent, affordable, and sustainable within the context of its overall Business Plan.
- 1.3. The current 30-year Business Plan allows for £114.375m of new borrowing under the prudential code over the five-year period 2026/27 to 2031/32. The Plan shows that the HRA is able to fund the proposed capital investment and repay debt over the lifetime of the assets, which will extend beyond the 30-year timeframe of this plan. The level of debt reaches a peak of £379.555m in 2031/32, but the proposed borrowing is prudent and affordable, with £330.000m being repaid by year 30 of the plan. The updated 30-Year Business Plan includes the impacts of delivering the current Local Authority New Build Programme and the transfer of housing stock into the HRA from Homes for Reading.

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

- 2.1. The HRA revenue budget for 2026/27 & MTFS for 2027/28 and 2028/29 is shown in Table 1 below and in more detail in Appendix 5 – Annex A.

Table 1. HRA Proposed Budget 2026/27 - 2028/29

	2026/27	2027/28	2028/29
	£000	£000	£000
Total Income	(55,817)	(58,606)	(61,708)
Total Expenditure	58,925	61,784	65,747
Net (Surplus)/Deficit	3,108	3,176	4,039
Opening HRA Balances	(19,187)	(16,079)	(12,903)
Net (Surplus)/Deficit	3,108	3,176	4,039
Closing HRA Balances	(16,079)	(12,903)	(8,864)

Planning Assumptions

Rents

- 2.2. A new policy statement on rents for social housing was published on 28th February 2026, with a new Direction from the Secretary of State being issued to the Regulator of Social Housing to ensure that its Rent Standard reflects the government's 10-year rent settlement for social housing. This includes:
 - permitting annual rent increases of up to CPI+1% on Social Rent and Affordable Rent homes from 1 April 2026 to 31 March 2036

- permitting the application of a Social Rent convergence mechanism, which would allow weekly rents for Social Rent homes that are below formula to be increased by up to additional £1 each year over and above CPI+1% from 1 April 2027, and by up to an additional £2 each year over and above CPI+1% from 1 April 2028, until formula rent is reached

- 2.3. The 30-year plan has been updated in line with this direction.
- 2.4. In 2026/27 the proposal is to increase rents by 4.8% in line with the CPI figure taken from the nationally published CPI figure each September for the year preceding the rent increase. The CPI rate for September 2025 was 3.8%, therefore the baseline assumption for 2026/27 rent income is a 4.8% increase.
- 2.5. For future years, the rate has been estimated at 3.0% (CPI + 1%), in line with the Bank of England's long-term inflation forecast of 2.0%, alongside rent convergence starting at £1 per week from 1 April 2027 rising to £2 per week from 1 April 2028.
- 2.6. Void Rates are assumed at 2.0%. Bad Debts are assumed at 1.00%.
- 2.7. The Council needs to consider its rent policy each financial year in the context of the HRA's financial viability. The anticipated effect of the 2026/27 rent proposals is therefore expected to be as follows:

Table 2. Average Weekly HRA Rents

	Bedrooms	Forecast 2025/26	Proposed 2026/27	Change	Change
		£	£	£	%
Average Rent per Week	1 Bed	113.60	119.05	5.45	4.8
Average Rent per Week	2 Bed	128.08	134.23	6.15	4.8
Average Rent per Week	3 Bed	142.66	149.51	6.85	4.8
Average Rent per Week	4 Bed	163.73	171.59	7.86	4.8

- 2.8. For historic reasons current rents are, on average across the stock 8.0% below the social housing formula rent set by Government, known as 'Target Rent'. As previously agreed by the Council, rent levels will be set in line with Target Rent whenever a property is re-let and rent convergence
- 2.9. Rent collection performance is in the top quartile compared with the Council's comparator group.
- 2.10. Temporary accommodation is included in the General Fund. Rents are set at 90% of the Local Housing Allowance rate for the relevant unit size.

Right to Buy (RTB)

- 2.11. The plan assumes 10 property sales in 2026/27, but this is forecast to reduce to 2 property sales per annum in future years, reflecting the revised rules around RTB that were announced in November 2024.

Service Charges

- 2.12. Service charges are assumed to increase by 4.8% in 2026/27, in line with the proposed rent increase, and by CPI +1% from 2027/28, but charges cannot exceed full cost recovery. This plan includes an increase to existing service charges to tenants to recover the full cost of Landlord cleaning and lighting services beginning 2026/27.

PFI Credit

- 2.13. Annual income from Central Government of £3.997m relating to the 1,238 properties in North Whitley and managed by Affinity Housing within the PFI Contract until 2034 has been included.

Interest on Balances

- 2.14. Interest on balances is assumed at 2.89% in 2026/27 and it is expected to slowly drop to 1% by 2035/36.

Expenditure

- 2.15. The business plan includes the latest updated 2025/26 forecast outturn. Costs are then increased by CPI in future years, with the General Fund assumptions being used for pay award. The business plan also anticipates any additional costs above the 2025/26 base forecast position where relevant.
- 2.16. The 2026/27 budget includes the following revenue bids:

Table 3. 2025/26 Business Case Summary

Bid	Capital	Revenue (On Going)	Revenue (One Off)
	£000	£000	£000
Service Charge Review	0	-253	0
Awaab's Law Damp & Mould	0	83	0
Wensley Phase 2	3,784	534	0
Total	3,784	364	0

3. Risk Implications

- 3.1. Many of the risks identified in respect of the General Fund revenue budget also have relevance for the Housing Revenue Account. Particular risks that pertain additionally to the HRA include:
- Rent collection levels that may be affected by any downturn in the local economy;
 - Changes to benefits which may impact on rent collection levels;
 - Increases in debt financing costs arising from inflationary and interest cost increases in relation to the new build programme;
 - Actual property surveys requiring a level of repair and maintenance above that assumed within the budget; and
 - Maintenance cost increases due to higher levels of inflation.

4. Housing Revenue Account Capital Programme

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

New Build & Acquisitions

- 4.2. The local authority new build & acquisitions programme for the 2026/27 Budget and MTFS covering 2027/28 and 2028/29 is outlined in table 4 below. This includes investment to develop assets that are being appropriated into the HRA to deliver joint adults and housing needs, alongside funding for the purchase of former Homes for Reading properties:

Table 4. Local Authority New Build & Acquisitions Programme (LANB)

	2026/27	2027/28	2028/29		
	£000	£000	£000	Units	Location
Homes for Reading	9,450	6,615	0	52	
LANB Phase 3	5,359	350	0	60	Wensley Road and Southcote Library
LANB Phase 4	11,454	35,964	48,101	276	Amethyst Lane, Dwyer Road & Dee Park <i>Some spend forecast in 2029/30 as well.</i>
LANB Assets Review ASC/Housing	13,939	19,912	3,982	104	Battle Street & Hexham Road
Total	40,202	62,841	52,083	492	

- 4.3. The HRA business plan assumes an additional 492 properties are delivered during the 4 years from 2026/27 to 2029/30.
- 4.4. The business plan benefits from the additional rental income derived from the new properties, at either social rent (target) for properties part funded by grant and adjusted social rent for all other properties, in line with the 2018 policy decision.

Major Repairs - Existing Homes Renewal

- 4.5. The Council also plans to invest £61.625m in its existing housing stock over the next three years. This includes £35.546m on Major Repairs, £23.903m on Major Repairs – Decent Homes and £2.176m on Disabled Adaptations. The major repairs and disabled facility programme (DFG) for the 2026/27 Budget and MTFS covering 2027/28 and 2028/29 are outlined in the table below:

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

	2026/27	2027/28	2028/29
	£000	£000	£000
Major Repairs	10,364	13,767	11,415
Major Repairs – Decent Homes	6,574	8,212	9,117
Disabled Facility Grant	711	725	740
Total	17,649	22,704	21,272

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

Decent Homes Capital Works

- 4.7. The housing service is investing £23.903m between 2026/27 and 2028/29 to bring all current non-decent properties up to the decent standard. This is in line with the Regular for Social Housing (RSH) recommendations following the recent inspection.

5. Risk Implications

- 5.1. The main risks to the HRA Capital Programme are summarised below:

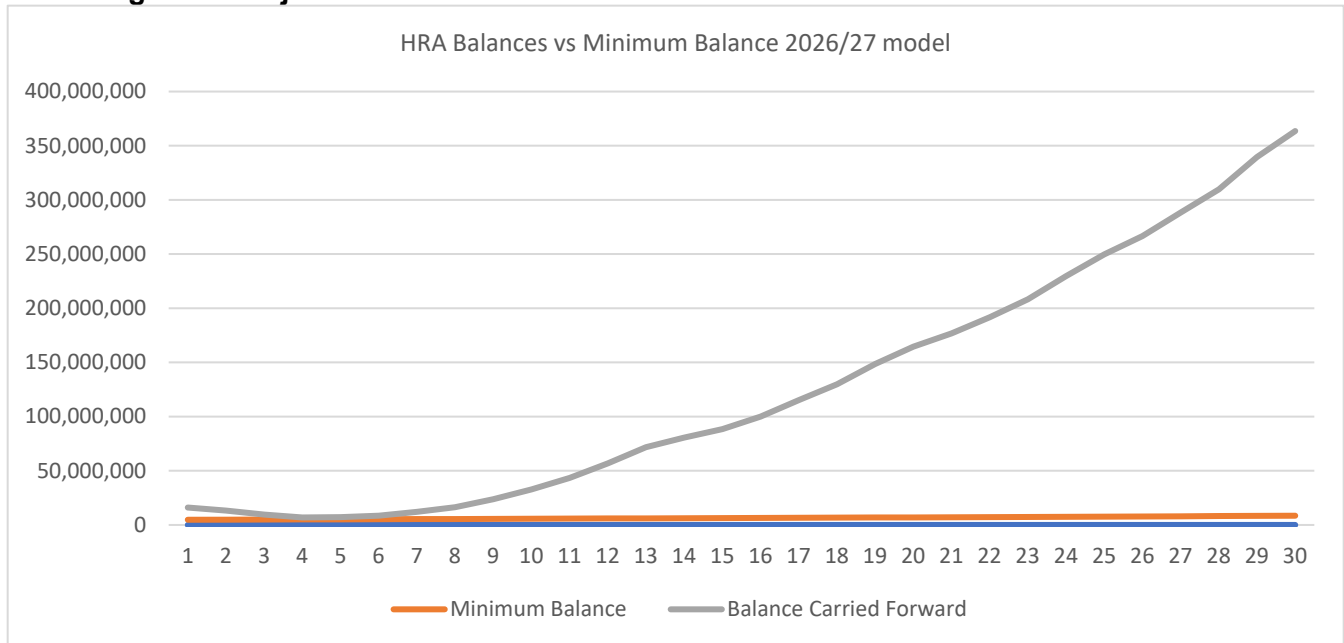
- Cost overruns would impose additional borrowing costs (and associated financing charges to revenue) if unable to be met from scheme contingencies or other mitigating actions;
- The cost of delivering the capital projects increases due to inflationary pressures.

6. HRA 30 Year Business Plan

- 6.1. The HRA Business plan assumes major repair investment in the existing housing stock, covering planned component replacements (e.g. Kitchens & Bathrooms) and zero carbon initiatives.
- 6.2. The plan assumes investment of £23.903m in Decent Homes Capital Works up to 2029, based on currently available funding within the HRA.
- 6.3. As the majority of our homes are rated above EPC level C, Houses within the HRA are not eligible for available government funding at the present time. If funding does become available this would enable more zero carbon initiatives to be carried out. Funding for ongoing repairs relating to these properties has been built into the 30-year works plan. There is likely to be a marginal increase in management costs however the net effect of this and other movements will be a return to annual surpluses for the remainder of the 30-year Business plan after 2034/35.
- 6.4. The current HRA balance is assumed to be £19.187m at the beginning of 2026/27. The base plan assumes that regular annual deficits will continue to arise whilst the PFI scheme is in place. The PFI scheme is due to end in 2034/35, at which point the properties return to Reading Borough Council. The business plan assumes that the operating costs of the PFI fall away at this point. Repairs relating to these properties have been assumed for the remainder of the 30-year works plan. There is likely to be an increase in management costs however the net effect of this and other movements will lead to consistent annual surpluses for the remainder of the 30-year Business plan after 2034/35.
- 6.5. Additional borrowing is required to part fund the capital programme. At the beginning of the plan the capital finance requirement is forecast to be £265.180m, additional borrowing of £114.375m is required, taking peak borrowing to £379.555m.
- 6.6. The plan assumes a loans repayment from 2039/40 once there is a sufficient build-up of the HRA balance. Total repayments in the plan are £330.000m, which reduces the loan balance to £49.555m at the end of the plan.
- 6.7. The local authority new build (LANB) programme continues in the 30-year Business Plan until 2029/30, after which the current plan assumes there is no further investment in new build. Right to Buy sales are projected to continue at the level of 10 for 2026/27. From 2026/27, they are forecast to reduce to 2 per annum, reflecting the change in Government policy.
- 6.8. The business plan long term assumptions for CPI & RPI follow the latest OBR (Office for Budget Responsibility) forecasts.
- 6.9. Repair and build costs are assumed to increase by BCIS (Building cost information service forecast rates).
- 6.10. Rent & Service charges are assumed to increase by 4.8% in 2026/27, in line with the nationally published CPI figure in September 2025 and by CPI + 1% from 2027/28 for the duration of the plan alongside rent convergence starting at £1 per week from 1 April 2027 rising to £2 per week from 1 April 2028. The plan also includes an increase to existing service charges to tenants to recover the full cost of Landlord cleaning and lighting services beginning 2026/27.

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

Figure 1. Projected HRA Balance in 30 Year Business Plan



Appendix 5 - Summary of the Proposed Housing Revenue Account Budget 2026-27 to 2028-29

	Approved Budget 2025/26	Proposed Budget 2026/27	Proposed Budget 2027/28	Proposed Budget 2028/29
Dwelling Rents	(45,113)	(48,347)	(51,221)	(54,419)
Service Charges	(1,023)	(1,344)	(1,384)	(1,426)
PFI Credit	(4,924)	(4,924)	(4,924)	(4,924)
Other Income	(197)	(201)	(285)	(370)
Interest on Balances	(1,583)	(1,001)	(792)	(569)
Total Income	(52,840)	(55,817)	(58,606)	(61,708)
Management & Supervision	12,154	11,774	12,046	12,322
Special Services	5,114	5,056	5,157	5,260
Provision of Bad Debt	922	518	556	597
Repairs and Maintenance	9,229	10,353	11,709	13,144
Major Repairs/Depreciation	14,010	13,500	13,770	14,045
Debt Costs	8,059	9,123	9,754	11,396
PFI Costs	8,410	8,601	8,790	8,983
Total Expenditure	57,898	58,925	61,782	65,747
Net (Surplus)/Deficit	5,058	3,108	3,176	4,039
Forecast Opening HRA Balances	(24,245)	(19,187)	(16,079)	(12,903)
Net (Surplus)/Deficit	5,058	3,108	3,176	4,039
Forecast Closing HRA Balances	(19,187)	(16,079)	(12,903)	(8,864)

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Appendix 6

DEDICATED SCHOOLS GRANT 2026/27

1. Background

- 1.1 The Dedicated Schools Grant (DSG) provides the core funding for schools and early years providers. It is divided into four blocks, each with its own formula, regulatory framework, and specific purpose.
- **Schools Block** – funds mainstream primary and secondary schools through the local schools funding formula, and growth funding for new/growing schools.
 - **High Needs Block** – funds places in special schools, resource bases and alternative provision, and top-up funding for pupils with EHCPs in all settings.
 - **Early Years Block** – funds nursery schools, nursery classes in mainstream schools, and early years settings in the PVI sector through the free entitlement (from 9 months to 4-year-olds).
 - **Central Schools Services Block** – funds centrally provided services for all schools, such as the admissions service.
- 1.2 Allocations for 2026/27 were published by the Department for Education (DfE) in December 2025. High Needs and Early Years funding will be updated in-year to reflect census adjustments and import/export movements.
- 1.3 The DSG must be deployed in accordance with the DSG conditions of grant and the School and Early Years Finance and Childcare (England) Regulations. Detailed guidance is normally contained within operational guidance issued by the Education and Skills Funding Agency (ESFA).
- 1.4 The DSG is a ring-fenced grant, though some funding can be transferred between blocks (subject to Schools' Forum approval). As a working assumption, up to 0.5% transfer from the Schools Block may be considered for 2026/27.
- 1.5 Schools' Forum is consulted on all areas of the DSG. Papers and minutes are publicly available on the Council's website.

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

2. Overall DSG Allocation for 2026/27

- 2.1 Table 1 summarises the indicative DSG allocations for 2026/27 and compares them with 2025/26. The Council receives its allocation as a gross amount and determines how the funding is distributed before the Government recoups academy funding.
- 2.2 Overall, the DSG increases by £9.915m from 2025/26 to 2026/27.
- 2.3 Key drivers include:
- incorporation of prior supplementary grants
 - changes in pupil numbers based on the October 2025 census
 - national funding formula (NFF) updates

- 2.4 Locally, pupil numbers decreased by 427 pupils (2.15%), representing the first combined primary and secondary decline in over 20 years. This continues to affect the distribution of both Schools Block funding and CSSB allocations.

Table 1: Indicative Dedicated Schools Grant allocation 2026/27

BLOCK	2025/26 ACTUAL (£'000)	2026/27 INITIAL (£'000)	Change (£'000)	Change (%)
Schools Block	135,870	139,778	3,908	+2.9%
Central Schools Services Block	1,151	1,198	47	+4.1%
Early Years Block	29,089	33,182	4,093	+14.1%
High Needs Block	33,247	35,114	1,867	+5.6%
TOTAL (Gross)	199,357	209,272	9,915	+5.0%
Less Recoupment – Schools	(79,142)	(80,561)	(1,419)	
Less Recoupment – High Needs	(4,455)	(4,452)	3	
TOTAL (Net)	115,760	124,259	8,499	

3. Schools Block Budget for 2026/27

- 3.1 The Schools Block allocation is based on Primary Units of Funding (PUFs) and Secondary Units of Funding (SUFs) with additional funds for premises related spend (Business Rates) and growth funding.

Appendix 1 shows the DfE-published PUFs/SUFs for 2026/27

- 3.2 The 2026/27 Schools Block has been calculated using October 2025 census data and the DfE's National Funding Formula (NFF). Locally, the Reading formula mirrors the NFF as closely as affordability allows. To balance the formula within the available allocation, a 1.2% reduction has been applied to the basic entitlement rates, alongside the agreed 0.41% transfer to the High Needs Block to support the Reading Inclusion Support in Education (RISE) service.
- 3.3 It was approved to transfer 0.41%/£580k from the Schools Block to the High Needs Block to fund RISE SEND services across all schools in Reading. The schools block budget has been set based on the recommendations and decisions made at the January 2026 meetings of the Schools' Forum.

Appendix 2 shows the final formula factors and values.

Appendix 3 shows the final 2026/27 school-level allocations for primary and secondary

- 3.4 The National Funding Formula (NFF) continues to get closer with every factor having a lower and upper limit to being used. Reading is proud of its achievement to have moved within less than 1% of the national formula since 2019 and continue to achieve this every year. All factors are set to the NFF rate including area cost adjustments for 2026/27 except for the basic entitlements where we have reduced them by 1.2% to fund the formula with the agreement transfer to the High Needs Block.

3.5 The Pupil Premium Grant for schools will continue in 2026/27 and have increased by 2.3% for 2026/27.

- Primary FSM6 pupils: £1,550 (from £1,515 in 2025/26)
- Secondary FSM6 pupils: £1,100 (from £1,075 in 2025/26)
- Pupils who were previously looked after: £2,690 (from £2,630 in 2025/26)

4 Central Schools Services Block Budget for 2026/27

4.1 The Central Schools Services Block (CSSB) funds statutory and historic commitments delivered centrally. The historic commitments element continues to be reduced nationally by 20% per year.

4.2 Budget setting for 2026/27 will reflect any reductions in funding and will prioritise statutory services.

4.3 In order to balance the budget in this block, some of the historical commitment budgets have been reduced to reflect this funding reduction; these budgets are contributions towards service costs, so will result in these services either having to fund the reduction from elsewhere or reducing the level of service. Reading will continue to prioritise statutory services.

5 Early Years Block Budget for 2026/27

5.1 The formula used for calculating Early Years entitlements for 2026/27 will follow DfE guidance which has minor changes from 2025/26.

5.2 Key changes

- Passthrough rate increases to 97%, leaving 3% for local authority central services (up from 96% in 2025/26).
- Full-year impact of expanded entitlement for working parents of 2-year-olds (up to 30 free hours).
- Unit rates have increased across all age groups and funding streams. The unit rate increases reflect the full-year impact of the national expansion of childcare entitlements for working parents.

Table 2: Unit values agreed and provided for all Early Years Settings from April 2026.

	25/26	26/27	Variance	%
3+ Year Olds (Universal)	£6.55	£6.88	£0.33	5.0%
3+ Year Olds (Working Parents)	£6.55	£6.88	£0.33	5.0%
2 Year Olds (Targeted)	£9.57	£9.68	£0.11	1.1%
2 Year Olds (Working Parents)	£9.57	£9.68	£0.11	1.1%
Under 2s (Working Parents)	£13.14	£13.58	£0.44	3.3%
Early Years Pupil Premium	£2.00	£2.15	£0.15	7.5%
Disability Access Funding (DAF)	£938.00	£975.00	£37.00	3.9%
Maintained Nursery Grant	£5.27	£5.47	£0.20	3.8%

- 5.3 Retained Budgets for the Early Years Block were agreed at the January 2026 Schools Forum.

6. High Needs Block Budget for 2026/27

- 6.1 The High Needs Block (HNB) allocation for 2026/27 remains at 2025/26 cash levels, with no additional uplift from the DfE beyond incorporation of supplementary grants. The £1.867m increase reflects grant consolidation rather than new funding.
- 6.2 Although the national High Needs Block has increased by 58% since 2019/20, demand growth has significantly exceeded funding. The 2026/27 increase for Reading primarily reflects grant consolidation rather than additional funding. The cumulative deficit is forecast to reach £49m by March 2026, covered by the statutory override. However, the scale of the deficit is now impacting the council's treasury and borrowing costs.
- 6.3 Councils continue to face rapidly rising demand for SEND support and significantly increasing numbers of EHCPs and specialist placements, especially in independent and non-maintained special schools, which remain the biggest cost pressure.
- 6.4 Reading's High Needs Block cumulative deficit will potentially increase to £49m by March 2026. This substantial DSG deficit by the end of the financial year is covered by the statutory override that shields councils from technical bankruptcy. This is effectively an 'overdraft' on the balance sheet and at these levels is starting to impact the amount of investment income the council can earn due to the interest on borrowing to maintain the day-to-day business of the council.
- 6.5 Top up funding makes up the greatest proportion of expenditure in this block that includes Additional Resourced Provision (ARP). This equates to around 93% of the expenditure budget. The budget will be based on the current actual average cost of each type of placement (as at January census 2026) with an average inflation rate added and an annual increase in number of placements according to current trends.
- 6.6 Government statements acknowledge the SEND system is not financially sustainable and requires structural reform to improve outcomes and restore sustainability, with a SEND system being fairer, more inclusive and financially viable. The reform acknowledges long-standing issues: inconsistent support, rising EHCP demand, escalating costs, and widespread parent dissatisfaction. The Government has committed to detailed reforms in a forthcoming Schools White Paper (expected early 2026), with consultation and co-design underway.

7 Special Educational Needs funding

- 7.1 The High Needs Block has been in deficit for several years. Approximately 93% of the High Needs Block is statutory top-up funding for pupils with EHCPs; this area remains the most sensitive to changes in volumes and unit costs.
- 7.2 The strategy is focused on:
- Strengthening mainstream inclusion,
 - Expanding local specialist provision to reduce out-of-area placements,
 - Improving commissioning and banding consistency,

- Strengthening early intervention.

7.3 EHCP top-ups are the highest risk due to the unpredictability of the number and level (cost) of plans. Numbers continue to rise year-on-year (see Table 3), increasing financial pressure.

Table 3: Numbers of EHCPs

Date	Actual Total Number	Annual Year-on-Year Increase
2019/20: December 2019	1,391	115
2020/21: December 2020	1,462	71
2021/22: December 2021	1,572	110
2022/23: December 2022	1,756	184
2023/24: December 2023	1,967	211
2024/25: December 2024	1,999	32
2025/26: December 2025	2088	89

7.4 The Council continues to support schools in providing education for all children and SEN strategic decisions are part of a governance group that is fed back to senior leaders. Finance staff review the monthly finances with analysis on changes that can then be compared to outcomes. The implementation of ARPs and the full Council support for creating a new special school in September 2027 are fundamental in trying to give the need to stay local and within the community as well as making a financial shift from high costly placements.

7.5 Forecasts show the cumulative High Needs deficit could reach £94m by March 2028 without Government intervention (see Table 4). National discussions are underway about how deficits will be treated once the statutory override ends in April 2028.

Table 4 Current DSG High Needs Block Forecast (December 2025)

	2024/25 Outturn £m	2025/26 Dec-25 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m
High Needs Expenditure	42.616	49.075	52.000	55.000
High Needs Income	(26.667)	(28.792)	(30.662)	(30.662)
High Needs In-Year Deficit/(surplus)	15.949	20.283	21.338	24.338
Add High Needs B/F Deficit	12.395	28.344	48.627	69.965
Year End Position	28.344	48.627	69.965	94.303

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

- 7.7 The Government has confirmed its approach to supporting local authorities with Dedicated Schools Grant (DSG) deficits, as outlined in the response to the Provisional Local Government Finance Settlement. Central to this approach is the introduction of the **High Needs Stability Grant**, designed to provide substantial financial support to authorities holding DSG deficits in their unusable reserves at the end of 2025/26.
- 7.8 The DfE and the Department for Levelling Up, Housing & Communities (DLUHC) will determine each authority's eligible DSG deficit using a range of validated financial sources, including Section 251 data, DSG notes, S151 assurances, Revenue Outturn figures and published accounts. Where discrepancies exist and cannot be satisfactorily explained, the lowest recorded DSG deficit figure will be used for grant allocation purposes. Only high needs-related deficits will be eligible, and any ineligible expenditure will be excluded before calculating the grant (payable at 90%).
- 7.9 Payments will be made by DfE as Section 31 grants from autumn 2026, subject to each authority submitting and securing approval of a **Local SEND Reform Plan** developed collaboratively with education, health and post-16 partners. Grant funding must be used exclusively to eliminate the DSG deficit recorded in the unusable reserve as at 31st March 2026.

8 Appendices

Appendix 1 - DSG Allocations 2025/26 and 2026/27

Appendix 2 - Final Formula Factors and Values 2025/26 to 2026/27

Appendix 3 - Final 2026/27 School Formula Allocations for Primary and Secondary Schools

Appendix 1 – DSG Allocations 2025/26 and 2026/27

	2025/26 ACTUAL				YEAR ON YEAR CHANGE		
	Units/Rate	Funding £'000	Units/Rate	Funding £'000	£'000	%	Notes
Schools Block (SB):							
Primary Unit of Funding (PUF)	£5,568.74		£5,850.27		£281.53		Confirmed
Primary Pupil numbers & funding	13,102	72,962	12,723	74,433	1,471	2.00%	Confirmed
Secondary Unit of Funding (SUF)	£7,382.34		£7,744.14		£361.80		Confirmed
Secondary Pupil numbers & funding	8,192	60,476	8,114	62,836	2,360	3.90%	Confirmed
Premises		1,666		1,781	115	6.90%	Confirmed
TOTAL SB excl. Growth		135,104		139,053	3,949	2.90%	
Growth Funding Factor		765		728	-37	-4.80%	Confirmed
TOTAL SB		135,870		139,778	3,908	2.90%	
Central School Services Block (CSSB):							
Unit of Funding	£45.70		£50.64		£4.94		Confirmed
Pupil Numbers	21,294	973	2,837	1,055	82	8.40%	Confirmed
Historic Commitments		178		143	-35	-20.00%	Confirmed (Planned reduction by DfE)
TOTAL CSSB		1,151		1,198	47	4.10%	
High Needs Block (HNB):							
Formula		33,169		36,193	3,024	9.10%	Confirmed
Hospital & AP pay grants		332		359	27	8.10%	Confirmed
Place Funding Unit of Funding	£4,913.23		£3,213.63		(£1,699.60)		Confirmed
Place Numbers	495.5	2,439	464	1,492	-947	-38.80%	Confirmed
Import/Export Adjustment		-2,700		-2,946	-246	-9.10%	Based on Oct 24 census & Jan 25 ILR
Additional HN Funding		144		16	-128	-88.90%	
Total HNB		33,385		35,114	1,729	5.20%	
Early Years Block (EYB):							
3- & 4-Year-Old Funding Rate	£6.86		£7.30		£0.44		Confirmed
3- & 4-year-olds numbers & funding	3,512	13,734	3,397	14,133	399	2.90%	termly census
2-Year-Old Funding Rate	£10.02		£10.18		£0.16		Confirmed
2-Year-old numbers & funding	1,138	6,497	1,452	8,426	1,929	29.70%	termly census
Under 2-Year-Old Funding Rate	£13.76		£14.03		£0.27		Confirmed
Under 2-Year-Old numbers & funding	951	7,459	1,150	9,198	1,739	23.30%	termly census
Pupil Premium		223		329	106		termly census
Disabled Access Fund		120		130	10		
Maintained Nursey Grant		1,041		966	-75		termly census
Total EYB		29,074		33,182	4,108	14.10%	
TOTAL ALL BLOCKS		199,480		209,272	9,792	4.90%	

Appendix 2 – Agreed Formula Factors and Values 2025/26 to 2026/27

	2024/25		2025/26		2026/27		
Formula Elements	NFF with ACA	Reading Final	Reading NFF with ACA	Reading Final	Reading NFF with ACA	Reading Proposed	Note
Basic Entitlement							
Primary	£3,690.45	£3,653.48	£3,986.34	£3,966.03	£4,211.12	£4,161.22	NFF with ACA - reduced by 1.2%
Secondary - KS3	£5,203.09	£5,150.97	£5,618.38	£5,573.08	£5,891.83	£5,822.01	
Secondary - KS4	£5,865.14	£5,806.39	£6,334.41	£6,283.33	£6,642.04	£6,563.33	
Deprivation							
Free School Meals - Pri & Sec	£507.67	£507.67	£512.93	£512.93	£523.28	£523.28	As per NFF with ACA
Free School Meals Ever 6 - Pri	£849.57	£849.57	£1,098.39	£1,098.39	£1,253.80	£1,253.80	
Free School Meals Ever 6 - Sec	£1,243.27	£1,243.27	£1,611.32	£1,611.32	£1,787.45	£1,787.45	
IDACI Band A - Primary	£704.52	£704.52	£709.81	£709.81	£725.34	£725.34	
IDACI Band B - Primary	£533.57	£533.57	£538.83	£538.83	£549.19	£549.19	
IDACI Band C - Primary	£502.49	£502.49	£507.75	£507.75	£518.10	£518.10	
IDACI Band D - Primary	£461.05	£461.05	£461.12	£461.12	£471.47	£471.47	
IDACI Band E - Primary	£295.28	£295.28	£295.32	£295.32	£300.50	£300.50	
IDACI Band F - Primary	£243.47	£243.47	£243.51	£243.51	£248.69	£248.69	
IDACI Band A - Secondary	£979.08	£979.08	£984.41	£984.41	£1,005.11	£1,005.11	
IDACI Band B - Secondary	£766.68	£766.68	£771.98	£771.98	£787.51	£787.51	
IDACI Band C - Secondary	£714.88	£714.88	£720.17	£720.17	£735.70	£735.70	
IDACI Band D - Secondary	£652.72	£652.72	£658.00	£658.00	£673.53	£673.53	
IDACI Band E - Secondary	£466.23	£466.23	£466.30	£466.30	£476.65	£476.65	
IDACI Band F - Secondary	£352.26	£352.26	£352.31	£352.31	£357.49	£357.49	
Prior Attainment							
Primary	£1,212.19	£1,212.19	£1,217.56	£1,217.56	£1,243.44	£1,243.44	As per NFF with ACA
Secondary	£1,839.01	£1,839.01	£1,849.65	£1,849.65	£1,891.07	£1,891.07	
English as an Additional Language							
Primary	£611.28	£611.28	£616.55	£616.55	£632.08	£632.08	As per NFF with ACA
Secondary	£1,642.16	£1,642.16	£1,652.77	£1,652.77	£1,689.01	£1,689.01	
Mobility							
Primary	£994.62	£994.62	£999.95	£999.95	£1,020.66	£1,020.66	As per NFF with ACA
Secondary	£1,429.76	£1,429.76	£1,435.16	£1,435.16	£1,466.22	£1,466.22	
Lump Sum	£139,246.46	£139,246.46	£150,355.52	£150,355.52	£158,227.74	£158,227.74	
Split sites basic eligibility	£55,636.42	£55,636.42	£55,955.88	£55,955.88	£57,094.62	£57,094.62	
Split sites distance funding	£27,870.01	£27,870.01	£27,977.94	£27,977.94	£28,599.12	£28,599.12	
Minimum Per Pupil Level							
Primary		£4,610.00		£4,955.00		£5,115.00	As per NFF
Secondary		£5,771.00		£6,465.00		£6,640.00	
(KS3 Only School)		£6,331.00		£6,221.00		£6,388.00	
(KS4 Only School)		£5,995.00		£6,831.00		£7,018.00	
Max. Minimum Funding Guarantee		0.50%		0.00%		0.00%	Local Decision between -5% & 0%

Appendix 3 – School Formula Allocations for Primary and Secondary Schools 2026/27

School Name	2025-2026 Actual Allocation					2026-27 Indicative Allocation			Overall Change between 2025-26 and 2026-27			
	2025-26 Post MFG Budget	2025-26 NOR	2025-26 Post MFG per pupil Budget (A)	2025-26 Grants	Adjusted 2025-26 Allocation	2026-27 Post MFG Budget	2026-27 NOR	2026-27 Post MFG per pupil Budget (B)	Total Variance	% Change Year-on-year	Per Pupil variance (B - A)	% Increase Y-on-Y per Pupil
Alfred Sutton Primary School	£3,175,439	624	£5,089	£92,492	£3,267,931	£3,257,472	614	£5,305	(£10,458)	(0.32%)	£216	4.25%
Caversham Primary School	£2,043,084	405	£5,045	£54,481	£2,097,565	£2,149,402	413	£5,204	£51,837	2.47%	£160	3.17%
Coley Primary School	£1,247,037	205	£6,083	£33,383	£1,280,420	£1,294,549	203	£6,377	£14,130	1.10%	£294	4.83%
E P Collier Primary School	£2,190,003	379	£5,778	£60,473	£2,250,476	£2,021,157	335	£6,033	(£229,318)	(10.19%)	£255	4.41%
Geoffrey Field Junior School	£2,078,018	352	£5,903	£60,020	£2,138,038	£2,231,959	358	£6,235	£93,920	4.39%	£331	5.61%
Geoffrey Field Infant School	£1,603,509	257	£6,239	£42,657	£1,646,166	£1,653,407	257	£6,433	£7,241	0.44%	£194	3.11%
Oxford Road Community School	£1,246,504	202	£6,171	£36,746	£1,283,250	£1,364,302	205	£6,655	£81,052	6.32%	£484	7.85%
Redlands Primary School	£1,148,623	193	£5,951	£31,883	£1,180,506	£1,139,231	183	£6,225	(£41,275)	(3.50%)	£274	4.60%
The Hill Primary School	£1,998,639	393	£5,086	£52,596	£2,051,235	£2,133,975	407	£5,243	£82,740	4.03%	£158	3.10%
The Ridgeway Primary School	£2,389,900	385	£6,208	£66,118	£2,456,018	£2,318,043	352	£6,585	(£137,974)	(5.62%)	£378	6.09%
Park Lane Primary School	£2,078,344	385	£5,398	£57,912	£2,136,256	£2,188,739	387	£5,656	£52,483	2.46%	£257	4.77%
Wilson Primary School	£2,202,463	409	£5,385	£60,859	£2,263,322	£2,360,904	413	£5,716	£97,581	4.31%	£331	6.16%
Emmer Green Primary School	£2,101,452	417	£5,039	£55,342	£2,156,794	£2,178,982	419	£5,200	£22,188	1.03%	£161	3.19%
Southcote Primary School	£2,939,198	551	£5,334	£84,464	£3,023,662	£3,013,408	534	£5,643	(£10,254)	(0.34%)	£309	5.79%
St Michael's Primary School	£2,259,238	391	£5,778	£65,396	£2,324,634	£2,259,842	366	£6,174	(£64,792)	(2.79%)	£396	6.86%
Moorlands Primary School	£1,721,291	284	£6,061	£53,001	£1,774,292	£1,708,743	267	£6,400	(£65,549)	(3.69%)	£339	5.59%
Thameside Primary School	£1,899,974	344	£5,523	£56,234	£1,956,208	£1,833,798	316	£5,803	(£122,411)	(6.26%)	£280	5.07%
Katesgrove Primary School	£3,272,618	605	£5,409	£89,445	£3,362,063	£3,441,065	610	£5,641	£79,002	2.35%	£232	4.29%
Caversham Park Primary School	£716,678	115	£6,232	£18,783	£735,461	£653,418	91	£7,180	(£82,043)	(11.16%)	£948	15.22%
Micklands Primary School	£1,790,458	319	£5,613	£51,870	£1,842,328	£1,761,281	294	£5,991	(£81,046)	(4.40%)	£378	6.74%
Manor Primary School	£1,738,572	287	£6,058	£52,318	£1,790,890	£1,686,330	263	£6,412	(£104,560)	(5.84%)	£354	5.85%
All Saints Church of England Aided Infant	£448,886	60	£7,481	£11,657	£460,543	£462,463	60	£7,708	£1,920	0.42%	£226	3.02%
St Anne's Catholic Primary School	£890,387	146	£6,099	£25,326	£915,713	£943,630	147	£6,419	£27,916	3.05%	£321	5.26%
English Martyrs' Catholic Primary School	£2,094,833	389	£5,385	£57,476	£2,152,309	£2,071,383	366	£5,660	(£80,926)	(3.76%)	£274	5.09%
Christ The King Catholic Primary School	£1,756,585	285	£6,163	£55,244	£1,811,829	£1,811,247	278	£6,515	(£582)	(0.03%)	£352	5.71%
St Martin's Catholic Primary School	£801,334	136	£5,892	£21,855	£823,189	£802,576	128	£6,270	(£20,613)	(2.50%)	£378	6.41%
Whitley Park Primary and Nursery School	£2,898,149	476	£6,089	£84,731	£2,982,880	£2,818,596	440	£6,406	(£164,284)	(5.51%)	£317	5.21%
Blessed Hugh Faringdon Catholic School	£6,813,800	929	£7,335	£154,519	£6,968,319	£7,077,408	918	£7,710	£109,089	1.57%	£375	5.11%
All Saints Junior School	£585,369	94	£6,227	£16,052	£601,421	£641,455	97	£6,613	£40,034	6.66%	£386	6.19%
Meadow Park Academy	£1,958,722	330	£5,936	£59,108	£2,017,830	£1,824,931	292	£6,250	(£192,900)	(9.56%)	£314	5.29%
Battle Primary Academy	£2,229,399	402	£5,546	£64,725	£2,294,124	£2,422,252	416	£5,823	£128,127	5.59%	£277	4.99%
The Palmer Primary Academy	£2,193,995	386	£5,684	£61,792	£2,255,787	£2,416,824	398	£6,072	£161,037	7.14%	£388	6.84%
Civitas Academy	£2,186,083	390	£5,605	£57,595	£2,243,678	£2,239,632	383	£5,848	(£4,047)	(0.18%)	£242	4.32%
The Heights Primary School	£1,818,321	363	£5,009	£48,792	£1,867,113	£1,837,723	355	£5,177	(£29,390)	(1.57%)	£168	3.34%
Ranikhet Academy	£1,273,958	201	£6,338	£38,378	£1,312,336	£1,209,616	180	£6,720	(£102,720)	(7.83%)	£382	6.03%
New Town Primary School	£2,159,292	385	£5,609	£58,710	£2,218,002	£2,241,697	382	£5,868	£23,695	1.07%	£260	4.63%
Churchend Primary Academy	£2,186,985	409	£5,347	£62,139	£2,249,124	£2,100,398	376	£5,586	(£148,727)	(6.61%)	£239	4.47%
St Mary & All Saints Church of England	£1,991,240	326	£6,108	£54,072	£2,045,312	£1,912,021	288	£6,639	(£133,291)	(6.52%)	£531	8.69%
Green Park Village Primary Academy	£1,439,195	247	£5,827	£36,679	£1,475,874	£1,742,795	293	£5,948	£266,921	18.09%	£121	2.08%
New Christ Church Church of England	£1,155,294	199	£5,805	£31,756	£1,187,050	£1,113,325	179	£6,220	(£73,726)	(6.21%)	£414	7.13%
St John's Church of England Primary School	£2,290,350	411	£5,573	£62,605	£2,352,955	£2,373,426	413	£5,747	£20,472	0.87%	£174	3.13%
UTC Reading	£1,212,013	140	£8,657	£27,573	£1,239,586	£1,215,188	124	£9,800	(£24,398)	(1.97%)	£1,143	13.20%
Maiden Erlegh School in Reading	£6,668,907	885	£7,535	£150,534	£6,819,441	£7,063,529	895	£7,892	£244,089	3.58%	£357	4.73%
The WREN School	£6,364,418	834	£7,631	£139,769	£6,504,187	£6,359,221	786	£8,091	(£144,966)	(2.23%)	£459	6.02%
Reading Girls' School	£6,873,302	906	£7,586	£151,784	£7,025,086	£6,992,003	887	£7,883	(£33,084)	(0.47%)	£296	3.91%
River Academy	£2,122,568	289	£7,345	£51,786	£2,174,354	£3,746,523	479	£7,822	£1,572,170	72.31%	£477	6.50%
Highdown School and Sixth Form Centre	£8,128,670	1,212	£6,707	£180,789	£8,309,459	£8,543,437	1,217	£7,020	£233,979	2.82%	£313	4.67%
Reading School	£4,905,672	753	£6,515	£111,026	£5,016,698	£5,111,106	764	£6,690	£94,408	1.88%	£175	2.69%
King's Academy Prospect	£8,631,168	1,058	£8,158	£193,470	£8,824,638	£8,311,104	966	£8,604	(£513,534)	(5.82%)	£446	5.46%
Kendrick School	£4,177,644	641	£6,517	£95,292	£4,272,936	£4,315,953	641	£6,733	£43,017	1.01%	£216	3.31%
Hartland High School	£5,472,078	651	£8,406	£120,510	£5,592,588	£4,826,427	542	£8,905	(£766,161)	(13.70%)	£499	5.94%
Primary Total	£74,199,420	13,137	£5,648	£2,085,165	£76,284,585	£75,635,999	12,758	£5,929	(£648,587)	(0.85%)	£280	4.96%
Secondary Total	£61,370,240	8,298	£7,396	£1,377,052	£62,747,292	£63,561,899	8,219	£7,734	£814,607	1.30%	£338	4.57%
Total	£135,569,660	21,435	£6,325	£3,462,217	£139,031,877	£139,197,898	20,977	£6,636	£166,021	0.12%	£311	4.92%

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Appendix 7a - General Fund Capital Programme 2025/26 - 2030/31

Scheme Name	2025/26 Forecast			2026/27 Forecast			2027/28 Forecast			2028/29 Forecast			2029/30 Forecast			2030/31 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Community & Adult Social Care																		
Adult Social Care																		
ASC Digital Transformation	166	-	166	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Co-located profound and multiple learning disabilities day opportunities and respite facility and sheltered housing flats	6,869	-	6,869	400	-	400	964	(6)	958	411	-	411	-	-	-	-	-	-
Adult Social Care - Sub Total	7,035	-	7,035	400	-	400	964	(6)	958	411	-	411	-	-	-	-	-	-
Housing & Communities																		
Provision of Gypsy & Traveller Accommodation	-	-	-	-	-	-	-	-	-	3,455	-	3,455	-	-	-	-	-	-
Harden Public Open Spaces to Prevent Illegal Encampments	60	-	60	25	-	25	25	-	25	25	-	25	25	-	25	25	-	25
Other Housing Minor Schemes	100	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Green Homes Scheme - GF element	40	(40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disabled Facilities Grants (Private Sector)	1,788	(1,788)	-	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-	1,197	(1,197)	-
Foster Carer Extensions	529	-	529	200	-	200	-	-	-	-	-	-	-	-	-	-	-	-
Private Sector Renewals	323	-	323	300	-	300	300	-	300	300	-	300	300	-	300	300	-	300
Housing & Communities - Sub Total	2,840	(1,928)	912	1,722	(1,197)	525	1,522	(1,197)	325	4,977	(1,197)	3,780	1,522	(1,197)	325	1,522	(1,197)	325
Community & Adult Social Care - Total	9,875	(1,928)	7,947	2,122	(1,197)	925	2,486	(1,203)	1,283	5,388	(1,197)	4,191	1,522	(1,197)	325	1,522	(1,197)	325
Children's Services																		
Pincroft-Children who have complex health, physical,sensory,disabilities & challenging behaviour	2	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cressingham- Community Short Breaks Provision	3	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision of additional Children's Homes	1,429	-	1,429	200	-	200	-	-	-	-	-	-	-	-	-	-	-	-
Children's Home for Children with Disabilities	-	-	-	1,138	-	1,138	-	-	-	-	-	-	-	-	-	-	-	-
Early Years Increase to 30 hours provision	264	(264)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Children's Services - Total	1,698	(264)	1,434	1,338	-	1,338	-	-	-	-	-	-	-	-	-	-	-	-
Economic Growth and Neighbourhood Services																		
Planning, Transportation & Public Protection																		
Air Quality Monitoring	142	(22)	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 2	1,191	(1,191)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 3	2,069	(2,069)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 4	50	(50)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 4 extension	50	(50)	-	508	(508)	-	-	-	-	-	-	-	-	-	-	-	-	-
Active Travel Tranche 5	207	(207)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated Active Travel Fund	489	(489)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Berkshire Coroner's Removals	25	(10)	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bus Service Improvement	4,639	(4,639)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Transport Plan Development	2,206	(2,206)	-	900	(900)	-	989	(989)	-	400	(400)	-	400	(400)	-	400	(400)	-
Reading West Station	143	(143)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Reading MRT (Phases 3 & 4)	4	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Town Centre Street Trading Infrastructure	70	-	70	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction of Green Park Station	7	(7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Community	99	(99)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S106 individual schemes list	780	(780)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defra Air Quality Grant - Bus Retrofit	369	(369)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Defra Air Quality Grant - Go Electric Reading	18	(18)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electric Vehicle Charging Points	866	(866)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zero Emission Bus Regional Areas (ZEBRA) grant to RTL	2,725	(2,725)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Air Quality Grant - AQ sensors awareness & behaviour change	15	(15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport Demand Management Scheme	-	-	-	-	-	-	-	-	-	600	(600)	-	-	-	-	-	-	-
Planning, Transportation & Public Protection - Sub Total	16,164	(15,959)	205	1,408	(1,408)	-	989	(989)	-	1,000	(1,000)	-	400	(400)	-	400	(400)	-

Scheme Name	2025/26 Forecast			2026/27 Forecast			2027/28 Forecast			2028/29 Forecast			2029/30 Forecast			2030/31 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Culture																		
Leisure Centre Enhancement	1,299	-	1,299	976	-	976	308	-	308	217	-	217	581	-	581	478	-	478
Hexagon Investment	-	-	-	50	-	50	65	-	65	-	-	-	-	-	-	-	-	-
Levelling Up Delivery Plan - New performance space at the Hexagon Theatre	6,493	(6,303)	190	9,851	-	9,851	-	-	-	-	-	-	-	-	-	-	-	-
Levelling Up Delivery Plan - New Reading Library at the Civic Centre	8,731	(5,929)	2,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abbey Quarter restoration works	30	(30)	-	89	(89)	-	-	-	-	-	-	-	-	-	-	-	-	-
High Street Heritage Action Zone	86	-	86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Berkshire Record Office - extension of storage space	362	-	362	10	-	10	-	-	-	-	-	-	-	-	-	-	-	-
New Directions Ways into work	52	(52)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Whitley Wood Pavilion	311	(199)	112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Library Improvement Works (ACE Fund)	250	(250)	-	155	(155)	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture - Sub Total	17,614	(12,763)	4,851	11,131	(244)	10,887	373	-	373	217	-	217	581	-	581	478	-	478
Environmental & Commercial Services																		
Playground equipment and Refreshment: Boroughwide	372	(350)	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kenavon Drive Landscape	25	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Victoria Rec	15	(15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Thames Path works in Kingsmeadow	154	(154)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restoration of historic eastern wall at Caversham Court Gardens	20	(20)	-	408	(191)	217	-	-	-	-	-	-	-	-	-	-	-	-
Restoration of historic western wall at Caversham Court Gardens	-	-	-	100	-	100	700	-	700	128	-	128	-	-	-	-	-	-
Ecological Works	21	(21)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
John Rabson skatepark	345	(65)	280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tree Planting	56	(4)	52	125	-	125	150	-	150	200	-	200	50	-	50	50	-	50
Highways Infrastructure Programme	5,806	(2,039)	3,767	3,542	(2,873)	669	2,677	(2,677)	-	2,941	(2,941)	-	3,955	(3,955)	-	1,838	(1,838)	-
Chestnut Walk Improvements	29	(23)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Heritage and Culture	94	(94)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Leisure and Play	512	(512)	-	100	(100)	-	-	-	-	-	-	-	-	-	-	-	-	-
CIL Local Funds - Transport	1,345	(1,345)	-	602	(602)	-	326	(326)	-	326	(326)	-	326	(326)	-	326	(326)	-
Highway Traffic Signals	626	(561)	65	-	-	-	350	-	350	350	-	350	350	-	350	-	-	-
Streetlighting Investment	753	(753)	-	493	-	493	890	(700)	190	700	(700)	-	207	(207)	-	-	-	-
Pedestrian Defined Urban Pocket Gardens	41	-	41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pedestrian handrails	52	-	52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pumping Station Upgrade Scheme (new)	14	-	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reading Station Subway	10	(10)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Safe and People Friendly Streets and Spaces	-	-	-	250	-	250	-	-	-	-	-	-	-	-	-	-	-	-
Car Park Investment Programme (inc P&D, Red Routes & Equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Network Management Programme	303	(303)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Digitised TRO's	300	-	300	169	-	169	-	-	-	-	-	-	-	-	-	-	-	-
Eastern Area Access Works	-	-	-	199	(199)	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Traffic Management and Road Safety Schemes	126	(126)	-	1,125	(575)	550	500	(150)	350	500	(150)	350	150	(150)	-	150	(150)	-
Oxford Road Corridor Works	216	(216)	-	660	(660)	-	-	-	-	-	-	-	-	-	-	-	-	-
Traffic Management Schools	94	(94)	-	300	(300)	-	100	(100)	-	100	(100)	-	100	(100)	-	100	(100)	-
Western Area Access Works	-	-	-	128	(128)	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle Maintenance Workshop	5	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Vehicles	506	-	506	1,570	-	1,570	2,991	-	2,991	3,681	-	3,681	677	-	677	-	-	-
Environmental & Commercial Services - Sub Total	11,840	(6,730)	5,110	9,771	(5,628)	4,143	8,684	(3,953)	4,731	8,926	(4,217)	4,709	5,815	(4,738)	1,077	2,464	(2,414)	50
Property & Asset Management																		
The Heights Permanent Site Mitigation	67	-	67	335	(297)	38	-	-	-	-	-	-	-	-	-	-	-	-
Corporate and Community Buildings	775	-	775	3,276	-	3,276	3,800	-	3,800	1,000	-	1,000	1,000	-	1,000	1,000	-	1,000
Reading Cemetery Archway - Structural Conservation Works	-	-	-	600	-	600	100	-	100	-	-	-	-	-	-	-	-	-
1 Dunsfold Filout for BFIC Family Contact Centre - Development for Community Use	22	(19)	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Katesgrove Community and YOS Refurbishment - Development for Community Use	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance & Enhancement of Council Properties	150	-	150	-	-	-	8,650	-	8,650	-	-	-	-	-	-	-	-	-
Acre Business Park	-	-	-	-	-	-	-	-	-	596	-	596	-	-	-	-	-	-
Property & Asset Management - Sub Total	1,014	(19)	995	4,211	(297)	3,914	12,550	-	12,550	1,596	-	1,596	1,000	-	1,000	1,000	-	1,000
Management & Sustainability																		
Salix Decarbonisation Fund	654	-	654	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Solar Programme	396	(12)	384	1,557	-	1,557	-	-	-	-	-	-	-	-	-	-	-	-
Management and Sustainability - Sub Total	1,050	(12)	1,038	1,557	-	1,557	-	-	-	-	-	-	-	-	-	-	-	-
Economic Growth and Neighbourhood Services Total	47,682	(35,483)	12,199	28,078	(7,577)	20,501	22,596	(4,942)	17,654	11,739	(5,217)	6,522	7,796	(5,138)	2,658	4,342	(2,814)	1,528

Scheme Name	2025/26 Forecast			2026/27 Forecast			2027/28 Forecast			2028/29 Forecast			2029/30 Forecast			2030/31 Forecast		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Resources																		
IT Future Operating Model	1,249	-	1,249	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ICT Tech Refresh	954	-	954	378	-	378	799	-	799	458	-	458	477	-	477	377	-	377
Cremator Procurement	708	-	708	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Works to Henley Road Cemetery & Crematorium	-	-	-	198	-	198	198	-	198	198	-	198	198	-	198	198	-	198
Burial Chambers	55	-	55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional Burial Space	26	-	26	313	-	313	1,416	-	1,416	1,382	-	1,382	-	-	-	-	-	-
Cemetery Land Acquisition	-	-	-	2,500	-	2,500	-	-	-	-	-	-	-	-	-	-	-	-
Resources Total	2,992	-	2,992	3,389	-	3,389	2,413	-	2,413	2,038	-	2,038	675	-	675	575	-	575
Economic Growth and Neighbourhood Services (Education Schemes)																		
Additional School Places - Contingency	-	-	-	1,288	(1,288)	-	-	-	-	-	-	-	-	-	-	-	-	-
DFC	246	(246)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SEN Provision - Avenue Centre	44	(44)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset Management	497	(497)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Civitas- Synthetic Sports Pitch	24	(24)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Crescent Road Playing Field Improvements	-	-	-	121	(121)	-	-	-	-	-	-	-	-	-	-	-	-	-
Critical Reactive Contingency: Health and safety (Schools)	300	(300)	-	200	(200)	-	200	(200)	-	200	(200)	-	269	(269)	-	-	-	-
Fabric Condition Programme	2,287	(2,287)	-	1,677	(1,677)	-	1,612	(1,612)	-	1,612	(1,612)	-	-	-	-	-	-	-
Green Park Primary School	60	(60)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heating and Electrical Renewal Programme	37	(37)	-	2,391	(2,391)	-	-	-	-	-	-	-	-	-	-	-	-	-
Initial Viability work for the Free School at Richfield Avenue	1	(1)	-	28	(28)	-	-	-	-	-	-	-	-	-	-	-	-	-
Modular Buildings Review	-	-	-	355	(355)	-	798	(798)	-	-	-	-	-	-	-	-	-	-
Dee Park Regeneration - Housing Infrastructure Fund (school)	827	(827)	-	6,153	(6,153)	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Sector Decarbonisation Funds - School Estate Double Glazing Programme	289	(289)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SCD Units	25	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Schools - Fire Risk Assessed remedial Works	210	(210)	-	163	(163)	-	-	-	-	-	-	-	-	-	-	-	-	-
SEN High Needs provision capital allocations	5,254	(5,254)	-	5,302	(5,302)	-	2,120	(2,120)	-	6,000	(6,000)	-	2,350	(2,350)	-	-	-	-
The Heights Temporary School	351	(351)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Park Lane Primary School Annexe Replacement	550	(550)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Growth and Neighbourhood Services (Education Schemes) Total	11,002	(11,002)	-	17,678	(17,678)	-	4,730	(4,730)	-	7,812	(7,812)	-	2,619	(2,619)	-	-	-	-
Corporate																		
Delivery Fund (Pump priming for Transformation projects)	2,927	-	2,927	1,500	-	1,500	1,500	-	1,500	1,500	-	1,500	1,500	-	1,500	1,500	-	1,500
Oracle Shopping Centre capital works	100	-	100	100	-	100	100	-	100	100	-	100	100	-	100	100	-	100
Minster Quarter - Brownfield Land Grant Element	-	-	-	2,000	(2,000)	-	-	-	-	-	-	-	-	-	-	-	-	-
Minster Quarter	478	-	478	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Total	3,505	-	3,505	3,600	(2,000)	1,600	1,600	-	1,600	1,600	-	1,600	1,600	-	1,600	1,600	-	1,600
General Fund Total	76,754	(48,677)	28,077	56,205	(28,452)	27,753	33,825	(10,875)	22,950	28,577	(14,226)	14,351	14,212	(8,954)	5,258	8,039	(4,011)	4,028

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Appendix 7b - HRA Capital Programme 2025/26 - 2030/31

Scheme Name	2025/26			2026/27			2027/28			2028/29			2029/30			2030/31		
	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)	Spend (£,000's)	Funding (£,000's)	Net (£,000's)
Disabled Facilities Grants	675	-	675	709	-	709	600	-	600	600	-	600	600	-	600	600	-	600
Major Repairs - Existing Homes Renewal & Zero Carbon Retrofit works	11,324	-	11,324	25,645	-	25,645	11,294	-	11,294	9,900	-	9,900	9,900	-	9,900	9,900	-	9,900
Acquisitions from Homes for Reading	11,355	-	11,355	9,450	-	9,450	6,615	-	6,615	-	-	-	-	-	-	-	-	-
Single Homelessness Accommodation Programme (SHAP)	371	-	371	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Homes Provided under Local Authority Housing Fund	3,137	(821)	2,316	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local authority new build programme for Older people and vulnerable adults	16,106	(4,295)	11,811	13,939	(13,207)	732	19,912	-	19,912	3,982	(2,170)	1,812	-	-	-	-	-	-
New Build & Acquisitions - Phase 2 - 4	21,515	(6,073)	15,442	17,567	(1,120)	16,447	36,315	(20,529)	15,786	48,102	(7,602)	40,500	6,511	(2,550)	3,961	-	-	-
Grand Total	64,483	(11,189)	53,294	67,310	(14,327)	52,983	74,736	(20,529)	54,207	62,584	(9,772)	52,812	17,011	(2,550)	14,461	10,500	-	10,500

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Appendix 8 - Flexible Capital Receipts Strategy

1. Background

- 1.1 Local authorities are limited in their ability to utilise capital receipts (the disposal proceeds from the sale of fixed assets or repayment of loans for capital purposes). Statutory guidance issued under s15(1) of the Local Government Act 2003 by the Ministry of Housing, Communities and Local Government (as amended) generally precludes capital receipts being used to fund revenue expenditure and requires them to be applied to either fund capital expenditure or repay debt. The Act also requires local authorities to have regard to other guidance as directed by the Secretary of State – this currently includes the following guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- The Prudential Code for Capital Finance in Local Authorities; and
 - The Code of Practice on Local Authority Accounting.
- 1.2 Since 2016 the Government has relaxed the above regulations allowing the use of capital receipts to fund revenue expenditure “that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs or improve the quality of service delivery in future years”. The latest guidance issued in March 2025 confirms this extends until 31 March 2030 and removes the former restriction that limited the use of the flexibility to statutory redundancy costs only which enables the Council to take forward any transformation and invest-to-save projects.
- 1.3 In order for revenue expenditure to be funded from the flexible use of capital receipts, a strategy is required for each financial year that:
- Lists each project that plans to make use of the capital receipts flexibility, listing any element of funding towards the project that is funded from other sources;
 - Contains details on projects approved in previous years, including commentary on whether the planned savings or service transformation have been /are being realised in line with the initial cost-benefit analysis;
 - Be approved by Full Council prior to the start of the relevant financial year; and
 - Identify any subsequent changes during the year subject to approval by Full Council.
- 1.4 This document sets out the Council’s Flexible Capital Receipts Strategy, updating the plan since last considered by Council in February 2025 and details the individual projects which have and are planned to be funded from the flexible use of capital receipts in accordance with the above requirements.

2. Savings

- 2.1. The Medium Term Financial Strategy 2026/27-2028/29 contains £13.215m of savings and £2.757m of additional income proposed to be delivered over the forthcoming three years.
- 2.2. This strategy and investment proposals support the delivery of those savings or mitigate future additional spending pressures that would otherwise materialise. The cost of investing in making

these savings is included within the General Fund Capital Programme and is, under regulations, funded from the use of capital receipts.

3. Delivery Fund

3.1 A report to Council on 26th June 2018 established the Delivery Fund and set out in detail how the £13.576m then allocated for the Delivery Fund would be invested. It included:

- Capacity to set up and deliver the Council's programme of change and transformation; and
- Resources to deliver specific savings.

3.2 Further reports to Council in February of each subsequent year have described how the Delivery Fund had been invested to date and provided a summary of Delivery Fund allocation from its inception in 2017/18 until the end of the planning period covered at the time.

3.3 The table below summarises the forecast budgets and historic actual spend by the Delivery Fund from positions previously presented to Members.

Table 1. Current Delivery Fund to 31st March 2026

	Prior Years (£000)	2024/25 (£000)	2025/26 (£000)	Total (£000)
February 2025				
Capital Receipts Strategy (Allocated)	18,586	3,097	1,500	23,183
Contingency (Unallocated)	0	46	0	46
Total	18,586	3,143	1,500	23,229
February 2026				
Capital Receipts Strategy (Allocated)	18,586	1,716	2,801	23,096
Contingency (Unallocated)	0	0	126	133
Total	18,586	1,716	2,927	23,229

3.4 The change in forecast spend between February 2025 and February 2026 includes the roll forward of underspends from 2024/25, and further re-phasing of 2025/26 budgets together with new spend proposals being approved and others being identified as no longer required.

3.5 There is currently £0.126m of unallocated contingency available to fund future delivery fund bids in 2025/26. Any additional bids approved in 2025/26 will reduce the amount of unallocated contingency to roll forward into 2026/27.

3.6 The Flexible Capital Receipts Strategy for 2026/27 has been updated to include an expectation that any investment from the Delivery Fund should be recovered by at least an equivalent resulting saving over the current Medium Term Financial Strategy period (2026/27-2028/29).

3.7 The Director of Finance has reviewed the current forecast for usable capital receipts and has allocated an initial £1.500m each year for 2026/27-2029/30 to be made available for the Delivery Fund. These allocations will be reviewed in line with updated capital receipt forecasts and other financing requirements, and any changes will be reported to Policy Committee as part of the quarterly Performance & Monitoring Reports.

3.8 The following table sets out the future year Delivery Fund allocations, excluding any amounts to be rolled forward from 2025/26 (which will be confirmed as part of the Quarter 4 Performance Report when the 2025/26 actual position will crystallise):

Table 2. Proposed Delivery Fund 2026/27-2029/30

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

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

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2025/26 Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
Resources used for the facilitation of the delivery of the Programme wide savings	Strategic Lead for Transformation	261	-	-	-	-	-	261
	Project Support	16	-	-	-	-	-	16
	Programme Officer	103	-	-	-	-	-	103
Changes to Adult Social Care Front Door; Group Home Rental Increase. Also supports delivery of CSS Digitisation savings and Review and Right Sizing Care Packages & Stretch Targets	Transformation Project Manager 1	198	-	-	-	-	-	198
Transformation of wellbeing; ASC Restructure	Transformation Project Manager 2	112	-	-	-	-	-	112
Effective Utilisation of Extra Care; Learning Disabilities (Operations Team); Development of Home Care; VCS Development and Commissioning. Also supports wider digitisation & efficiency and Changes to the Adult Social Care Front Door	Transformation Project Manager 3	144	-	-	-	-	-	144
Deputies - Review the charging policy; FAB Team Fees & Charges & Stretch Target; Increased usage of Assistive Technology and Equipment; Increased usage of Direct Payments	Transformation Project Manager 4	102	-	-	-	-	-	102
Review and Right Sizing Care Packages & Stretch Targets	Social Workers X6 (S117, LDX2, MH, OP, PD)	676	-	-	-	-	-	676
Investment to secure ongoing savings	Social Workers X6 (S117, LDX2, MH, OP, PD) extension	20	-	-	-	-	-	20
Reducing Adult Social Care contracts spend	Commissioning Capacity at Senior Level	190	-	-	-	-	-	190
Delivery Models for Commissioning, Prevention & Quality Services	Consultancy advice - accommodation pathway	79	-	-	-	-	-	79
	Consultancy advice for service shaping	30	-	-	-	-	-	30
	Senior Transformation Manager	177	-	-	-	-	-	177
Workforce consultancy & Training Programmes (Partners for change)	Workforce consultancy & Training Programmes (Partners for change)	123	-	-	-	-	-	123
Transitions - operational consultant	Transitions - operational consultant	21	-	-	-	-	-	21
Direct Payments - 2x PA Officers	Direct Payments - 2x PA Officers	94	-	-	-	-	-	94
Locum Social Workers x4 Reviewing Team Project	Locum Social Workers x4 Reviewing Team Project	252	-	-	-	-	-	252
Investment in Technology Enabled Care at home	Funding for TECH Team	139	-	-	-	-	-	139
Enhanced reablement for mental health and learning disability service	Transformation Partner MH/LD	64	-	-	-	-	-	64
Transitions Top Up - Transitions Practitioner	Transitions Top Up - Transitions Practitioner	31	-	-	-	-	-	31
Outcome based Service Delivery - Locum Worker and OT	Outcome based Service Delivery - Locum Worker and OT	133	-	-	-	-	-	133
PM for outcomes, decision making and outreach.	PM for outcomes, decision making and outreach.	130	-	-	-	-	-	130
PM for Front Door, Reading Services Guide and Digital Front Door.	PM for Front Door, Reading Services Guide and Digital Front Door.	64	-	-	-	-	-	64
Reducing the number of overdue reviews	Reducing the number of overdue reviews	143	-	-	-	-	-	143
Reduce people waiting for Mental Capacity Assessments to move from Appointee to Court Appointed Deputy	Reduce people waiting for Mental Capacity Assessments to move from Appointee to Court Appointed Deputy	49	-	-	-	-	-	49
Physiotherapist for community rehabilitation post rapid hospital discharge	Physiotherapist for community rehabilitation post rapid hospital discharge	57	-	-	-	-	-	57
Relaunch & expand NHS Health Checks Programme	Relaunch & expand NHS Health Checks Programme	56	-	-	-	-	-	56
CHC Resource	CHC Resource	87	-	-	-	-	-	87
Increase in Reviews completed in DACHS	Increase in Reviews Completed in DACHS (6x Experienced Social Workers, 3x Social Workers, 1 Commissioning Officer, 1 Business Support)	376	-	-	-	-	-	376
Increase in number of CHC Joint Funded cases	Increasing the number of Continuing Healthcare and Joint Funding cases processed for submission to the CCG.	73	-	-	-	-	-	73
Social Care Reform	Prog Man, Proj Man & Fin Analyst	-	-	-	-	-	-	-
CQC Assurance	Sen. Commissioning Officer, Care Gov. Officer, Senior Performance Analyst, Business Analyst, Guidance	440	150	-	-	-	-	590
DACHS VCS Front Door and Online Signposting/Self-Serve Tool & Mosaic Development		235	557	-	-	-	-	792
Maximising DACHS Income	Additional Debt Recovery staff in ASC, Finance and Legal.	180	159	-	-	-	-	339
Placement Efficiencies (1 social worker, 1 occupational therapist)		-	90	-	-	-	-	90
Supported Living Efficiencies (1 social worker, 1 occupational therapist)		-	90	90	90	-	-	270
Adult LD/MH Reablement		86	-	-	-	-	-	86
Preparing for Adulthood Enablement Project		80	-	-	-	-	-	80
Total: Directorate of Communities & Adult Social Care (DCASC)		5,920	1,046	90	90	-	-	6,247

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2025/26 Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
Working across workstream of Corporate Change Programme to deliver savings and transformation	Project Officer 1	50	-	-	-	-	-	50
Review of waste collection delivery models. Also connected to Waste Operations-optimising collection routes; Increase Trade Waste Collection and Disposal service turn over by 100% (£650,000pa to £1.3m)	Specialist advice and support, administration resource, Contract manager costs, Procurement of IT systems, Introduction of revised collection schedule	188	-	-	-	-	-	188
Review option of trust model for Arts	Consultancy costs	29	-	-	-	-	-	29
Maximising Income from the Town Hall & Museum	Consultancy support to provide commercial advice on business plan and associated staffing structures	26	-	-	-	-	-	26
Review existing Parking Permit Charges	Comms Support, IT Support	11	-	-	-	-	-	11
Extend residents parking permit areas	Consultant support	89	-	-	-	-	-	89
Introduce Bus Lane Enforcement on Kings Road and Forbury Road bus lanes	DLO support to introduce new parking schemes	1	-	-	-	-	-	1
Close half of public conveniences - costs related to carrying out a review of the provision	Consultancy costs and costs to improve remaining facilities	12	-	-	-	-	-	12
Develop and implement a new borough wide Car Parking Strategy and associated action plan	Project Manager	53	-	-	-	-	-	53
	Communications Officer	10	-	-	-	-	-	10
	Consultant Support	11	-	-	-	-	-	11
	Consultant Support (Car park surveys / database set-up)	107	-	-	-	-	-	107
	Project Delivery	273	-	-	-	-	-	273
Make theatres break even through working with other operators	Independent consultants to market test (establish feasibility / business case)	23	-	-	-	-	-	23
Project management (consultant) of procurement process (if it goes ahead based on 1st stage)	Project management (consultant) of procurement process (if it goes ahead based on 1st stage)	42	9	-	-	-	-	51
Alternative delivery models - identify and prioritise those services that are most likely to yield a significant saving with the 3-year MTFS period	General resource	216	-	-	-	-	-	216
Project Manager	Project Manager	37	-	-	-	-	-	37
Consultancy - report writing	Consultancy - report writing	20	-	-	-	-	-	20
The project will focus on delivery of the former Civic Site and other key sites achieving capital receipts	Strategic Project Manager	148	-	-	-	-	-	148
Car Park management processes through IT improvements and staff reductions	Car parking equipment and capital	409	-	-	-	-	-	409
Food Waste	Project Manager	83	-	-	-	-	-	83
	Consultants to carry out modelling	8	-	-	-	-	-	8
	Stickers and Leaflets (Phases 1 & 2)	36	-	-	-	-	-	36
	Mailout to all residents	32	-	-	-	-	-	32
	Communications time and production	47	-	-	-	-	-	47
	Marketing	104	-	-	-	-	-	104
Maximising Income from the Town Hall & Museum	One-off investment - equipment, marketing, consultancy	41	-	-	-	-	-	41
Transport and Parking Review	Consultant Support	157	-	-	-	-	-	157
Parking Asset Review		85	45	-	-	-	-	130
Culture Fundraising Campaign	Consultant	7	13	-	-	-	-	20
Whitespace system for Streetscene	Hardware, software licences and implementation costs.	172	-	-	-	-	-	172
Recycling and Waste Services Route Optimisation		-	117	-	-	-	-	117
Delivery of Children's Homes Building Surveyor		-	9	-	-	-	-	9
Streetworks Permit Scheme	Streetworks Permit Scheme	-	100	-	-	-	-	100
Total: Directorate of Economic Growth and Neighbourhoods (DEGNS)		2,527	293	-	-	-	-	2,820

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2025/26 Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
Housing Benefit Overpayment Recovery	Housing Benefit Overpayment Recovery Officer	72	-	-	-	-	-	72
Service restructure and reconfiguration	Recruitment Costs	61	-	-	-	-	-	61
Supporting delivery of directorate savings and improving Accounts Payable processes	Accounts Payable Assistant. Improving efficiency of AP process to deliver ongoing efficiency and savings	54	-	-	-	-	-	54
Process improvements and more efficient accounts production	CIPFA Big Red Button	16	-	-	-	-	-	16
Digitisation - cross cutting savings and redesign of Council-wide services	Firmstep Developer x2	178	-	-	-	-	-	178
Service restructure and reconfiguration	SOLACE Recruitment Fees For Future Finance Function	45	-	-	-	-	-	45
Engagement of transformation partner to drive process efficiency and cost reduction in parallel with market testing of service	External Support to undertake Market Testing (outsourcing) of the Revenue and Benefits Services	102	-	-	-	-	-	102
	Additional legal and TUPE advice	119	-	-	-	-	-	119
Revenues and Benefits market testing	Associated project costs, supplies and services	4	-	-	-	-	-	4
Charging Financial Analysts to transformation pot to support commercialisation work	One Finance Analyst (plus one interim for 4 months in 18/19)	63	-	-	-	-	-	63
Corporate Approach to Reducing Management and Staffing Review	IT Costs	8	-	-	-	-	-	8
	Change Management	22	-	-	-	-	-	22
Management and Staffing Review	Organisational Development (OD) Consultant	23	-	-	-	-	-	23
Single Person Discount Council Tax Recovery	Specialist Officer and provision for data matching	14	-	-	-	-	-	14
NNDR RV Maximisation	Engage external consultants	19	-	-	-	-	-	19
	Pilot Thoughtonomy - Robotic Process Automation.	74	-	-	-	-	-	74
New Customer Experience Model	Pilot Thoughtonomy - Virtual workers	70	-	-	-	-	-	70
	Pilot Thoughtonomy - Develop role	37	-	-	-	-	-	37
Capacity and leadership to deliver change and savings across Working across Corporate Programme. Capacity and leadership to deliver change and savings across programme	Corporate Programme Manager	269	-	-	-	-	-	269
HR support to deliver Corporate Programme and associated savings. Supporting recruitment and retention of social workers as part of improvement and to deliver savings	NMT - Corporate Support	86	-	-	-	-	-	86
	HR Support 1	14	-	-	-	-	-	14
Contract Management Savings	V4S Procurement Consultancy Support. Payments due as percentage of savings delivered	288	-	-	-	-	-	288
	Reporting and Performance	76	-	-	-	-	-	76
	Senior Consultant to act as System Owner	91	-	-	-	-	-	91
	Process review and MOSAIC improvement for Children's Services	23	-	-	-	-	-	23
	Interim reporting post in Children's Services	43	-	-	-	-	-	43
	Corporate Systems Owner	128	-	-	-	-	-	128
	Finance Specialist	161	-	-	-	-	-	161
	Project Manager on Business Objects Implementation	31	-	-	-	-	-	31
	Business Objects Developer	30	-	-	-	-	-	30
	Provision for application management improvements in other systems (includes 18/19 i-trent review)	261	-	-	-	-	-	261
	Programme Officer x2	76	-	-	-	-	-	76
Capacity to support delivery of change and savings across programme	Senior Project Manager x 2	217	-	-	-	-	-	217
	Business Analyst	112	-	-	-	-	-	112
	Project Officer	86	-	-	-	-	-	86
	Contribution to Team Reading costs	10	-	-	-	-	-	10
Management and Staffing Review	OD upskilling	11	-	-	-	-	-	11
	Business Analysts x 2	138	-	-	-	-	-	138
Executive Recruitment Search Fees	Psychometric Assessment Training	17	-	-	-	-	-	17
ICT Accelerator	ICT Accelerator	174	-	-	-	-	-	174
Modern Workplace Project	Modern Workplace Project	72	-	-	-	-	-	72
Finance Transformation	Finance Transformation	187	-	-	-	-	-	187
PMO Training	PMO Training	12	-	-	-	-	-	12
<i>*Making the Customer Service and Corporate Improvement more efficient</i>	<i>Staff and implementation costs</i>	500	-	-	-	-	-	500
Digitisation - cross cutting savings and redesign of Council-wide services	Digital Services Developer x2	32	-	-	-	-	-	32
Staffing costs for Interim Chief Accountant	Staffing costs for Interim Chief Accountant	338	-	-	-	-	-	338
Staffing costs for Finance Transformation Consultant	Staffing costs for Finance Transformation Consultant	30	-	-	-	-	-	30
Finance system implementation lead and support	Finance system implementation lead and support	261	-	-	-	-	-	261
<i>Customer Service and Corporate ImprovementService</i>	<i>Senior Project Manager, Business Analyst x3</i>	346	-	-	-	-	-	346

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2025/26 Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
Procurement Training & Support	Support for current and future savings delivery related to Procurement & Contracts	198	119	-	-	-	-	317
Strengthen Financial Support	Strategic Finance Business Partner for 2 Years fixed term	238	-	-	-	-	-	238
Traded Services within HR&OD	BACS Bureau set up costs	-	-	-	-	-	-	-
PMO Team		600	212	-	-	-	-	812
PMO BFfC Transformation Resource		-	251	-	-	-	-	251
Change Makers		-	50	-	-	-	-	50
Events & Engagement Income generation	Events Assistant	30	-	-	-	-	-	30
Finance Transformation	Change Manager	215	-	-	-	-	-	215
Finance Transformation - AP Prepayments		82	-	-	-	-	-	82
Finance Transformation - Procurement		130	-	-	-	-	-	130
EDI Strategy		22	-	-	-	-	-	22
Debt Recovery		126	167					293
Total: Director of Resources (DOR)		6,742	799	-	-	-	-	7,541

Annex A to Flexible Capital Receipts Strategy - Delivery Fund Allocations

Description	Resource Required	Prior Year Actuals (£000)	2025/26 Budget (£000)	2026/27 Proposed Budget (£000)	2027/28 Proposed Budget (£000)	2028/29 Proposed Budget (£000)	2029/30 Proposed Budget (£000)	2017-2030 Total (£000)
Working across workstream of Corporate Programme to deliver savings and transformation	Programme Manager	318	-	-	-	-	-	318
Workstream A: Improving Practice Standards	Practice Improvement leadership. 18/19 start up	127	-	-	-	-	-	127
	Practice Improvement Principle Social Worker	81	-	-	-	-	-	81
Family Group Conferencing	Family Group Conferencing	51	-	-	-	-	-	51
Work stream B: Developing Workforce Excellence	Achieve a stable workforce by recruiting more permanent staff in Social Care	8	-	-	-	-	-	8
	Training for Safety Standards Model. 18/19 project start up training	105	-	-	-	-	-	105
	Pre Birth Support Team. 18/19 start up	37	-	-	-	-	-	37
	Family Reunification Team. 18/19 start up	16	-	-	-	-	-	16
Work stream C: Building Community Capacity	Edge of Care Team, Adolescents. 18/19 start up	174	-	-	-	-	-	174
	Revised under 5 offer to make best use of Early Years and Children's Centre provision	10	-	-	-	-	-	10
Work stream D: Stronger Stability for Children	Re-imaging Foster Care. 18/19 start up	77	-	-	-	-	-	77
	Placement Solutions Team	757	-	-	-	-	-	757
	Strengthen Commissioning Function (provide senior Commissioning and Contract Management capacity) 18/19 start up. Savings linked to Improved Contract Management	268	-	-	-	-	-	268
	Design & implementation of supported lodgings for 16+	5	-	-	-	-	-	5
	Modernising CIPSC's	10	-	-	-	-	-	10
	Review of Continued Health Contribution (CHC). 18/19 start up	29	-	-	-	-	-	29
Work stream E: Consolidating Corporate Resilience	Enhanced utilisation of capacity at Pinecroft & Cressingham Children's Homes. 18/19 capital equipment	50	-	-	-	-	-	50
	Potential use of RBC property for additional childrens home or respite care. Funding for feasibility study if required	6	-	-	-	-	-	6
	SEND Commissioner. 18/19 start up	206	-	-	-	-	-	206
	Business Improvement	103	-	-	-	-	-	103
	Digitalisation	204	-	-	-	-	-	204
	Development of traded services	417	-	-	-	-	-	417
	Transformation Programme Team	1,129	-	-	-	-	-	1,129
	Short Breaks	20	-	-	-	-	-	20
Children in Need Team		352	-	-	-	-	-	352
End to end mapping and demand management		240	-	-	-	-	-	240
SEND Transport Review		100	-	-	-	-	-	100
Transformation of SEND System		330	-	-	-	-	-	330
School Travel Training		140	135	-	-	-	-	275
Finance Transformation		147	-	-	-	-	-	147
Transformation Lead		218	208	-	-	-	-	426
Children's Social Care Consultant Practitioners		277	-	-	-	-	-	277
Contributions to Regional Care Cooperative programme		-	50	100	100	-	-	250
SEND Case/Placement Appeals (Senior Send Resolution Lead)		-	54	-	-	-	-	54
Childrens System Development		-	80	-	-	-	-	80
Rapid Improvement Resource		-	136	-	-	-	-	136
Total: DOCS (Childrens/BFFC)		6,012	663	100	100	-	-	6,875
Capacity to manage and support Corporate Programme of Change	Managing Change - unallocated funding	-	126	1,310	1,310	1,500	1,500	5,746
Total: Unallocated / Contingency		-	126	1,310	1,310	1,500	1,500	5,746
Total: All Projects		20,302	2,927	1,500	1,500	1,500	1,500	29,229

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Communities and Adult Social Care

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
SOCIAL CARE SERVICES								
Respite Rates - Non-Reading Residents (Other Local Authority)	Weekday - 1:1 Bed	Night	£730.20		£753.57		£23.37	3.20%
Respite Rates - Reading Residents	Weekday - 1:1 Bed	Night	£599.30		£618.48		£19.18	3.20%
LD Day Services (Strathy Close) - Non-Reading Residents (Other Local Authority)	1:1 People who need continuous high level of support & personal care	Day	£292.30		£301.65		£9.35	3.20%
	1:2 People who need high level of support & personal care	Day	£169.20		£174.61		£5.41	3.20%
	1:4 People who need additional specific support or supervision with behaviour and/or personal care	Day	£107.90		£111.35		£3.45	3.20%
	1:1 People who need continuous high level of support & personal care	Day	£228.60		£235.92		£7.32	3.20%
LD Day Services (Strathy Close) - Reading Residents	1:2 People who need high level of support & personal care	Day	£128.10		£132.20		£4.10	3.20%
	1:4 People who need additional specific support or supervision with behaviour and/or personal care	Day	£78.10		£80.60		£2.50	3.20%
	Day Rate	Day	£60.40		£62.33		£1.93	3.20%
The Maples (Older Peoples Day Service)	Day Rate (OLA / Outside of Borough)	Day	N/A		£74.80		NEW	NEW
	Day Centre Meals	Meal	£5.75	£6.90	£5.93	£7.12	£0.18	3.20%
	Refreshments Only	Refreshments	£1.50		£1.55		£0.05	3.20%
	Outreach Service - Half Day Rate (Reading only)	Hour	£10.00		£11.50		£1.50	15.00%
Home Care Services - CRT	Use of Reading Borough Council services after reablement period Rate 1	Hour	£25.50		£26.32		£0.82	3.20%
	Use of Reading Borough Council services after reablement period Rate 2	Hour	£51.90		£53.56		£1.66	3.20%
OTHER CHARGES								
Self Funder	Set up charge	Once	£370.30		£382.15		£11.85	3.20%
	Annual Fee	Year	£304.60		£314.35		£9.75	3.20%
Deferred Payment Agreement (DPA)	Set-up Fees (excluding Land Registry fees, property valuation fees if required, cost of specialist legal/financial advice if required, which are recharged at actual cost to the Council on a case by case basis).	Once		Please refer to DoR Legal Services item 'Deferred Payment Agreement Flat Fee'	Please refer to DoR Legal Services item 'Deferred Payment Agreement Flat Fee'			
	Admin set up Fee (Other administrative set-up costs)	Once	£184.90		£190.82		£5.92	3.20%
Deferred Payment Agreement (DPA) & Interim Funding Arrangement	Annual Fee (excluding property valuation fees, Land Registry fees, cost of specialist legal/financial advice which are recharged at actual cost to the Council on a case by case basis if required).	Year	£296.00		£305.47		£9.47	3.20%
Deputies Fees - Statute Law	Category 1 - Work up until the date the Court makes an order		£944.00		£944.00		£0.00	0.00%
	Category 2 - Applications under the Trustee Act		£633.00		£633.00		£0.00	0.00%
	Category 3 - Applications made by an existing Deputy		£633.00		£633.00		£0.00	0.00%
	Category 4 - First year		£982.00		£982.00		£0.00	0.00%
	Category 4 - Second and subsequent years		£824.00		£824.00		£0.00	0.00%
	Category 4 - Where the clients net assets are below £20,300, fee to not exceed 3.5%		Variable		Variable		£0.00	0.00%
	Category 5 - Annual property management		£380.00		£380.00		£0.00	0.00%
	Category 6 - OPG annual report		£274.00		£274.00		£0.00	0.00%
Deputies Fees	Category 7 - Basic tax return		£89.00		£89.00		£0.00	0.00%
	Travel rates - Per hour		£51.00		£51.00		£0.00	0.00%
	Appointeeship fees - Set up fee		£84.00		£86.69		£2.69	3.20%
	Appointeeship fees - Monthly Charge		£63.00		£65.02		£2.02	3.21%
	Deceased work		£400.00		£412.80		£0.00	0.00%
	Banking charges		£5.30		£5.47		£0.17	3.21%
SMALL GROUP HOMES - SUPPORTED LIVING								
Stanshawe Rd	All rooms	Week	£152.00		£159.30		£7.30	4.80%
Parkhurst Dr	Room 1,2,5 & 6	Week	£158.50		£166.11		£7.61	4.80%
	Room 3	Week	£152.00		£159.30		£7.30	4.80%
York Rd	All rooms	Week	£152.00		£159.30		£7.30	4.80%
Wensley Rd	All rooms	Week	£152.00		£159.30		£7.30	4.80%
Alexandra Road	All rooms	Week	£158.50		£166.11		£7.61	4.80%
Northumberland Ave	All rooms	Week	£152.00		£159.30		£7.30	4.80%
Liebenrood Rd	All rooms	Week	£231.80		£242.93		£11.13	4.80%
Argyle Rd	All rooms	Week	£152.00		£159.30		£7.30	4.80%
Corwen Rd	All rooms	Week	£158.50		£166.11		£7.61	4.80%
Appleford Rd	All rooms	Week	£152.00		£159.30		£7.30	4.80%
Great Knollys St	All rooms	Week	£152.00		£159.30		£7.30	4.80%
Bob Green Court	All rooms	Week	£152.00		£159.30		£7.30	4.80%
Focus House	All rooms	Week	£152.00		£159.30		£7.30	4.80%
HOUSING								
Temporary Accommodation Charges - B&B	One Room	Each	Rent + variable service charge per property is charged		Rent + variable service charge per property is charged			
	Two Room	Each						
Temporary Accommodation charges Base Rent - non B&B	One Room/One Bedroom	Each						
	Two Bedrooms	Each						
	Three Bedrooms	Each						
Temporary Accommodation charges Service Charge - non B&B	One Room/One Bedroom	Each						
	Two Bedrooms	Each						
	Three Bedrooms	Each						
Garage Rental (Weekly)								
Category A	Council Tenant	Each	£17.00		£17.00		£0.00	0.00%
	Disabled Council Tenant	Each	£15.80		£15.80		£0.00	0.00%
	Other Borough Resident	Each	£16.92	£20.30	£16.92	£20.30	£0.00	0.00%
	Disabled Borough Resident	Each	£15.83	£19.00	£15.83	£19.00	£0.00	0.00%
Category B	Council Tenant	Each	£12.60		£12.60		£0.00	0.00%
	Disabled Council Tenant	Each	£11.50		£11.50		£0.00	0.00%
	Other Borough Resident	Each	£12.42	£14.90	£12.42	£14.90	£0.00	0.00%
	Disabled Borough Resident	Each	£11.33	£13.60	£11.33	£13.60	£0.00	0.00%
COMMUNITY SAFETY								
Town Safe Radio Membership daytime	Annual membership		£450.00	£540.00	£500.00	£600.00	£50.00	11.10%
Town Safe Associate member	Annual membership		£225.00	£270.00	£250.00	£300.00	£25.00	11.10%
Town Safe External member	Annual membership		£250.00	£300.00	£275.00	£330.00	£25.00	10.00%
Town Safe Night-time full membership	Annual membership		£400.00	£480.00	£400.00	£480.00	£0.00	0.00%
Internal partners	Annual membership		£250.00		£275.00		£25.00	10.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Children's Services

Service		Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
EDUCATION									
	Education	Fines for parents for taking children out of school	If paid within 21 days (£80)	Statutory		Statutory			
	Education	Fines for parents for taking children out of school	If paid within 28 days (£160)	Statutory		Statutory			

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Concessionary Fares Replacement Pass	Market Rate	Each	£11.25	£13.50	£11.25	£13.50	£0.00	0.00%
Car Park Charge at Mere oak Park & Ride Site	Concession Rate	Each	£0.83	£1.00	£0.83	£1.00	£0.00	0.00%
Access Fee for the Reading Transport Model	Market Rate	Each	£541.67	£650.00	£541.67	£650.00	£0.00	0.00%
Buzz 42 Bus Ticket	Single Ticket	Each	£1.67	£2.00	£2.27	£2.60	£0.60	35.90%
Resident - First Permits	0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
	151-170g/km	Each	£48.00		£57.60		£9.60	20.00%
	171-190g/km	Each	£48.00		£67.20		£19.20	40.00%
	191-225g/km	Each	£48.00		£76.80		£28.80	60.00%
	226-255g/km	Each	£48.00		£86.40		£38.40	80.00%
	Over 255g/km	Each	£48.00		£96.00		£48.00	100.00%
Resident - Second Permits	0-150g/km	Each	£180.00		£180.00		£0.00	0.00%
	151-170g/km	Each	£180.00		£216.00		£36.00	20.00%
	171-190g/km	Each	£180.00		£252.00		£72.00	40.00%
	191-225g/km	Each	£180.00		£288.00		£108.00	60.00%
	226-255g/km	Each	£180.00		£324.00		£144.00	80.00%
	Over 255g/km	Each	£180.00		£360.00		£180.00	100.00%
Resident Discretionary (1st permit)	0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
	151-170g/km	Each	£48.00		£57.60		£9.60	20.00%
	171-190g/km	Each	£48.00		£67.20		£19.20	40.00%
	191-225g/km	Each	£48.00		£76.80		£28.80	60.00%
	226-255g/km	Each	£48.00		£86.40		£38.40	80.00%
	Over 255g/km	Each	£48.00		£96.00		£48.00	100.00%
Resident Discretionary (2nd permit)	0-150g/km	Each	£180.00		£180.00		£0.00	0.00%
	151-170g/km	Each	£180.00		£216.00		£36.00	20.00%
	171-190g/km	Each	£180.00		£252.00		£72.00	40.00%
	191-225g/km	Each	£180.00		£288.00		£108.00	60.00%
	226-255g/km	Each	£180.00		£324.00		£144.00	80.00%
	Over 255g/km	Each	£180.00		£360.00		£180.00	100.00%
Resident Discretionary (3rd Permit)	0-150g/km	Each	£362.00		£362.00		£0.00	0.00%
	151-170g/km	Each	£362.00		£434.40		£72.40	20.00%
	171-190g/km	Each	£362.00		£506.80		£144.80	40.00%
	191-225g/km	Each	£362.00		£579.20		£217.20	60.00%
	226-255g/km	Each	£362.00		£651.60		£289.60	80.00%
	Over 255g/km	Each	£362.00		£724.00		£362.00	100.00%
Resident Discretionary (4th Permit)	0-150g/km	Each	£362.00		£362.00		£0.00	0.00%
	151-170g/km	Each	£362.00		£434.40		£72.40	20.00%
	171-190g/km	Each	£362.00		£506.80		£144.80	40.00%
	191-225g/km	Each	£362.00		£579.20		£217.20	60.00%
	226-255g/km	Each	£362.00		£651.60		£289.60	80.00%
	Over 255g/km	Each	£362.00		£724.00		£362.00	100.00%
Resident Discretionary (5th Permit)	0-150g/km	Each	£362.00		£362.00		£0.00	0.00%
	151-170g/km	Each	£362.00		£434.40		£72.40	20.00%
	171-190g/km	Each	£362.00		£506.80		£144.80	40.00%
	191-225g/km	Each	£362.00		£579.20		£217.20	60.00%
	226-255g/km	Each	£362.00		£651.60		£289.60	80.00%
	Over 255g/km	Each	£362.00		£724.00		£362.00	100.00%
Business	0-150g/km	Each	£331.00		£331.00		£0.00	0.00%
	151-170g/km	Each	£331.00		£397.20		£66.20	20.00%
	171-190g/km	Each	£331.00		£463.40		£132.40	40.00%
	191-225g/km	Each	£331.00		£529.60		£198.60	60.00%
	226-255g/km	Each	£331.00		£595.80		£264.80	80.00%
	Over 255g/km	Each	£331.00		£662.00		£331.00	100.00%
Business Discretionary	0-150g/km	Each	£398.00		£398.00		£0.00	0.00%
	151-170g/km	Each	£398.00		£477.60		£79.60	20.00%
	171-190g/km	Each	£398.00		£557.20		£159.20	40.00%
	191-225g/km	Each	£398.00		£636.80		£238.80	60.00%
	226-255g/km	Each	£398.00		£716.40		£318.40	80.00%
	Over 255g/km	Each	£398.00		£796.00		£398.00	100.00%
Carer	0-150g/km	Each	£0.00		£0.00		£0.00	0.00%
	151-170g/km	Each	£0.00		£0.00		£0.00	0.00%
	171-190g/km	Each	£0.00		£0.00		£0.00	0.00%
	191-225g/km	Each	£0.00		£0.00		£0.00	0.00%
	226-255g/km	Each	£0.00		£0.00		£0.00	0.00%
	Over 255g/km	Each	£0.00		£0.00		£0.00	0.00%
Charity (charged)	0-150g/km	Each	£145.00		£145.00		£0.00	0.00%
	151-170g/km	Each	£145.00		£174.00		£29.00	20.00%
	171-190g/km	Each	£145.00		£203.00		£58.00	40.00%
	191-225g/km	Each	£145.00		£232.00		£87.00	60.00%
	226-255g/km	Each	£145.00		£261.00		£116.00	80.00%
	Over 255g/km	Each	£145.00		£290.00		£145.00	100.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Charity (free)	0-150g/km	Each	£0.00		£0.00		£0.00	0.00%
	151-170g/km	Each	£0.00		£0.00		£0.00	0.00%
	171-190g/km	Each	£0.00		£0.00		£0.00	0.00%
	191-225g/km	Each	£0.00		£0.00		£0.00	0.00%
	226-255g/km	Each	£0.00		£0.00		£0.00	0.00%
Chester Street (Traders Permit)	Over 255g/km	Each	£0.00		£0.00		£0.00	0.00%
	0-150g/km	Each	£0.00		£0.00		£0.00	0.00%
	151-170g/km	Each	£0.00		£0.00		£0.00	0.00%
	171-190g/km	Each	£0.00		£0.00		£0.00	0.00%
	191-225g/km	Each	£0.00		£0.00		£0.00	0.00%
Doctor (Medical Professional)	226-255g/km	Each	£0.00		£0.00		£0.00	0.00%
	Over 255g/km	Each	£0.00		£0.00		£0.00	0.00%
	0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
	151-170g/km	Each	£48.00		£57.60		£9.60	20.00%
	171-190g/km	Each	£48.00		£67.20		£19.20	40.00%
Doctor (Medical Professional)	191-225g/km	Each	£48.00		£76.80		£28.80	60.00%
	226-255g/km	Each	£48.00		£86.40		£38.40	80.00%
	Over 255g/km	Each	£48.00		£96.00		£48.00	100.00%
	0-150g/km	Each	£36.00		£36.00		£0.00	0.00%
	151-170g/km	Each	£36.00		£43.20		£7.20	20.00%
Emergency Cover	171-190g/km	Each	£36.00		£50.40		£14.40	40.00%
	191-225g/km	Each	£36.00		£57.60		£21.60	60.00%
	226-255g/km	Each	£36.00		£64.80		£28.80	80.00%
	Over 255g/km	Each	£36.00		£72.00		£36.00	100.00%
	0-150g/km	Each	£398.00		£398.00		£0.00	0.00%
Exceptional Circumstance Permit	151-170g/km	Each	£398.00		£477.60		£79.60	20.00%
	171-190g/km	Each	£398.00		£557.20		£159.20	40.00%
	191-225g/km	Each	£398.00		£636.80		£238.80	60.00%
	226-255g/km	Each	£398.00		£716.40		£318.40	80.00%
	Over 255g/km	Each	£398.00		£796.00		£398.00	100.00%
Health Care Professional	0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
	151-170g/km	Each	£48.00		£57.60		£9.60	20.00%
	171-190g/km	Each	£48.00		£67.20		£19.20	40.00%
	191-225g/km	Each	£48.00		£76.80		£28.80	60.00%
	226-255g/km	Each	£48.00		£86.40		£38.40	80.00%
Health Care Professional - Staff	Over 255g/km	Each	£48.00		£96.00		£48.00	100.00%
	0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
	151-170g/km	Each	£48.00		£57.60		£9.60	20.00%
	171-190g/km	Each	£48.00		£67.20		£19.20	40.00%
	191-225g/km	Each	£48.00		£76.80		£28.80	60.00%
Landlord - Annual	226-255g/km	Each	£48.00		£86.40		£38.40	80.00%
	Over 255g/km	Each	£48.00		£96.00		£48.00	100.00%
	0-150g/km	Each	£398.00		£398.00		£0.00	0.00%
	151-170g/km	Each	£398.00		£477.60		£79.60	20.00%
	171-190g/km	Each	£398.00		£557.20		£159.20	40.00%
Landlord - daily	191-225g/km	Each	£398.00		£636.80		£238.80	60.00%
	226-255g/km	Each	£398.00		£716.40		£318.40	80.00%
	Over 255g/km	Each	£398.00		£796.00		£398.00	100.00%
	0-150g/km	Each	£8.00		£8.00		£0.00	0.00%
	151-170g/km	Each	£8.00		£9.60		£1.60	20.00%
Special Vehicle Annual	171-190g/km	Each	£8.00		£11.20		£3.20	40.00%
	191-225g/km	Each	£8.00		£12.80		£4.80	60.00%
	226-255g/km	Each	£8.00		£14.40		£6.40	80.00%
	Over 255g/km	Each	£8.00		£16.00		£8.00	100.00%
	0-150g/km	Each	£0.00		£0.00		£0.00	0.00%
Special Vehicle Daily	151-170g/km	Each	£0.00		£0.00		£0.00	0.00%
	171-190g/km	Each	£0.00		£0.00		£0.00	0.00%
	191-225g/km	Each	£0.00		£0.00		£0.00	0.00%
	226-255g/km	Each	£0.00		£0.00		£0.00	0.00%
	Over 255g/km	Each	£0.00		£0.00		£0.00	0.00%
Teacher/Educational Establishment	0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
	151-170g/km	Each	£48.00		£57.60		£9.60	20.00%
	171-190g/km	Each	£48.00		£67.20		£19.20	40.00%
	191-225g/km	Each	£48.00		£76.80		£28.80	60.00%
	226-255g/km	Each	£48.00		£86.40		£38.40	80.00%
Temporary Permits	Over 255g/km	Each	£48.00		£96.00		£48.00	100.00%
	0-150g/km	Each	£19.00		£19.00		£0.00	0.00%
	151-170g/km	Each	£19.00		£22.80		£3.80	20.00%
	171-190g/km	Each	£19.00		£26.60		£7.60	40.00%
	191-225g/km	Each	£19.00		£30.40		£11.40	60.00%
	226-255g/km	Each	£19.00		£34.20		£15.20	80.00%
	Over 255g/km	Each	£19.00		£38.00		£19.00	100.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Tradesperson - Annual	0-150g/km	Each	£398.00		£398.00		£0.00	0.00%
	151-170g/km	Each	£398.00		£477.60		£79.60	20.00%
	171-190g/km	Each	£398.00		£557.20		£159.20	40.00%
	191-225g/km	Each	£398.00		£636.80		£238.80	60.00%
	226-255g/km	Each	£398.00		£716.40		£318.40	80.00%
Tradesperson - Daily	Over 255g/km	Each	£398.00		£796.00		£398.00	100.00%
	0-150g/km	Each	£8.00		£8.00		£0.00	0.00%
	151-170g/km	Each	£8.00		£9.60		£1.60	20.00%
	171-190g/km	Each	£8.00		£11.20		£3.20	40.00%
	191-225g/km	Each	£8.00		£12.80		£4.80	60.00%
Resident - First Permits	226-255g/km	Each	£8.00		£14.40		£6.40	80.00%
	Over 255g/km	Each	£8.00		£16.00		£8.00	100.00%
	0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
	151-170g/km	Each	£48.00		£60.00		£12.00	25.00%
	171-190g/km	Each	£48.00		£72.00		£24.00	50.00%
Resident - Second Permits	191-225g/km	Each	£48.00		£84.00		£36.00	75.00%
	226-255g/km	Each	£48.00		£96.00		£48.00	100.00%
	Over 255g/km	Each	£48.00		£108.00		£60.00	125.00%
	0-150g/km	Each	£180.00		£180.00		£0.00	0.00%
	151-170g/km	Each	£180.00		£225.00		£45.00	25.00%
Resident Discretionary (1st permit)	171-190g/km	Each	£180.00		£270.00		£90.00	50.00%
	191-225g/km	Each	£180.00		£315.00		£135.00	75.00%
	226-255g/km	Each	£180.00		£360.00		£180.00	100.00%
	Over 255g/km	Each	£180.00		£405.00		£225.00	125.00%
	0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
Resident Discretionary (1st permit)	151-170g/km	Each	£48.00		£60.00		£12.00	25.00%
	171-190g/km	Each	£48.00		£72.00		£24.00	50.00%
	191-225g/km	Each	£48.00		£84.00		£36.00	75.00%
	226-255g/km	Each	£48.00		£96.00		£48.00	100.00%
	Over 255g/km	Each	£48.00		£108.00		£60.00	125.00%
Resident Discretionary (2nd permit)	0-150g/km	Each	£180.00		£180.00		£0.00	0.00%
	151-170g/km	Each	£180.00		£225.00		£45.00	25.00%
	171-190g/km	Each	£180.00		£270.00		£90.00	50.00%
	191-225g/km	Each	£180.00		£315.00		£135.00	75.00%
	226-255g/km	Each	£180.00		£360.00		£180.00	100.00%
Resident Discretionary (2nd permit)	Over 255g/km	Each	£180.00		£405.00		£225.00	125.00%
	0-150g/km	Each	£362.00		£362.00		£0.00	0.00%
	151-170g/km	Each	£362.00		£452.50		£90.50	25.00%
	171-190g/km	Each	£362.00		£543.00		£181.00	50.00%
	191-225g/km	Each	£362.00		£633.50		£271.50	75.00%
Resident Discretionary (3rd Permit)	226-255g/km	Each	£362.00		£724.00		£362.00	100.00%
	Over 255g/km	Each	£362.00		£814.50		£452.50	125.00%
	0-150g/km	Each	£362.00		£362.00		£0.00	0.00%
	151-170g/km	Each	£362.00		£452.50		£90.50	25.00%
	171-190g/km	Each	£362.00		£543.00		£181.00	50.00%
Resident Discretionary (4th Permit)	191-225g/km	Each	£362.00		£633.50		£271.50	75.00%
	226-255g/km	Each	£362.00		£724.00		£362.00	100.00%
	Over 255g/km	Each	£362.00		£814.50		£452.50	125.00%
	0-150g/km	Each	£362.00		£362.00		£0.00	0.00%
	151-170g/km	Each	£362.00		£452.50		£90.50	25.00%
Resident Discretionary (5th Permit)	171-190g/km	Each	£362.00		£543.00		£181.00	50.00%
	191-225g/km	Each	£362.00		£633.50		£271.50	75.00%
	226-255g/km	Each	£362.00		£724.00		£362.00	100.00%
	Over 255g/km	Each	£362.00		£814.50		£452.50	125.00%
	0-150g/km	Each	£331.00		£331.00		£0.00	0.00%
Business	151-170g/km	Each	£331.00		£413.80		£82.80	25.00%
	171-190g/km	Each	£331.00		£496.50		£165.50	50.00%
	191-225g/km	Each	£331.00		£579.30		£248.30	75.00%
	226-255g/km	Each	£331.00		£662.00		£331.00	100.00%
	Over 255g/km	Each	£331.00		£744.80		£413.80	125.00%
Business Discretionary	0-150g/km	Each	£398.00		£398.00		£0.00	0.00%
	151-170g/km	Each	£398.00		£497.50		£99.50	25.00%
	171-190g/km	Each	£398.00		£597.00		£199.00	50.00%
	191-225g/km	Each	£398.00		£696.50		£298.50	75.00%
	226-255g/km	Each	£398.00		£796.00		£398.00	100.00%
Carer	Over 255g/km	Each	£398.00		£895.50		£497.50	125.00%
	0-150g/km	Each	£0.00		£0.00		£0.00	0.00%
	151-170g/km	Each	£0.00		£0.00		£0.00	0.00%
	171-190g/km	Each	£0.00		£0.00		£0.00	0.00%
	191-225g/km	Each	£0.00		£0.00		£0.00	0.00%
Charity (charged)	226-255g/km	Each	£0.00		£0.00		£0.00	0.00%
	Over 255g/km	Each	£0.00		£0.00		£0.00	0.00%
	0-150g/km	Each	£145.00		£145.00		£0.00	0.00%
	151-170g/km	Each	£145.00		£181.30		£36.30	25.00%
	171-190g/km	Each	£145.00		£217.50		£72.50	50.00%
	191-225g/km	Each	£145.00		£253.80		£108.80	75.00%
	226-255g/km	Each	£145.00		£290.00		£145.00	100.00%
	Over 255g/km	Each	£145.00		£326.30		£181.30	125.00%
	0-150g/km	Each	£0.00		£0.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
	Charity (free)	151-170g/km	Each	£0.00		£0.00		£0.00	0.00%
		171-190g/km	Each	£0.00		£0.00		£0.00	0.00%
		191-225g/km	Each	£0.00		£0.00		£0.00	0.00%
		226-255g/km	Each	£0.00		£0.00		£0.00	0.00%
		Over 255g/km	Each	£0.00		£0.00		£0.00	0.00%
	Chester Street (Traders Permit)	0-150g/km	Each	£0.00		£0.00		£0.00	0.00%
		151-170g/km	Each	£0.00		£0.00		£0.00	0.00%
		171-190g/km	Each	£0.00		£0.00		£0.00	0.00%
		191-225g/km	Each	£0.00		£0.00		£0.00	0.00%
		226-255g/km	Each	£0.00		£0.00		£0.00	0.00%
	Doctor (Medical Professional)	Over 255g/km	Each	£0.00		£0.00		£0.00	0.00%
		0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
		151-170g/km	Each	£48.00		£60.00		£12.00	25.00%
		171-190g/km	Each	£48.00		£72.00		£24.00	50.00%
		191-225g/km	Each	£48.00		£84.00		£36.00	75.00%
	Emergency Cover	226-255g/km	Each	£48.00		£96.00		£48.00	100.00%
		Over 255g/km	Each	£48.00		£108.00		£60.00	125.00%
		0-150g/km	Each	£36.00		£36.00		£0.00	0.00%
		151-170g/km	Each	£36.00		£45.00		£9.00	25.00%
		171-190g/km	Each	£36.00		£54.00		£18.00	50.00%
	Exceptional Circumstance Permit	191-225g/km	Each	£36.00		£63.00		£27.00	75.00%
		226-255g/km	Each	£36.00		£72.00		£36.00	100.00%
		Over 255g/km	Each	£36.00		£81.00		£45.00	125.00%
		0-150g/km	Each	£398.00		£398.00		£0.00	0.00%
		151-170g/km	Each	£398.00		£497.50		£99.50	25.00%
	Health Care Professional	171-190g/km	Each	£398.00		£597.00		£199.00	50.00%
		191-225g/km	Each	£398.00		£696.50		£298.50	75.00%
		226-255g/km	Each	£398.00		£796.00		£398.00	100.00%
		Over 255g/km	Each	£398.00		£895.50		£497.50	125.00%
		0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
	Health Care Professional - Staff	151-170g/km	Each	£48.00		£60.00		£12.00	25.00%
		171-190g/km	Each	£48.00		£72.00		£24.00	50.00%
		191-225g/km	Each	£48.00		£84.00		£36.00	75.00%
		226-255g/km	Each	£48.00		£96.00		£48.00	100.00%
		Over 255g/km	Each	£48.00		£108.00		£60.00	125.00%
	Landlord - Annual	0-150g/km	Each	£48.00		£48.00		£0.00	0.00%
		151-170g/km	Each	£398.00		£497.50		£99.50	25.00%
		171-190g/km	Each	£398.00		£597.00		£199.00	50.00%
		191-225g/km	Each	£398.00		£696.50		£298.50	75.00%
		226-255g/km	Each	£398.00		£796.00		£398.00	100.00%
	Landlord - daily	Over 255g/km	Each	£398.00		£895.50		£497.50	125.00%
		0-150g/km	Each	£8.00		£8.00		£0.00	0.00%
		151-170g/km	Each	£8.00		£10.00		£2.00	25.00%
		171-190g/km	Each	£8.00		£12.00		£4.00	50.00%
		191-225g/km	Each	£8.00		£14.00		£6.00	75.00%
	Special Vehicle Annual	226-255g/km	Each	£8.00		£16.00		£8.00	100.00%
		Over 255g/km	Each	£8.00		£18.00		£10.00	125.00%
		0-150g/km	Each	£0.00		£0.00		£0.00	0.00%
		151-170g/km	Each	£0.00		£0.00		£0.00	0.00%
		171-190g/km	Each	£0.00		£0.00		£0.00	0.00%
	Special Vehicle Daily	191-225g/km	Each	£0.00		£0.00		£0.00	0.00%
		226-255g/km	Each	£0.00		£0.00		£0.00	0.00%
		Over 255g/km	Each	£0.00		£0.00		£0.00	0.00%
		0-150g/km	Each	£0.00		£0.00		£0.00	0.00%
		151-170g/km	Each	£48.00		£60.00		£12.00	25.00%
	Teacher/Educational Establishment	171-190g/km	Each	£48.00		£72.00		£24.00	50.00%
		191-225g/km	Each	£48.00		£84.00		£36.00	75.00%
		226-255g/km	Each	£48.00		£96.00		£48.00	100.00%
		Over 255g/km	Each	£48.00		£108.00		£60.00	125.00%
		0-150g/km	Each	£19.00		£19.00		£0.00	0.00%
	Temporary Permits	151-170g/km	Each	£19.00		£23.80		£4.80	25.30%
		171-190g/km	Each	£19.00		£28.50		£9.50	50.00%
		191-225g/km	Each	£19.00		£33.30		£14.30	75.30%
		226-255g/km	Each	£19.00		£38.00		£19.00	100.00%
		Over 255g/km	Each	£19.00		£42.80		£23.80	125.30%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Tradesperson - Annual	0-150g/km	Each	£398.00		£398.00		£0.00	0.00%
	151-170g/km	Each	£398.00		£497.50		£99.50	25.00%
	171-190g/km	Each	£398.00		£597.00		£199.00	50.00%
	191-225g/km	Each	£398.00		£696.50		£298.50	75.00%
	226-255g/km	Each	£398.00		£796.00		£398.00	100.00%
	Over 255g/km	Each	£398.00		£895.50		£497.50	125.00%
Tradesperson - Daily	0-150g/km	Each	£8.00		£8.00		£0.00	0.00%
	151-170g/km	Each	£8.00		£10.00		£2.00	25.00%
	171-190g/km	Each	£8.00		£12.00		£4.00	50.00%
	191-225g/km	Each	£8.00		£14.00		£6.00	75.00%
	226-255g/km	Each	£8.00		£16.00		£8.00	100.00%
	Over 255g/km	Each	£8.00		£18.00		£10.00	125.00%
Mooring	Standard (Review of Mooring Fees to be undertaken so no increase 26/27)	24 hrs	£8.33	£10.00	£8.33	£10.00	£0.00	0.00%
		Up to 4hrs	£3.75	£4.50	£3.75	£4.50	£0.00	0.00%
Allotments	Site Category A Standard	Per year Per 25 sqm	£10.80		£11.15		£0.35	3.20%
	Site Category A Concession	Per year Per 25 sqm	£6.50		£6.70		£0.20	3.10%
	Site Category B Standard	Per year Per 25 sqm	£7.80		£8.05		£0.25	3.20%
	Site Category B Concession	Per year Per 25 sqm	£4.70		£4.85		£0.15	3.20%
	Site Category C Standard	Per year Per 25 sqm	£5.40		£5.60		£0.20	3.70%
	Site Category C Concession	Per year Per 25 sqm	£3.30		£3.40		£0.10	3.00%
	Start Up Fees Standard	Each	£51.00		£52.75		£1.75	3.40%
	Shed Rental	Each	£17.50		£18.00		£0.50	2.90%
	Chickens	Per year Per 25 sqm	£17.50		£18.00		£0.50	2.90%
Drainage Works	Rodding - Daytime	Each	£87.00		£90.50		£3.50	4.00%
	Rodding - Out of Hours	Each	£96.00		£100.00		£4.00	4.20%
	Jetting - Daytime	Each	£116.00		£121.00		£5.00	4.30%
	Jetting - Out of Hours	Each	£130.00		£135.50		£5.50	4.20%
	Cesspools & Septic Tanks	Per 1000 Gallons	£250.00		£260.00		£10.00	4.00%
	CCTV Surveys	Each	£290.00		£302.00		£12.00	4.10%
	Recovery of property from gullies	Each	£65.00		£68.00		£3.00	4.60%
	Out of Hours Call Out	Fixed fee for standby and vehicle costs	Per call out	Price on Application	Price on Application			
	Administration Fee	Each	£150.00		£156.00		£6.00	4.00%
	Inspectors Visit	Each	£150.00		£156.00		£6.00	4.00%
Administration Charges	Reproduction of Agreements	Each	£150.00		£156.00		£6.00	4.00%
	Reproduction of plan	Each	£150.00		£156.00		£6.00	4.00%
Footway Crossings	Application Fee - inc 1 visit (Council contractor)	Each	£150.00		£156.00		£6.00	4.00%
	Supervision fee if RBC constructing	Each	£150.00		£156.00		£6.00	4.00%
	Admin fee is RBC constructing	Each	£150.00		£156.00		£6.00	4.00%
	Cost of construction	Cost of Works	Price on Application	Price on Application				
	Using own contractor fee (following 1st site visit) contractor licence	Each	£475.00		£495.00		£20.00	4.20%
	Admin & Site supervision for using own contractor	Each	£150.00		£157.00		£7.00	4.70%
	Cost of construction	Cost of Works	Price on Application	Price on Application				
	Supervision Of Works (Project <£250k)	Cost of Works						
	Design Check & Admin (Project <£250k)	Cost of Works						
	Supervision Of Works (Project >£250k)	Cost of Works						
Solicitor Enquiries	Search written response with 1 map	Each	£71.50		£74.50		£3.00	4.20%
	Search additional map request	Each	£33.00		£34.50		£1.50	4.50%
Administration Charges	Reproduction of Agreements	Each	£71.50		£74.50		£3.00	4.20%
	Reproduction of plan	Each	£71.50		£74.50		£3.00	4.20%
Skip Licences	Skip permit application and first 2 weeks	Each	£95.50		£99.50		£4.00	4.20%
	Skip permit fee for each additional week	Each	£43.25		£45.00		£1.75	4.00%
	Labour cost (clean up team) per hour	Each	Price on Application	Price on Application				
	Tipping waste (transportation and disposal cost) per tonne	Each						
A-Boards	Application fee	Each	£125.00		£130.00		£5.00	4.00%
	Annual Licence fee	Each	£90.00		£94.00		£4.00	4.40%
	Recovery of A board from store	Each	£75.00		£78.00		£3.00	4.00%
EV Charging Footway Channel	Application and licence fee	Each	£75.00		£78.00		£3.00	4.00%
	Installation costs	Cost of Works	Price on Application	Price on Application				

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Miscellaneous Income	Scaffold / Hoarding Licence Fee - Resident	Up to 4 weeks	£210.00		£219.00		£9.00	4.30%
	Scaffold / Hoarding Licence Fee - Commercial	Up to 4 weeks	£347.00		£361.00		£14.00	4.00%
	Scaffold / Hoarding Licence Fee - Renewal	Further period of up to 4 weeks.	£160.00		£167.00		£7.00	4.40%
	Stopping up of the public highway applications	Each	£980.00		£1,020.00		£40.00	4.10%
	S171 Licence (e.g. works on highway or store building material on the highway)	Up to 4 weeks	£500.00		£520.00		£20.00	4.00%
		Each additional week or part week	£33.00		£34.50		£1.50	4.50%
	S142 Licence to plant on highway	Each	£240.00		£250.00		£10.00	4.20%
	S177 Projection over highway	Each	£500.00		£520.00		£20.00	4.00%
	Consenting on ordinary watercourse (statutory fee)	Each	£50.00		£50.00		£0.00	0.00%
	Swapouts	Each	£500.00		£520.00		£20.00	4.00%
	Application fee for access protection markings to existing footway crossings	Each	£75.00		£78.00		£3.00	4.00%
	Provision of new access protection marking up to 5m long	Each	£35.00		£36.50		£1.50	4.30%
	Provision of new access protection marking each additional metre over 5m	Metre	£10.00		£10.50		£0.50	5.00%
	Refreshing access protection marking up to 5m long	Each	£35.00		£36.50		£1.50	4.30%
	Refreshing access protection marking each additional metre	Metre	£10.00		£10.50		£0.50	5.00%
	Access control/Key for lockable bollard fee	Each	£75.00		£78.00		£3.00	4.00%
	Disabled Box application	Each	£75.00		£78.00		£3.00	4.00%
Special Collections	Collection of 3 Items	Each	£58.00		£60.00		£2.00	3.40%
	Collection of 3 Items - Concession	Each	£43.50		£45.00		£1.50	3.40%
	Each additional item	Each	£9.00		£9.50		£0.50	5.60%
	Fridge freezers - Domestic fridge/freezer (tall)	Each	£55.00		£55.00		£0.00	0.00%
	Fridge freezers - Concession	Each	£41.25		£41.25		£0.00	0.00%
	Cancellation charge (less than 3 days before collection)	Each	£12.50		£12.50		£0.00	0.00%
Trade Waste	Trade General sack in multiples of 50	Per 50	£174.00		£181.00		£7.00	4.00%
	Trade recycling sack in multiples of 50	Per 50	£121.00		£126.00		£5.00	4.10%
Bins (Wheeled/other)	Residual 140 Litre - New Development & Replacement	Each	£32.00		£33.50		£1.50	4.70%
	Residual 240 Litre - New Development & Replacement	Each	£68.00		£68.00		£0.00	0.00%
	Residual 360 Litre - New Development & Replacement	Each	£90.00		£90.00		£0.00	0.00%
	Recycling 240 Litre - New Development	Each	£68.00		£68.00		£0.00	0.00%
	Recycling 240 Litre - Replacement	Each	£0.00		£0.00		£0.00	0.00%
	Recycling 360 Litre - New Development & Replacement	Each	£90.00		£90.00		£0.00	0.00%
	Food 180 Litre - New Development & Replacement	Each	£41.00		£41.00		£0.00	0.00%
	Food 240 Litre - New Development & Replacement	Each	£68.00		£68.00		£0.00	0.00%
	Food 23 Litre - New Development	Each	£12.00		£12.00		£0.00	0.00%
	Food 23 Litre - Replacement	Each	£0.00		£0.00		£0.00	0.00%
	Food 5 Litre - New Development & Replacement	Each	£7.00		£7.00		£0.00	0.00%
	1100 litre (steel) - Trade Waste	Each	Price on Application		Price on Application			
	1100 litre (Plastic) - Trade Waste	Each						
	Delivery of 1100ltr Bin	Each	£9.50		£10.00		£0.50	5.30%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %	
	Green Waste	Green Waste Service Bin	Per annum	£75.00		£78.00		£3.00	4.00%	
		Green Waste Service Bin (Concession)	Per annum	£56.25		£58.50		£2.25	4.00%	
		Additional Green Waste Service Bin - presented alongside an existing bin.	Per annum	£75.00		£78.00		£3.00	4.00%	
		Additional Green Waste Service Bin - presented alongside an existing bin. (Concession)	Per annum	£56.25		£58.50		£2.25	4.00%	
		Green Waste Service Bag	Per annum	£30.00		£31.00		£1.00	3.30%	
		Green Waste Service Bag (Concession)	Per annum	£22.50		£23.25		£0.75	3.30%	
		Additional Green Waste Service Bag - presented alongside an existing bag.	Per annum	£30.00		£31.00		£1.00	3.30%	
		Additional Green Waste Service Bag - presented alongside an existing bag (concession)	Per annum	£22.50		£23.25		£0.75	3.30%	
		New/Replacement Green Waste Bin	Each	£65.00		£68.00		£3.00	4.60%	
		New/Replacement Green Waste Bag	Each	£15.50		£16.00		£0.50	3.20%	
	Hazardous Clinical Waste Collections - per property per collection	Each	Price on Application		Price on Application					
	Fixed Penalty Rates	Depositing of litter - S.87/88 EPA 1990	Each	£500.00		£500.00		£0.00	0.00%	
		Depositing of litter - S.87/88 EPA 1990 (early payment)	Each	£100.00		£100.00		£0.00	0.00%	
		Unauthorised disposal of controlled waste (Fly-Tipping) - S.33 EPA 1990	Each	£1,000.00		£1,000.00		£0.00	0.00%	
		Unauthorised disposal of controlled waste (Fly-Tipping) - S.33 EPA 1990 (early Payment)	Each	£500.00		£500.00		£0.00	0.00%	
		Failure to comply with duty relating to the transfer of household waste - S.34 (2A) & S.34ZA EPA 1990	Each	£600.00		£600.00		£0.00	0.00%	
		Failure to comply with duty relating to the transfer of household waste - S.34 (2A) & S.34ZA EPA 1990 (early payment)	Each	£300.00		£300.00		£0.00	0.00%	
		Failure to produce waste documents (waste transfer notes) S.34 (5 & 6) & S.34ZA Environmental Protection Act 1990	Each	£300.00		£300.00		£0.00	0.00%	
		Failure to produce authority to transport waste (waste carriers license) S.5/5B Control of Pollution (Amendment) Act 1989	Each	£300.00		£300.00		£0.00	0.00%	
		Failure to comply with a commercial waste receptacle notice S.47/47ZA EPA 1990	Each	£110.00		£110.00		£0.00	0.00%	
		Failure to comply with a Community Protection Notice S.43 Anti-Social Behaviour, Crime and Policing Act 2014	Each	£100.00		£100.00		£0.00	0.00%	
		Exposing vehicles for sale on a road S.3 Clean Neighbourhoods and Environment Act 2005	Each	£100.00		£100.00		£0.00	0.00%	
		Repairing vehicles on a road S.4 Clean Neighbourhoods and Environment Act 2005	Each	£100.00		£100.00		£0.00	0.00%	
	Exterior Cleansing and Graffiti Removal	Graffiti removal - call out and first hour	Each	Price on Application		Price on Application				
		Each additional hour of graffiti removal	Each							
		Emergency biohazard clearance	Minimum per job							
		Machine sweeping	Minimum per job + tipping							
		Fly tip removal	Minimum per job + tipping							
		+ additional labour	Minimum per job							
	Waste Disposal Fee - Soil, Hardcore & Rubble	Bags of hardened cement, bricks & rubble, hardened concrete, roof tiles/slates, stones/gravel/sand, soil, paving slabs, concrete fence posts (each), concrete / ceramic drain or sewer pipe 200 x 75cm, Granite or stone worktop (200 x 75cm)	Per 25l bag, concrete fence post (each), concrete / ceramic drain or sewer pipe (200 x 75cm), Granite on stone worktop (£200 x 75cm)	£2.67	£3.20	£2.67	£3.20	£0.00	0.00%	
Waste Disposal Fee - Plasterboard		Plasterboard or gypsum	25l bag	£1.33	£1.60	£1.33	£1.60	£0.00	0.00%	
Waste Disposal Fee - Bathroom Items		Bath panel, pedestal, sink, tiles, bath, cabinet, bidet, cistern or pan, shower screen, shower tray, close-coupled toilet pan & cister. 25l bathroom tiles.	per item / 25l bag Tiles	£2.67	£3.20	£2.67	£3.20	£0.00	0.00%	
Waste Disposal Fee - Kitchen Items		Kitchen sink (each), Kitchen tiles (per 25l bag), Kitchen cupboard (each), Kitchen worktop (200 x 75cm)	Each kitchen sink or cupboard, tiles per 25l bag, Kitchen worktop (200 x 75cm)	£2.67	£3.20	£2.67	£3.20	£0.00	0.00%	

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Waste Disposal Fee - Asbestos	Asbestos	20 Kg	£7.00	£8.40	£7.00	£8.40	£0.00	0.00%
Waste Disposal Fee - Timber / Wood	Floorboards / Laminate (200 x 75cm), Fence Panel & Fence Post (each), Door frames / skirting boards (200 x 75cm), Shed panel (each), Timber offcuts per 25l bag, Wood chipping (per 25l bag), Wooden decking (200 x 75cm), fire surround (each) and garage door (each)	£3.20 per item up to 200 x 75cm or per 25l bag.	£2.67	£3.20	£2.67	£3.20	£0.00	0.00%
Waste Disposal Fee - Windows & Doors	Internal door (each), Greenhouse panel (each), Window (each), Loose window panel (each), Window frame (each)	per item	£2.67	£3.20	£2.67	£3.20	£0.00	0.00%
Waste Disposal - Other DIY Waste	Turf (200x75x70cm), Artificial grass (25l bag or 200x75cm), Sheet glass (200x75cm), Hardened lime mortar (per 25l bag), Loft door or hatch (each), Radiator or storage heater (each), Fireplace (each), Wood burner or stove (each), Boiler (each), Cladding (25l bag or 200 x75cm) & Plastic decking (200x75cm)	See Category	£2.67	£3.20	£2.67	£3.20	£0.00	0.00%
Waste Disposal - refillable Gas bottles	Gas Bottles	Per item	£2.50	£3.00	£2.50	£3.00	£0.00	0.00%
re3 Grow Compost purchase	Recycled Green waste into compost	Per 40l bag	£4.58	£5.50	£4.58	£5.50	£0.00	0.00%
	Recycled Green waste into compost	3 x 40l bag	£13.33	£16.00	£13.33	£16.00	£0.00	0.00%
Children's activity Sessions	Cost recovery fee	Per child	£1.00		£1.00		£0.00	0.00%
	Selms requests	Item	£4.00		£4.00		£0.00	0.00%
	In stock	Item	£0.00		£0.00		£0.00	0.00%
	From the British Library	Item	£25.00		£25.00		£0.00	0.00%
	Periodical Articles	Item	£25.00		£25.00		£0.00	0.00%
Photocopies	A4	Per sheet	£0.20		£0.20		£0.00	0.00%
	A3	Per sheet	£0.30		£0.30		£0.00	0.00%
	A4 - Black & White	Per sheet	£0.30		£0.30		£0.00	0.00%
	A4 - Colour	Per sheet	£0.60		£0.60		£0.00	0.00%
Printing from Public Computers								
Replacement Cards	Library Card Replacement	Item	£3.70		£3.70		£0.00	0.00%
Local Studies High Res Scanning		Per image	£2.70		£2.70		£0.00	0.00%
Admin fee for lost/damaged stock		Per item	£6.30		£6.30		£0.00	0.00%
Vocal Sets Service (RBC Residents)	Borrowing from Reading stock	Set	£6.50		£6.50		£0.00	0.00%
	Overdue charges	Set	£6.50		£6.50		£0.00	0.00%
Vocal Sets Service (Non-RBC Residents)	Borrowing from Reading stock	Set	£12.00		£12.00		£0.00	0.00%
	Overdue charges	Set	£6.50		£6.50		£0.00	0.00%
Drama Sets Service	Borrowing from Reading stock	Set	£6.50		£6.50		£0.00	0.00%
	Overdue charges	Set	As per Adult Book		As per Adult Book			
Book Club Service (RBC Residents)	Annual subscription for group	Group	£25.00		£25.00		£0.00	0.00%
	Overdue charges	Set	As per Adult Book		As per Adult Book			
Book Club Service (Non-RBC Residents)	Annual subscription for group	Group	£35.00		£35.00		£0.00	0.00%
	Overdue charges	Set	As per Adult Book		As per Adult Book			
Lost (in print items)	Full cost of replacement + £5.20 admin fee	Item	Varies by item		Varies by item			
Lost (out of print items) Adult books	£15 + £6.30 Admin fee	Item	£16.00		£16.00		£0.00	0.00%
Lost (out of print items) Children books	£7.50 + £6.30 Admin fee	Item	£8.00		£8.00		£0.00	0.00%
Lost (out of print items) Spoken word	£25 + £6.30 Admin fee	Item	£26.50		£26.50		£0.00	0.00%
Lost (out of print items) other	£27 + £6.30 Admin fee	Item	£28.50		£28.50		£0.00	0.00%
Damaged Items	Varies by item	Item	Varies by item		Varies by item			
Withdrawn Stock	Varies by item	Item	Varies by item		Varies by item			
Charge to post photocopies or prints made	Varies by item, standard postage charge	Item	Varies by item		Varies by item			
Research fee for local history or genealogy enquiries	Research, initial 15 minutes at no charge as part of library offer	Per Hour	£10.50		£11.00		£0.50	4.80%
Charge for serviced photocopying or serviced microform printing	All per self service price + service charge of 6.50	Transaction	£6.50		£6.50		£0.00	0.00%
Printing from microform	A4 print	Sheet	£1.00		£1.00		£0.00	0.00%
	A3 print	Sheet	£1.00		£1.00		£0.00	0.00%
Copies of Local Studies Images	Email	Image	£3.70		£3.70		£0.00	0.00%
	Printed - glossy paper	Image	£5.80		£5.80		£0.00	0.00%
Copies of Local Studies Images	High Resolution re scanning	Image	£2.70		£2.70		£0.00	0.00%
Library Display Panels	Charity	Booking	£7.50		£7.50		£0.00	0.00%
	Non-Charity	Booking	£15.00		£15.00		£0.00	0.00%
Hire Charges	Toy Small item	Item	£1.00		£1.00		£0.00	0.00%
	Toy Large item	Item	£1.00		£1.00		£0.00	0.00%
	Toy Large/Very large item	Item	£1.00		£1.00		£0.00	0.00%
	Hire of a library space - Charity	Per Hour	£21.00		£21.00		£0.00	0.00%
	Hire of a library space - Non-Charity	Per Hour	£42.00		£42.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Libraries - room hire	Hire of a library space - New Central Library Classroom		Price on Application		Price on Application			
	Hire of a library space - New Central Library Courtyard	Per Hour	Price on Application		Price on Application			
	Licence Fee	Per application	£1,000.00		£1,500.00		£500.00	50.00%
	Charge per additional sleeping room over 5	Per application	£28.00		£28.00		£0.00	0.00%
	Missed Appointment charge	Per missed appointment	£52.00		£52.00		£0.00	0.00%
Late Application Fee	If needed a licence 12 weeks before the application was made.	Per licence	£1,500.00		£1,750.00		£250.00	16.70%
Non Statutory Charge	Assistance with completing the on line HMO Licence application	Hourly	£90.00	£108.00	£90.00	£108.00	£0.00	0.00%
Non Statutory Inspection Charge	Fee HMO inspection, report, drawing up plans and assisting with the completion of the licence application form	Up to 6 hours	£540.00	£648.00	£540.00	£648.00	£0.00	0.00%
Non Statutory Inspection Charge	Fee for non-statutory inspection to provide advice and a report. Charge for up to 2 hours and does not include drawing up plans or completing HMO licence application	Up to 2 hours	£180.00	£216.00	£187.00	£224.40	£7.00	3.90%
Administration Charges	Fee for bounced cheque, copy of notices, copy of HMO licence, landlord information pack, HMO licence register	Per transaction	£41.67	£50.00	£43.33	£52.00	£1.66	4.00%
Provision of Factual Statement	Factual Statement	Per statement	£379.17	£455.00	£395.00	£474.00	£15.83	4.20%
Non Statutory Inspection Charge	Inspection and schedule of works for empty homes	Up to 4 hours	£367.50	£441.00	£382.00	£458.40	£14.50	3.90%
Incomplete Application Fee	Fee for applicants that have not provided complete application incl certificates of compliance	Per application	£50.00		£50.00		£0.00	0.00%
Empty Home	Fee for research into and provision of supporting letter for Empty Homes	Per application	£150.00	£180.00	£158.33	£190.00	£8.33	5.60%
Gambling - Adult Gaming Centre Premises Licence	New application - 1st time of licencing	Per licence	£1,545.00		£1,600.00		£55.00	3.60%
	Annual fee	Per licence	£1,000.00		£1,000.00		£0.00	0.00%
	Variation	Per licence	£1,000.00		£1,000.00		£0.00	0.00%
	Transfer	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Re-instatement	Per licence	£1,100.00		£1,150.00		£50.00	4.50%
	Provisional statement	Per statement	£1,460.00		£1,525.00		£65.00	4.50%
	Provisional statement - holder	Per licence	£1,082.00		£1,150.00		£68.00	6.30%
	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
	Notification of change	Per licence	£25.00		£50.00		£25.00	100.00%
	New	Per licence	£1,375.00		£1,425.00		£50.00	3.60%
	Annual fee	Per licence	£550.00		£600.00		£50.00	9.10%
	Variation	Per licence	£910.00		£1,000.00		£90.00	9.90%
	Transfer	Per licence	£950.00		£1,000.00		£50.00	5.30%
	Re-instatement	Per licence	£950.00		£1,000.00		£50.00	5.30%
	Provisional statement	Per statement	£1,336.00		£1,400.00		£64.00	4.80%
	Provisional statement - holder	Per licence	£891.00		£925.00		£34.00	3.80%
	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
	Notification of change	Per licence	£25.00		£50.00		£25.00	100.00%
	New	Per licence	£2,500.00		£2,650.00		£150.00	6.00%
	Annual fee	Per licence	£960.00		£1,000.00		£40.00	4.20%
	Variation	Per licence	£1,225.00		£1,300.00		£75.00	6.10%
	Transfer	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Re-instatement	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Provisional statement	Per statement	£2,571.00		£2,650.00		£79.00	3.10%
	Provisional statement - holder	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
	Notification of change	Per licence	£25.00		£50.00		£25.00	100.00%
Gambling - Betting (Other) Premises licence	New	Per licence	£2,500.00		£2,650.00		£150.00	6.00%
	Annual fee	Per licence	£960.00		£1,000.00		£40.00	4.20%
	Variation	Per licence	£1,225.00		£1,300.00		£75.00	6.10%
	Transfer	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Re-instatement	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Provisional statement	Per statement	£2,571.00		£2,650.00		£79.00	3.10%
	Provisional statement - holder	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
Gambling - Bingo Premises licence	New	Per licence	£2,500.00		£2,650.00		£150.00	6.00%
	Annual fee	Per licence	£960.00		£1,000.00		£40.00	4.20%
	Variation	Per licence	£1,225.00		£1,300.00		£75.00	6.10%
	Transfer	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Re-instatement	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Provisional statement	Per statement	£2,571.00		£2,650.00		£79.00	3.10%
	Provisional statement - holder	Per licence	£1,200.00		£1,200.00		£0.00	0.00%
	Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Gambling - Casino Premises licence	Gambling - Casino Premises licence	New - 1st time licence	Per licence	£1,343.00		£1,400.00		£57.00	4.20%
		Annual fee	Per licence	£1,637.00		£1,700.00		£63.00	3.80%
		Variation	Per licence	£1,753.00		£1,850.00		£97.00	5.50%
		Transfer	Per licence	£1,350.00		£1,350.00		£0.00	0.00%
		Re-instatement	Per licence	£1,350.00		£1,350.00		£0.00	0.00%
		Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
		Notification of change	Per licence	£25.00		£50.00		£25.00	100.00%
	Gambling - Family Entertainment Centre Premises Licence	New	Per licence	£2,040.00		£2,000.00		(£40.00)	(2.00%)
		Annual fee	Per licence	£750.00		£750.00		£0.00	0.00%
		Variation	Per licence	£1,000.00		£1,000.00		£0.00	0.00%
		Transfer	Per licence	£950.00		£950.00		£0.00	0.00%
		Re-instatement	Per licence	£950.00		£950.00		£0.00	0.00%
		Provisional statement	Per statement	£2,000.00		£2,000.00		£0.00	0.00%
		Provisional statement - holder	Per licence	£935.00		£950.00		£15.00	1.60%
		Copy of licence	Per statement	£25.00		£25.00		£0.00	0.00%
		Notification of change	Per statement	£25.00		£50.00		£25.00	100.00%
Gambling - Track premises licence	Gambling - Track premises licence	New	Per statement	£1,987.00		£2,100.00		£113.00	5.70%
		Annual fee	Per statement	£1,000.00		£1,000.00		£0.00	0.00%
		Variation	Per statement	£994.00		£1,050.00		£56.00	5.60%
		Transfer	Per licence	£950.00		£950.00		£0.00	0.00%
		Re-instatement	Per licence	£950.00		£950.00		£0.00	0.00%
		Provisional statement	Per statement	£2,104.00		£2,200.00		£96.00	4.60%
		Provisional statement - holder	Per licence	£935.00		£950.00		£15.00	1.60%
		Copy of licence	Per licence	£25.00		£25.00		£0.00	0.00%
		Notification of change	Per licence	£25.00		£50.00		£25.00	100.00%
	Unlicensed Family Entertainment Centre	New	Per Permit	£300.00		£300.00		£0.00	0.00%
		Renewal	Per Permit	£300.00		£300.00		£0.00	0.00%
		Change of Name	Per Permit	£25.00		£25.00		£0.00	0.00%
		Copy of Permit	Per Permit	£15.00		£15.00		£0.00	0.00%
	Prize Gaming Permit	Permit	Per Permit	£300.00		£300.00		£0.00	0.00%
		Renewal	Per Permit	£300.00		£300.00		£0.00	0.00%
		Change of Name	Per Permit	£25.00		£25.00		£0.00	0.00%
		Copy of Permit	Per Permit	£15.00		£15.00		£0.00	0.00%
	Sex Shop Licence	Grant/Renewal of Licence	Per licence	£1,276.00		£1,300.00		£24.00	1.90%
	Sex Entertainment Licence (SEV)	Grant of Licence	Per licence	£3,038.00		£3,150.00		£112.00	3.70%
		Renewal of Licence	Per licence	£2,297.00		£2,400.00		£103.00	4.50%
		Variation	Per licence	£1,193.00		£1,250.00		£57.00	4.80%
		Transfer	Per licence	£146.00		£150.00		£4.00	2.70%
	Film Classification	Film Classification (local film festivals)	Per 15 mins or part thereof (of the film)	£18.00		£19.00		£1.00	5.60%
	Street Trading Outside Town Centre	OUT OF TOWN - Grant/ Renewal (Fast Food)	Per stall/Per application	£2,521.00		£2,625.00		£104.00	4.10%
		OUT OF TOWN - Grant/Renewal (sandwich/Ice-cream/retail food)	Per stall/Per application	£937.00		£975.00		£38.00	4.10%
		OUT OF TOWN - Grant/Renewal (Non Food)	Per stall/Per application	£483.00		£500.00		£17.00	3.50%
		OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up 3m (Trading dates listed on licence)	Up to 3 x3 m single trader stall per day	£134.00		£140.00		£6.00	4.50%
		OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up 3m (Trading dates listed on licence)	Up to 3 x3 m single trader stall per day	£102.00		£110.00		£8.00	7.80%
		OUT OF TOWN - Occasional (1-8 days per year) with alcohol/food trader up to 6 m (Trading dates listed on licence)	Up to 6 x6 m single trader stall per day	£214.00		£225.00		£11.00	5.10%
		OUT OF TOWN - Occasional (1-8 days per year) no alcohol/food trader up to 6 m (Trading dates listed on licence)	Up to 6 x6 m single trader stall per day	£150.00		£160.00		£10.00	6.70%
		OUT OF TOWN - Occasional (9-14 days per year) (Trading dates listed on licence)	Single trader	£27.00		£28.00		£1.00	3.70%
		OUT OF TOWN - Occasional (15-45 days per year) (Trading dates listed on licence)	Single trader	£16.00		£17.00		£1.00	6.30%
		OUT OF TOWN - Occasional (46-60 days per year) (Trading dates listed on licence)	Single trader	£8.00		£9.00		£1.00	12.50%
	Street Trading Town Centre	Town Centre - Grant/ Renewal (Broad Street)	Per stall	£6,374.00		£6,500.00		£126.00	2.00%
		Town Centre - Grant/ Renewal (Bridge Street)	Per stall	£6,374.00		£6,500.00		£126.00	2.00%
		Town Centre - Grant/ Renewal (Reading Station)	Per stall	£6,374.00		£6,500.00		£126.00	2.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Town Centre Ad-Hoc	Town Centre - Market not under charter 1-14 days per yr.	Up to 3 x3 m single trader stall per day	£15.00		£16.00		£1.00	6.70%
	Town Centre - Market not under charter 15-60 days per yr.	Up to 3 x3 m single trader stall per day	£4.00		£4.50		£0.50	12.50%
	Town Centre - Market not under charter 1-14 days per yr.	>Over 3x3m single trader stall per day	£18.00		£19.00		£1.00	5.60%
	Town Centre - Market not under charter 15-60 days per yr.	>Over 3x3m single trader stall per day	£6.00		£7.00		£1.00	16.70%
	All Street Traders - Variation	Per stall	£278.00		£290.00		£12.00	4.30%
	All Street Traders - Additional Street Trading Assistant	Per assistant	£17.00		£18.00		£1.00	5.90%
	All Street Traders - fee for paying by direct debit - no other instalment system allowed	Per application	£56.00		£58.00		£2.00	3.60%
Scrap Metal	Site Licence - new/renewal	Per 3 year licence	£1,014.00		£1,100.00		£86.00	8.50%
	Collectors Licence -new/renewal	Per 3 year licence	£666.00		£700.00		£34.00	5.10%
	Variation of Site Licence /Collectors Licence	Per licence	£302.00		£325.00		£23.00	7.60%
	Simple Variation (i.e. admin changes) for site Licence or Collector	Per licence	£88.00		£90.00		£2.00	2.30%
	Replacement Licence or badge for collector	Per licence	£18.00		£20.00		£2.00	11.10%
Pavement Café	New licence 2 tables and or 6 chairs	per annum	£300.00		£300.00		£0.00	0.00%
	New licence up to 10 chairs	per annum	£350.00		£350.00		£0.00	0.00%
	New licence over 10 chairs	per annum	£500.00		£500.00		£0.00	0.00%
	Renewal 2 tables 6 chairs	per annum	£100.00		£100.00		£0.00	0.00%
	Renewal up to 10 chairs	per annum	£200.00		£200.00		£0.00	0.00%
	Renewal over 10 chairs	per annum	£350.00		£350.00		£0.00	0.00%
Caravan Site Licence	Grant	Per site	£827.00		£850.00		£23.00	2.80%
	Transfer	Per site	£380.00		£400.00		£20.00	5.30%
	Variation	Per site	£567.00		£575.00		£8.00	1.40%
	Annual Fee (less than 10 units)	Per site	£290.00		£300.00		£10.00	3.40%
	Annual fee (less than 30 units)	Per site	£324.00		£335.00		£11.00	3.40%
	Annual fee (more than 30 Units)	Per site	£358.00		£370.00		£12.00	3.40%
	copies of site licence	Per site	£18.00		£19.00		£1.00	5.60%
	Application to be included on the Fit & Proper Person Register	Per site every 5 years	£188.00		£190.00		£2.00	1.10%
Other Fees	Check & Submit Service	Each	£120.00		£130.00		£10.00	8.30%
	Pre-application advice and site visit	Each	£192.00		£200.00		£8.00	4.20%
	DBS Standard	Per Person	£37.00		£39.00		£2.00	5.40%
	Door Safe log Book	Per book	£18.00		£19.00		£1.00	5.60%
Hackney Carriage	Hackney carriage Vehicle grant or renewal	Per operator	£400.00		£400.00		£0.00	0.00%
	3 Year Hackney carriage driver new/ renewal (not including disclosure fee)	Per operator	£328.00		£328.00		£0.00	0.00%
Private Hire Operators - 1 Year Grant	Each additional applicant	Per operator	£245.00		£245.00		£0.00	0.00%
	1-3 Vehicles	Per operator	£806.00		£806.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£1,292.00		£1,292.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£2,572.00		£2,572.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£4,314.00		£4,314.00		£0.00	0.00%
	101+ Vehicles	Per operator	£5,181.00		£5,181.00		£0.00	0.00%
Private Hire Operators - 1 Year Renewal	Each additional applicant	Per operator	£185.00		£185.00		£0.00	0.00%
	1-3 Vehicles	Per operator	£561.00		£561.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£892.00		£892.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£1,977.00		£1,977.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£3,583.00		£3,583.00		£0.00	0.00%
	101+ Vehicles	Per operator	£4,333.00		£4,333.00		£0.00	0.00%
Private Hire Operators - 5 Year Grant	Each additional applicant	Per operator	£245.00		£245.00		£0.00	0.00%
	1-3 Vehicles	Per operator	£2,125.00		£2,125.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£3,150.00		£3,150.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£8,020.00		£8,020.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£15,241.00		£15,241.00		£0.00	0.00%
	101+ Vehicles	Per operator	£18,851.00		£18,851.00		£0.00	0.00%
Private Hire Operators - 5 Year Renewal	Each additional applicant	Per operator	£185.00		£185.00		£0.00	0.00%
	1-3 Vehicles	Per operator	£2,065.00		£2,065.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£3,092.00		£3,092.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£7,917.00		£7,917.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£15,191.00		£15,191.00		£0.00	0.00%
	101+ Vehicles	Per operator	£18,730.00		£18,730.00		£0.00	0.00%
Private Hire Vehicle and Driver	Private Hire Vehicle grant or renewal	Per application	£315.00		£315.00		£0.00	0.00%
	Executive vehicle grant or renewal	Per application	£352.00		£352.00		£0.00	0.00%
	3 Year driver new/renewal (not including disclosure fee)	Per application	£319.00		£319.00		£0.00	0.00%
School Transport	School Transport vehicle (Class IV) vehicle	Per application	£100.00		£100.00		£0.00	0.00%
	3 year ST driver grant/renewal (not incl disclosure fee)	Per application	£240.00		£240.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
School Transport - 1 Year Grant	Each additional applicant	Per operator	£245.00		£245.00		£0.00	0.00%
	1-3 Vehicles	Per operator	£445.00		£445.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£836.00		£836.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£1,727.00		£1,727.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£2,251.00		£2,251.00		£0.00	0.00%
	101+ Vehicles	Per operator	£3,141.00		£3,141.00		£0.00	0.00%
	Each additional applicant	Per operator	£145.00		£145.00		£0.00	0.00%
	1-3 Vehicles	Per operator	£345.00		£345.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£570.00		£570.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£1,132.00		£1,132.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£1,513.00		£1,513.00		£0.00	0.00%
	101+ Vehicles	Per operator	£2,290.00		£2,290.00		£0.00	0.00%
	Each additional applicant	Per operator	£245.00		£245.00		£0.00	0.00%
	1-3 Vehicles	Per operator	£1,245.00		£1,245.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£2,324.00		£2,324.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£4,955.00		£4,955.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£6,763.00		£6,763.00		£0.00	0.00%
	101+ Vehicles	Per operator	£10,351.00		£10,351.00		£0.00	0.00%
	Each additional applicant	Per operator	£145.00		£145.00		£0.00	0.00%
	1-3 Vehicles	Per operator	£1,145.00		£1,145.00		£0.00	0.00%
	4-10 Vehicles	Per operator	£2,058.00		£2,058.00		£0.00	0.00%
	11-40 Vehicles	Per operator	£4,620.00		£4,620.00		£0.00	0.00%
	41-100 Vehicles	Per operator	£6,333.00		£6,333.00		£0.00	0.00%
	101+ Vehicles	Per operator	£9,890.00		£9,890.00		£0.00	0.00%
Other Charges - Vehicle	Vehicle Transfer of ownership -(admin only + issue licence)	Per application	£52.00		£52.00		£0.00	0.00%
	Replace vehicle plate (4 new tags+plate+30 mins)	Per vehicle	£62.00		£62.00		£0.00	0.00%
	temporary replacement Hackney Carriage or Private Hire Vehicle Plate	Per application	£51.00		£51.00		£0.00	0.00%
	HC Taxi livery design + 1 vehicle	Per application	£147.00		£147.00		£0.00	0.00%
	HC Livery - Additional vehicle check	Per vehicle	£42.00		£42.00		£0.00	0.00%
	HC Taxi livery renewal +1 vehicle	Per application	£97.00		£97.00		£0.00	0.00%
	<3 year compliance test - PH, EXEC, HC OR ST	Per application	£37.00		£37.00		£0.00	0.00%
	Aged vehicle check - PH, ST or Executive Vehicles over age 10 years +	Per vehicle	£37.00		£37.00		£0.00	0.00%
	ULEV vehicle	Per vehicle	25% of Standard fee for a		25% of Standard fee for a HC, PH, EXEC, ST vehicle as			
	100% electric vehicle	Per vehicle	50% of Standard fee for a		50% of Standard fee for a HC, PH, EXEC, ST vehicle as			
Other Charges - Driver	Driver knowledge test	Per driver	£47.00		£47.00		£0.00	0.00%
	Rescheduled new driver interview/ (no shows)	Per driver	£17.00		£17.00		£0.00	0.00%
	Change of Application HC to PH or PH to HC	Per application	£35.00		£35.00		£0.00	0.00%
	Replacement badge or licence (incl change of address)	Per driver	£17.00		£17.00		£0.00	0.00%
	Basic DBS (PHO, STO)	Per applicant	£37.00		£37.00		£0.00	0.00%
	DBS Enhanced (HC, PH, ST driver)	Per driver	£56.00		£56.00		£0.00	0.00%
	Driver - Visa Expiry (2 Badges, 1 cert+admin fee)	Per driver	£83.00		£83.00		£0.00	0.00%
Other Charges - Operator	Operator logbook	Per logbook	£4.00		£4.00		£0.00	0.00%
	Admin charge + copy of the licence	Per operator	£52.00		£52.00		£0.00	0.00%
	Copy of the licence	Per Operator	£17.00		£17.00		£0.00	0.00%
Other Charges - General	Bounced Cheque	Each	£35.00		£35.00		£0.00	0.00%
	Admin Charge	Each	£35.00		£35.00		£0.00	0.00%
	Factual Statement	Each	£152.00		£152.00		£0.00	0.00%
	Check and submit taxi application form	Each	£106.00		£106.00		£0.00	0.00%
LICENSING Premises Licences Applications (STATUTORY FEES) New Application	Band A (£0 -£4,300)		£100.00		£100.00		£0.00	0.00%
	Band B (£4,301- £33,000)		£190.00		£190.00		£0.00	0.00%
	Band C (£33,001 -£87,000)		£315.00		£315.00		£0.00	0.00%
	Band D (£87,001-£125,00)		£450.00		£450.00		£0.00	0.00%
	Band D (£87,001-£125,00) x2 multiplier for vertical drinking i.e.. nightclub)		£900.00		£900.00		£0.00	0.00%
	Band E (£125,000 +)		£635.00		£635.00		£0.00	0.00%
	Band E (£125,000 +) x3 multiplier for vertical drinking)		£1,905.00		£1,905.00		£0.00	0.00%
LICENSING Premises Licences Applications (STATUTORY FEES) Annual Fee	Band A (£0 -£4,300)		£70.00		£70.00		£0.00	0.00%
	Band B (£4,301- £33,000)		£180.00		£180.00		£0.00	0.00%
	Band C (£33,001 -£87,000)		£295.00		£295.00		£0.00	0.00%
	Band D (£87,001-£125,00)		£320.00		£320.00		£0.00	0.00%
	Band D (£87,001-£125,00) x2 multiplier for vertical drinking i.e.. nightclub)		£640.00		£640.00		£0.00	0.00%
	Band E (£125,000 +)		£350.00		£350.00		£0.00	0.00%
	Band E (£125,000 +) x3 multiplier for vertical drinking)		£1,050.00		£1,050.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
LICENSING Additional fee based on number of attendees (STATUTORY FEES) New Application	up to 4999		£0.00		£0.00		£0.00	0.00%
	5,000 - 9999		£1,000.00		£1,000.00		£0.00	0.00%
	10,000 - 14,000		£2,000.00		£2,000.00		£0.00	0.00%
	15,000 - 19,999		£4,000.00		£4,000.00		£0.00	0.00%
	20,000 - 29,999		£8,000.00		£8,000.00		£0.00	0.00%
	30,000 - 39,999		£16,000.00		£16,000.00		£0.00	0.00%
	40,000 - 49,999		£24,000.00		£24,000.00		£0.00	0.00%
	50,000 - 59,999		£32,000.00		£32,000.00		£0.00	0.00%
	60,000 - 69,999		£40,000.00		£40,000.00		£0.00	0.00%
	70,000 - 79,999		£48,000.00		£48,000.00		£0.00	0.00%
	80,000 - 89,999		£56,000.00		£56,000.00		£0.00	0.00%
	90,000+		£64,000.00		£64,000.00		£0.00	0.00%
LICENSING Additional fee based on number of attendees (STATUTORY FEES) Annual fee	up to 4999		£0.00		£0.00		£0.00	0.00%
	5,000 - 9999		£500.00		£500.00		£0.00	0.00%
	10,000 - 14,999		£1,000.00		£1,000.00		£0.00	0.00%
	15,000 - 15,999		£2,000.00		£2,000.00		£0.00	0.00%
	20,000 - 20,999		£4,000.00		£4,000.00		£0.00	0.00%
	30,000 - 39,999		£8,000.00		£8,000.00		£0.00	0.00%
	40,000 - 49,999		£12,000.00		£12,000.00		£0.00	0.00%
	50,000 - 59,999		£16,000.00		£16,000.00		£0.00	0.00%
	60,000 - 69,999		£20,000.00		£20,000.00		£0.00	0.00%
	70,000 - 79,999		£24,000.00		£24,000.00		£0.00	0.00%
LICENSING Misc Premises Licences (STATUTORY FEES)	Theft, loss, etc. of premises licence or summary		£10.50		£10.50		£0.00	0.00%
	Application for a provisional statement where premises being built etc.		£315.00		£315.00		£0.00	0.00%
	Notification of change of name or address		£10.50		£10.50		£0.00	0.00%
	Application to vary licence to specify individual as premises supervisor		£23.00		£23.00		£0.00	0.00%
	Application for transfer of premises licence		£23.00		£23.00		£0.00	0.00%
	Interim authority notice following death etc. Of licence holder		£23.00		£23.00		£0.00	0.00%
	Right of freeholder etc.to be notified of licensing matters		£21.00		£21.00		£0.00	0.00%
	Application to vary premises licence at community premises to include alternative licence condition		£23.00		£23.00		£0.00	0.00%
	Application for minor variation		£89.00		£89.00		£0.00	0.00%
	Application for minor variation		£89.00		£89.00		£0.00	0.00%
LICENSING Club Premises - New Application (STATUTORY FEES)	Band A (£0 -£4300)		£100.00		£100.00		£0.00	0.00%
	Band B (£4,301 -£33,000)		£190.00		£190.00		£0.00	0.00%
	Band C (£33,001 -£87,000)		£315.00		£315.00		£0.00	0.00%
	Band D (£87,001 -£125,000)		£450.00		£450.00		£0.00	0.00%
	Band E (£125,000 +)		£635.00		£635.00		£0.00	0.00%
	Copy		£10.50		£10.50		£0.00	0.00%
	Notification of change of name or alteration of rules of club		£10.50		£10.50		£0.00	0.00%
LICENSING Club Premises - Annual Fee (STATUTORY FEES)	Change of relevant registered address of club		£10.50		£10.50		£0.00	0.00%
	Band A (£0 -£4300)		£70.00		£70.00		£0.00	0.00%
	Band B (£4,301 -£33,000)		£180.00		£180.00		£0.00	0.00%
	Band C (£33,001 -£87,000)		£295.00		£295.00		£0.00	0.00%
	Band D (£87,001 -£125,000)		£320.00		£320.00		£0.00	0.00%
LICENSING Personal Licences (STATUTORY FEES)	Band E (£125,000 +)		£350.00		£350.00		£0.00	0.00%
	Grant or renewal of personal licence		£37.00		£37.00		£0.00	0.00%
	Duty to notify change of name or address		£10.50		£10.50		£0.00	0.00%
	Copy		£10.50		£10.50		£0.00	0.00%
LICENSING TEMPORARY EVENT NOTICES (STATUTORY FEES)	Temporary event notice -New		£21.00		£21.00		£0.00	0.00%
	Copy		£10.50		£10.50		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Courses	Level 2 Food Safety & Hygiene Course (One day)	Per candidate	£87.00		£90.00		£3.00	3.40%
	Level 2 Food Safety in Catering Exam- re-sit fee	Per candidate	£50.00		£55.00		£5.00	10.00%
	Level 2 Food Safety - replacement certificate	Each	£102.00		£105.00		£3.00	2.90%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£973.00		£980.00		£7.00	0.70%
	Level 2 Food Safety & Hygiene Course - on clients premises	Each	£1,262.00		£1,270.00		£8.00	0.60%
	Additional candidates for level 2 Course on clients premises	Each	£97.00		£100.00		£3.00	3.10%
	Level 3 Supervising food hygiene & safety (min 6 candidates)	Each	£391.00		£400.00		£9.00	2.30%
	Level 3 Supervising food hygiene & safety (2 or more candidates)	Each	£354.00		£360.00		£6.00	1.70%
	Level 3 Supervising food hygiene & safety (up to 10 candidates)	Each	£3,114.00		£3,200.00		£86.00	2.80%
	Preparation & delivery of bespoke Training	Each	£179.00		£190.00		£11.00	6.10%
Food Hygiene Visits	Fee for missed Food Hygiene premises inspection visit where appointment made	Each	£45.00	£54.00	£50.00	£60.00	£5.00	11.10%
	Food Hygiene Rating Scheme re-inspection	Each	£236.00		£260.00		£24.00	10.20%
Food Hygiene Miscellaneous	Fishery Product Inspections per tonne (set by statute) – 1 Euro/ £0.90	Each	£0.90		£0.90		£0.00	0.00%
	Approved Cold Store inspection per hour per Officer	Each	£92.00		£95.00		£3.00	3.30%
	Export Health Certificate/Endorsement + additional fee based on hourly rate for food inspection	Each	£194.00		£200.00		£6.00	3.10%
	Condemned Food Certificate	Each	£167.00		£170.00		£3.00	1.80%
	Administration Fee/Cancellation Fee	Each	£39.00		£45.00		£6.00	15.40%
	Factual Statement to solicitors & others	Each	£190.00		£200.00		£10.00	5.30%
	Additional documents	Each	£125.00		£130.00		£5.00	4.00%
Special treatments	Single treatment Premises (premises +1 operator) One Off payment. (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	Per premises +1 operator	£316.00		£325.00		£9.00	2.80%
	Single treatment Operator (Fee for each treatment - cosmetic piercing, tattooist, acupuncture, electrolysis, cosmetic micro pigmentation)	Per operator - One Off payment	£55.00		£60.00		£5.00	9.10%
	Special Treatment Operator/premises Replacement Certificate (no changes)	Per certificate	£37.50		£40.00		£2.50	6.70%
Safety at Sports Ground	Issue of Safety of Sports Grounds Safety Certificate/amendment to safety certificate/issue of Special Safety Certificate + newspaper advert cost + additional fee for risk based system checks. Fee invoiced quarterly.	Certificate	£250.00	£300.00	£260.00	£312.00	£10.00	4.00%
Primary Authority Business Advice	Commercial property search		£84.00		£90.00		£6.00	7.10%
	Mini Primary Authority fee / minimum annual PA fee	Less than 7 hours advice per year	£678.00		£710.00		£32.00	4.70%
	Medi Primary Authority Fee	Less than 25 hours advice per year	£2,301.00		£2,375.00		£74.00	3.20%
	Pay as You Go standing charge (PAYG)	Per profession	£1,887.00		£1,900.00		£13.00	0.70%
	Primary Authority Advice (Admin Officer)	Per hour	£76.00		£78.00		£2.00	2.60%
	Primary Authority Partnership advice (EHO, TSO, LICE Officer)	Per hour	£92.00		£95.00		£3.00	3.30%
	Primary Authority Set up fee	Per business	£318.00		£330.00		£12.00	3.80%
	Start Up advisory /Reg Services Health Check (Option 2)	Per premises	£186.00	£223.20	£195.00	£234.00	£9.00	4.80%
	Bespoke Service (Option 3) then hourly rate	Per business	£967.00	£1,160.40	£1,000.00	£1,200.00	£33.00	3.40%
	Business Advice - Regulation Services	Outside a Primary Authority Partnership	£92.00	£110.40	£95.00	£114.00	£3.00	3.30%
Business Advice	Up to 2500 litres	Per licence	£48.00		£48.00		£0.00	0.00%
	2500-50,000 litres	Per licence	£65.00		£65.00		£0.00	0.00%
	Over 50,000 litres	Per licence	£137.00		£137.00		£0.00	0.00%
	Transfer of Licence	Per licence	£8.00		£8.00		£0.00	0.00%
	Petroleum Search	Per search	£80.00		£80.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Weights and Measures Verification Fees	Technical Officer Hourly Rate	Per Hour	£48.00		£50.00		£2.00	4.20%
	Weights and Measures Inspector Hourly Rate	Per Hour	£80.00		£90.00		£10.00	12.50%
Explosives (Set by statute)	1 year	Per Licence	£113.00		£113.00		£0.00	0.00%
	2 year	Per Licence	£147.00		£147.00		£0.00	0.00%
	3 Year	Per Licence	£181.00		£181.00		£0.00	0.00%
	4 Year	Per Licence	£215.00		£215.00		£0.00	0.00%
	5 Year	Per Licence	£248.00		£248.00		£0.00	0.00%
	1 Year	Per Licence	£56.00		£56.00		£0.00	0.00%
	2 Year	Per Licence	£90.00		£90.00		£0.00	0.00%
	3 Year	Per Licence	£125.00		£125.00		£0.00	0.00%
	4 Year	Per Licence	£158.00		£158.00		£0.00	0.00%
	5 Year	Per Licence	£193.00		£193.00		£0.00	0.00%
	Variation/Transfer/Replacement	Per Licence	£38.00		£38.00		£0.00	0.00%
	Year round to sell fireworks	Per Licence	£500.00		£500.00		£0.00	0.00%
Courses British Institute of Inn keeping Awarding Body Courses		Per Person	£79.00		£90.00		£11.00	13.90%
Environmental Protection & Nuisance Team	Contaminated Land/Environmental Information Request (Residents)	Per hour	£50.00	£60.00	£50.00	£60.00	£0.00	0.00%
	Contaminated Land/Environmental Information Request (Commercial)	Per hour	£71.67	£86.00	£71.67	£86.00	£0.00	0.00%
	Sound check consultancy	Per hour	£71.67	£86.00	£71.67	£86.00	£0.00	0.00%
	Officer charge	Per hour	£71.67	£86.00	£71.67	£86.00	£0.00	0.00%
Dog Warden	Statutory Stray Fee	Each	£25.00		£25.00		£0.00	0.00%
	Dog picked up but not kennelled	Each	£106.67	£128.00	£106.67	£128.00	£0.00	0.00%
	Dog picked up taken to kennels and returned to owner (new fee)	Each	£182.50	£219.00	£182.50	£219.00	£0.00	0.00%
	Daily Kennel charge	Each	At cost		At cost			
	Animal Warden Initial Response fee	Per call out	£144.00		£144.00		£0.00	0.00%
	Animal Warden Hourly rate	hourly	£72.00		£72.00		£0.00	0.00%
	Veterinary fees will be charged on a cost basis	Fee	At cost		At cost			
Animal Establishments	Kennels & Catteries (exclusive of vets' fees) - New	Per Licence	£751.00		£751.00		£0.00	0.00%
	Kennels & Catteries (exclusive of vets' fees) - Renewal	Per Licence	£662.00		£662.00		£0.00	0.00%
	Pet Shop small annual licence (exclusive of vets' fees) New	Per Licence	£550.00		£550.00		£0.00	0.00%
	Pet Shop small annual licence (exclusive of vets' fees) Renewal	Per Licence	£426.00		£426.00		£0.00	0.00%
	Pet Shop large (exclusive of vets' fees) – more than 75m2 New	Per Licence	£751.00		£751.00		£0.00	0.00%
	Pet Shop large (exclusive of vets' fees) – more than 75m3 Renewal	Per Licence	£662.00		£662.00		£0.00	0.00%
	Pet shop/boarding/breeding licence amendment	Per Licence	£115.00		£115.00		£0.00	0.00%
	small home boarder 1-6 dogs (annual fee) New	Per Licence	£507.00		£507.00		£0.00	0.00%
	small home boarder 1-6 dogs (annual fee) Renewal	Per Licence	£370.00		£370.00		£0.00	0.00%
	larger home boarder 7 + Dogs (annual fee) New	Per Licence	£550.00		£550.00		£0.00	0.00%
	larger home boarder 7 + Dogs (annual fee) Renewal	Per Licence	£426.00		£426.00		£0.00	0.00%
	Animal Breeding Establishments (exclusive of vets' fees) New	Per Licence	£550.00		£550.00		£0.00	0.00%
	Animal Breeding Establishments (exclusive of vets' fees) Renewal	Per Licence	£426.00		£426.00		£0.00	0.00%
	Horse Riding Establishment Licence - New	Per Licence	£751.00		£751.00		£0.00	0.00%
	Horse Riding Establishment Licence - Renewal	Per Licence	£662.00		£662.00		£0.00	0.00%
	Keeping or training animals for exhibition (3 year Licence)	Per Licence	£751.00		£751.00		£0.00	0.00%
	Dangerous Wild Animals Licence or Zoo Licence	Per Licence	Price on Application		Price on Application			

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Annual Subsistence Charge		Standard process Low	Per Licence	£772.00		£772.00		£0.00	0.00%
		Standard process Medium	Per Licence	£1,161.00		£1,161.00		£0.00	0.00%
		Standard process High	Per Licence	£1,747.00		£1,747.00		£0.00	0.00%
		Permit for Vapour Recovery Part I and Dry Cleaners L	Per Licence	£79.00		£79.00		£0.00	0.00%
		Permit for Vapour Recovery Part I and Dry Cleaners M	Per Licence	£158.00		£158.00		£0.00	0.00%
		Permit for Vapour Recovery Part I and Dry Cleaners H	Per Licence	£237.00		£237.00		£0.00	0.00%
		Permit for Vapour Recovery Part I & II combined L	Per Licence	£113.00		£113.00		£0.00	0.00%
		Permit for Vapour Recovery Part I & II combined M	Per Licence	£226.00		£226.00		£0.00	0.00%
		Permit for Vapour Recovery Part I & II combined H	Per Licence	£341.00		£341.00		£0.00	0.00%
		Vapour Recovery and other Reduced Fees L	Per Licence	£228.00		£228.00		£0.00	0.00%
		Vapour Recovery and other Reduced Fees M	Per Licence	£365.00		£365.00		£0.00	0.00%
		Vapour Recovery and other Reduced Fees H	Per Licence	£548.00		£548.00		£0.00	0.00%
Level 1		Householders advice on house extensions	Each	£180.00	£216.00	£187.00	£224.40	£7.00	3.90%
		Follow up Meetings	Each	£104.60	£125.52	£110.00	£132.00	£5.40	5.20%
		Small business and developers: advice on building works and change of use where the floor area involved is up to 200sqm.	Each	£180.00	£216.00	£187.00	£224.40	£7.00	3.90%
		Follow up Meetings	Each	£104.60	£125.52	£110.00	£132.00	£5.40	5.20%
		Proposals for local community uses - (Free of charge for up to 200sqm)	Each	£166.00	£199.20	£172.00	£206.40	£6.00	3.60%
		Follow up Meetings	Each	£104.60	£125.52	£110.00	£132.00	£5.40	5.20%
		Advertisements	Each	£280.00	£336.00	£300.00	£360.00	£20.00	7.10%
		Follow up Meetings	Each	£104.60	£125.52	£110.00	£132.00	£5.40	5.20%
		Telecommunication installations	Each	£280.00	£336.00	£300.00	£360.00	£20.00	7.10%
		Follow up Meetings	Each	£104.60	£125.52	£110.00	£132.00	£5.40	5.20%
		Listed Building consent /conservation area consent.	Each	£166.00	£199.20	£172.00	£206.40	£6.00	3.60%
		Follow up Meetings	Each	£104.60	£125.52	£110.00	£132.00	£5.40	5.20%
		Trees and Landscaping	Each	£166.00	£199.20	£172.00	£206.40	£6.00	3.60%
		Follow up Meetings	Each	£104.60	£125.52	£110.00	£132.00	£5.40	5.20%
		Works to trees covered by tree preservation orders.	Each	£166.00	£199.20	£172.00	£206.40	£6.00	3.60%
		Follow up Meetings	Each	£104.60	£125.52	£110.00	£132.00	£5.40	5.20%
	Level 2 Business, commercial or other development of 201 sqm to 1000 or up to 9 dwellings.	201 - 499sqm	Each	£462.50	£555.00	£600.00	£720.00	£137.50	29.70%
		500 - 1000sqm	Each	£862.50	£1,035.00	£1,000.00	£1,200.00	£137.50	15.90%
		1 - 3 dwellings	Each	£462.50	£555.00	£462.50	£555.00	£0.00	0.00%
		4 - 9 dwellings (now charged same fee for 1-9 properties)	Each	£862.50	£1,035.00	£462.50	£555.00	(£400.00)	(46.40%)
	Level 3 Small Major Development > 1,001 sqm or 10+ dwellings or other proposals	Pre-application fee minimum. Includes introductory meeting and written advice. Additional advice thereafter by hourly rate. Plus fee per dwelling/floor area. New scheme and fee increase 1/12/25.	Each	£3,750.00	£4,500.00	£4,000.00	£4,800.00	£250.00	6.70%
	Level 3 Large Major Development > 5,001 sqm or 20+ dwellings or other proposals	Includes negotiation meeting. Fee for additional advice by negotiation. Officers will advise if PPA appropriate. Plus fee per dwelling/floor area. New scheme and fee increase 1/12/25.	Each	£3,750.00	£4,500.00	£4,000.00	£4,800.00	£250.00	6.70%
	Planning Performance Agreements - PPA	Scoping meeting, drafting and negotiation on PPA . PPA will confirm fee schedule. Minimum £10,000 (£12,000 vat) Increased 1/12/25	Each	£3,750.00	£4,500.00	£4,000.00	£4,800.00	£250.00	6.70%
	Deed of Variation to S106 Requests	Introduction scoping meeting plus drafting and negotiation on PPA if sought from the start. PPA will confirm fee schedule to cover stages of application/	Each	£700.00	£840.00	£770.00	£924.00	£70.00	10.00%
	Development > 1,001 sqm or 20+ dwellings or other proposals	Minimum fee to consider - hourly rate added for complex cases	Each	By Negotiation		By Negotiation			
	Responses to Enquiries Involving Research	e.g. enquiries about legal status of land or property, enforcement notices, planning history, etc., by negotiation based on an estimate of the time needed.	Each	By Negotiation		By Negotiation			
Planning History Search	Where more complicated or several addresses	Per application	£50.00		£52.00		£2.00	4.00%	
Copies of Section 106 Agreements	per agreement	Per application	£50.00		£52.00		£2.00	4.00%	
	A list given of decision notices required	Per application	£50.00		£52.00		£2.00	4.00%	
	One decision notice from Microfiche slide	Per application	£50.00		£52.00		£2.00	4.00%	

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
	Copies of Planning Decision Notices	One decision notice from Microfiche slide plus plans (all on One slide)	Per application	£50.00		£52.00		£2.00	4.00%
		Scanning more than One slide	Per application	£50.00		£52.00		£2.00	4.00%
		Plans and documents for an application that need redacting	Per application	£50.00		£52.00		£2.00	4.00%
	Enquiries for evidence that conditions have been discharged (statutory Fee)	Householders	Per application	£43.00		£43.00		£0.00	0.00%
		All others	Per application	£145.00		£145.00		£0.00	0.00%
	S106 and Community Infrastructure Levy obligation enquiries		Per application	£160.00		£166.40		£6.40	4.00%
	Returning Invalid	Refunds processed and advice given	Per application	10% - 20%		10% - 20%		£0.00	0.00%
	S106 Monitoring fees Non-financial obligation	S106 fees - all below - no VAT	per obligation	£120.00		£135.00		£15.00	12.50%
	S106 Monitoring fees Non-financial scheme for approval (Transport/Waste/Environment/ etc). Tenancy restrictions in perpetuity for hotel/student acc.		per approval stage per obligation	£360.00		£400.00		£40.00	11.10%
	S106 Monitoring fees Defined value contribution (Affordable Housing, Leisure, Transport, etc).		per instalment	£400.00		£450.00		£50.00	12.50%
	S106 Monitoring fees Calculation base contribution (eg. Carbon Offset, Deferred AH contribution – This is also subject to a viability charge).		per calculation	£400.00		£450.00		£50.00	12.50%
	S106 Monitoring fees Affordable housing onsite with Cascade/Default Calculation.		Each	£1,270.00		£1,350.00		£80.00	6.30%
	S106 Monitoring fees Build to Rent (BtR) management/tenancy obligations.		Each	£2,125.00		£2,260.00		£135.00	6.40%
	S106 Monitoring fees Employment and Skills Plans – monitoring charge.	Charge applicable where on site provision is being provided, otherwise see Defined value contribution.	per stage	£120.00		£135.00		£15.00	12.50%
	S106 Monitoring fees Biodiversity Net Gain (BNG) on-site or off-site obligation.		Each	£2,550.00		£2,715.00		£165.00	6.50%
	S106 Monitoring fees Viability based contribution.		Each plus, Reasonable costs of re-assessment.	£400.00		£450.00		£50.00	12.50%
	Tree Preservation Order Documents	No VAT	Per application	£50.00		£52.00		£2.00	4.00%
	Tennis Prospect Park (Artificial-turf)	Adult Standard	Session	£9.17	£11.00	£9.58	£11.50	£0.41	4.50%
		Junior Standard	Session	£5.00	£6.00	£5.83	£7.00	£0.83	16.60%
Football		Adult One Off Game Standard	Match	£114.17	£137.00	£117.00	£140.40	£2.83	2.50%
		Adult Block 10+ Games Standard	Match	£98.33	£118.00	£100.00	£120.00	£1.67	1.70%
		Adult Block 5+ Teams Standard	Match	£87.50	£105.00	£90.00	£108.00	£2.50	2.90%
		Junior One Off Game Standard	Match	£62.50	£75.00	£64.00	£76.80	£1.50	2.40%
		Junior Block 10+ Games Standard	Match	£45.00	£54.00	£46.00	£55.20	£1.00	2.20%
		Junior Block 5+ Teams standard	Match	£40.00	£48.00	£41.00	£49.20	£1.00	2.50%
	Australian Rules & Gaelic	One Off	Match	£116.00	£139.20	£119.00	£142.80	£3.00	2.60%
5-a-side football		Adult Peak - single	Per Hour	£51.67	£62.00	£52.08	£62.50	£0.41	0.80%
		Adult Peak - Block	Per Hour	£42.50	£51.00	£42.92	£51.50	£0.42	1.00%
		Junior Peak - single	Per Hour	£30.00	£36.00	£32.50	£39.00	£2.50	8.30%
		Junior Peak - Block	Per Hour	£25.00	£30.00	£27.50	£33.00	£2.50	10.00%
	School Sessions	(Session, loan, membership, talk etc.)	Per event	£169.00		£175.00		£6.00	3.60%
	School session (virtual)		Per event	£85.00		£85.00		£0.00	0.00%
	Welcome and wow talks (schools)	(Session, loan, membership, talk etc.)	Per event	£45.00		£50.00		£5.00	11.10%
	Membership 1 box per half term		Membership	£110.00		£115.00		£5.00	4.50%
	Membership 5 boxes RBC non academy		Membership	£335.00		£345.00		£10.00	3.00%
	Membership 3 boxes RBC non academy		Membership	£257.00		£270.00		£13.00	5.10%
	Membership 5 boxes academy schools		Membership	£335.00		£345.00		£10.00	3.00%
	Membership 3 boxes RBC academy		Membership	£257.00		£270.00		£13.00	5.10%
	Membership 5 boxes non RBC schools		Membership	£335.00		£345.00		£10.00	3.00%
	Membership 3 boxes non RBC schools		Membership	£257.00		£270.00		£13.00	5.10%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
Individual box loan		Per box	£50.00		£50.00		£0.00	0.00%
Reminiscence		Membership	£110.00		£110.00		£0.00	0.00%
Museum introduction (adult) (Welcome and Wow)		Per occasion	£70.00		£70.00		£0.00	0.00%
Talks - Booked privately		Per talk	£95.00		£95.00		£0.00	0.00%
Long talks - booked privately		Per talk	£160.00		£160.00		£0.00	0.00%
Photography/filming		Per image/hour	From £19.00		From £19.00		£0.00	0.00%
Archaeology		Per deposit	From £138	From £166	From £143	From £172	£5.00	3.60%
Corporate loans		Per loan	£1,000.00	£1,200.00	£1,000.00	£1,200.00	£0.00	0.00%
Family activities		Per event	From £2.50		from £2.50		£0.00	0.00%
Talks - Public		Per event	From £6		from £6		£0.00	0.00%
Charges for provision of Historic Environment Record data to commercial users	Berkshire Archaeology, DEGENS	Per Hour	£60.00	£72.00	£70.00	£84.00	£10.00	16.70%
Reading Arts - Membership scheme for The Hexagon - Silver Membership	Charged at the discretion of customers, and along the booking pathway.	Per Transaction	£33.33	£40.00	£33.33	£40.00	£0.00	0.00%
Reading Arts - Membership scheme for The Hexagon - Gold Membership	Charged at the discretion of customers, and along the booking pathway. Price corrected to current rate charged	Per Transaction	£41.67	£50.00	£41.67	£50.00	£0.00	0.00%
Reading Arts per ticket fee	Charged on all bookings (excl community use)	Per ticket	£2.92	£3.50	£2.92	£3.50	£0.00	0.00%
Reading Arts - per transaction postage fee for ticket bookings	Across all price points for tickets available from Reading Arts and Venues	Per Transaction	£2.29	£2.75	£2.29	£2.75	£0.00	0.00%
Lamp Column Banner Advertising (Broad Street West)	Each	Each	Price on Application					
Roundabout Advertising	Each	Each	Price on Application					
Welcome to Reading Signage	Each	Each	Price on Application					
Concert Hall Room Hire	Room Hire	Day From	£3,870.00	£4,644.00	£4,065.00	£4,878.00	£195.00	5.00%
Concert Hall plus Tech package	Room Hire & Equipment	Day From	£4,450.00	£5,340.00	£4,675.00	£5,610.00	£225.00	5.10%
Victoria Hall Room Hire	Room Hire	Half Day/Day From	£840.00	£1,008.00	£880.00	£1,056.00	£40.00	4.80%
Waterhouse Chamber Hire	Room Hire	Half Day/Day From	£360.00	£432.00	£380.00	£456.00	£20.00	5.60%
Soane Space	Room Hire	Half Day/Day From	£290.00	£348.00	£305.00	£366.00	£15.00	5.20%
Jane Austen/Oscar Wilde	Room Hire	Half Day/Day From	£130.00	£156.00	£135.00	£162.00	£5.00	3.80%
Marcus Adams	Room Hire	Day From	£110.00	£132.00	£115.00	£138.00	£5.00	4.50%
Concert Hall Daily Delegate Rate	Catering & room Hire	Day From	£60.00	£72.00	£65.00	£78.00	£5.00	8.30%
Victoria Hall Daily Delegate Rate	Catering & room Hire	Half Day/Day	£35.00	£42.00	£37.50	£45.00	£2.50	7.10%
Waterhouse Daily Delegate Rate	Catering & room Hire	Half Day/Day	£40.00	£48.00	£42.50	£51.00	£2.50	6.30%
Jane Austen/Oscar Wilde Daily Delegate Rate	Catering & room Hire	Half Day/Day	£40.00	£48.00	£42.50	£51.00	£2.50	6.30%
Soane Space Daily Delegate Rate	Catering & room Hire	Half Day/Day	£34.00	£40.80	£35.00	£42.00	£1.00	2.90%
Lectern PA Hire	Equipment	Day	£115.00	£138.00	£120.00	£144.00	£5.00	4.30%
PA Hire	Equipment	Day	£95.00	£114.00	£100.00	£120.00	£5.00	5.30%
Microphone Hire	Equipment	Day	£85.00	£102.00	£90.00	£108.00	£5.00	5.90%
Tech time	Equipment	Per hour	£40.00	£48.00	£42.50	£51.00	£2.50	6.30%
Monitor Hire	Equipment	Day	£55.00	£66.00	£57.50	£69.00	£2.50	4.50%
Additional Projector Screen	Equipment	Day	£25.00	£30.00	£27.50	£33.00	£2.50	10.00%
LCD Projector	Equipment	Day	£80.00	£96.00	£85.00	£102.00	£5.00	6.30%
Piano Hire	Equipment	Day	£150.00	£180.00	£160.00	£192.00	£10.00	6.70%
Piano Tuned	Equipment	Day	£135.00	£162.00	£140.00	£168.00	£5.00	3.70%
Lectern Hire	Equipment	Day	£25.00	£30.00	£27.50	£33.00	£2.50	10.00%
Flip Chart	Equipment	Each	£22.00	£26.40	£23.00	£27.60	£1.00	4.50%
Display Board	Equipment	Day	£45.00	£54.00	£47.50	£57.00	£2.50	5.60%
Dance Floor	Equipment	Day	£150.00	£180.00	£175.00	£210.00	£25.00	16.70%
Pads & Pens	Equipment	Per Person	£4.50	£5.40	£5.00	£6.00	£0.50	11.10%
Photocopies	Equipment	Each	£0.20	£0.24	£0.25	£0.30	£0.05	25.00%
Late Bar	Equipment	Event	£200.00	£240.00	£225.00	£270.00	£25.00	12.50%
Serving Staff	Equipment	Per hour	£27.50	£33.00	£30.00	£36.00	£2.50	9.10%
Security Staff	Equipment	Per hour	£30.00	£36.00	£32.50	£39.00	£2.50	8.30%
DJ	Equipment	Per event	£550.00	£660.00	£575.00	£690.00	£25.00	4.50%
Stage - Victoria Hall	Equipment	Day	£115.00	£138.00	£125.00	£150.00	£10.00	8.70%
Copy certificates (baptism, burial, pre 1837 marriage)		Each	£19.00		£20.00		£1.00	5.30%
Reprographics		Each	£2.50	£3.00	£2.50	£3.00	£0.00	0.00%
Digital Photos		Each	£10.83	£13.00	£10.83	£13.00	£0.00	0.00%
Restoration Service		Half Hour	£17.08	£20.50	£19.17	£23.00	£2.09	12.20%
Research		Half Hour	£17.08	£20.50	£19.17	£23.00	£2.09	12.20%
Records Storage	Storage of records by box	Per Box	£9.00	£10.80	£9.00	£10.80	£0.00	0.00%
	1:1 Support Session	Per hour	£37.00		£38.50		£1.50	4.10%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Economic Growth and Neighbourhood Services

Service		Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/(decrease) Excl. VAT	Increase/(decrease) %
	School Support	Lunchtime Support Session play focused	Per hour	£30.00		£30.00		£0.00	0.00%
		STEPS - Travel Project	Per hour	£61.00		£61.00		£0.00	0.00%
	Staff Support	0-5 Staff Support	Per hour	£22.00		£25.00		£3.00	13.60%
	Events	Play in the Park events	Per Session	£5.50		£6.00		£0.50	9.10%
		Mini Kickers or other public sports offer	Per hour	£5.00		£6.00		£1.00	20.00%
		Walking Football	Per hour	£6.00		£6.00		£0.00	0.00%
		Holiday events	Per Session	£10.00		£10.00		£0.00	0.00%
	Discretionary	Archery for over 50's	Per Session	£10.00		£12.00		£2.00	20.00%
		Bespoke support, Play education attainment sessions	Per session	£75.00		£77.00		£2.00	2.70%
		Tutor Space and Play support for referred students	Per hour	N/A		£25.00		NEW	NEW
		Casual / off peak 3G courts	Per hour	N/A	N/A	£12.50	£15.00	NEW	NEW
		Team building up to 15 or party with room up to 15	Per Session	£90.00		£100.00		£10.00	11.10%
	Holiday Clubs Age range 4- 12	8:30am to 1pm	Per Session	£15.00	£18.00	£16.67	£20.00	£1.67	11.10%
		1pm to 5:30pm	Per Session	£15.00	£18.00	£16.67	£20.00	£1.67	11.10%
		9am to 3:30pm	Per Session	£21.67	£26.00	£25.00	£30.00	£3.33	15.40%
		8:30am to 5:30pm	Per Session	£28.33	£34.00	£30.00	£36.00	£1.67	5.90%
Prospect Activity	Low Ropes	Per Person	£4.58	£5.50	£5.00	£6.00	£0.42	9.20%	
	Golf Course	Per Person	£4.58	£5.50	£5.00	£6.00	£0.42	9.20%	
Security Fee (opening & closing)	Flat Rate	Each	£35.00	£42.00	£35.00	£42.00	£0.00	0.00%	
Insurance Fee (11% of hourly room standard booking rate)	Flat Rate	Each	11%	N/A	11%	N/A	£0.00	0.00%	
Add-On items	Flat Rate	Each	£20.00	£24.00	£20.00	£24.00	£0.00	0.00%	
Booking Deposit	Flat Rate	Each	£100.00	N/A	£100.00	N/A	£0.00	0.00%	

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Resources

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
BEREAVEMENT SERVICES								
Reading Crematorium								
Cremation Fee	Adult (over 18) - full service	Each	£1,065.00		£1,100.00		£35.00	3.30%
	Adult (over 18) - direct witness	Each	£495.00		£515.00		£20.00	4.00%
	Adult (over 18) - early morning	Each	£745.00		£765.00		£20.00	2.70%
	Adult (over 18) - without service (Direct)	Each	£330.00		£345.00		£15.00	4.50%
	Double length service in addition to usual cremation or interment fee	Each	£565.00		£565.00		£0.00	0.00%
	Child (under 18) or stillborn	Each	£0.00		£0.00		£0.00	0.00%
	Sunday/ Bank Holiday Surcharge	Each	Price on Application		Price on Application			
	Body parts		Price on Application		Price on Application			
Certified extract from register	Public Health Fee	Each	£710.00		£750.00		£40.00	5.60%
	Duplicate Cremated remains certificate	Each	£21.00		£22.00		£1.00	4.80%
Book of remembrance	Out of England Certificate	Each	£42.00		£42.00		£0.00	0.00%
	Two-line entry	Each	£73.33	£88.00	£75.00	£90.00	£1.67	2.30%
	Five-line entry	Each	£116.67	£140.00	£120.00	£144.00	£3.33	2.90%
	Five-line entry with illuminated capital	Each	£174.17	£209.00	£175.00	£210.00	£0.83	0.50%
	Five-line entry with floral motif, service badge etc.	Each	£195.83	£235.00	£196.67	£236.00	£0.84	0.40%
	Eight-line entry	Each	£155.83	£187.00	£155.83	£187.00	£0.00	0.00%
	Eight-line entry with illuminated capital	Each	£218.33	£262.00	£218.33	£262.00	£0.00	0.00%
	Eight-line entry with floral motif, service badge etc.	Each	£281.67	£338.00	£281.67	£338.00	£0.00	0.00%
	Full coat of arms 5-8 lines	Each	£359.17	£431.00	£359.17	£431.00	£0.00	0.00%
	Extra Lines up to a maximum of 11	Each	£27.50	£33.00	£27.50	£33.00	£0.00	0.00%
Remembrance card	Copy of a two-line entry	Each	£42.50	£51.00	£44.17	£53.00	£1.67	3.90%
	Copy of a five-line entry	Each	£71.67	£86.00	£72.50	£87.00	£0.83	1.20%
	Copy of a five-line entry with any type of motif	Each	£139.17	£167.00	£139.17	£167.00	£0.00	0.00%
	Copy of an eight-line entry	Each	£100.00	£120.00	£100.00	£120.00	£0.00	0.00%
Memorial vase and tablet	Copy of an eight-line entry with any type of motif	Each	£155.00	£186.00	£155.00	£186.00	£0.00	0.00%
	Purchase of tablet (plaque)	Each	£244.17	£293.00	£244.17	£293.00	£0.00	0.00%
	Renewal for period of 10 years	Each	£320.00		£320.00		£0.00	0.00%
Memorial plaques	Replacement single plaque *Fees are doubled in the case of a 12" x 4" double plaque	Each	£100.00	£120.00	£104.17	£125.00	£4.17	4.20%
	Replacement single plaque with motif *Fees are doubled in the case of a 12" x 4" double plaque	Each	£120.00	£144.00	£121.67	£146.00	£1.67	1.40%
	Lease of single plaque space for 10 years	Each	£210.00		£210.00		£0.00	0.00%
	Lease of double plaque space for 10 years	Each	£380.00		£380.00		£0.00	0.00%
	Renewal of lease for baby plaque	Each	£30.00		£30.00		£0.00	0.00%
	Photo Cameo on Plaque additional cost (added to normal plaque cost)	Each	£100.00	£120.00	£100.00	£120.00	£0.00	0.00%
Hall of Memory Tree Leaf	Lease for 5 years renewal	Each	£80.00		£80.00		£0.00	0.00%
	Replacement leaf	Each	£65.00	£78.00	£65.00	£78.00	£0.00	0.00%
Memorial Tree	Provision of Tree, Surround and stem plaque	Each	£445.00	£534.00	£445.00	£534.00	£0.00	0.00%
	Lease for 10 years	Each	£660.00		£660.00		£0.00	0.00%
Memorial bench	Replacement Bench	Each	£805.00	£966.00	£805.00	£966.00	£0.00	0.00%
	Lease for a 10 years	Each	£750.00		£750.00		£0.00	0.00%
	Replacement plaque for tree or bench	Each	£155.00	£186.00	£155.00	£186.00	£0.00	0.00%
Wall Plaque	Purchase of memorial granite wall plaque	Each	£165.00	£198.00	£155.00	£186.00	(£10.00)	(6.10%)
	Lease of space for memorial granite wall plaque	Each	£320.00		£320.00		£0.00	0.00%
Relocating plaque	Moving of Memorial Plaque to new location	Each	£58.33	£70.00	£58.33	£70.00	£0.00	0.00%
Administrative	Administration Fee	Each	£58.33	£70.00	£58.33	£70.00	£0.00	0.00%
Memorial Bed Garden	Replacement plaque and surround	Each	£445.00	£534.00	£445.00	£534.00	£0.00	0.00%
	Lease fee for 10 years	Each	£660.00		£660.00		£0.00	0.00%
Birdbath Memorial Plaques	Replacement Plaque (row 1)	Each	£105.00	£126.00	£105.00	£126.00	£0.00	0.00%
	Replacement Plaque (row 2)	Each	£153.33	£184.00	£153.33	£184.00	£0.00	0.00%
	Replacement Plaque (row 3)	Each	£210.00	£252.00	£210.00	£252.00	£0.00	0.00%
	Replacement Plaque (row 4)	Each	£285.00	£342.00	£285.00	£342.00	£0.00	0.00%
	Replacement Plaque (row 5)	Each	£355.00	£426.00	£355.00	£426.00	£0.00	0.00%
	Renewal of Lease (10 years)	Each	£320.00		£320.00		£0.00	0.00%
Sanctums	Granite Tablet (no motif)	Each	£410.00	£492.00	£410.00	£492.00	£0.00	0.00%
	Lease for further 25 years	Each	£750.00		£750.00		£0.00	0.00%
Baby Grave Galvanised Sculpture	Plaque for baby grave	Each	£125.00	£150.00	£125.00	£150.00	£0.00	0.00%
	Replacement plaque	Each	£70.00	£84.00	£70.00	£84.00	£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Resources

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
Reading Cemetery								
Henley Road, Reading Cemetery, Caversham Cemetery - Exclusive rights of burial in earth graves (including certificates of grant). New graves and interment fees for persons under the age of 18 are charged directly to the CFF (Children's Funeral Fund for England) and not to residents.	For the exclusive right of burial for 75 years in an earth grave 9 feet by 4 feet:							
	Traditional / mounded concrete lined resident	Each	£3,438.00		£3,438.00		£0.00	0.00%
	Traditional / mounded concrete lined non-resident	Each	£7,040.00		£7,040.00		£0.00	0.00%
	Traditional / mounded non-resident	Each	£4,980.00		£4,980.00		£0.00	0.00%
	Traditional / mounded Grave - all sections	Each	£1,660.00		£1,725.00		£65.00	3.90%
	The lawn or park Cemetery in an earth grave 9 feet by 4 feet	Each	£1,306.00		£1,350.00		£44.00	3.40%
	Lawn non-resident	Each	£4,023.00		£4,100.00		£77.00	1.90%
	Baby grave - private resident	Each	£650.00		£675.00		£25.00	3.80%
	Baby grave - private non-resident	Each	£1,950.00		£2,000.00		£50.00	2.60%
	Desk Vase Tablet cremated remains plot for 2 set of ashes	Each	£710.00		£740.00		£30.00	4.20%
	Desk bar non resident cremated remains	Each	£1,935.00		£2,000.00		£65.00	3.40%
	Please note the following charges payable for exclusive right of burial in any grave or vault will be trebled in the case of any person who was not an							
	Extension to lease for exclusive rights of burial for 10yrs period on lawn graves	Each	£260.00		£260.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 15 yrs period on lawn graves	Each	£390.00		£390.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 25yrs period on lawn graves	Each	£650.00		£650.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 10 yrs period on traditional graves	Each	£335.00		£335.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 15 yrs period on traditional graves	Each	£500.00		£500.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 25yrs period on traditional graves	Each	£840.00		£840.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 10 yrs period on Ashes plot for 2 (fee doubled for a plot for 4)	Each	£142.00		£142.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 15 yrs period on ashes plot for 2 (fee doubled for a plot for 4)	Each	£213.00		£213.00		£0.00	0.00%
	Extension to lease for exclusive rights of burial for 25 yrs period on ashes plot for 2 (fee doubled for a plot for 4)	Each	£355.00		£355.00		£0.00	0.00%
Vaulted or walled graves								
Burials New graves and interment fees for persons aged under 18 years are charged directly to the CFF (Children's Funeral Fund for England) and not to residents/customers.	Charges to be individually agreed with the Cemeteries Manager according to size and depth of graves where an exclusive right of burial has been							
	Dig Fee (including CFF claims) for interment of a Body parts, NVF, Stillborn and child (under 18yrs old)	Each	£335.00		£350.00		£15.00	4.50%
	If the body is that of a person aged 18 years or over	Each	£1,039.00		£1,075.00		£36.00	3.50%
	Traditional interment	Each	£1,417.00		£1,475.00		£58.00	4.10%
	Cremated remains in an existing grave or a cremated remains plot	Each	£200.00		£220.00		£20.00	10.00%
	Dig Fee to be claimed from CFF for interment of cremated remains stillborn to <5 years old	Each	£30.00		£35.00		£5.00	16.70%
	Dig Fee to be claimed from CFF for interment of cremated remains of a child aged 5-17yrs old	Each	£45.00		£50.00		£5.00	11.10%
	Cremated Remains returned from elsewhere for Burial	Each	£65.00		£65.00		£0.00	0.00%
	For any burial below 6 feet in depth an additional charge will be made per burial	Each	£350.00		£350.00		£0.00	0.00%
	Additional service time where overrun affects next service or requires overtime working.	Each	£200.00		£200.00		£0.00	0.00%
Additional depth for child under 18	Each	£210.00		£215.00		£5.00	2.40%	
Common grave	In a grave where an exclusive right of burial has not been granted:							
	If the body is that of a stillborn child or NVF	Each	£0.00		£0.00		£0.00	0.00%
	If the body is that of a person under 18 years of age.	Each	£335.00		£345.00		£10.00	3.00%
	If the body is that of a person aged 18 years or over (Public Health)	Each	£1,039.00		£1,080.00		£41.00	3.90%
Monuments, Gravestones, Tablets and Stone kerbs	For the right to erect any gravestone or monument on a grave space:							
	Traditional	Each	£335.00		£335.00		£0.00	0.00%
	Lawn, Park and Mayfield Cemetery	Each	£230.00		£230.00		£0.00	0.00%
	Park cremated remains section flat stone, baby graves & DVT's	Each	£90.00		£90.00		£0.00	0.00%
	Cremated Remains Headstone Section	Each	£90.00		£90.00		£0.00	0.00%
	Additional works/inscription	Each	£78.00		£78.00		£0.00	0.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Resources

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
Other fees and charges	Transfer of grant of exclusive right of burial	Each	£100.00	£120.00	£100.00	£120.00	£0.00	0.00%
	Search Fee - up to 4 records per enquiry	Each	£18.00	£21.60	£18.00	£21.60	£0.00	0.00%
	Search Fee - for 1 record	Each	£5.50	£6.60	£5.50	£6.60	£0.00	0.00%
	Exhumation of Cremated Remains	Each	£300.00		£300.00		£0.00	0.00%
	Use of chapel prior to burial for stillborn child or a child under 18 years old	Each	£100.00		£100.00		£0.00	0.00%
	Chapel Fee Prior to a Burial for person over 18 years old (including overrun	Each	£565.00		£590.00		£25.00	4.40%
	Administration Fee for Public Health Funeral	Each	£300.00	£360.00	£325.00	£390.00	£25.00	8.30%
	Charge for provision of a Quran grave	Each	Price on Application		Price on Application			
	Bench Maintenance (Powerwash and treatment with teak oil)	Each	£80.00	£96.00	£80.00	£96.00	£0.00	0.00%
	Grave Maintenance	Each	Price on Application		Price on Application			
Webcast Services	Live+On-Demand Webcast for up to 28 days	Each	£50.00	£60.00	£50.00	£60.00	£0.00	0.00%
	Digital download when ordered alongside service recording	Each	£8.33	£10.00	£8.33	£10.00	£0.00	0.00%
	Keepsake digital download or recorded service when ordered as standalone	Each	£41.67	£50.00	£41.67	£50.00	£0.00	0.00%
	Keepsake Physical copy of Webcast recording on DVD, USB memory stick also available on Blue-ray & audio cd	Each	£50.00	£60.00	£50.00	£60.00	£0.00	0.00%
	Additional Keepsake Physical copy CD, DVD, Blu-ray or USB	Each	£26.67	£32.00	£26.67	£32.00	£0.00	0.00%
Visual Tributes	Single Photo	Each	£12.50	£15.00	£12.50	£15.00	£0.00	0.00%
	Slideshow (up to 25)	Each	£43.33	£52.00	£43.33	£52.00	£0.00	0.00%
	Photo Tribute (up to 25)	Each	£65.00	£78.00	£65.00	£78.00	£0.00	0.00%
	Additional 25 photos	Each	£23.33	£28.00	£23.33	£28.00	£0.00	0.00%
	Self Build Checking	Each	£20.00	£24.00	£20.00	£24.00	£0.00	0.00%
	Family supplied Tribute	Each	£28.33	£34.00	£28.33	£34.00	£0.00	0.00%
	Late fees	Each	£18.33	£22.00	£18.33	£22.00	£0.00	0.00%
	Additional Time for tributes etc:							
	Downloadable copy of Pro Photo tribute	Each	£11.67	£14.00	£11.67	£14.00	£0.00	0.00%
	Extra Work required on tributes/Personalisation	Each	£23.33	£28.00	£23.33	£28.00	£0.00	0.00%
	Themed Tribute	Each	£82.50	£99.00	£82.50	£99.00	£0.00	0.00%
	Video Book	Each	£79.17	£95.00	£83.33	£100.00	£4.16	5.30%
	Additional Memory Box	Each	£62.50	£75.00	£62.50	£75.00	£0.00	0.00%
	Memory Box	Each	£108.33	£130.00	£108.33	£130.00	£0.00	0.00%
Other fees and charges	Additional Memory Box	Each	£83.33	£100.00	£83.33	£100.00	£0.00	0.00%
	Retention of Ashes after 2 month	Each	£73.33	£88.00	£73.33	£88.00	£0.00	0.00%
	Bronze Plaque refurbish single (in situ)	Each	£25.00	£30.00	£25.00	£30.00	£0.00	0.00%
	Bronze Plaque refurbish double (in situ)	Each	£41.67	£50.00	£41.67	£50.00	£0.00	0.00%
	Memorial Service Only in chapel	Each	£565.00		£565.00		£0.00	0.00%
	Service over run charge (if affects next service or incurs overtime)	Each	£565.00		£585.00		£20.00	3.50%
Reading Cemetery	NO NEW GRAVE SPACES AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley Road							
Caversham Cemetery	NO NEW GRAVE SPACES AVAILABLE. Charges for burials into existing graves and all other fees and charges are the same as for Henley Road							
REGISTRATION SERVICE								
Registration Service	Notice of marriage or partnership	Per Person	Statutory		Statutory			
Registration Service (First Tuesday of the month)	Registrar's attendance at Register Office marriage or civil partnership	Per couple	Statutory		Statutory			
Registration Service	Registrar's attendance at outside church	Per couple	Statutory		Statutory			
	Attendance at place of detention or house for notice of marriage or partnership	Per couple	Statutory		Statutory			
	Attendance at place of detention or house for notice of marriage or partnership (higher fee if referral to Home Office Immigration is required)	Per couple	Statutory		Statutory			
	Notice of No Impediment (Marriage)	Per couple	Statutory		Statutory			
	Notice of No Impediment (Civil Partnership)	Per couple	Statutory		Statutory			
	Out of Hours pre-arranged appointment fee	Per booking	Statutory		Statutory			
	Civil Partnership Conversion to Marriage - Standard Procedure (Reading Register Office)	Per booking	Statutory		Statutory			
Certificates	Registration Certificate	Per Certificate	Statutory		Statutory			
	Express Service Certificate	Per Certificate	Statutory		Statutory			
	Presentation Wallet	Per Wallet	£3.33	£4.00	£3.33	£4.00	£0.00	0.00%
	Celebratory Certificate	Per Certificate	£6.67	£8.00	£7.08	£8.50	£0.41	6.10%
Statutory Correction Application Fee	Correction completed by Register office	Per correction	Statutory		Statutory			
	Correction referred to General Register Office	Per correction	Statutory		Statutory			
	Amendment to birth record with 12 months of registration (space 17 amendment)	Per correction	Statutory		Statutory			
Foreign Divorce Checking fee	The administration of foreign divorces when giving notice of marriage or CP.	Per Person	Statutory		Statutory			
Citizenship Ceremonies	Individual Citizenship Ceremony at The Town Hall (up to max of 10 people)	Per Person	£131.67	£158.00	£145.83	£175.00	£14.16	10.80%
	Friday & Saturday Individual Citizenship Ceremony at the Town Hall (up to max of 10 people)	Per Person	£155.83	£187.00	£171.67	£206.00	£15.84	10.20%
Approved Premises marriages - (9am to 5pm)	Monday to Thursday (9am to 5pm)	Per Couple	£367.50	£441.00	£385.83	£463.00	£18.33	5.00%
	Friday & Saturday (9am to 5pm)	Per Couple	£422.50	£507.00	£444.17	£533.00	£21.67	5.10%
(Min of 2, 3 staff required. Register	Sunday & Bank Hols (9am to 5pm)	Per Couple	£455.00	£546.00	£479.17	£575.00	£24.17	5.30%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Resources

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
Approved Premises Marriages - After 5pm (Min of 2-3 staff required, Registrar Forbury Room (was SR Office) Main Ceremony Room: Reading Museum & Town Hall (Marriages / Civil Partnerships) (Only to 4pm as Town Hall closes) Renewal of Vows & Baby Naming (1 member of staff required)	Venue: Monday to Thursday	Per Couple	£394.17	£473.00	£414.17	£497.00	£20.00	5.10%
	Venue: Friday & Saturday	Per Couple	£428.33	£514.00	£450.00	£540.00	£21.67	5.10%
	Venue: Sunday & Bank Hols	Per couple	£458.33	£550.00	£481.67	£578.00	£23.34	5.10%
	Monday only	Per couple	N/A	N/A	£100.00	£120.00	NEW	NEW
	Monday to Thursday	Per Couple	£197.50	£237.00	£206.67	£248.00	£9.17	4.60%
	Friday & Saturday	Per Couple	£266.67	£320.00	£280.00	£336.00	£13.33	5.00%
	Sunday & Bank Hols	Per Couple	£455.00	£546.00	£477.50	£573.00	£22.50	4.90%
	Monday to Thursday	Per Ceremony	£156.67	£188.00	£156.67	£188.00	£0.00	0.00%
	Friday & Saturday	Per Ceremony	£183.33	£220.00	£183.33	£220.00	£0.00	0.00%
	Sunday & Bank Hols	Per Ceremony	£211.67	£254.00	£211.67	£254.00	£0.00	0.00%
	Any Venue	Per Ceremony	£249.17	£299.00	£249.17	£299.00	£0.00	0.00%
Approval of venues for marriages or Civil Partnerships (up to 2 rooms)	Renewal of marriage or Civil Partnership licence	Per Venue	£1,666.67	£2,000.00	£1,666.67	£2,000.00	£0.00	0.00%
Change of Name Deed	Standard Adult Name Deed	Per Person	N/A	N/A	£62.50	£75.00	NEW	NEW
	Additional Copy of Deed at time of appointment	Per copy	N/A	N/A	£8.33	£10.00	NEW	NEW
	Replacement Copy of Deed	Per copy	N/A	N/A	£20.83	£25.00	NEW	NEW
Administrative fee	For services offered on a Saturday such as Notices of Marriage	Per Person	£22.50	£27.00	£23.75	£28.50	£1.25	5.60%
	Changes to booking	Per Person	£44.17	£53.00	£45.83	£55.00	£1.66	3.80%
	Changes to appointment		£22.50	£27.00	£23.75	£28.50	£1.25	5.60%
	Booking Deposit Fee	Per Venue	£46.67	£56.00	£46.67	£56.00	£0.00	0.00%
GIS - MAPPING								
Street Naming & Numbering	New addresses	Each	£54.17	£65.00	£56.34	£67.60	£2.17	4.00%
	New streets	Each	£310.83	£373.00	£323.26	£388.00	£12.43	4.00%
LEGAL SERVICES								
Right to Buy	Engrossment Fee (Freehold)	Per Transfer	£81.67	£98.00	£81.67	£98.00	£0.00	0.00%
	Engrossment Fee (Leasehold)	Per Lease	£93.33	£112.00	£93.33	£112.00	£0.00	0.00%
Requisition (LLC1) Postal	Search using LLC1 form only	Per search	£36.67	£44.00	£37.00		£0.33	0.90%
Standard Enquiries (CON29) Postal	Search using CON29 form only	Per search	£95.00	£114.00	£97.50	£117.00	£2.50	2.60%
Full Search (LLC1 & CON29)	Search using LLC1 and CON29 form	Per search	£125.83	£151.00	£128.35	£154.00	£2.52	2.00%
CON29O (questions 4 - 21)	Search using CON29O form	Per question	£12.00	£14.40	£12.00	£14.40	£0.00	0.00%
CON29O (question 22)	Search using CON29O form	Per question	£14.00	£16.80	£14.00	£16.80	£0.00	0.00%
CON29O admin/flat fee (if requesting CON29O questions only with no LLC1 and CON29)	Search using CON29O form	Per search	£15.00	£15.00	£15.00	£15.00	£0.00	0.00%
Additional Parcel Fee (LLC1)	Search using LLC1 & CON29 form	Per additional parcel	£5.00		£5.00		£0.00	0.00%
Additional Parcel Fee (CON29)	Search using LLC1 & CON29 form	Per additional parcel	£15.00	£18.00	£15.00	£18.00	£0.00	0.00%
Copy documents	Copy document	Per document	£28.33		£29.00		£0.67	2.40%
Personal Search	Search	Per property	£4.00		£4.00		£0.00	0.00%
Deferred Payment Agreement	Flat fee and hourly rate (pay rate)	Per Agreement	£595.83		£650.00		£54.17	9.10%
Legal Fees (Commercial)	Legal Services Manager	Per Hour	£330.83		£344.00		£13.17	4.00%
	Principal Lawyer / Team Leader	Per Hour	£305.00		£317.00		£12.00	3.90%
	Senior Lawyer	Per Hour	£278.33		£289.00		£10.67	3.80%
	Lawyer	Per Hour	£220.83		£230.00		£9.17	4.20%
	Trainees and Paralegals (Grade 6+)	Per Hour	£141.67		£147.00		£5.33	3.80%
	Trainees and Paralegals (Grade 4- 5)	Per Hour	£105.00		£109.00		£4.00	3.80%
Legal Fees (Community - voluntary organisations, charities providing services to residents in Reading)	Legal Services Manager	Per Hour	£185.00		£192.00		£7.00	3.80%
	Principal Lawyer / Team Leader	Per Hour	£160.00		£166.00		£6.00	3.80%
	Senior Lawyer	Per Hour	£139.17		£145.00		£5.84	4.20%
	Lawyer	Per Hour	£110.84		£115.00		£4.16	3.80%
	Trainees and Paralegals (Grade 6+)	Per Hour	£75.00		£78.00		£3.00	4.00%
	Trainees and Paralegals (Grade 4- 5)	Per Hour	£55.00		£57.00		£2.00	3.60%
INCOME & RECOVERY								
Council Tax Summons Cost		Per Summons issued	£100.00		£100.00		£0.00	0.00%
Council Tax Liability Order Cost		Per Liability Order issued	£43.00		£43.00		£0.00	0.00%
Business Rates Summons Cost		Per Summons issued	£107.00		£107.00		£0.00	0.00%
Business Rates Liability Order Cost		Per Liability Order issued	£70.00		£70.00		£0.00	0.00%
Civil Penalties Housing Benefits		Per case identified	Statutory		Statutory			
Civil Penalties Council Tax		Per case identified	Statutory		Statutory			
DEMOCRATIC SERVICES								
Admission Appeals - Charge per appeal		Per admission appeal heard	£250.00	£300.00	£260.00	£312.00	£10.00	4.00%
School Exclusion Review Hearing		Per review heard	£1,083.33	£1,300.00	£1,126.66	£1,352.00	£43.33	4.00%
Admission Appeals - Admin Charge	Withdrawn/Settled (W/S) Appeals	Per admission appeal W/S after papers circulated	£67.50	£81.00	£70.20	£84.24	£2.70	4.00%

Appendix 9 - Proposed Fees and Charges from 1st April 2026 - Directorate of Resources

Service	Category	Charge Unit	Current Fee	Current Fee including VAT	New Fee from April 2026	New Fee including VAT	Increase/ (decrease) Excl. VAT	Increase/ (decrease) %
CUSTOMER SERVICES								
Blue Badges (New & Renewals)	Disabled Parking Badge	Each	£10.00		£10.00		£0.00	0.00%
COMMUNICATIONS								
Event pitch fee	Charity	Per event	£35.00	£42.00	£36.40	£43.68	£1.40	4.00%
Event pitch fee	Charity with 10% early bird discount	Per event	£31.67	£38.00	£32.94	£39.52	£1.27	4.00%
Event pitch fee	RBC affiliated charity	Per event	£11.67	£14.00	£12.14	£14.56	£0.47	4.00%
Event pitch fee	RBC affiliated charity with 10% early bird discount	Per event	£10.83	£13.00	£11.26	£13.52	£0.43	4.00%
Event pitch fee	Community	Per event	£46.67	£56.00	£48.54	£58.24	£1.87	4.00%
Event pitch fee	Community with 10% early bird discount	Per event	£42.50	£51.00	£44.20	£53.04	£1.70	4.00%
Event pitch fee	Commercial	Per event	£117.50	£141.00	£122.20	£146.64	£4.70	4.00%
Event pitch fee	Commercial with 10% early bird discount	Per event	£105.83	£127.00	£110.06	£132.08	£4.23	4.00%
Event pitch fee	Food trader	Per event	£176.67	£212.00	£183.74	£220.48	£7.07	4.00%
KENNET DAY NURSERY								
3 yrs and over - RBC	AM or PM Sessions are charged at half the daily rate. Siblings are entitled to a £2 per day reduction.	Daily rate (2 sessions)	£66.00		£69.30		£3.30	5.00%
Under 3 yrs - RBC		Daily rate (2 sessions)	£68.00		£71.30		£3.30	4.90%
3 yrs and over - Non RBC		Daily rate (2 sessions)	£72.50		£76.10		£3.60	5.00%
Under 3 yrs - RBC		Daily rate (2 sessions)	£74.50		£78.10		£3.60	4.80%
LEARNING AND WORKFORCE DEVELOPMENT								
Training	Places on training for school staff (1 day)	Per place	£74.00		£78.00		£4.00	5.40%

Appendix 10 – Summary of Equality Impact of Budget Business Cases			
Business Case Reference	Business Case Title	Proposal (preferred option)	Summary of initial Equality Impact Assessment (NB: Services will complete further assessments, where required)
Revenue			
BFFC-2627-02	SEND Team Capacity	Expand the team in a way that creates an effective, sustainable SEND service for Reading. It is proposed that the SEND team be reorganised and increased by two members of staff (£110k) and with commissioned new tools for EHCP completion and annual reviews (£15k).	Positive impact on children with disabilities by enhancing support available to them in Reading.
BFFC-2627-04	Participation of young people in education, employment or training	Explore potential for employer contributions to help fund service delivery, alongside the development of IT systems to improve the efficiency and accuracy of tracking EET (Education, Employment, and Training) destinations.	The current service supports disabled children. However, the preferred option does not involve any changes or reduction to the service delivered to young people.
BFFC-2627-05	Children with Disabilities Revenue	Development of children's homes including looking for properties on the open market which has not yet been identified and carry out the associated works to develop into 4 bed children with disabilities home.	This initiative is expected to have a positive impact on Reading's disabled children in care who would be able to remain living locally.
BFFC-2627-06	Fostering, Kinship, Permanence & Adoption - capacity and demand	Merging BFFC's Kinship, Permanence & Adoption and IFA Team to create one combined RBC Kinship, Fostering & Adoption Service. This will increase the number of our cared for children who are able to live locally, in cost efficient family homes. In total this option proposes 5.29 FTE new posts. This option requires an investment of £392k to support kinship placements (avoiding costly fostering and residential care).	Care experience is a protected characteristic identified by the Council to be considered in EIAs and this proposal is likely to have a positive impact on this group through improving the resourcing of the service.
BFFC-2627-07	Charging policy for children in care	This proposal explores introducing a formal charging policy for parents whose children are voluntarily accommodated under Section 20 of the Children Act 1989. This policy proposes to recoup a contribution from parents, towards their child's maintenance when accommodated under section 20 of the Children Act 1989 where it is considered reasonable to do so.	The proposal includes some exemptions, including where parents are claiming Income Support, Family Credit or Disability Allowance. Consideration will be given to groups of parents that will be affected differently and mitigating actions that maybe required.

Appendix 10 – Summary of Equality Impact of Budget Business Cases			
Business Case Reference	Business Case Title	Proposal (preferred option)	Summary of initial Equality Impact Assessment (NB: Services will complete further assessments, where required)
BFFC-2627-14	Education Psychology Service	Additional income generation to the sum of £96k by efficient planning of traded support in quieter period of statutory provision and cease delivery of Primary Mental Health services, following loss of funding from the Integrated Care Board (ICB).	The proposal would reduce the capacity in the Educational Psychology Service to provide non-traded services. However, the risks are assessed as low impact and mitigations will be put in place. The ICB are completing an Equality Impact Assessment regarding the reduction in Primary Mental Health services and are confident that the needs of children will be met through alternative routes.
BFFC-2627-17	Review of Market Supplements - Children's Social Care	Market forces allowances (MFAs) are awarded to social workers, fostering social workers, assistant team managers, team managers and service managers of social work teams and OTs. The proposal is to Review MFA allocation for Team Managers and Fostering Social Workers.	This proposed review would affect pay for some members of staff and further work will be undertaken to understand the full equality impacts and any mitigating actions that may be required.
DCASC-2627-13	Homelessness Support Services	10% (£93,200 per annum) reduction in funding across Homelessness Support Services from September 2027.	The initial assessment suggests that there is no evidence or reason to believe that some groups may be affected differently than others. A reconfigured service could impact single people, couples and potentially households (including families) at risk of homelessness; however, it will not have a disproportionate effect on any specific groups with protected characteristics, nor is there public concern about potentially discriminatory practices/impact on the cohort that accesses Homelessness Support Services.
DEGNS-2627-26	Simpler Recycling –	This proposal concerns how the council will implement the “Simpler recycling” legislation to collect flexible plastics (including bags, wrappers, foil-lined packaging, film lids, bubble	Some groups may be affected differently to others. Older people may struggle to get to hubs to pick up bags, or to order these online. Mitigations will likely

Appendix 10 – Summary of Equality Impact of Budget Business Cases			
Business Case Reference	Business Case Title	Proposal (preferred option)	Summary of initial Equality Impact Assessment (NB: Services will complete further assessments, where required)
	Flexible Plastics	wrap and cling film) from all the kerbside of all households by 31st March 2027.	include encouraging family and friends to obtain bags on behalf of those for whom this is difficult.
DEGNS-2627-27	Simpler Recycling - Glass Collection	This proposal outlines plans to introduce a kerbside collection of glass from all domestic properties as part of the Simpler Recycling government initiative to standardise and simplify household and business recycling services across England, ending confusion over what can and cannot be recycled by implementing a common set of recyclable materials for all homes and workplaces.	Potential negative impacts (relating to physical handling challenges due to age, disability, pregnancy, or storage limitations) will be mitigated effectively with: ○ Assisted collections ○ Provision of alternative or additional containers ○ Accessible information and communication channels
DEGNS-2627-29	Enhanced Power Reduction/ Dimming of Streetlights	Reducing power / dimming streetlighting from the current 70% at 'dusk' to 9pm, then reduce power to 50% between 9pm and 5.30am, then back up to 70% to 'Dawn' in selected residential streets.	For the preferred option the service is delivered to all residents of Reading, and no changes are proposed in this service delivery.
DEGNS-2627-16	Allotment Full Cost Income	After consultation and notice period (1 year), to apply in April 2027 at the latest, a reform of tenancy rental charging and revision of tenancy agreement to facilitate full cost recovery of associated rental, water use and waste disposal.	Increased rents and service charges could disproportionately affect residents on low incomes, including pensioners, disabled people, and those in receipt of means-tested benefits. As administration moves to digital systems, there is a risk that some residents, particularly older tenants or those without digital access, may face barriers in managing their tenancy or accessing information. An EIA is therefore required.

Appendix 10 – Summary of Equality Impact of Budget Business Cases			
Business Case Reference	Business Case Title	Proposal (preferred option)	Summary of initial Equality Impact Assessment (NB: Services will complete further assessments, where required)
HRA-2627-03	Service Charge Review	Increase existing service charges to align with the cost of services.	Increased charges will have an impact on tenants. Approximately 70% of tenants currently receive full/partial housing benefit or universal credit. The increase may put added financial pressure on some of our tenants, however, the specialist income recovery teams are well versed in responding and supporting tenants whose income and expenditure change on a regular basis due to changes of circumstance. The officers will look at each tenant situation and provide tailored assistance to ensure that priority bills are paid.
HRA-2627-01	Awaab's Law Damp & Mould - Additional Resourcing	Provide additional staffing resource to ensure the Housing Service can fulfil the Law requirements and ensure tenants are provided with support and updates. This investment in the staffing levels will provide the resources we need to fulfil the new duties as well as being in a position to continue to provide advice and guidance to tenants to also prevent damp and mould occurring.	Change likely to have a positive impact on tenants. All residents that require a Damp & Mould service will receive it therefore no negative impact identified under the Public Sector Equality.
Capital & Revenue			
DEGNS-2627-CAP02 (DEGNS-2627-EOI02)	Hexagon Investment	This proposal is seeking match funding of £115,250 in the event we are successfully awarded a capital grant from Arts Council England of £2,068,000 for new seating, drainage and fire stopping works at the Hexagon. This capital business case is to underwrite the £115,250 needed if we are unsuccessful with the fundraising by the time the funds are needed.	No negative impact identified under the Public Sector Equality. New seats will provide better access for customers with disabilities or who have mobility difficulties.

Appendix 10 – Summary of Equality Impact of Budget Business Cases			
Business Case Reference	Business Case Title	Proposal (preferred option)	Summary of initial Equality Impact Assessment (NB: Services will complete further assessments, where required)
DEGNS-2627-CAP07 (DEGNS-2627-EOI07)	Safe and People-Friendly Streets and Spaces	Changes to public realm to enhance movement through the town centre for pedestrians will involve consideration of access and mobility issues for different user groups through design development. The design will also consider safety mitigations for residents and visitors.	No negative impact identified under the Public Sector Equality Duty at this stage, but some mitigations may affect access to pedestrianised areas at which point further consideration of equalities will be needed.
Capital			
DEGNS-2627-CAP12	180 Place SEND school across Whitley Park and Ridgeway	Refurbishment and extension on both school sites to provide 180 SEN places.	Likely to have a positive impact on children with disabilities as defined under the Equality Act through expanded service provision.
DEGNS-2627-CAP13	Children's Homes Refurbishment Works	Three homes require extra safeguarding, anti-ligature and security features to enable them to meet OFSTED's requirements to sign them off prior to being occupied by staff and children	Care experience is a protected characteristic for Reading Borough Council, and this would have a positive impact on Reading's children in care.

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Appendix 11 – Summary of the Response to the Budget Engagement 2026/27

Introduction

The engagement ran from 19th December 2025 to 17th January 2026. The survey was available online via the Council's consultation platform (GoVocal). Paper copies were also made available at each of the Council's libraries.

285 responses were received. This compares with 178 responses last year.

The engagement was promoted via the following channels:

- residents' weekly email
- online citizens' panel
- RBC social media
- a number of the Council's working groups and forums
- voluntary sector partners
- South Reading newsletter
- Community Health Champions bulletin
- head teachers briefing
- RVA newsletter

Posters were also sent to services for display in:

- libraries
- museum
- community centres
- leisure centres
- cultural venues
- Whitley Community Café
- supermarkets
- Broad St Mall

Summary

- Residents were split over whether to increase Council Tax by the proposed amount. 50.5% of respondents were opposed, while 49.5% were in favour. This compares with 39.3% opposed and 60.1% in favour last year.
- Residents were most comfortable with reducing spending on central services (customer services, human resources, finance, legal, digital and technology) and executive management team and communications. Around two-thirds of residents placed these areas in their top 3 areas for reducing spending.
- Residents were much more divided in their opinions about where they would be least comfortable reducing spend.
- 84.2% of respondents supported a 4.8% increase in social housing rents.
- The free text comments elicited a wide range of suggestions.

Results

1. Should the Council look to increase Council Tax by 2.99% plus 2.00% Adult Social Care precept (an increase of £2.03 per week for a Band D property) to reduce the financial gap for 2026/27?

285/285 - Multiple choice - choose one - required

No 50.5% (144 choices)



Yes 49.5% (141 choices)



2. Which 3 areas, shown in the list below, would you be MOST comfortable with the Council reducing spending on?

285/285 - Multiple choice - choose many - required

(Net budget for 2026/27 shown in brackets.)

Central services (customer services, human resources, finance, legal, digital and technology) (£24.6 million) 70.2% (200 choices)



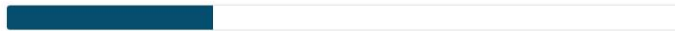
Executive management team and communications (£1.6 million) 67.4% (192 choices)



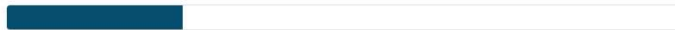
Adult social care (home care, residential care, occupational therapy, carer support) (£72.9 million) 35.4% (101 choices)



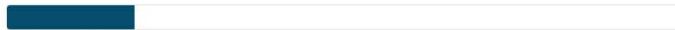
Property (including community facilities), assets, and sustainability (£1.3 million) 30.5% (87 choices)



Children's social care (child protection, fostering, adoption, family support) (£58.0 million) 26% (74 choices)



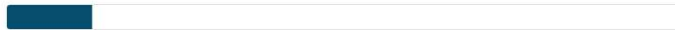
Culture (libraries, leisure centres, Hexagon) (£2.5 million) 18.9% (54 choices)



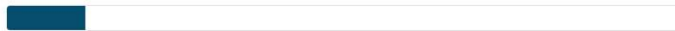
Education (school admissions, SEND support, school transport) (£5.5 million) 15.8% (45 choices)



Housing, homelessness, and community safety (£5.9 million) 12.6% (36 choices)



Planning, transport, and public protection (food safety, licensing, trading standards) (£1.6 million) 11.6% (33 choices)



Environmental services (roads, parking, waste management, street cleaning, parks) (£16.3 million) 11.6% (33 choices)



3. Which 3 areas, shown in the list below, would you be LEAST comfortable with the Council reducing spending on?

285/285 - Multiple choice - choose many - required

(Net budget for 2026/27 shown in brackets.)

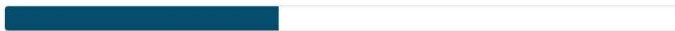
Children's social care (child protection, fostering, adoption, family support) (£58.0 million) 49.8% (142 choices)



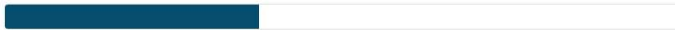
Environmental services (roads, parking, waste management, street cleaning, parks) (£16.3 million) 47.7% (136 choices)



Adult social care (home care, residential care, occupational therapy, carer support) (£72.9 million) 40.4% (115 choices)



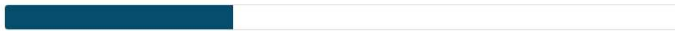
Housing, homelessness, and community safety (£5.9 million) 37.5% (107 choices)



Education (school admissions, SEND support, school transport) (£5.5 million) 36.5% (104 choices)



Planning, transport, and public protection (food safety, licensing, trading standards) (£1.6 million) 33.7% (96 choices)



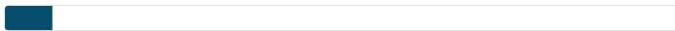
Culture (libraries, leisure centres, Hexagon) (£2.5 million) 31.2% (89 choices)



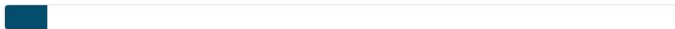
Property (including community facilities), assets, and sustainability (£1.3 million) 9.8% (28 choices)



Central services (customer services, human resources, finance, legal, digital and technology) (£24.6 million) 7% (20 choices)



Executive management team and communications (£1.6 million) 6.3% (18 choices)



4. Are there any other service areas you think the Council should consider reducing spend on?

Area	No. of responses
Transport schemes/ road changes/ public transport	6
Housing & homelessness	4
Equality & diversity initiatives	4
Management/ pay	3
Climate change/ net zero	3
Benefits	2
Road maintenance	2
Consultancy fees and agency staff	2
Catering/travel costs	2
SEND	2
Housing in hotels	2
Car park fines & enforcement	2
Central services	1
Car park fines & enforcement	1
Pensions	1
Translation	1
Digital platforms	1
Outdoor gyms	1
New library	1
Red route enforcement	1
Bus services	1
Public safety	1
Homelessness and drug addiction is an issue	1
Maintaining empty RBC assets which have been put up for sale	1
Office buildings	1
Food banks	1
Other suggestions/comments:	
Categories too broad	2
Accelerate the "Lilli" sensor pilot to reduce residential care costs	1
Introduce automated facility management system	1
Manage contracts better	1
Road design poor	1
Roads and pavements badly maintained	1
Library does not have digital newspapers	1
Reduce length of Council reports	1
Consider longer term approaches	1
Clean parks, paths and keep the town tidy by encouraging community action	1

5. Listed below are a selection of capital projects over the next 5 years that are not fully funded by grants from central government and have a net funding requirement of over £1 million. Of the projects in this list, are there any that you would stop or scale back?

272/285 - Multiple choice - choose many - optional

(Net funding requirement over the next 5 years shown in brackets.)

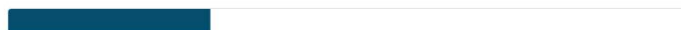
Gypsy and traveller accommodation (£3.5 million) 57.9% (165 choices)



Replacement vehicles (£8.9 million) 36.1% (103 choices)



Corporate and community buildings (£10.1 million) 29.8% (85 choices)



Cemetery land acquisition (£2.5 million) 28.4% (81 choices)



Additional burial space (£3.1 million) 28.1% (80 choices)



Corporate solar panel programme (£1.6 million) 24.6% (70 choices)



Maintenance and enhancement of Council properties (£8.7 million) 22.8% (65 choices)



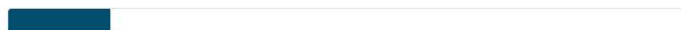
Highway traffic signals (£1.1 million) 16.1% (46 choices)



Private sector renewals - funding repairs and improvements to the private residences of vulnerable people (£1.5 million) 16.1% (46 choices)



Delivery fund (invest to save projects) (£7.5 million) 15.1% (43 choices)



ICT tech refresh (£2.5 million) 11.9% (34 choices)



Streetlighting investment (£2.3 million) 10.5% (30 choices)



Local traffic management and road safety schemes (£1.3 million) 10.2% (29 choices)



Highways infrastructure programme (£3.7 million) 8.1% (23 choices)



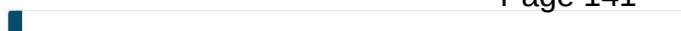
Sheltered housing and day opportunities/respite facility for people with profound and multiple learning disabilities (£1.8 million) 4.9% (14 choices)



No answer 4.6% (13 choices)



Children's home for children with disabilities (£1.1 million) 2.1% (6 choices)



6. The Government has announced a maximum increase of 4.8% on social housing rents, equivalent to £6.16 per week on the average social housing property. Do you support the Council opting for a 4.8% increase in social housing rents?

285/285 - Multiple choice - choose one - required



7. Are there any other comments you would like to make about the Council's Medium Term Financial Strategy Update?

78/285 - Long answer - optional

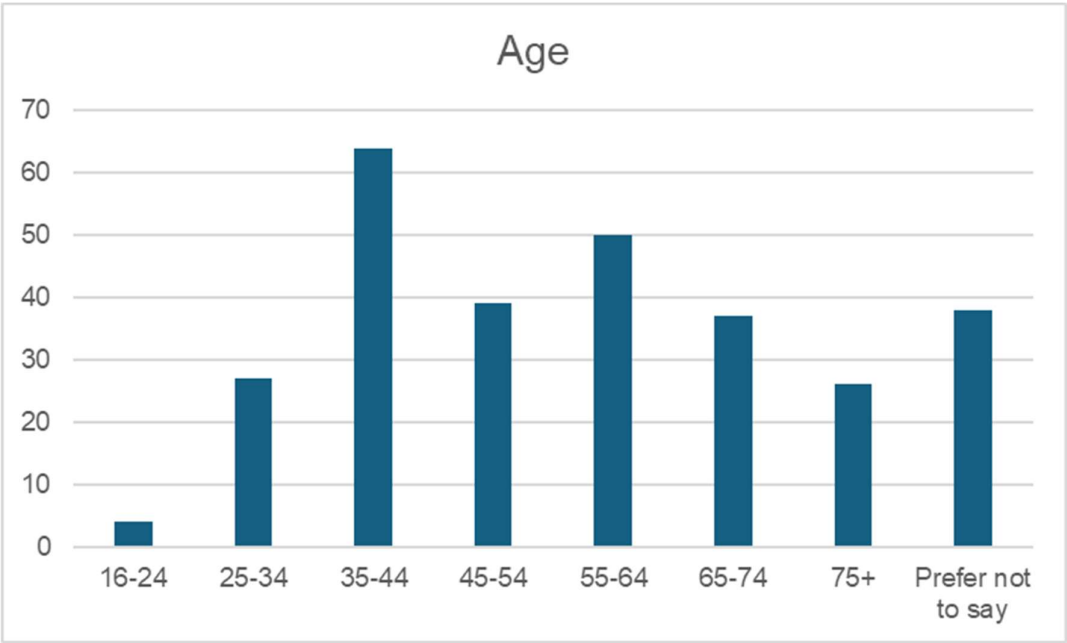
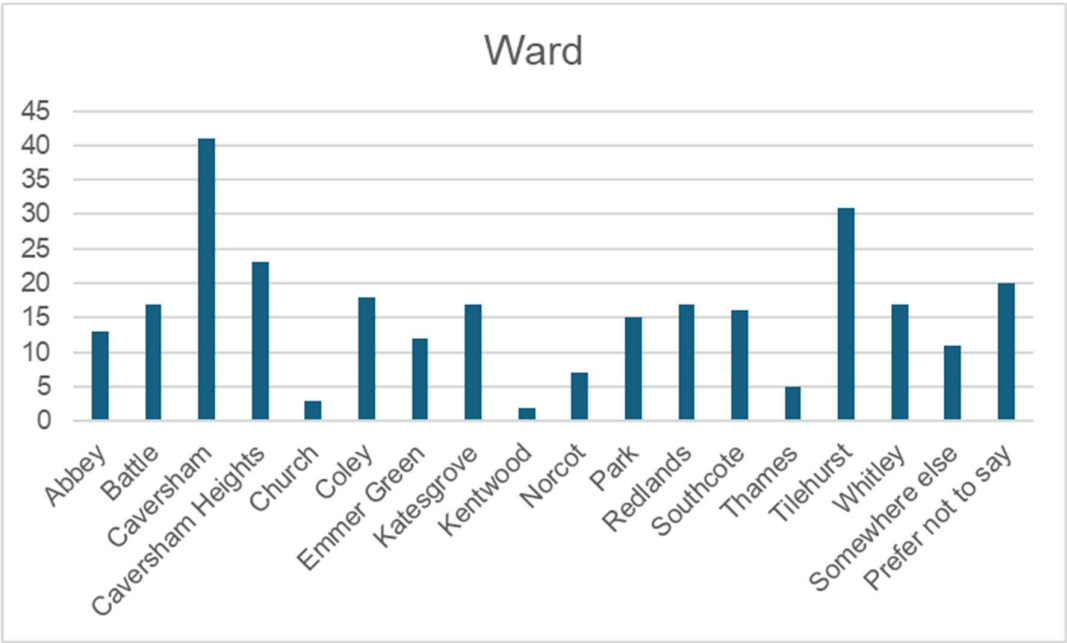
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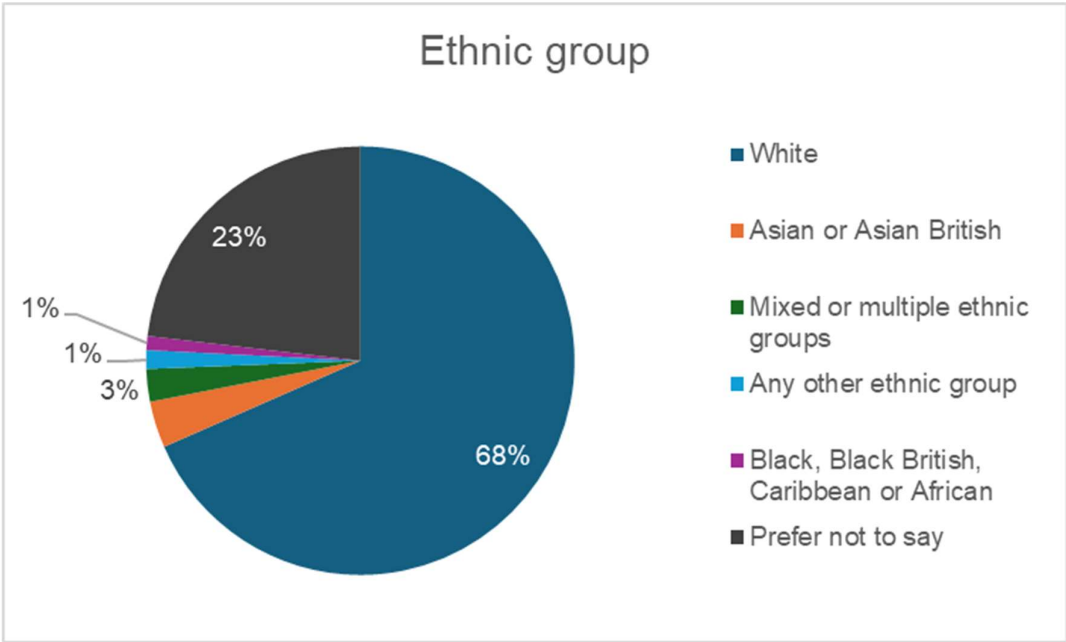
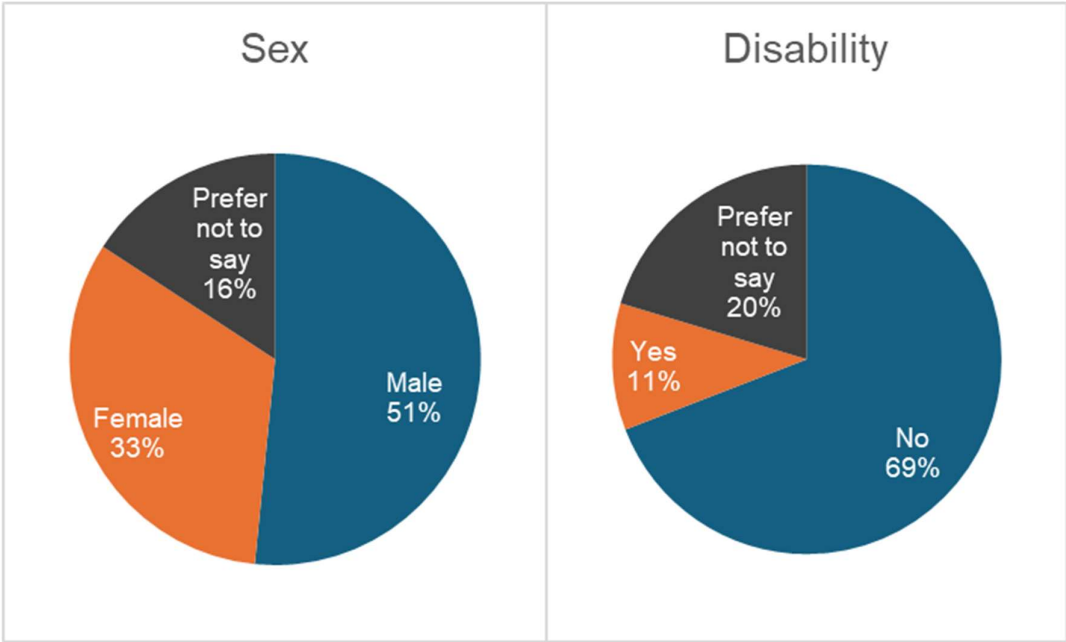
Topic	No of responses
Be more efficient and not waste money	5
Council tax should not be increased	4
Cut 'novelty'/'vanity' projects	4
Focus on the vulnerable and the majority of people not minority groups	3
Info provided too limited/ MTFS doesn't include details of specific savings proposals	3
Reduce benefits for working age/ those who can work	3
Review/ reduce number of Council jobs/ management	2
Roads and footpaths have been badly maintained	2
Road safety schemes taken forward/ zero road deaths	2
Remove/ don't spend on cycle lanes	2
Don't increase social housing rents	2
Central govt need to resolve funding issues	2
Get developers to make greater contributions to the town's funds/ support the local services	2
Permanent maintenance and repair staff instead of using contractors	1
Establish robust reporting processes	1
Optimise office spaces	1
Digitise physical records	1
Does the council have an internal business improvement team?	1
Use local providers	1
Commission an asset capture and condition process	1
Improve maintenance operations	1
Concern budget gap is being addressed too heavily through reserve drawdowns rather than structural modernisation.	1
Prioritise 'Invest to Save' initiatives	1
Utilise grant schemes	1
Encouraging to see investment in publicly owned assets	1
Increase revenues not through taxation	1
Deposit Return Scheme will mean cost reductions in waste collections and recycling should be possible	1

Topic	No of responses
Invest more in flytipping	1
Invest in repainting road markings	1
Ensure bins emptied and the streets clean	1
Reduce spending on highways	1
Reduce pollution	1
Reduce the per capita per night expenditure on accommodation for young adults in care	1
Stop funding drug rehab programs	1
Focus on drug rehabilitation for homelessness	1
Reduce ASC costs	1
Ring-fence a portion of the proposed 2% Adult Social Care Precept to accelerate the full-scale rollout of the 'Lilli' preventative sensor technology.	1
Cut spending on taxis for SEND children	1
Congestion in Reading is terrible	1
Maintain older vehicles instead of replacing them	1
Stop spending on traffic projects	1
Convert some of vehicle fleet into active travel	1
Road design poor	1
Improvements to public transport services should be prioritised	1
Reduce transport-related waste	1
Further encourage sustainable transport	1
Allow residents to pay for parking permits to increase revenue	1
Introduce bridge toll charge for non residents/ lorries	1
New bus lanes are causing chaos	1
The town centre has been destroyed by bad planning	1
Reduce business rates and parking rates to encourage more businesses and shoppers into Reading	1
Invest in revitalising the high street	1
Skip all the plans to impose Urban Vehicle Access Regulations (UVARs) into Reading town.	1
Ensure derelict buildings in central Reading are converted into housing	1
Proposed reduction to Culture budget is disproportionate and avoidable and undermines the civic fabric and place identity.	1
Reduce libraries	1
Library still does not have access to digital newspapers	1
Re-look at/ increase social housing costs	1
Increase council tax by more than 5%	1
CT payers are struggling	1
Invest in support to communities to take action in their local area	1
Get people struggling to get into work to give back to their community	1
Use community service for some services	1
Invest in more EVs and solar panels. Seek Corporate Power Purchase Agreements	1
Abandon any environmental initiatives.	1
Reduce spending on hotels for migrants	1
Stop travellers camping	1
Abandon any inclusivity initiatives.	1
Suggest a public reading of MTFS so that it is better understood	1

Topic	No of responses
Publish your annual reports broken down by service area	1
Make residents aware of the budget situation	1
Create citizens assemblies to discuss savings	1
Reduce budget on homelessness and housing	1
Don't invest in outdoor gyms; invest in proper gyms	1
Invest in our children	1
Invest on preventing antisocial behaviour, homelessness etc	1
Increase business rates for gambling establishments and slot machine venues.	1
Don't delete the Staff Club Administrator post	1
No noticeable improvement for council tax paying citizens	1

Demographic profile of respondents





Council

24 February 2026



Reading
Borough Council
Working better with you

Title	Capital Strategy 2026/27
Purpose of the report	To make a decision
Report status	Public report
Report author	Darren Carter, Director of Finance
Lead Councillor	Councillor Terry, Leader of the Council
Corporate priority	Our Foundations
Recommendations	1. That Council approve the adoption of the Capital Strategy attached as Appendix 1; 2. That Council note the updated Action Plan that forms Annex D of the Capital Strategy (Appendix 1) together with the associated financial implications.

1. Executive Summary

- 1.1. The Chartered Institute of Public Finance and Accountancy' (CIPFA) revised Prudential Code for Capital Finance in Local Authorities 2021 requires local authorities to produce a Capital Strategy on an annual basis which must be approved by Council.
- 1.2. The Capital Strategy 2026/27 attached at Appendix 1 meets the statutory requirements and has been updated where required. However, there are no material changes from the Capital Strategy 2025/26.

2. Policy Context

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

3. The Proposal

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

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

4. Contribution to Strategic Aims

- 4.1. The Council Plan 2025-2028 was adopted by Council in March 2025. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website ([Council Plan- 2025 to 2028 - Reading Borough Council](#)). These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical. A 2026-2027 update to the Council Plan will be presented to Council in March 2026.
- 4.2. The Capital Strategy provides a link between the Council Plan and the development of the Capital Programme as well as setting out the approach taken to asset management to ensure that these fit with the Council's priorities.

5. Environmental and Climate Implications

- 5.1. There are no environmental or climate implications arising directly from this report; these are set out in the 2026/27 Budget and Medium Term Financial Strategy 2026/27 – 2028/29 Report which appears elsewhere on the agenda.

6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 18th December 2025 until 17th January 2026. The feedback from this engagement, alongside the feedback from the Residents' Survey 2025 is set out in the main body and appendices

of the 2026/27 Budget and Medium Term Financial Strategy 2026/27 – 2028/29 Report which appears elsewhere on the agenda.

7. Equality Implications

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

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

7.2. An initial Assessment of the proposals as set out in the MTFS (including the Capital Programme) has been undertaken and Appendix 10 to the 2026/27 Budget & Medium Term Financial Strategy 2026/27-2028/29 Report, which appears elsewhere on the agenda, sets out the individual budget proposals where specific equality impact assessments will need to be undertaken prior to implementation.

7.3. Additionally, when considering changes to service provision, local authorities are under a duty to consult representatives of a wide range of local stakeholders. Authorities must consult representatives of council tax payers, those who use or are likely to use services provided by the authority and those appearing to the authority to have an interest in any area within which the authority carries out functions. The consultation on the MTFS Update proposals assists with this requirement.

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

8. Other Relevant Considerations

8.1. There are none.

9. Legal Implications

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

10. Financial Implications

10.1. The Council's capital expenditure requirements are set out within the Strategy attached at Appendix 1. The financial implications of the Council's Capital expenditure plans are set out in the 2026/27 Budget and Medium Term Financial Strategy 2026/27 – 2028/29 Report and Treasury Management Strategy Statement which appear elsewhere on the agenda.

10.2. All schemes included in the approved Capital Programme over £2.5m, including those planned to start in 2026/27, require spend approval from the responsible Committee or Council, with the exception of expenditure on rolling programmes of routine capital expenditure.

11. Timetable for Implementation

11.1. Not applicable.

12. Background Papers

12.1. There are none.

Appendices

1. Capital Strategy 2026/27

Appendix 1 – Capital Strategy 2026/27

February 2026

Contents

1. Introduction
2. Context
3. Approach to Capital Investments
4. Asset Management Planning
5. Capital Programme (2026/27 – 2030/31)
6. Financing the Capital Programme
7. Governance
8. Risk Management
9. Treasury Management
10. Action Plan

Annex A - Schedule of Properties Available for Disposal

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

Annex C – Prioritisation Matrix

Annex D - Action Plan

1. Introduction

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

2. Context

- 2.1. The Council's Capital Strategy provides an overview of where and how the Council intends to deploy its capital resources to support delivery of its strategic aims as set out in the Council Plan 2025-2028 ([Council Plan- 2025 to 2028 - Reading Borough Council](#)). The Capital Strategy will help shape Reading's future and facilitate the delivery of the Council's agreed priorities, which are:
 - 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; and
 - Ensure Reading Borough Council is fit for the future
- 2.2. The Capital Strategy also needs to be read in conjunction with other strategic documents such as the Medium-Term Financial Strategy, the Council's Asset Management Plans and the Treasury Management Strategy Statement (TMSS).

Legislative Changes

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

Demographic Changes

- 2.4. Demographic growth is one of the key drivers of demand for Council services and consequently cost pressures. Whilst general central government funding has seen real

terms decreases over the last decade, service demand and demographic pressures have risen.

- 2.5. According to the Office of National Statistics' 2021 census, since 2011 Reading's total population has risen by 11.9% to 174,200, one of the highest percentage increases in the South East. However, its demographic composition has changed, shifting towards an older population, with increases of 17.2% of residents aged 65+, 11.7% aged 15-64, and 8.6% aged under 15, which includes a decrease of 14.2% in the 0-4 age category. The next census will take place in 2031.
- 2.6. The Government's Plan for Change, published in December 2024, included a target to increase home building in England by 1.5 million homes during the course of this Parliament. Indicative targets also published in December 2024, as part of the outcome of a consultation on proposed reforms to the National Planning Policy Framework and other changes to the planning system, included a target for Reading of an additional 1028 homes to be built per annum, which has now changed to 997 per annum, which the Council will need to monitor against until an updated Local Plan can be adopted. However the Council's own published Draft Local Plan ([Local Plan - Reading Borough Council](#))) includes a target for 825 additional homes to be built per annum between 2023 to 2041, based on analysis of the capacity to deliver. This is currently at public examination and is potentially subject to change.
- 2.7. The consultation outcome also announced a change to place even stronger emphasis on the value of brownfield redevelopment. This has clear implications for the centre of Reading, where substantial flattened development has already taken place and more is planned, with losses of office space reflecting not only shifting work patterns post-Covid but also wider changes in retail activity and current market conditions.

Technological Changes

- 2.8. The pace of change in technological advancement gets ever faster. The Council has changed the way it uses its office space as a consequence of staff continuing to work flexibly post Covid. We have also invested in technology to change the way in which we engage with the public and deliver services. Examples include the new library app enabling residents to reserve or renew books remotely as well as conveniently manage multiple library accounts and family library 'cards' in one place and the new 'My Reading Account' single sign on solution, allowing residents to access multiple services in one place with one set of credentials. In addition, the Council is in the process of exploring and implementing the use of Artificial Intelligence (AI) and Robotics to enhance service delivery and improve individual service performance. Within the Social Care Service AI-driven monitoring, machine-learning analytics, and technology-enabled care (TEC) innovations are being used to support independence, prevention, and better targeting of care resources.
- 2.9. The Council also has a role in facilitating change in the wider community. Examples of this might be in providing charging points for electric vehicles, or even providing street furniture which facilitates the use of self-driving vehicles.

Environmental and Climate Change

- 2.10. The Council has declared a Climate Emergency and set a policy objective of making Reading a carbon-neutral town by 2030. While significant progress has been made, current national policy changes and rising costs mean that achieving the 2030 target is challenging. For the Council itself, the greatest challenge lies in decarbonising its ageing housing stock and wider estate, which will require substantial investment in

green technologies. Across the broader Borough, further support and infrastructure will also be needed to enable the wider transition to low-carbon living.

- 2.11. Improvements made to date and underway include enhancements to encourage the use of sustainable transport, walking and cycling as attractive alternatives to the private car and reduce resulting congestion, carbon emissions and other air quality issues. Examples include the implementation of the Bus Service Improvement Plan, including a bus rapid transit scheme, new bus lanes, improvements to park and ride facilities and a package of town centre public transport enhancements, bus signal priority measures and improvements for passengers at bus stops. Further examples include working with partners to construct and improve train stations and multi-modal interchanges, working with Reading Transport Ltd to purchase vehicles and related infrastructure to enable the operation of electric bus services, and Active Travel initiatives to improve walking and cycling networks.
- 2.12. Further carbon neutral initiatives include the generation of solar energy, the use of air source heat pumps to provide leisure centre heating, the use of ground source heat pumps for heating/cooling the new theatre development, electrification of the Council's in-house vehicle fleet, provision of Electric Vehicle (EV charging points) and improved home insulation, etc.
- 2.13. There may also be a need for investment to mitigate the impacts of climate change such as flood defence or increased planting to either absorb water or provide a cooling effect in highly urban areas. The Council is committed to a tree planting programme to increase canopy cover, improve biodiversity and reduce localised flooding.
- 2.14. On 15th October 2019 the Council formally adopted the 'Unite Construction Charter' where the Authority supports the 'Get Britain Building' campaign, which is aimed at supporting and sustaining the British construction industry. As a result, all relevant construction contracts are required to comply with the Authority's Sustainable Buying Standard for Highways and Construction Materials, which requires structural steel and other relevant materials to be covered by BES 6001 Responsible Sourcing of Construction Product certification, or equivalent.

3. Approach to Capital Investments

- 3.1. The key objectives of capital investment are to:
 - Support service delivery in line with the Council's strategic objectives and any statutory requirements;
 - Enhance existing assets to appropriately fulfil their intended function, or maximise their value if they are surplus to requirements and intended for disposal;
 - Facilitate the generation of income from Council Services;
 - Enhance value for money through reducing or avoiding costs;
 - Support regeneration and economic development.
- 3.2. Capital investments will also have regard to the following:
 - Be affordable and financially sustainable;
 - Seek to maximise the use of Government grants to support the Capital Programme;
 - Improve environmental impact wherever possible;
 - Maximise wider community benefits, working in partnership with other agencies if appropriate;
 - Be forward looking in terms of technological developments and social trends;

- Seek to minimise the risk profile of the investment within the limitations imposed by meeting other criteria.
- 3.3. Any capital bids that do not meet the above objectives will not be supported.
- 3.4. Existing capital assets that do not contribute towards the above objectives will be considered for disposal. However, the Council has a statutory responsibility, under Section 123 of the Local Government Act 1972, to achieve the “best consideration reasonably obtainable”, from any such disposal and as a consequence, may continue to hold assets awaiting favourable market conditions. Where this is the case the reason for retaining the asset will be made explicit and an action plan/criteria for disposal agreed.
- 3.5. To ensure that capital investment is conducted in line with this Strategy the Council has put in place governance arrangements set out in more detail in Section 7 of this document.

4. Asset Management Planning

- 4.1. The Council has a typical local authority asset portfolio. This consists of operational assets, investment assets and assets held for specific community or regeneration purposes as set out below:
 - Operational Assets – supporting core business and service delivery;
 - Investment Assets – to provide a financial return to the Council;
 - Community Assets – to support specific community benefits;
 - Regeneration Assets – enabling strategic place shaping and economic growth.

Operational Assets

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

Land and Buildings

- 4.3. The purchase, on-going management and disposal of General Fund land and buildings is governed by the Asset Management Strategy 2024-2034, which includes the Asset Management Action Plan and the Asset Management Policy, and the Land and Property Asset Disposal Policy.
- 4.4. The Council has historical data on its property portfolio to assess building condition and backlog maintenance which is updated through a rolling programme of condition surveys. The Council retains an annual building maintenance programme funded from revenue. This is primarily a responsive repairs and specific statutory compliance budget.
- 4.5. There is a specific budget within the Capital Programme that relates to the enhancement and improvement of corporate and community buildings. In the period 2026/27-2030/31, the original rolling budget allocation is £1.000m per annum. It is primarily directed at operational buildings (non-Housing) and excludes ring fenced funding. This is in addition to specific projects detailed in the Capital Programme.
- 4.6. Under the Council’s Asset Management Strategy 2024-2034, any surplus properties are prioritised to be used to maximise revenue or capital resources which can be done in a number of ways on a case by case basis. For example, the Council may choose to seek offers on a freehold, or commercial leasehold basis. Alternatively, surplus land

may be suitable to be transferred to the HRA to facilitate the development of affordable housing.

- 4.7. The Council's housing stock, within the Housing Revenue Account (HRA), is subject to a programme of major repairs in order to ensure the stock is maintained at a suitable standard. The HRA Capital Programme also contains New Build & Acquisition schemes to provide more affordable housing within Reading and a scheme to purchase homes currently owned by the Council's wholly owned housing company, Homes for Reading Ltd. The Council also has plans to build new sheltered homes alongside adult day care services to meet the needs of older people and vulnerable adults.
- 4.8. In addition, in line with the Regulator for Social Housing (RSH) recommendations following the recent inspection, all current non-decent properties need to be brought up to Decent standard by the end of 2027/28. Condition surveys were implemented to get an accurate record of the properties and their position against the Decent Homes Standard. Although investment was factored into the previous Business Plan, further resources have been focussed into this area to deliver the outcomes required. Overall, the new HRA business plan includes approximately £52m more spend on housing repairs over 30 years than the previous iteration which includes £16.7m to bring all properties up to decent homes standard over the next two years up to March 2028.

Highways Infrastructure

- 4.9. Highways infrastructure is maintained and developed in line with the [Highway Asset Management Policy](#). This aims to secure highways assets in a manner which allows the delivery of services to an agreed standard. The Policy is underpinned by the Highways Asset Management Plan and Strategy (HAMPS) which defines the management strategies to be adopted throughout the life cycle of assets in order for them to facilitate the delivery of those service standards. The HAMPS has been developed in line with the Well-managed Highway Infrastructure: A Code of Practice.
- 4.10. In support of the HAMPS the highways network is regularly surveyed to determine the condition of assets and thus identify the need to repair or replace those assets. This is summarised and updated in the Annual Status Options Report (ASOR) produced for the highways network.
- 4.11. Delivery of the HAMPS is overseen by the Highways Asset Management Board which meets regularly throughout the year.

Transport

- 4.12. Since 2001, all local transport authorities have been required to produce a Local Transport Plan (LTP) and to keep this under review. The LTP contains the objectives, policies and schemes intended to improve transport in an area, contributing to wider social economic and environmental benefits. The LTP also contains a Strategy Plan and Implementation Plan.
- 4.13. Reading's fourth Strategy Plan (LTP4) [Reading-Transport-Strategy-2040.pdf](#), published in June 2024, sets out the long term policy approach from 2024 to 2040 and is subject to regular review.
- 4.14. Reading's Implementation Plan (published separately) sets out an indicative delivery programme and mechanisms for Reading's transport schemes. A detailed delivery programme is published on an annual basis, to allow for adaptation to changing technologies, budgets and development proposals.

Vehicles

- 4.15. Since 2016/17 the Council has adopted a multi-year Vehicle Replacement Programme to ensure the best value in procuring new vehicles and to minimise service risk from vehicle failure. In addition, the Vehicle Replacement Programme allows a clear path to be plotted for the electrification of the fleet in order to contribute towards the Council's ambition of a carbon neutral Reading by 2030, so far 13 Electric Refuse Vehicles have been rolled out. However, the associated revenue costs with early adoption of electric vehicle technology have been higher than originally estimated. Also, where electric vehicles are deemed to not meet the needs of the service, it has been necessary to consider alternative vehicles. This includes where electric vehicles have been found to be less reliable than traditional vehicles, so currently efficient Diesel vehicles are in the next phase of vehicle replacements.

ICT Assets

- 4.16. The Council's approach to Information & Communication Technology (ICT) is set out in the [ICT Future Operating Model](#) agreed by Policy Committee in June 2020 and its broader Digital Transformation Strategy was agreed by Policy Committee in July 2021. The Council will very shortly commence the refresh of the IT Strategy.
- 4.17. Both for financial reasons and in order to provide more responsive services in line with customer expectations the Council has adopted a large-scale transformation programme. Much of this transformation is underpinned by new digital infrastructure in order to facilitate new ways of working. The Covid-19 pandemic has both illustrated the importance of this approach and accelerated the pace of change.
- 4.18. ICT needs to be agile, responsive and reliable, but at the same time secure. The rapidly evolving ICT market provides a range of options which will need careful consideration to strike the right balance in meeting these requirements. However, there is a clear trend towards solutions being provided on an as used basis which may mean that the Council will require a smaller asset base in this area of activity in the future. This may require some funding adjustments from capital to revenue to support this changed environment. However, given the capitalisable costs associated with the acquisition and implementation of the solutions satisfying the transformation strategy, the effect of this trend is likely to be a medium-long term rather than short term one.
- 4.19. The Digital Transformation Strategy is due to be updated. Whilst the direction of travel will remain largely the same it will aim to uplift technology to the next level by introducing Artificial Intelligence and Robotics as an example.
- 4.20. As part of the Capital Programme 2026/27 to 2030/31 an ICT Technology Refresh scheme is included to refresh the Council's computer estate and equip staff with technology to maximize performance and efficiency.

Investment Assets

- 4.21. Investment assets can be broken down into two main categories: financial investment assets e.g. bank deposits, and non-financial investment assets, e.g. property.
- 4.22. Financial investments can fall into three categories, as defined by the Statutory Guidance issued under section 15(1)(a) of the Local Government Act 2003: Specified Investments; Non-Specified Investments and Loans. Specified and Non-Specified investments are only likely to be undertaken as part of managing the Council's cash flows and are therefore covered by the Treasury Management Strategy.

- 4.23. Loans may also be used as part of cash flow management processes but may also be used in support of specific service objectives. Loans provided by the Council are subject to the Council's Loans Policy and Minimum Revenue Provision (MRP) Policy. Where loans are provided to support service objectives there may be other social, economic, or environmental issues involved which impact on the nature of the loan provided. These will need to be considered on a case by case basis but may mean that loans are provided on terms that are not fully commercial, although anti-competitive legislation will always need to be taken into account. Even if not established on a fully commercial basis such loans may yield a financial return to the Council.
- 4.24. Reading Borough Council has provided a number of loans to its wholly owned companies as set out in Table 1 below. The portfolio includes loans made to Homes for Reading Ltd where principal repayments, including the £7.000m due in March 2029, are now scheduled to be repaid over the next few years following the planned sale of properties to the Housing Revenue Account (HRA) to facilitate the closure of the company. The £5.000m loan to Brighter Futures for Children Ltd (BFFC) is expected to be repaid before the end of the 2025/26 financial year.

Table 1. Service Investments - Loans to Wholly Owned Companies

	Principal due to be outstanding at 31/03/2026 (£m)	2026/27 Interest due (£m)	Interest rate (%)
Brighter Futures for Children Ltd	0.000	0.000	n/a
Reading Transport Ltd*	4.106	0.434	5.00
Homes for Reading Ltd	7.000	0.131	3.75
Homes for Reading Ltd	0.285	0.001	6.35

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

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

Table 2. Service Investments - Equity Investments

	Fair Value as at 31/03/2025 (£m)
Homes for Reading Ltd	5.151
Reading Transport Ltd	3.974
Municipal Bonds Agency (MBA)*	0.000
Reading Community Energy Society Ltd	0.060

*The Council's £0.064m investment in the MBA has been valued on a Fair Value basis at £nil in the Council's 2024/25 Financial accounts due to the companies reported negative net worth as at November 2024.

- 4.26. Non-financial investments are non-financial assets held by the Council partly or primarily to generate a financial return. This might be through an appreciation in the capital value of the asset or by delivering a regular income stream in excess of the costs of owning the asset, or both. Although other opportunities might be considered it is likely that such investments will involve the holding of property assets.

- 4.27. In line with many other councils, Reading Borough Council has a historic and small portfolio of investment properties created primarily to generate a regular income stream to off-set significant reductions in funding from Government.
- 4.28. Traditionally property as an investment class has offered relatively high yield and less volatility than financial investments. However, it is an illiquid asset and as such carries the risk of being unable to respond quickly to changes in market conditions.
- 4.29. In response to concerns, in November 2020 HM Treasury announced changes to the rules in respect of borrowing from the Public Works Loans Board (PWLB). Councils purchasing investment assets primarily for yield (PIAPY) no longer have access to borrowing from the PWLB, either for those specific assets, or the rest of their Capital Programme. In addition, updated statutory guidance on the Minimum Revenue Provision (MRP) was issued in April 2024. This guidance confirms the duty to make MRP when the acquisition of an investment property results in an increase to the Capital Financing Requirement (CFR).
- 4.30. The Council last purchased an investment property asset in 2019/20, prior to the November 2020 rule changes on borrowing set out above and has no plans to purchase further property for investment purposes at this time. This does not preclude investment in regeneration schemes the primary purpose of which is to improve the economic, environmental, or social welfare of the borough. In such cases some income may be derived from the regeneration, but it will not be the primary reason for investment. The existing investment property portfolio has been reviewed by an external partner, who has provided guidance regarding the best course of action for the future, with interim lease events or asset opportunities being assessed on a case by case basis to retain/increase value and reduce cost/risk. Assumptions built into the Medium Term Financial Strategy (MTFS) include capital receipts from the disposal of the Albury Close and 160 – 163 Friar Street assets.
- 4.31. In addition the Prudential Code states that ‘Authorities with commercial land and property may also invest in maximising its value, including repair, renewal and updating of the properties’
- 4.32. The commercial investment portfolio held by the Council as at 31st March 2025 is set out in Table 3 below.

Table 3. Commercial Investment Portfolio

	Annual Rental Yield 2024/25	Capital Value as at 31st March 2025 (as per draft accounts)	Purchase Price including costs	Net Annual Income after Financing Cost
	(£m)	(£m)	(£m)	(£m)
Kennet Wharf, Queens Road	0.689	9.530	21.276	(0.007)
Adelphi House, Friar Street	0.688	7.530	12.116	0.292
160 - 163 Friar Street Office	0.744	6.710	11.884	0.355
Four 10 TVP	2.274	24.850	39.968	0.966
Acre Business Park	0.183	2.000	N/A	0.183
Albury Close	0.050	0.730	N/A	0.050
16 Bennett Road	0.052	0.960	N/A	0.052
Total	4.680	52.310	85.244	1.891

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

Community and Regeneration Assets

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

Asset Types Defined by the Prudential Code

- 4.35. The 2021 Prudential Code requires investments to be analysed between investments for treasury management, service or commercial purposes. These three categories are defined as:
- Investments for treasury management purposes, or treasury management investments, are those investments that arise from the organisation's cash flows or treasury risk management activity and ultimately represent balances that need to be invested until the cash is required for use in the course of business;
 - Investments for service purposes, or service investments are held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure), or in support of joint working with others to deliver such services;
 - Investments for commercial purposes, or commercial investments, are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services.
- 4.36. The 2021 Prudential Code states that assets should be clearly separated into these categories as each type of investment has very different objectives, criteria and risk characteristics.
- 4.37. In Reading treasury management investments are addressed in the Treasury Management Strategy Statement (TMSS) and therefore not dealt with in any detail in this Capital Strategy, although are recognised as part of the wider Capital Strategy environment.
- 4.38. The focus of this Capital Strategy is on service assets as defined by the Prudential Code 2021. However, as the umbrella strategy document it is important that the Capital Strategy recognises the importance of other capital investments and the governance arrangements that apply to them.

5. Capital Programme (2026/27 – 2030/31)

- 5.1. The Capital Programme sets out the Council's proposed capital expenditure. It facilitates the delivery of Council priorities by:
- Providing investment to improve access to decent housing to meet local needs and help combat homelessness, as well as maintaining existing council dwellings;

- Supporting delivery of sustainable, local social care services through investment to enable independent and supported living in the local community for both children and adults;
- Working in partnership with Reading Transport, Network Rail, and others in seeking funding and delivering an improved transport network, whilst being mindful of environmental factors;
- Building schools to meet the future needs of the population and ensuring access to education;
- Providing investment to deliver low carbon living, reduce pollution and increase recycling;
- Providing investment in community and leisure provision to meet Reading's needs;
- Addresses inequality, for example by investing in community safety;
- Facilitating transformation schemes, ensuring that the Council is fit for the future.

5.2. The General Fund and HRA Capital Programmes set out the Council's plan of capital expenditure for future years, including details on the funding of the schemes. The Capital Programme 2026/27 – 2030/31 is set out as part of the 2026/27 Budget and Medium Term Financial Strategy (MTFS) 2026/27-2028/29 Report for Member approval. It identifies £373m to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading. The Programme has a borrowing requirement of £163m after external contributions such as grants, section 106 contributions and Community Infrastructure Levy funding have been applied.

5.3. The financing of the Capital Programme is set out in section 6.

Table 4. Capital Expenditure (2025/26 – 2030/31)

	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Community & Adult Social Care Services	9.875	2.122	2.486	5.388	1.522	1.522
Childrens Services	1.698	1.338	0.000	0.000	0.000	0.000
Economic Growth & Neighbourhood Services	47.682	23.078	22.596	11.739	7.796	4.342
Economic Growth & Neighbourhood Services – Education Schemes	11.002	17.678	4.730	7.812	2.619	0.000
Resources	2.992	3.389	2.413	2.038	0.675	0.575
Corporate	3.505	3.600	1.600	1.600	1.600	1.600
General Fund	76.754	56.205	33.825	28.577	14.212	8.039
HRA	64.483	67.310	74.736	62.584	17.011	10.500
Total	141.237	123.515	108.561	91.161	31.223	18.539

5.4. Highlights of the Capital Programme 2026/27 to 2030/31 include:

- £32m on works to schools including £16m to increase the provision of high needs placements in the borough;
- £10m on remodelling provision at the Hexagon Theatre;
- £2m on the re-provisioning of social care facilities;
- £15m investment in the Council's local highways infrastructure (including Bridges) addressing feedback from the residents' survey;
- £6m on local traffic management and road safety measures;
- £10m investment in corporate and community buildings, including works to conserve the Town Hall;
- £2m on schemes to help reduce Reading's carbon footprint;
- £1m on the provision of children's homes;
- £70m on retro-fitting carbon reduction measures and improvements to existing Council dwellings (HRA);
- £16m to purchase properties from Homes for Reading Ltd (HRA);
- £146m on the provision of more affordable housing and sheltered homes to meet the needs of older people and vulnerable adults (HRA).

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

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

6. Financing the Capital Programme

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

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

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

6.3. **Developer Contributions**

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

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

6.5. The Council's Land and Property Asset Disposal Policy ([Appendix 1-RBC Assets Disposal Policy 2025.pdf](#)) was recently approved by Policy Committee in December 2025. A schedule of properties anticipated to be available for disposal during the MTFS period is included at Annex A.

6.6. Although capital receipts would not usually be spent on revenue, under the current [Flexible use of Capital Receipts](#) Direction (updated March 2025) it is permissible to treat certain costs as capital expenditure provided these costs are funded from capital receipts received by the Council during the period specified within the Direction and meet the definition therein, i.e. "costs must generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners". In addition, local authorities applying this direction must send details of their planned use to the Secretary of State, for each financial year in which the direction is used.

6.7. The Council's use of Flexible Capital Receipts has been refreshed as part of the proposed 2026/27 – 2028/29 MTFS. The MTFS includes an allocation of capital receipts to support transformation and savings delivery (the Delivery Fund). The Director of Finance has oversight of the Delivery Fund and approves any changes to the allocations within the approved capital budget allocation. Regular monitoring takes place as part of the monthly Performance Monitoring process to the Corporate Management Team with quarterly reports to Committee.

6.8. **Revenue Contributions** – The Council can choose to use revenue, from the approved revenue budget or use earmarked reserves to fund capital expenditure. Given significant decreases in government revenue funding and continuing pressures on the provision of critical demand led services, this type of funding is anticipated to be minimal relative to other capital funding sources. Members will continue to weigh the relative priorities of capital and revenue projects in allocating revenue resources.

6.9. **Prudential Borrowing** – relates to borrowing from either the PWLB or private sector lenders or internal borrowing to fund capital expenditure. This has historically been the

main source of financing for capital expenditure. The Council is guided by the CIPFA Prudential Code when determining the level of borrowing that is sustainable.

6.10. Prudential borrowing to fund capital projects brings with it the need to make a charge to revenue to reflect the cost of borrowing. The basis for this charge, known as Minimum Revenue Provision (MRP) is set out within the Council's Treasury Management Strategy and MRP Policy Statement.

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

Table 5 - Summary of Capital Programme Funding

General Fund & HRA	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m	2029/30 Estimate £m	2030/31 Estimate £m
Capital Expenditure	141.237	123.515	108.561	91.161	31.223	18.539
Capital Receipts (GF & HRA)	(7.285)	(11.150)	(4.767)	(2.900)	(2.900)	(1.500)
Capital Grants & Other Contributions	(64.265)	(44.541)	(32.294)	(24.698)	(11.504)	(4.011)
Capital Reserves (HRA)	(11.999)	(26.354)	(11.894)	(10.500)	(10.500)	(10.500)
Revenue Contributions	(0.120)	(0.169)	0.000	0.000	0.000	0.000
Net Borrowing Requirement	57.568	41.301	59.606	53.063	6.319	2.528

7. Governance

Capital Scheme Approval

- 7.1. During 2022/23, a Capital Programme Board chaired by the Director of Finance was introduced to increase oversight of the Capital Programme and its delivery. Terms of Reference for the Board are included at Annex B.
- 7.2. All schemes included in the approved Capital Programme over £2.5m, including those planned to start in 2026/27, require spend approval from the responsible Committee or Council, with the exception of expenditure on rolling programmes of routine capital expenditure.
- 7.3. Any additional schemes that arise during the year will be added to the agreed Capital Programme once the relevant approvals have been obtained.
- 7.4. The Corporate Management Team considers and recommends service bids for capital resources as part of the annual budget setting process and provides strategic direction as to the development and use of property assets. The Capital bids are then considered by Policy Committee and formally approved by Council.
- 7.5. The Land, Property & Development Board (LPDB) provides oversight and direction in relation to the management of the Council's property assets. The LPD Steering Group, which sits below the LPDB, is an operational group responsible for managing property asset and estate strategy work streams and reporting on the gateway and monitoring position to the LPDB.

Performance Monitoring and Evaluation

- 7.6. Monitoring of the Capital Programme sits alongside the Council's revenue monitoring process with the submission of monthly reports to the Corporate Management Team for review. Detailed project oversight is provided by the Capital Programme Board as set out in Annex B.
- 7.7. Member oversight is achieved through lead Councillor briefings and quarterly reporting to Policy Committee.
- 7.8. All schemes within the Programme have a named project manager. It is the responsibility of individual project managers with support from their finance business partner to review and update expenditure and project delivery forecasts each month.
- 7.9. A gateway process has been developed through the Capital Programme Board to be used for all major capital schemes to allow stakeholders to assess the on-going case for the scheme prior to progress to further stages in the cycle. The gateway review process will allow early identification of areas that may require corrective action and provide validation that a project is ready to progress to the next stage. The Gateway stages are as follows:
- Initial proposal
 - Feasibility
 - Business Case
 - Project initiation
 - Final design/Procurement
 - Contract Award
 - Project Review

Prioritisation & Affordability

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

Treasury Management Governance

- 7.14. The Council follows the requirements of The Local Government Act 2003 (the Act) and supporting regulations in managing its Treasury Management activities.
- 7.15. Audit & Governance Committee is the body responsible for overseeing the governance of the treasury management function within the Council. The Act requires that an annual Treasury Management Strategy be presented to Council for approval. Members also receive quarterly reports, to include an outturn report, in line with the revised Treasury Management Code.
- 7.16. The Council employ MUFG Corporate Markets as its treasury management advisors. Other specialist advice is taken on an ad/hoc basis dependant on the nature of the particular project and issue under review. Treasury Management is also subject to regular internal audit.

8. Risk Management

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

8.5. The Council's appetite for these risks is set out below.

Table 6. Council's Risk Appetite

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

Relationship with Other Processes

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

8.7. Some of the key business processes with which risk alignment exists are:

- Capital Strategy
- The Council Plan
- Medium Term Financial Strategy
- Internal Audit Plan
- Business Planning
- Performance Management
- Treasury Management
- External Audit Review

- 8.8. From a risk management perspective, and in order to ensure the Council's investments are as safe as possible, officers employ a range of due diligence techniques, including: evaluation of tenants by external property advisers; modelling the impact of tenant failure and where necessary securing guarantees.
- 8.9. Under the Council's Constitution, risk management is overseen by the Audit and Governance Committee, which reviews the Strategic Risk Register at its meetings. Risk management is an integral aspect of the Council's project management methodology, with projects required pre-initiation to identify risks and how they will mitigate them. The approach to risk management includes planning and identification, monitoring and review for all risks and projects throughout their lifecycle. Risk will always exist in some measure and cannot be removed in its entirety. Therefore, risks need to be considered both in terms of threats to the Council as well as opportunities.
- 8.10. The Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well exist within the organisation or can be brought to bear. As well as having the requisite skills and knowledge to manage its Capital Programme, the Council can access any shortfall in expertise from partners and external advisers when required.

Knowledge and Skills

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

9. Treasury Management

- 9.1. The Council's Treasury Management Strategy Statement (TMSS) is approved by Council annually as part of the budget setting process.
- 9.2. There are close links between the Capital Strategy and TMSS. Treasury management sets out the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer term cash flow surpluses.
- 9.3. The Council makes provision for the repayment of debt over the life of the asset that the borrowing is funding. The proposed provision for the repayment of debt over the period 2026/27 – 2028/29 is forecast to be £54m. The Council's Minimum Revenue Provision Policy is published as part of the Council's Treasury Management Strategy.

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

10. Action Plan

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

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

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

Site	Further Information
Central Library	1980s purpose built library
Market Passageway	Right of way reserved within existing building
Cemetery Arch	Vacant Grade 2 Listed Building
Gosbrook Rd Caversham Nursery	Cleared and vacant former nursery school site
Minster Quarter/Hosier Street	Former civic offices cleared site and environs
Land at Bridge St/Church St, Caversham	Vacant land behind advert hoarding
Coley Place	Joint development opportunity
Crown St / Southampton St	Vacant cleared site in multiple ownership. Advert hoarding on part of RBC land
Southside – Island Road	Landfill site – former speedway/greyhound stadium
The Keep	Grade 2 Listed building
1-4 Links Drive - land rear of	Former garage site with rights of way
Palmer Park Lodge	Residential property located within Palmer Park
Caversham Court offices	Grade 2 Listed building former offices/outbuildings
10 Oak Tree Road	Strip of land between site boundary and highway
4-6 Broad Street	Long lease extension/variation
41 Bolton Road	Freehold land
Broad Street Mall Car Park	Leasehold disposal
Land at Portland Gardens	Council estate amenity land and semi derelict garage block
Palmer Park WC block	Derelict toilet block
2-4 Buttermarket	Zone A retail
Callington Road	Vacant site. Council estate amenity land
Reading Road, Woodley	Vacant site. Council estate amenity land
Albury Close	Freehold of terrace of industrial units
Micro Centre, Gillette Way	Freehold of terrace of industrial units
Bowman House 2-10 Bridge Street	Freehold subject to long lease
160-163 Friar Street	Commercial property
Acre Business Park., Acre Road	Commercial property
Acre Road Long Leasehold Site (Units 1-5)	Long lease
Richfield Avenue Petrol Station	Long lease
Emmer Green Community Centre	Community building
Grove Road Shops	Standalone block
188 Whitley Wood Lane	Adult Services centre (service relocating)
Strathy Close day Care Centre	Day Centre
Focus House, 14-16 Castle Crescent	Victorian houses
Beacontree Plaza	Long lease
Land rear of 76 Bath Road	Surplus garden land

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

Overall Responsibilities of the board

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

Priority Outcomes from the Board

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

Membership of the Board

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

Frequency of the Board

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

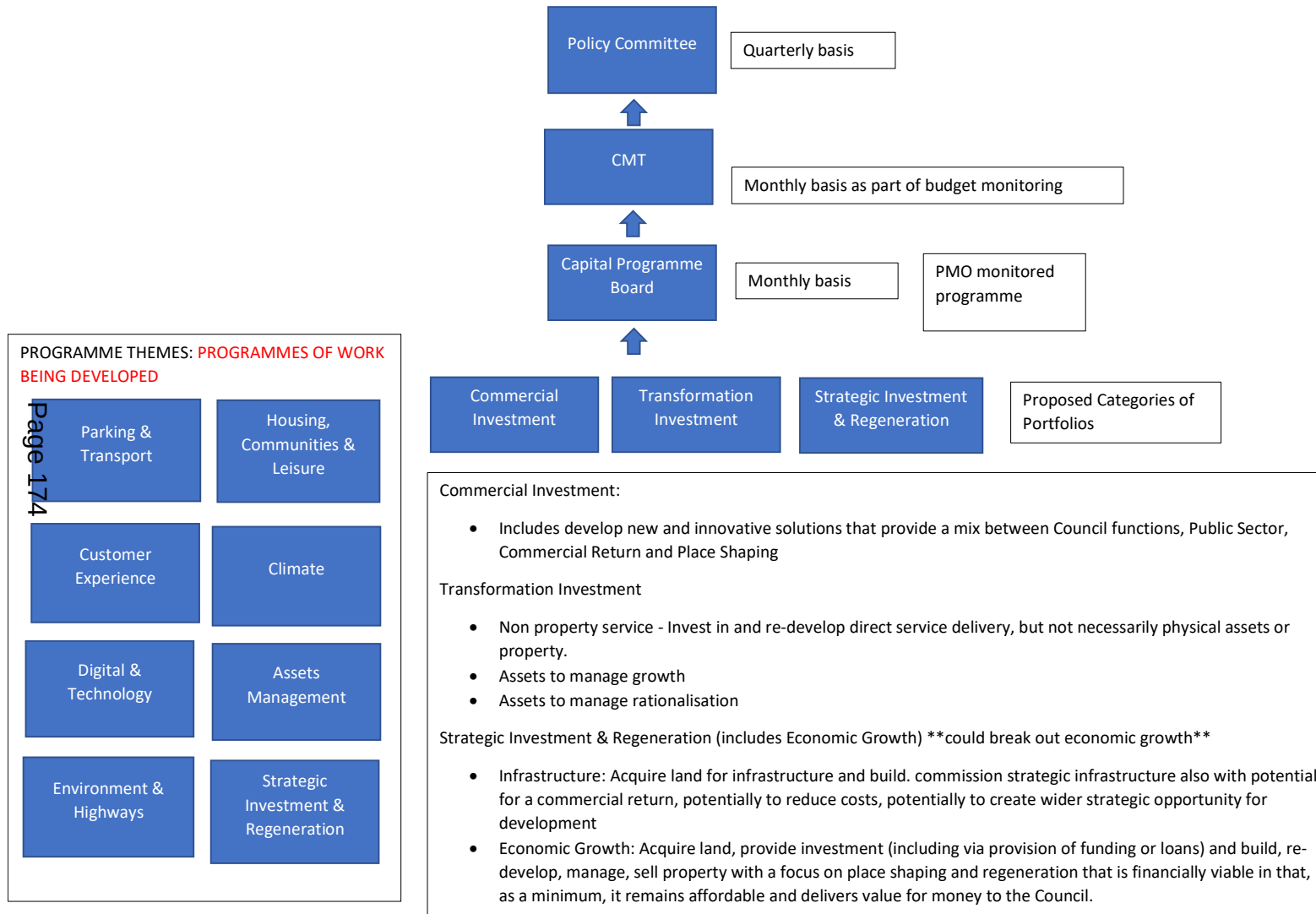
Inputs of the Board – collaborative environment/ use of materials

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

Outputs of the Board

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

Annex B Part 2 – Capital Monitoring through Capital Programme Board



Annex C – Prioritisation Matrix

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

Annex D – Action Plan

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

There are two areas where further work is required:

- Identifying what assets we need in the future
- Develop and implement new systems and processes to enable the transition

2. Identifying what assets we need in the future

Action	Lead	Progress update	Deadline
Carry out a review of a third of the Council's Non-Domestic Land & Property Assets as per the rolling three-year cycle set out in the Asset Management Strategy 2024-34.	Director Property & Asset Management	Complete as part of the Asset Strategy development. This task now forms part of ongoing workloads.	31/12/2025
Undertake work to develop a longer-term capital programme moving from a five year to a ten year programme.	Director of Finance/ Director Property & Asset Management	New action	31/12/2026

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

The following areas have been identified where work is required:

- Skills and knowledge

Action	Lead	Progress update	Deadline
Ensure service and finance staff receive appropriate training to carry out their roles. This will include training on the capital investment process itself, project management, capital fundamentals, financial regs and the procurement framework	Director of Finance	Work is currently being undertaken to develop a capital handbook. Work to update the Financial Regulations within the Constitution was completed during 2025. Training on the Financial Regulations will follow during 2026.	31/12/2026

- Governance

Action	Lead	Progress update	Deadline
Update the Constitution and related documents to provide clarity around the capital investment process (approval monitoring, virements, slippage)	Director of Finance	Complete	30/06/2025
Review corporate governance arrangements for Capital across the organisation, including post project review and scheme monitoring arrangements.	Director of Finance	The Capital Programme Board (CPB) was established in December 2022. The Board meets regularly throughout the year (usually quarterly) and has an ongoing programme of work that includes • Review of this Capital Strategy • Review of capital bids submitted as part of the annual budget build process • Review of the overall capital programme • Deep dive sessions into particular capital scheme areas • Review the revenue impact of capital decisions	ongoing
Review budgets for 2025/26 agreed as part of the 2025/26 to 2027/28 MTFS, and compare to the final 2025/26 outturn figures. Identify where significant slippage/overspends have occurred and seek explanations to better understand why these have occurred.	Director of Finance	New action	31/12/2026
Implement The Council's Land and Property Asset Disposal Policy	Director Property & Asset Management	New action	31/12/2026
Review and update the Commercial Investment Strategy in the light of new restrictions on borrowing from the PWLB	Director Property & Asset Management/Director of Finance	Complete. An external partner has carried out a review of the existing portfolio of investment properties with suggested actions being implemented to de-risk the assets. Since the Council has made the decision to not purchase any further investment properties, it has been decided that information relating to the existing investment properties, will be	30/06/2025

Action	Lead	Progress update	Deadline
		included in the annual Capital Strategy. Therefore, the Commercial Investment Strategy is no longer required.	
Update the Asset Management Policy	Director Property & Asset Management	Ongoing work. The Action Plan is regularly being monitored at Steerco and Land and Property Development (LPD) Board meetings.	In line with the Council Plan

4. On-going work

a. In addition, there are areas where on-going work will also be required. This includes:

- i. Implementation of a rolling-programme of asset surveys across the entire asset base.
- ii. On-going training to ensure new staff have the skills and knowledge to carry out their roles.
- iii. Regular review of service plans, asset management plans etc to ensure any changes are captured.
- iv. Carrying out actions identified in the Asset Management Action Plan, which forms part of the Asset Management Strategy 2024-34. Actions are prioritised using a scoring mechanism.

Council

24 February 2026



Reading
Borough Council
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Title	Treasury Management Strategy Statement (TMSS) 2026/27
Purpose of the report	To make a decision
Report status	Public report
Report author	Darren Carter, Director of Finance
Lead Councillor	Councillor Terry, Leader of the Council
Corporate priority	Not applicable, but still requires a decision
Recommendations	That Council approve: 1. The Treasury Management Strategy Statement for 2026/27 as set out in Appendix 1 Section 2; 2. The Capital Prudential Indicators as set out in Appendix 1 Section 3; 3. The Minimum Revenue Provision (MRP) Policy for 2026/27 as set out in Appendix 1 Section 4; 4. The Borrowing Strategy for 2026/27 as set out in Appendix 1 Section 5; 5. The Annual Investment Strategy for 2026/27 as set out in Appendix 1 Section 6; 6. The Prudential and Treasury Management Indicators as set out in Appendix 1 Annex 1. That Council notes: 7. The change to the calculation of apportioning interest to the HRA as set out in Appendix 1 Section 6.24 to 6.28

1. Executive Summary

- 1.1. The Council's Treasury Management Strategy Statement (TMSS) 2026/27, attached at Appendix 1, sets out the parameters for the Council's planned treasury activity during 2026/27 under which the Council's Treasury Team will manage day to day activity. The TMSS reflects the Council's Capital Programme 2026/27 – 2028/29.
- 1.2. The successful identification, monitoring and control of financial risk are central to the Strategy.
- 1.3. The CIPFA 2021 Prudential Code also requires the Council to prepare a Capital Strategy report which sets out the Council's capital requirements arising from policy objectives, as well as the associated governance procedures and risk appetite.
- 1.4. The Capital Strategy is reported separately from the Treasury Management Strategy Statement and includes non-treasury investments. The CIPFA Treasury Management Code 2021 further breaks down non-treasury investments into:

- ***"Investments for service purposes (or service investments) are taken or held primarily for the provision and for the purposes of delivering public services***

(including housing, regeneration, and local infrastructure), or in support of joint working with others to deliver such services”.

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

2. Policy Context

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

3. Economic Background

- 3.1. The Bank of England's Monetary Policy Committee (MPC) decreased its base interest rate several times throughout the year, from 4.50% to 4.25% on 8th May 2025, to 4.00% on 7th August 2025 and to 3.75% on 18th December 2025. The next projected cut to base rate of 0.25% is forecast to occur during quarter one of 2026/27.
- 3.2. The annual inflation rate in the United Kingdom as measured by the Consumer Price Index (CPI) stood at 3.4% as at December 2025, up from 2.5% in December 2024. The Consumer Prices Index including owner occupiers' housing cost (CPIH) stood at 3.6% as at December 2025, up from 3.5% in December 2024.

4. Borrowing

- 4.1. Under the Prudential Code, the Council can borrow to fund capital expenditure if such borrowings are sustainable, affordable, and prudent. In order to comply with the Prudential Code, an authority must not borrow to invest primarily for financial return.
- 4.2. The underlying need to borrow (the net borrowing requirement) for capital purposes is measured by the Capital Financing Requirement (CFR). Usable reserves and working capital are the underlying resources available for investment.
- 4.3. Historically the Council has borrowed to pay for new assets including schools, roads, housing and community facilities etc. The value of the Council's non-current assets is circa £1.3bn. As at 31st December 2025, the Council had £529.500m of loans outstanding in respect of General Fund and Housing Revenue Account (HRA) assets.
- 4.4. The Council has not taken out any long-term borrowing in 2025/26 to 31st December 2025 but has utilised the temporary borrowing market when required in line with the 2025/26 Borrowing Strategy. As at 31st December 2025, the Council had an outstanding temporary borrowing portfolio of £170.000m as set out in Appendix 1 Annex 3. This includes two £50.000m loans taken from the PWLB utilising the HRA certainty rate, both of which have one year terms.
- 4.5. Market projections, per Table 11 in Appendix 1, indicate that long-term borrowing costs will reduce further but at a slower pace than the already implemented and forecast decreases to the Bank of England Bank Rate. Consequently, the Council intends to continue with the strategy of utilising lower cost temporary borrowing in the coming year where required. This strategy will be kept under review with the Council's Treasury Management Advisors. Longer term borrowing will not be taken out until necessary, or until it makes sense to borrow in advance of need. This strategy will thereby avoid the “cost of carry” (the difference between the cost of borrowing and return on investing the funds).

- 4.6. The Capital Programme 2026/27-2028/29 totals £323.237m (£118.607m General Fund and £204.630m HRA) as set out in Table 1 of Appendix 1. The Programme aims to improve the infrastructure, asset base and effectiveness of service provision for the residents of Reading.
- 4.7. After accounting for specific grants, s106 contributions and capital receipts, the total borrowing requirement is £153.970m per Table 2 of Appendix 1 (£55.590m General Fund and £98.380m HRA). The cost of borrowing together with any associated revenue savings is included within the Council's Medium-Term Financial Strategy 2026/27 – 2028/29.
- 4.8. After reducing the borrowing requirement by a total Minimum Revenue Provision charge of £53.524m across the period, the Council has a projected increase in its CFR of £100.446m, as set out in Table 3 of Appendix 1.
- 4.9. The Director of Finance has been delegated responsibility for borrowing and works closely with the Council's Treasury Management Team and advisors, Mitsubishi UFJ Group (MUFG) Corporate Markets, on borrowing decisions taking into account several factors including:
- The cost of borrowing short or long-term;
 - Anticipated changes in the cost of borrowing;
 - The level of cash balances held under investment;
 - The return on invested balances.
- 4.10. The Council's long-term borrowing (loans over 12 months in length) is from two sources: The Public Works Loans Board (PWLb) and private banks for debt relating to Lender Option Borrower Option loans (LOBO). The Council has recently taken their option to repay the outstanding £5.000m LOBO following the lenders proposed change in interest rate. For short term borrowing the Council will continue to use other sources of finance, e.g. loans from other local authorities that it can borrow from at lower rates of interest than PWLB.
- 4.11. The framework for taking borrowing decisions in the coming year is set out within the Borrowing Strategy contained within the Council's TMSS, attached at Appendix 1 Section 5. As set out in paragraph 4.5, the Council intends to continue with the strategy of utilising lower cost temporary borrowing in the coming year where required.
- 4.12. Included within the Borrowing Strategy, is the Council's Policy on borrowing in Advance of Need, where the Council may increase its longer term borrowing to cover new capital project expenditure in advance of need to minimise the risk of interest rate fluctuations. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully as part of the overall Borrowing Strategy to ensure that value for money can be demonstrated, that the costs of borrowing can be met and that the Council can ensure the security of such funds.
- 4.13. The Council's self-imposed limits on sustainable, affordable and prudent borrowing and investment, the Prudential and Treasury Management Indicators that need to be approved by Council are set out in Appendix 1.

5. Investments

- 5.1. The Council's investments for Treasury Management purposes seek to manage fluctuations in cash-flow. Treasury investments can be called on at short-notice and in the main are held in Money Market Funds or short-term fixed rate/fixed term deposits. These are low-risk investments and give higher rates of interest compared to leaving balances in the Council's bank account. The long-term treasury investments held by the Council are in the CCLA property fund.

- 5.2. The level of investments fluctuates throughout the year dependent on cash balances. The balance of treasury investments was £81.876m at the end of December 2025 (per Table 6 in Appendix 1). The average interest rate (simple average interest rate earned on all investments to 31st December 2025) was 4.054% and the average weighted rate of return (weighing the simple average interest rates based on the principal invested) was 4.365%.
- 5.3. The Council can legally invest in the following funds and instruments:
- Fixed Term Deposits (Government, public sector bodies, Banks and Building Societies)
 - Callable deposits (Banks and Building Societies)
 - Money Market Funds
 - Certificates of Deposit (tradable term deposits)
 - Government Gilts and Treasury Bills
 - Corporate Bonds
 - Derivatives (where used for risk management)
- 5.4. Government issued updated guidance on investments in February 2018. The previous edition covered treasury investments only, but the latest edition focuses on non-treasury investments. These are commercial investments such as the purchase of investment properties, investments in subsidiaries or investments for service objectives including regeneration.
- 5.5. Revised PWLB borrowing terms announced in November 2020 prevent Local Authorities from borrowing from the PWLB for any purpose should their ongoing Capital Programme contain commercial schemes that are primarily investments to generate a financial yield. Consequently, Policy Committee approved the removal of the Capital budget for the Purchase of Commercial Property from its Capital Programme at its meeting in December 2020.

6. Approved Investments and Counterparties

- 6.1. The counterparty criteria are kept under regular review and are detailed in section 6 of Appendix 1 to this report. The criteria set out the value and duration limits which are applied in the day to day investment of the Council's cash balances.
- 6.2. The value and duration limits as well as the minimum credit ratings required of individual institutions seek to minimise the Council's exposure to counterparty risk, i.e. limit any potential loss due to the failure of any single institution or group.
- 6.3. The credit ratings agencies' criteria are relative measures of financial strength, any changes are notified to the Council's Treasury Team on the same day by our treasury advisors, MUFG. Over recent years the agencies have downgraded many financial institutions by removing the implied sovereign support. However, financial institutions have responded by improving their capital ratios to meet new regulatory standards to enable them to withstand market shocks like that experienced during the financial crisis in 2008. This requirement for increased resilience is designed to give higher assurance that institutions will be going concerns in the medium to long term.
- 6.4. In addition, central banks such as the Bank of England and European Central Bank provide financial support to financial institutions through Term Funding Schemes (TFS) that ensure they have access to enough liquidity at low rates. The TFS was launched in 2016 and provides funding to banks and building societies at rates close to Base Rate.
- 6.5. CIPFA's Treasury Management Code (2021) requires the Council to set out its policies and practices relating to environmental, social and governance (ESG) investment considerations within its credit and counterparty policies. The framework for taking investment decisions in the coming year is set out in the Council's TMSS, attached at

Appendix 1 Section 6 and includes the use of credit rating agencies' criteria, which incorporate Environmental, Social & Governance (ESG) risks alongside more traditional financial risk metrics, and the application of the Freedom House Global Freedom rating system.

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

7. Risk Controls

Investment Risk

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

Borrowing Risk

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

8. Contribution to Strategic Aims

- 8.1. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website. These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical.
- 8.2. The TMSS is essential to ensuring the Council meets its strategic aims and remains financially sustainable going forward.

9. Environmental and Climate Implications

- 9.1. There are no environmental implications arising directly from this report.
- 9.2. As set out in the Council's Annual Investment Strategy (Appendix 1 paragraph 6.18), the Council will not knowingly invest directly in businesses whose activities and practices

pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's Corporate Plan and values. This would include institutions with material links to environmentally harmful activities (e.g. pollution, destruction of habitat, fossil fuels).

10. Community Engagement

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

11. Equality Implications

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

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

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

12. Other Relevant Considerations

- 12.1. There are none.

13. Legal Implications

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

14. Financial Implications

- 14.1. The financial implications are set out within the main body and Appendix 1 of this report and have been factored into the 2026/27 Budget & Medium Term Financial Strategy 2026/27-2028/29 Report which appears elsewhere on the agenda.

15. Timetable for Implementation

- 15.1. Not applicable.

16. Background Papers

- 16.1. There are none.

Appendices

1. Treasury Management Strategy Statement (TMSS) 2026/27

Appendix 1 - Treasury Management Strategy Statement (TMSS) 2026/27

February 2026

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1. Introduction
2. Treasury Management Strategy 2026/27
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 - Annex 1 – The Capital Prudential and Treasury Indicators 2026/27 – 2028/29
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 - Annex 4 - Investment Portfolio as of 31st December 2025
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1. Introduction

Background

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

Reporting Requirements

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

Treasury Management

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

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

Capital Strategy

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

Non-Treasury Investments

- 1.11 Where the Council has borrowed to fund any non-treasury investment, there should be an explanation of why borrowing was required.
- 1.12 If any non-treasury investment is found to have sustained a loss during the preparation of the final accounts or audit process, the implications will be reported through the procedure set out in the Capital Strategy.
- 1.13 To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.
- 1.14 The Council has no plans to undertake new investment in property primarily for yield in the period 2026/27-2028/29. However, the Council's expenditure plans include a capital scheme for the Maintenance & Enhancement of Council Properties. It is anticipated that this capital expenditure will include works to the existing portfolio of commercial properties. The Capital Programme also includes a scheme in respect of the regeneration of Minster Quarter. These types of expenditure remain allowable under the revised PWLB borrowing terms announced in November 2020.

2. Treasury Management Strategy for 2026/27

2.1 The Strategy for 2026/27 covers two main areas:

a. Capital Issues

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

b. Treasury Management Issues

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

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

Training

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

- 2.7 The Section 151 Officer will ensure that Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and those responsibilities.
- 2.8 The Section 151 Officer will have regular communication with officers and Members, encouraging them to highlight training needs on an ongoing basis.
- 2.9 During 2025/26 a Member training session was delivered by the Council's Treasury Management advisors, Mitsubishi UFJ Group (MUFG) Corporate Markets. Appropriate training will continue to be made available to members with sessions being offered as appropriate.
- 2.10 The training needs of treasury management officers are periodically reviewed and a record of training received by officers central to the Treasury function is maintained by the Capital and Treasury Lead.

Treasury Management Consultants

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

3. The Capital Prudential Indicators 2026/27 – 2028/29

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

Capital Expenditure

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

Table 1. Capital Expenditure (2025/26 – 2028/29)

	Estimate	2025/26-2028/29 Estimate			
	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Community & Adult Social Care Services	9.875	2.122	2.486	5.388	9.996
Children's Services	1.698	1.338	-	-	1.338
Economic Growth & Neighbourhood Services	47.682	28.078	22.596	11.739	62.413
Economic Growth & Neighbourhood Services – Education Schemes	11.002	17.678	4.730	7.812	30.220
Resources	2.992	3.389	2.413	2.038	7.840
Corporate	3.505	3.600	1.600	1.600	6.800
Non-HRA	76.754	56.205	33.825	28.577	118.607
HRA	64.483	67.310	74.736	62.584	204.630
Total	141.237	123.515	108.561	91.161	323.237

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

Table 2. Financing of Capital Expenditure (2025/26 – 2028/29)

General Fund & HRA	Estimate	2025/26-2028/29 Estimate			
	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Total £m
Capital Expenditure	141.237	123.515	108.561	91.161	323.237
Capital receipts	(7.285)	(11.150)	(4.767)	(2.900)	(18.817)
Capital grants & other contributions	(64.265)	(44.541)	(32.294)	(24.698)	(101.533)
Capital reserves (HRA)	(11.999)	(26.354)	(11.894)	(10.500)	(48.748)
Revenue contributions	(0.120)	(0.169)	0.000	0.000	(0.169)
Net Borrowing Requirement	57.568	41.301	59.606	53.063	153.970

Capital Financing Requirement

- 3.4 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the Council's underlying need to borrow, or Net Borrowing Requirement.
- 3.5 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.
- 3.6 The CFR includes other long-term liabilities (e.g. PFI schemes and finance leases). Whilst these increase the CFR and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes.
- 3.7 The CFR projections are set out in Table 3 below:

Table 3. CFR Projections

Capital Financing Requirement	Estimate 2025/256 £m	2026/27-2028/29 Estimate			
		2026/27 £m	2027/28 £m	2028/29 £m	Total £m
CFR – General Fund	399.053	397.775	406.169	404.772	
CFR – HRA	261.066	278.526	316.498	355.793	
Total CFR	660.119	676.301	722.667	760.565	
Movement in CFR	32.401	16.182	46.366	37.898	100.446
Movement in CFR represented by:					
Net financing need for year	58.154	41.301	59.606	53.063	153.970
Less MRP/VRP and other financing movements	(25.753)	(25.119)	(13.240)	(15.165)	(53.524)
Movement in CFR	32.401	16.182	46.366	37.898	100.446

*Voluntary Revenue Provision

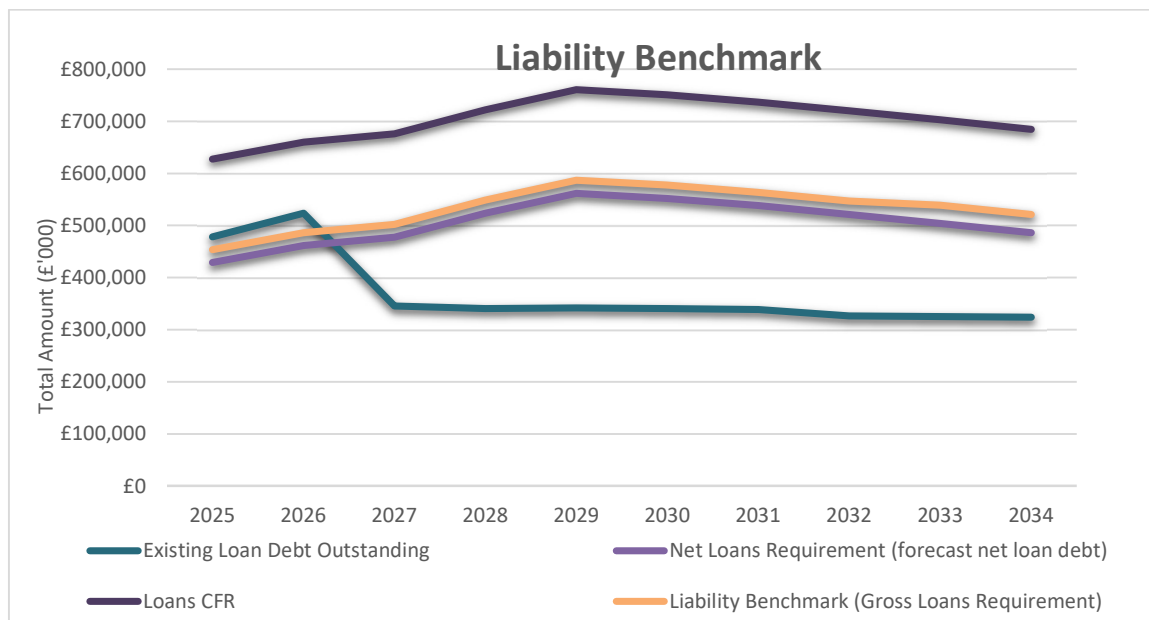
Liability Benchmark

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

3.9 There are four components to the Liability Benchmark: -

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

3.10 The Liability Benchmark graph below shows that at the end of 2024/25 the Council was in a surplus position where actual loans exceeded the benchmark. A similar position is forecast at the end of 2025/26. This is the result of short-term cashflows where grants and other funding had been paid to the Council in advance of expenditure being incurred. The forecast for 2027/28 shows the benchmark overtaking the actual loans position. This represents a future borrowing requirement for the Council, which is as expected due to the Council's actual level of borrowing being significantly lower than the Council's projected Capital Financing Requirement, which is projected to increase as outlined above.



4. Minimum Revenue Provision (MRP) Policy Statement

- 4.1 The Council is required to annually set aside revenue funds for the prudential repayment of outstanding capital borrowing in accordance with provisions set out in CIPFA's Prudential Code and MHCLG Statutory Guidance on Minimum Revenue Provision. The setting aside of revenue funds for the future repayment of outstanding borrowing is referred to as a Minimum Revenue Provision (MRP) charge. The Council is also allowed to make additional voluntary payments if it chooses.
- 4.2 As part of the regulatory framework, Council is required to approve its Minimum Revenue Provision (MRP) Policy annually.
- 4.3 The MRP Policy, in accordance with proper practice, considers outstanding capital borrowing to be the Council's Capital Financing Requirement (CFR) rather than external loans taken out to finance capital expenditure. Accordingly, any reference in this Policy to the repayment of capital borrowing relates to the setting aside of resources to reflect movements within the Council's CFR rather than to the physical repayment of external debt.
- 4.4 In April 2024, the MHCLG published a new Statutory Instrument with amended Statutory Guidance on MRP, which applies to accounting periods from 2025/26 onwards. The main intent of the changes were to make explicit that capital receipts may not be used in place of the revenue charge and that excluding debt associated with certain types of assets is not allowed. The changes to the Regulations included an exemption for non-commercial capital loans to third parties, unless an expected credit loss (ECL) or impairment is recognised in the current or any previous financial year. Regulation 27(4) allows a local authority to exclude qualifying capital loans from the requirement to make MRP.
- 4.5 The Council has revised its MRP policy to ensure compliance with the regulations and guidance, with the main changes relating to MRP policy with respect to loans to third parties.

General

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

Table 4. Standard Expected Asset Lives

Asset Type	Expected Life (Years)
Major New Builds	40-50
Freehold Land	50
Major Extensions	20-40
Major Refurbishments	20
Major Transport Infrastructure / Regeneration	30
Other Transport Schemes	20
Other Small Capital Schemes	10
Large Vehicles (Refuse Freighters/Buses etc.)	7-10

Other Vehicles	5
Software Licenses	Length of License
Share Capital	20
Capital Grants / Loans to Others	Expected Life of Asset Held by Third Party

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

Specific MRP Cases

- 4.12 Capital expenditure financed by finance lease or other service concessions (including Private Finance Initiative schemes) include within their annual payments both an interest and principal repayment element. The principal element included within these payments will be used to represent the MRP charge in accordance with the contractual agreement rather than separately calculating an MRP charge under the usual annuity method.
- 4.13 Capital loans to wholly-owned subsidiaries which are classed as non-commercial and have not been subject to a recognised credit loss, will not be subject to MRP charges in circumstances where the net worth of the subsidiary is (or is reasonably expected to be in the short to medium term) in excess of the loan and as such a disposal of those assets would provide sufficient funds to fully repay the outstanding capital borrowing of the Council.
- 4.14 If the Council grants any commercial loans, MRP will be charged in the year after the loan is granted and each year thereafter until the loan matures.
- 4.15 For Council loans granted prior to 7 May 2024, where those loans have been subject to an actual or expected credit loss in the current or any previous financial year then a prudent MRP charge will be made in each financial year.
- 4.16 For Council loans granted on or after 7 May 2024 where those loans are subject to an expected or actual credit loss, then the MRP charge will be at least the amount of the

recognised credit loss for the financial year, after adjusting for any previous MRP or capital receipts applied to the loan.

- 4.17 Charges for the provision to repay capital debt relating to share capital for group holdings will be subject to a prudent MRP charge.
- 4.18 Where the Council has outstanding borrowing relating to historic individual and specific investment in property assets, a prudent MRP charge will be made in each financial year.
- 4.19 Surplus assets will be subject to an MRP charge even when there is a likely expectation of generating a capital receipt in the short to medium term.
- 4.20 The Housing Revenue Account (HRA) is not subject to the same statutory annual requirement to make an MRP charge as the General Fund. It is however required to make provision for the repayment of capital debt over the longer term (broadly over the thirty year life of the HRA Business Plan). The HRA Business Plan provides for significant investment in modernising its existing holdings as well as new housing stock, the application of a more flexible and long term strategy for debt repayment eases pressure on HRA balances and enables greater provision of decent homes whilst still allowing the overall level of debt to be repaid over the long term. The Council's Section 151 Officer will continue to ensure that the HRA Business Plan provides for the prudent repayment of debt over the longer term.
- 4.21 Subject to affordability and the sustainability of the budget and Medium Term Financial Strategy, the Council's Section 151 Officer will continue to explore opportunities for the earlier reduction of outstanding debt for both the General Fund and HRA, and where appropriate and subject to available resources, reserve the power to make supplementary MRP contributions over and above the minimum required, where longer term financial benefits may be derived.

Capital Receipts

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

MRP Overpayments

- 4.25 Under the MRP guidance, any charges made in excess of the statutory MRP are known as voluntary revenue provision (VRP). VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this Policy must disclose the cumulative overpayment made each year. Up until 31st

March 2025 nil overpayments were made, and there is no expectation that any VRP contributions will be made in the period 2025/26-2028/29.

5. Borrowing Strategy 2026/27

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

Current Treasury Management Portfolio Position

- 5.2 The overall treasury management portfolio as at 31st March 2025 and the position as at 31st December 2025 are shown below for both borrowing and investments.

Table 5. Treasury Portfolio (Net Debt)

General Fund & HRA	31 st March 2025		31 st December 2025	
Debt Portfolio	Principal	Average Rate	Principal	Average Rate
		%		%
	(£m)		(£m)	
Fixed Rate Loans				
PWLB	350.500	3.281	449.500	3.326
Local Authorities	117.500	4.979	70.000	4.016
Market	10.000	4.090	10.000	4.090
Variable Rate Loans				
PWLB	0.000	0.000	0.000	0.000
Total Debt	478.000	3.874	529.500	3.395
Total Investments	49.073	3.140	81.876	4.089
Net Debt	428.927		447.624	

- 5.3 The Council's investment portfolio summary as at 31st March 2025 together with the position as at 31st December 2025 is summarised below:

Table 6. Investment Portfolio Summary

	31 st March 2025 (£m)	31 st March 2025 (%)	31 st December 2025 (£m)	31 st December 2025 (%)
Treasury Investments				
Banks	0.423	0.861	0.326	0.398
Fixed Term Deposits (LA's)	0.000	0.000	45.000	54.961
Money Market Funds (MMF)	33.650	68.572	21.550	26.320
Total Managed In-house	34.073	69.433	66.876	81.680
Total Managed Externally - Property Funds	15.000	30.567	15.000	18.320
Total Treasury Investments	49.073	100.000	81.876	100.000

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

Table 7. Borrowing Estimates

	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
External Debt				
Debt at 1st April	478.000	518.500	558.298	616.984
Net Change in Debt	45.500	39.798	58.686	53.666
Debt at 31st March	518.500	558.298	616.984	670.650
PFI Liabilities at 1st April	20.479	19.204	17.655	16.032
Net Change in PFI Liabilities	(1.275)	(1.549)	(1.623)	(2.287)
PFI Liabilities at 31st March	19.204	17.655	16.032	13.745
Total Gross Debt at 31st March	537.704	575.953	633.016	684.395
Capital Financing Requirement	660.119	676.301	722.667	760.565
(Under)/Over Funding of CFR	(122.415)	(100.348)	(89.651)	(76.170)
(Under)/Over Borrowing (exc PFI)	(141.619)	(118.003)	(105.683)	(89.915)

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

Table 8. Analysis of Non-Financial Investment Borrowing

	2025/26 Forecast £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
External Debt for Non-Financial Investments				
Actual Debt at 31 March	67.693	67.693	67.693	67.693
Percentage of Total External Debt	12.93%	12.02%	10.88%	10.02%

- 5.6 Within the range of prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of its CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and the subsequent two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.
- 5.7 The Council has complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this report.

Treasury Indicators: Limits to Borrowing Activity

- 5.8 **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may

be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Table 9. Operational Boundary

	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Capital Financing Requirement	660.119	676.301	722.667	760.565
Headroom	20.000	20.000	20.000	20.000
Total	680.119	696.301	742.667	780.565

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

5.10 The Authorised Borrowing limits are set out below:

Table 10. Authorised Limit

	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m	2028/29 Estimate £m
Operational Boundary	680.119	696.301	742.667	780.565
Headroom	40.000	40.000	40.000	40.000
Total	720.119	736.301	782.667	820.565

Prospects for Interest Rates

5.11 The Council has appointed MUFG as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. MUFG provided the following forecasts on 22nd December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Table 11. Interest Rate Projections (%)

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

5.12 The forecast reflects a view that monetary policy is sufficiently tight at present to cater for some further moderate loosening, the extent of which, however, will continue to be data dependent. MUFG forecast the next reduction in Bank Rate to be made in the first quarter of 2026/27 with one further cut at the end of the 2026 calendar year. They do not foresee the rate dropping below 3.25%.

Borrowing Strategy

- 5.13 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are forecast to remain high. Overall, better value can be obtained at the shorter end of the curve (less than 5 year PWLB maturity and less than 10 year PWLB EIP) and the short dated fixed LA to LA market.
- 5.14 The most cost effective borrowing currently is internal borrowing which involves running down cash balances and foregoing interest earned (at historically low rates), in lieu of taking out new borrowing at a higher rate. The Council will look to utilise temporary and short term borrowing, if a borrowing need arises, as this is a cheaper option than long term borrowing at present. However, in view of the overall forecast for long term borrowing rates to remain at high levels over the next few years, consideration will also be given to weighing the short term advantage of internal, temporary and short term borrowing against potential longer term costs if the opportunity is missed for taking loans at rates which will be higher in future years.
- 5.15 Against this background and the risks within the economic forecast, the Treasury Team will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances. If during the period there was a significant risk of a sharp rise in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years. If it was felt that there was a significant risk of a sharp fall in borrowing rates, then borrowing may be postponed.
- 5.16 Any decisions will be reported subsequently to the Audit & Governance Committee.

Policy on Borrowing in Advance of Need

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

Debt Rescheduling

- 5.19 Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.
- 5.20 Any rescheduling will be reported to Members in a treasury report at the earliest meeting following its action.
- 5.21 As at 31.12.25 the Authority held £5.000m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to

repay the loan at no additional cost. On 23.01.26 the lender, Dexia, took the option to propose a new increased rate of 6.26%. The Council has taken the option to repay the LOBO loan as it is financially beneficial to do so.

Approved Sources of Long and Short-term Borrowing

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

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

6. Annual Investment Strategy 2026/27

Investment Policy – Management of Risk

- 6.1 The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments. Non-financial investments, essentially the purchase of income yielding assets, are covered in the Council’s Capital Strategy.
- 6.2 The Council’s Investment Policy has regard to the following:
- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
 - CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
 - CIPFA Treasury Management Guidance Notes 2021
- 6.3 The Council’s investment priorities are security first, portfolio liquidity second and then yield (return). The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council’s risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs. However, where appropriate the Council will consider the value available in periods up to 12 months with high credit rated financial institutions, as well as wider fund options.
- 6.4 The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by:
- i. The application of minimum acceptable **credit criteria** to generate a list of creditworthy counterparties. This also enables diversification and the avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
 - ii. Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “**credit default swaps**” and overlay that information on top of the credit ratings.
 - iii. Reviewing other information sources including the financial press, share price etc. pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
 - iv. The Council defining the **types of investment instruments** that the Treasury Management Team are authorised to use as follows:
 - Specified investments** - those with a high level of credit quality and subject to a maturity limit of one year.
 - **Non-specified investments** - those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. Once an investment is classed as non-specified, it remains non-specified all the way through to maturity. For example, an

18-month deposit would still be non-specified even if it has only 11 months left until maturity.

- v. **Non-specified investments limit.** The Council has determined that it will limit the maximum total exposure to non-specified investments to £30m of the total investment portfolio.
 - vi. **Lending limits**, (amounts and maturity) for each counterparty will be set through applying the matrix in Table 12.
 - vii. Setting a £30m limit for the amount of investments which are invested for **longer than 365 days**.
 - viii. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**.
 - ix. Engaging **external consultants**, to provide expert advice on how to optimise an appropriate balance of security, liquidity, and yield, given the risk appetite of the Council in the context of the expected level of cash balances and need for liquidity throughout the year.
 - x. All investments will be denominated in **sterling**.
 - xi. As a result of the change in accounting standards for 2022/23 under IFRS 9, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. In November 2018, MHCLG concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31st March 2023. A further extension to the over-ride to 31st March 2025 has been announced by the Government. This has since been extended further to 31st March 2029. The only pooled investment on the Council's portfolio is the £15.000m invested with the CCLA Property Fund.
 - xii. Based on the latest valuation (as at 31st December 2025), the investment is worth £14.183m, which represents an indicative loss of £0.817m that would need to be recognised in 2029/30 should the statutory override end. For context, as set out in Annex 4, the current interest rate earned on this investment is 4.80% which would equate to £0.722m annually. In total, this investment has earned the Council £7.629m of gross interest (£6.687m net of management fees) over the period from 1st April 2015 to 30th September 2025. This investment is reviewed regularly by Officers and the current view is that this investment should be retained.
- 6.5 However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year

- 6.6 The above criteria are unchanged from last year. There are no proposed changes for 2026/27.

Creditworthiness Policy

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

Table 12. Investment Criteria

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

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

Other Limits

6.11 Due care will be taken to consider the exposure of the Council's total investment portfolio to non-specified investments, countries, groups and sectors.

a) **Non-specified investment limit.** The Council has determined that it will limit its maximum total exposure to non-specified investments to £30.000m.

b) **Country limit.** The Council has determined that it will only use approved counterparties from the UK and from countries with a sovereign credit rating of AA- or above from Fitch or equivalent. In addition, the Council will apply the Freedom House Global Freedom rating system to inform decision making and will only invest in organisations from countries with a 'free' rating. The list of countries that qualify using these criteria as at the date of this report are set out in Annexe 5 to this appendix. This list will be added to, or deducted from, by officers should ratings change in accordance with this Policy.

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

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

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

Investment Strategy

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

6.14 Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer

periods, the value to be obtained from longer term investments will be carefully assessed.

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

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

Investment Return Expectations

6.16 The current forecast shown in Table 11, forecasts Bank Rate to fall to a low of 3.25%. Bank Rate projections to March 2029 are set out in Table 11 above.

Investment Treasury Indicator and Limit

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

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

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

	2026/27 £m	2027/28 £m	2028/29 £m
Principal sums invested for longer than 365 days	30.000	30.000	30.000
Current investments as at 31 st December 2025 in excess of one year maturing in each year	Nil*	Nil*	Nil*

*As of 31st December 2025, the Council has £15.000m invested in pooled property funds which have no fixed maturity, as set out in Table 6.

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

Policy on Apportioning Interest to the HRA

6.20 Reform of the Housing Revenue Account Subsidy system was completed at the end of 2011/12, the Council was required to pay MHCLG £147.800m. Prior to 2012/13 The Council would recharge interest expenditure and income attributable to the HRA in accordance with determinations issued by MHCLG. The Council subsequently adopted a policy that it would continue to manage its debt as a single pool using a similar regime to that applied prior to self-financing and which would not result in a material change to the average interest rate paid by the Council.

6.21 During 2016/17 and 2017/18 the methodology was adjusted to recognise that in essence the £147.800m of loans the Council borrowed at the time of self-financing were primarily

taken for HRA debt, and therefore the operation of the single pool should not lead to the average interest rate charged to the HRA being less than the average rate on the remaining part of those loans.

6.22 In 2025/26 the Council has borrowed £100.000m from the PWLB utilising the HRA certainty rate (PWLB rate minus 0.60bps). These new loans are directly attributable to HRA borrowing the recharge methodology has been amended accordingly.

6.23 From 2025/26 it is recognised that the operation of a single pool should not lead to the average interest rate charged to the HRA being less than the average rate on the remaining part of all loans directly attributable to the HRA, both the self financing and the PWLB loans taken utilising the HRA certainty rate.

6.24 The HRA also has a notional cash balance which may be positive or negative. This balance is measured each month and interest transferred between the General Fund and HRA at the net average rate earned by the Council on its portfolio of treasury investments (excluding the CCLA Property Fund) and short-term borrowing.

End of Year Investment Report

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

External Fund Managers

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

7. Annexes

Annex 1 – Prudential and Treasury Indicators

Annex 2 – Treasury Management Scheme of Delegation

Annex 3 – Debt Portfolio as of 31st December 2025

Annex 4 – Investment Portfolio as of 31st December 2025

Annex 5 – List of Approved Countries for Investment

Annex 1 - The Capital Prudential and Treasury Indicators 2026/27 – 2028/29

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

Capital Expenditure

	Forecast 2025/26 £m
General Fund	76.754
HRA	64.483
Total	141.237

2026/27-2028/29 Estimate			
2026/27 £m	2027/28 £m	2028/29 £m	Total £m
56.205	33.825	28.577	118.607
67.310	74.736	62.584	204.630
123.515	108.561	91.161	323.237

Affordability Prudential Indicators

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

Ratio of Financing Costs to Net Revenue Stream

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

	2025/26 Estimate (%)	2026/27 Estimate (%)	2027/28 Estimate (%)	2028/29 Estimate (%)
General Fund	9.71	8.62	8.87	9.01
HRA	13.92	15.48	15.79	17.33
Total	10.74	10.19	10.39	10.87

Maturity Structure of Borrowing

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

Maturity structure of fixed interest rate borrowing 2026/27		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	20%
2 years to 5 years	0%	20%
5 years to 10 years	0%	30%
10 years to 20 years	0%	40%
20 years to 30 years	0%	50%
30 years to 40 years	0%	60%
40 years to 50 years	0%	60%

Maturity structure of variable interest rate borrowing 2026/27		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

Annex 2 - Treasury Management Scheme of Delegation

i) Council

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

ii) Audit & Governance Committee

- Receive and recommend to Council amendments to the Council's adopted clauses, Treasury Management Policy Statement and Treasury Management Practices;
- receiving and reviewing regular monitoring reports;

iii) Section 151 Officer

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

Annex 3 – Debt Portfolio as at 31st December 2025

Class	Type	Start / Purchase Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
Loan	Temporary Borrowing - Fixed	14/07/25	14/05/26	West Midlands Combined Authority	Maturity	4.0000%	30,000,000.00
Loan	Temporary Borrowing - Fixed	16/07/25	27/04/26	West Yorkshire Combined Authority	Maturity	4.1000%	15,000,000.00
Loan	Temporary Borrowing - Fixed	31/07/25	30/04/26	Liverpool City Region Combined Authority	Maturity	4.0500%	10,000,000.00
Loan	Temporary Borrowing - Fixed	07/08/25	30/04/26	Derry City & Strabane District Council	Maturity	4.0000%	2,000,000.00
Loan	Temporary Borrowing - Fixed	14/08/25	14/05/26	Vale of White Horse District Council	Maturity	4.0600%	5,000,000.00
Loan	Temporary Borrowing - Fixed	29/10/25	29/04/26	Tendring District Council	Maturity	4.0000%	3,000,000.00
Loan	Temporary Borrowing - Fixed	09/09/25	09/03/26	Blackburn with Darwen Borough Council	Maturity	3.9000%	5,000,000.00
Temporary Borrowing - Fixed Total						4.0257%	70,000,000.00
Loan	Fixed	17/04/25	17/04/26	PWLB	Maturity	4.2700%	50,000,000.00
Loan	Fixed	28/10/25	28/10/26	PWLB	Maturity	4.0600%	50,000,000.00
Loan	Fixed	26/03/18	25/03/68	PWLB	Maturity	2.2800%	15,000,000.00
Loan	Fixed	27/09/18	27/09/43	PWLB	Maturity	2.8200%	15,000,000.00
Loan	Fixed	27/09/18	27/09/49	PWLB	Maturity	2.7900%	15,000,000.00
Loan	Fixed	11/03/19	11/03/66	PWLB	Maturity	2.3800%	15,000,000.00
Loan	Fixed	13/03/19	13/03/37	PWLB	Maturity	2.4200%	5,000,000.00
Loan	Fixed	13/03/19	13/03/57	PWLB	Maturity	2.4200%	5,000,000.00
Loan	Fixed	01/04/19	01/04/64	PWLB	Maturity	2.2000%	10,000,000.00
Loan	Fixed	01/10/19	02/10/62	PWLB	Maturity	1.6400%	5,000,000.00
Loan	Fixed	01/10/19	01/10/63	PWLB	Maturity	1.6300%	5,000,000.00
Loan	Fixed	07/10/19	07/10/66	PWLB	Maturity	1.6300%	5,000,000.00
Loan	Fixed	07/10/19	08/10/68	PWLB	Maturity	1.6300%	5,000,000.00
Loan	Fixed	11/03/20	25/09/69	PWLB	Maturity	2.0700%	15,000,000.00
Loan	Fixed	13/05/05	25/09/51	PWLB	Maturity	4.1500%	2,000,000.00
Loan	Fixed	11/01/06	25/09/55	PWLB	Maturity	3.9000%	5,000,000.00
Loan	Fixed	23/01/06	25/09/55	PWLB	Maturity	3.7000%	5,000,000.00
Loan	Fixed	23/05/06	25/09/47	PWLB	Maturity	4.2000%	2,000,000.00
Loan	Fixed	19/07/06	25/03/52	PWLB	Maturity	4.2500%	20,000,000.00
Loan	Fixed	20/09/06	25/09/51	PWLB	Maturity	4.2000%	5,000,000.00
Loan	Fixed	28/09/06	25/09/52	PWLB	Maturity	4.0500%	10,000,000.00
Loan	Fixed	08/03/07	25/03/53	PWLB	Maturity	4.2500%	10,000,000.00
Loan	Fixed	08/03/07	25/03/54	PWLB	Maturity	4.2500%	10,000,000.00
Loan	Fixed	05/08/08	25/03/58	PWLB	Maturity	4.4800%	2,000,000.00
Loan	Fixed	15/08/08	25/09/57	PWLB	Maturity	4.3900%	6,000,000.00
Loan	Fixed	02/12/08	25/09/58	PWLB	Maturity	4.1200%	10,000,000.00
Loan	Fixed	20/08/09	25/03/59	PWLB	Maturity	4.2000%	5,000,000.00
Loan	Fixed	31/08/10	25/03/60	PWLB	Maturity	3.9200%	10,000,000.00

Loan	Fixed	14/07/11	25/03/26	PWLB	EIP	3.5900%	250,000.00
Loan	Fixed	15/09/11	25/03/31	PWLB	EIP	3.3500%	2,750,000.00
Loan	Fixed	28/03/12	25/03/51	PWLB	Maturity	3.5300%	12,000,000.00
Loan	Fixed	28/03/12	25/09/26	PWLB	Maturity	2.9700%	12,000,000.00
Loan	Fixed	28/03/12	25/03/50	PWLB	Maturity	3.5300%	15,000,000.00
Loan	Fixed	28/03/12	25/03/41	PWLB	Maturity	3.4900%	15,000,000.00
Loan	Fixed	28/03/12	25/03/61	PWLB	Maturity	3.4800%	15,000,000.00
Loan	Fixed	28/03/12	25/03/32	PWLB	Maturity	3.3000%	12,000,000.00
Loan	Fixed	28/03/12	25/09/41	PWLB	Maturity	3.4900%	15,000,000.00
Loan	Fixed	28/03/12	25/09/51	PWLB	Maturity	3.5200%	3,000,000.00
Loan	Fixed	28/03/12	25/03/62	PWLB	Maturity	3.4800%	15,000,000.00
Loan	Fixed	28/03/12	25/03/41	PWLB	EIP	2.9900%	15,500,000.00
Loan	Fixed	06/12/05	06/12/55	Barclays Bank plc	Maturity	3.9900%	5,000,000.00
Fixed Total						3.4543%	454,500,000.00
Loan	LOBO	30/01/08	31/01/78	Dexia	Maturity	4.1900%	5,000,000.00
LOBO Total						4.1900%	5,000,000.00
Loan Total						3.5368%	529,500,000.00

* The option to repay the LOBO was taken following a proposed rate increase. The principal and accrued interest were repaid on 30.01.26

Annex 4 - Investment Portfolio as at 31st December 2025

Class	Type	Deal Ref	Start / Purchase Date	Maturity Date	Counterparty	Rate	Principal O/S (£)
Treasury Investments							
Deposit	Fixed	LA Fixed Short Term Loan	30/10/25	19/02/26	Surrey County Council	4.350%	10,000,000.00
Deposit	Fixed	LA Fixed Short Term Loan	31/10/25	27/02/26	Suffolk County Council	4.400%	5,000,000.00
Deposit	Fixed	LA Fixed Short Term Loan	30/10/25	19/03/26	South Lanarkshire Council	4.300%	5,000,000.00
Deposit	Fixed	LA Fixed Short Term Loan	12/11/25	19/02/26	Telford and Wrekin Borough Council	4.300%	10,000,000.00
Deposit	Fixed	LA Fixed Short Term Loan	06/11/25	19/01/26	Cornwall Council	4.300%	10,000,000.00
Deposit	Fixed	LA Fixed Short Term Loan	06/11/25	26/01/26	Cornwall Council	4.300%	5,000,000.00
Deposit	MMF	Aberdeen	N/A	N/A	Aberdeen SLI Sterling Liquidity/CI 2	4.185%	5,050,000.00
Deposit	MMF	Federated	N/A	N/A	Federated Prime Rate Sterling Liquidity 4	4.201%	16,500,000.00
Deposit	Fixed Current A/c	CCPF	31/03/15	N/A	CCLA Local Authorities Property Fund	4.800%	15,000,000.00
Deposit		Lloyds	N/A	N/A	Lloyds Bank Plc	1.400%	325,832.31
Treasury Investment Total							81,875,832.31
Non-Treasury Investments							
Deposit	Fixed	18004BFC	25/03/21	24/03/26	Brighter Futures for Children Ltd	1.810%	5,000,000.00
Deposit	Fixed	17002HFR to 170012HFR t	16/04/19	24/03/29	Homes for Reading Ltd	6.350%	11,274,999.00
Deposit	Fixed	19008	30/04/19	30/04/29	RTL	5.000%	2,264,095.78
Deposit	Fixed	19009	15/08/19	30/07/29	RTL	5.000%	500,000.00
Deposit	Fixed	18001	08/04/18	01/07/23	RTL	5.000%	490,297.04
Deposit	Fixed	18002	03/06/18	01/07/23	RTL	5.000%	206,749.85
Deposit	Fixed	18003	29/07/18	01/07/23	RTL	5.000%	164,084.05
Deposit	Fixed	18004	20/01/20	01/01/24	RTL	5.000%	150,785.28
Deposit	Fixed	20001	21/08/20	01/10/24	RTL	5.000%	700,000.00
Non-Treasury Investments Total							20,751,011.00
Total Investments							102,626,843.31

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

Annex 5 – List of Approved Countries for Investment

1. The below list of approved countries for investment is based on the lowest available rating from all ratings agencies (as at 15th January 2026).

AAA

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

AA+

- Canada
- Finland
- United States of America

AA

- France

AA-

- Belgium
- United Kingdom

Council

24 February 2026



Reading
Borough Council
Working better with you

Title	Council Tax Setting 2026/27
Purpose of the report	To make a key decision
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Darren Carter, Director of Finance
Report author	Chloe Hennessy, Acting Strategic Financial Planning Manager
Lead Councillor	Councillor Terry, Leader of the Council
Corporate priority	Our Foundations
Recommendations	That Council approve: - The following amounts that have been calculated for the year 2026/27 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992: (i) £532,709,000 Gross Revenue Expenditure (being the estimated aggregate expenditure of the Council in accordance with section 31A (2) of the Act); (ii) £398,533,000 Gross Revenue Income (being the estimated aggregate income of the Council for the items set out in section 31A (3) of the Act); (iii) £134,176,400 Net Revenue Expenditure (being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated in accordance with Section 31A (4) of the Act, as the Council's Council Tax Requirement for the year. (Item R in the formula in section 31A (4) of the Act)); (iv) £2,223.18 Reading Borough Council band D Council Tax (being the amount at (iii) above (Item R) divided by the Council's tax base 60,353.38 (Item T) calculated in accordance with Section 31B (1) of the Act, as the basic amount of its Council Tax for the year. This represents an increase of 4.99% in the Council's own tax).

	That Council notes: 2. That the net tax base of 60,353.38 band D equivalent properties (being the gross tax base adjusted for an assumed collection rate) for 2026/27 was agreed by Full Council on 27th January 2026; 3. That the band D Council Tax for Reading Borough Council is £2,223.18 as shown in Table 2 of the report; 4. That including the Fire and Police authority precepts; the Overall Council Tax by property valuation band is as set out in Table 3 of the report.

1. Summary

- 1.1. The purpose of this report is to approve the calculations for determining the Council's Council Tax requirement for the year 2026/27 in accordance with the Local Government Finance Act 1992.
- 1.2. The report also sets out the Council Tax amounts for each property valuation band in the Borough including precepts notified from the Office of the Police & Crime Commissioner for Thames Valley and the Royal Berkshire Fire & Rescue Service.
- 1.3. This report has been prepared with reference to the following documents:
 - Local Government Finance Act 1992;
 - Approval of The Local Council Tax Support Scheme and the Council Tax Base for 2026/27 Report - approved by Council on 27th January 2026;
 - Referendums Relating to Council Tax Increases (Principles) (England) Report 2026/2027;
 - The 2026/27 Budget & Medium Term Financial Strategy 2026/27 - 2028/29 Report - approved by Policy Committee on 16th February 2026.

2. Policy Context

- 2.1. The Local Government Finance Act 1992 sets out the specific amounts to be calculated and approved when setting the Council Tax. This report allows the Council to meet its legislative duty to set the Council Tax for each property band.
- 2.2. Council at its meeting on 27th January 2026 approved the Council Tax Base for 2026/27 as 60,353.38 band D equivalent properties for the whole Council area [Item T in the formula in Section 31B of the Local Government Finance Act 1992 as amended (the "Act")].

3. The Proposal

Council Tax Calculations

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

Table 1. Calculation of Reading Borough Council's band D Council Tax 2026/27

(i) Council Tax Requirement	£134,176,400
(ii) Tax Base (Number of band D equivalent properties)	60,353.38
(iii) Basic Amount of Council Tax (band D) – (i) divided by (ii)	£2,223.18

- 3.3. Reading's basic amount of Council Tax for a band D property for 2026/27 is £2,223.18 which represents an overall increase of 4.99% on the 2025/26 figure of £2,117.52; an increase of £105.66 (approximately £2.03 per week).
- 3.4. In accordance with Sections 31 to 36 of the Local Government Finance Act 1992, the Council's basic amount of Council Tax by property valuation band for 2026/27 is as shown in Table 2 below:

Table 2. Reading Borough Council - Council Tax by Property Valuation Band 2026/27

Valuation Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Council	1,482.12	1,729.14	1,976.16	2,223.18	2,717.22	3,211.26	3,705.30	4,446.36

- 3.5. Local Authorities can increase Council Tax in 2026/27 by a core amount of up to 3.0%, without holding a local referendum. In addition, councils with Adult Social Care responsibilities can increase their Council Tax by a further 2.0%, on top of the core amount, provided it is spent exclusively on Adult Social Care.
- 3.6. The Council's basic amount of Council Tax for 2026/27 is therefore not determined to be excessive in accordance with principles approved under section 52ZB of the Local Government Finance Act 1992.

Major Preceptors

- 3.7. The Office of the Police and Crime Commissioner for the Thames Valley and The Royal Berkshire Fire & Rescue Service set their precepts for 2026/27 at their respective meetings on 23rd January 2026 and 23rd February 2026.
- 3.8. The Police Precept is £18.002m and the Fire precept £5.511m, in accordance with Section 40 of the Local Government Finance Act 1992.
- 3.9. The basic amounts of Council Tax by property valuation band for 2026/27 of each of the respective precepting authorities are set out in Table 3 below together with the overall Council Tax charge per property band (before any exemptions or discounts that may be applied):

Table 3. Overall Council Tax Including Major Preceptors 2026/27

Valuation Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Council	1,482.12	1,729.14	1,976.16	2,223.18	2,717.22	3,211.26	3,705.30	4,446.36
Police	198.85	232.00	265.14	298.28	364.56	430.85	497.13	596.56
Fire	60.87	71.02	81.16	91.31	111.60	131.89	152.18	182.62
Total	1,741.84	2,032.16	2,322.46	2,612.77	3,193.38	3,774.00	4,354.61	5,225.54

- 3.10. The overall band D charge for 2026/27 (including major preceptors) of £2,612.77 represents an increase of £125.66 (5.05%) on 2025/26 – the constituent elements are set out in Table 4 below:

Table 4. Change in Overall band D Council Tax Charge

Major Preceptor	2025/26	2026/27	Change	Percentage	Overall
	£	£	£	%	%
Council	2,117.52	2,223.18	105.66	4.99%	4.25%
Police	283.28	298.28	15.00	5.30%	0.60%
Fire	86.31	91.31	5.00	5.79%	0.20%
Total	2,487.11	2,612.77	125.66	5.05%	5.05%

4. Contribution to Strategic Aims

- 4.1. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website. These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective, and economical.
- 4.2. Council Tax is levied to fund service delivery as laid out in the 2026/27 Budget & Medium-Term Financial Strategy 2026/27-2028/29 report.

5. Environmental and Climate Implications

- 5.1. The Council declared a Climate Emergency in February 2019, with the intention of achieving a carbon neutral Reading by 2030, which will require further financial commitment to achieve. Reading has cut its carbon emissions by 57% since 2005 and the Council has cut its own carbon footprint by 73.4% since 2008. The Council's Corporate Plan monitors progress in reducing the carbon footprint of both the Borough and the Council.
- 5.2. There are no specific environmental and climate implications to report in relation to the recommendations set out in this report.

6. Community Engagement

- 6.1. The public was consulted as part of the 'Budget Engagement', which ran from 18th December 2025 until 17th January 2026. The feedback from this engagement is set out in Appendix 11 of the 2026/27 Budget & Medium-Term Financial Strategy 2026/27-2028/29 Report elsewhere on the agenda. The results of the Residents Survey carried out in the summer of 2025 was published online and can be viewed [here](#).
- 6.2. The highest proportion of properties in Reading are classed as band C and below, with approximately 40% of properties classed as band C. The Reading element of the Council Tax for this band for 2026/27 will be £1,976.16, an increase of approximately £1.80 per week. The overall Council Tax charge for this band (including Police and Fire) will be £2,322.46.
- 6.3. The number of properties in each valuation band is set out in Table 5 below:

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

Band	Number of Properties in Band	Proportion	Amount Payable as a Proportion of band D
A	7,239	9.4%	6/9
B	15,009	19.4%	7/9
C	31,526	40.7%	8/9
D	12,258	15.8%	9/9
E	5,941	7.7%	11/9
F	3,398	4.4%	13/9
G	1,908	2.5%	15/9
H	100	0.1%	18/9
Total	77,379	100.0%	

7. Equality Implications

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

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

- 9.1. Section 30 of the Local Government Act 1992 places a duty on the Council, as the billing authority, to set the Council Tax for all the property bands for 2026/27. Any amount must be set before 11th March in the financial year preceding that for which it is set but is not invalid merely because it is set on or after that date.

10. Financial Implications

- 10.1. The financial implications are set out in the main body of the report.
- 10.2. The 2.00% increase to Council Tax in respect of the Adult Social Care Levy will raise £2.556m in Council Tax income that will contribute towards the increased budget provision for Adult Social Care as set out within the 2026/27 Budget and 2026/27-2028/29 Medium-Term Financial Strategy Report.

11. Timetable for Implementation

- 11.1. Council Tax Bills for 2026/27 are scheduled to be issued from 4th March 2026 (electronic bills) and 9th March 2026 (postal bills).

12. Background Papers

- 12.1. There are none.

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Council

24 February 2026



Reading
Borough Council
Working better with you

Title	Auditors Annual Report 2024-25
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Darren Carter, Section 151 Officer & Director of Finance
Report author	Mark Sanders, Chief Accountant (Deputy S.151)
Lead Councillor	Cllr Ellie Emberson, Lead Councillor for Corporate Services and Resources
Council priority	Not applicable, but still requires a decision
Recommendations	1. That Council notes the Auditor's Annual Report for 2024/25

1. Executive Summary

- 1.1. The Council's external auditors KPMG are required to provide an Auditor's Annual Report to those charged with governance which details the work they have undertaken during the previous financial year and any key issues arising.
- 1.2. Council is asked to note this report prior to formal approval of the Statement of Accounts 2024/25 elsewhere on tonight's agenda.

2. Policy Context

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

3. The Proposal

- 3.1. KPMG's Auditor's Annual Report is included as an appendix and has been prepared in line with the requirements set out in the Code of Audit Practice.
- 3.2. A draft of this report was presented to the Audit and Governance Committee on 20 January 2026 where it was noted that the audit process was very nearly complete. There have been no significant or new issues arising since that date.
- 3.3. The final version included tonight confirms that overall the audit process has been completed as expected, and that KPMG are expecting to issue their 'disclaimed' opinion on the accounts by the statutory backstop date of 27 February 2026, subject to Council approving the Annual Governance Statement and Statement of Accounts at this meeting.
- 3.4. The Council's accounts will be 'disclaimed' for 2024/25 as part of the nationally agreed process to bring audit opinions back up to date. There are no specific issues arising that would complicate this process, and KPMG continue to work with the Council's

finance team to undertake a return to timely annual 'unqualified' audit opinions as soon as possible.

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

4. Contribution to Strategic Aims

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

5. Environmental and Climate Implications

- 5.1. None arising.

6. Community Engagement

- 6.1. Auditor reports are provided on a regular basis to the Audit and Governance Committee, and the Council opens its draft accounts and draft annual governance statement for public inspection. The Public Inspection period has concluded and there are no implications to report.

7. Equality Implications

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

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

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

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

- 9.1. None arising.

10. Financial Implications

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

11. Timetable for Implementation

- 11.1. Not applicable.

12. Background Papers

- 12.1. There are none.

Appendices

1. Auditor's Annual Report 2024/25



Auditor's Annual Report for Reading Borough Council

Year-ended 31 March 2025

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February 2026

Contents



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c) Improving economy, efficiency and effectiveness	

Our audit report is made solely to the members of Reading Borough Council ('the Council'), as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Council, as a body, those matters we are required to state to them in an auditor's report and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the members of the Council, as a body, for our audit work, for our auditor's report, for this Auditor's Annual Report, or for the opinions we have formed.

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

01

Executive Summary

Executive Summary

Purpose of the Auditor's Annual Report

This Auditor's Annual Report provides a summary of the findings and key issues arising from our 24/25 audit of Reading Borough Council (the 'Council'). This report has been prepared in line with the requirements set out in the Code of Audit Practice published by the National Audit Office (the 'Code of Audit Practice') and is required to be published by the Council alongside the annual report and accounts.

Our responsibilities

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014 (the Act). Our responsibilities under the Act, the Code of Audit Practice and International Standards on Auditing (UK) ('ISAs (UK)') include the following:



Financial Statements - To provide an opinion as to whether the financial statements give a true and fair view of the financial position of the Group and the Council and of its income and expenditure during the year and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2024/25 ('the CIPFA Code').



Other information - To consider, whether based on our audit work, the other information in the Statement of Accounts is materially misstated or inconsistent with the financial statements or our audit knowledge of the Council.



Value for money - To report if we have identified any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency and effectiveness in its use of resources. We are also required to provide a summary of our findings in the commentary in this report.



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

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

Findings

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

Financial statements	We plan to issue a disclaimer of opinion on the RBC's financial statements on 27 February 2026. This is in line with our plan and is because we have been unable to obtain sufficient appropriate audit evidence over the financial statements in respect of the opening balances and split of reserves due to the audit back log. Further detail is provided on page 7.
	We have provided further details of the key risks we identified and our response from page 8.
Other information	We did not identify any material inconsistencies between the content of the other information, the financial statements and our knowledge of the Council.
Value for money	We identified one significant weakness in respect of the governance arrangements the Council had in place during the year in relation to children's services. Further details are set out on page 24.
Whole of Government Accounts	We are required to perform procedures and report to the National Audit Office in respect of the Council's consolidation return to HM Treasury in order to prepare the Whole of Government Accounts. As the National Audit Office has not yet concluded its audit of the Whole of Government Accounts for the 31 March 2025 financial year, we are unable to confirm that we have concluded our work in this area.
Other powers	See overleaf.



Executive Summary



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

Public interest reports

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

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

We have not issued a Public Interest Report this year.

Judicial review/Declaration by the courts

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

We have not applied to the courts.

Recommendations

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

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

We made no statutory recommendations but we have made other recommendation (see page 24).

Advisory notice

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

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

We have not issued an advisory notice this year.

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

02

Audit of the financial statements

Audit of the financial statements



Our responsibility is to conduct an audit of the financial statements in accordance with the Local Audit and Accountability Act 2014, Code of Audit Practice and ISAs (UK) and to issue an auditor's report.

However, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the RBC's financial statements for the year to 31 March 2025 as a result of the issues identified previously regarding opening balances and the split of usable and unusable reserves. We have fulfilled our ethical responsibilities under, and are independent of the council in accordance with, UK ethical requirements including the FRC Ethical Standard.

Our disclaimer of opinion on the RBC's financial statements

We plan to issue a disclaimer of opinion on the Council's financial statements on 27 February 2026. We therefore do not express an opinion on the financial statements. We are finalising the wording of this opinion and will share a draft with the committee as soon as it becomes available.

We have completed all work that we had planned. We have also completed our 'Building Back Assurance' risk assessment work, which has highlighted the additional work we will need to complete, and we expect to complete this work during the first half of 2026.

Audit of the financial statements



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

Significant audit risks	Procedures undertaken	Findings
Valuation of land and buildings There is a risk that the amount in the accounts does not accurately represent the fair value of the asset	We critically assessed the independence, objectivity and expertise of Sanderson Weatherall, the valuers used in developing the valuation of the Council’s properties at 31 March 2025. We inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code. We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information. We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used. We challenged the appropriateness of the valuation of land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement. We agreed the calculations performed of the movements in value of land and buildings and verified that these have been accurately accounted for in line with the requirements of the CIPFA Code. We utilised our own valuation specialists to review the valuation report prepared by the Council’s valuers to confirm the appropriateness of the methodology utilised. We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.	We found the valuation of land and buildings to be appropriate.

Audit of the financial statements



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

Significant audit risks	Procedures undertaken	Findings
Valuation of investment property There is a risk that the amount in the accounts does not accurately represent the fair value of the asset.	We critically assessed the independence, objectivity and expertise of Sanderson Weatherall, the valuers used in developing the valuation of the Council’s investment property at 31 March 2025. We inspected the instructions issued to the valuers to verify they are appropriate to produce a valuation consistent with the requirements of the CIPFA Code. We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information. We evaluated the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used. We challenged the appropriateness of the valuation; including any material movements from the previous revaluations. We challenged key assumptions within the valuation as part of our judgement. We agreed the calculations performed of the movements and verify that these have been accurately accounted for in line with the requirements of the CIPFA Code; We utilised our own valuation specialists to review the valuation report prepared by the Council’s valuers to confirm the appropriateness of the methodology utilised.	We found the valuation of investment properties to be optimistic but within our acceptable range.

Audit of the financial statements



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

Significant audit risks	Procedures undertaken	Findings
Management override of controls Management are in a unique position to manipulate or circumvent the system in place.	We assessed accounting estimates for biases by evaluating whether judgements and decisions in making accounting estimates, even if individually reasonable, indicate a possible bias. We evaluated the selection and application of accounting policies. In line with our methodology, we evaluated the design and implementation of controls over journal entries and post closing adjustments. We assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates. We assessed the business rationale and the appropriateness of the accounting for significant transactions that are outside the Council's normal course of business, or are otherwise unusual. We analysed all journals through the year using data and analytics and focus our testing on those with a higher risk, such as unusual journal entries to cash, revenue, expenditure and borrowings. We tested post-closing journals which were material and / or meet high risk criteria specified above.	Our review of journals has not identified any instances of management override of controls.
Fraud risk from expenditure recognition There is a risk that revenue expenditure is incorrectly accounted for as capital additions due to fraud	We inspected a sample of expenditure invoices, in the period around 31 March 2025, to determine whether expenditure has been recognised in the correct accounting period and whether accruals are complete. We selected a sample of year end accruals and inspected evidence of the actual amount paid after year end in order to assess whether the accruals have been accurately recorded. We inspected journals posted as part of the year end close procedures that decrease the level of expenditure recorded in order to critically assess whether there was an appropriate basis for posting the journal and the value can be agreed to supporting evidence.	Our tests have not identified any instance of fraudulent expenditure recognition

Audit of the financial statements



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

Significant audit risks	Procedures undertaken	Findings
Valuation of post retirement benefit obligations There is a risk that an inappropriate amount is estimated and recorded for the defined benefit obligation	We understood the processes the Council have in place to set the assumptions used in the valuation. We evaluated the competency and objectivity of the actuaries to confirm their qualifications and the basis for their calculations. We performed inquiries of the actuaries to assess the methodology and key assumptions made, including actual figures where estimates have been used by the actuaries, such as the rate of return on pension fund assets. We agreed the data provided by the Council to the Scheme Administrator for use within the calculation of the scheme valuation. We evaluated the design and implementation of controls in place for the Council to determine the appropriateness of the assumptions used by the actuaries in valuing the liability. We challenged, with the support of our own actuarial specialists, the key assumptions applied, being the discount rate, inflation rate and mortality/life expectancy against externally derived data. We confirmed that the accounting treatment and entries applied by the Council are in line with IFRS and the CIPFA Code of Practice. We considered the adequacy of the Council's disclosures in respect of the sensitivity of the deficit to these assumptions. We assessed the change in the effect of the asset ceiling under IFRIC 14 over the year for reasonableness.	We found the valuation of post retirement obligations to be balanced.

03

Value for Money

Value for Money

Introduction

We are required to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources or ‘value for money’. We consider whether there are sufficient arrangements in place for the Council for the following criteria, as defined by the Code of Audit Practice:



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



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



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

We do not act as a substitute for the Council’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We are also not required to consider whether all aspects of the Council’s arrangements are operating effectively, or whether the Council has achieved value for money during the year.

Approach

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

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

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

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council.

Summary of findings

Our work in relation to value for money is completed.

	Financial sustainability	Improving economy, efficiency and effectiveness	Governance
Commentary page reference	15	19	22
2023-24 Findings	No significant risks identified	No significant risks identified	No significant risks identified
Identified risk of significant weakness at planning stage?	✓ Yes	✓ Yes	✗ No
Significant weakness identified after fieldwork?	✗ No	✗ No	✓ Yes
Direction of travel	same	same	increased

Value for Money

National context

We use issues affecting Councils nationally to set the scene for our work. We assess if the issues below apply to Reading Borough Council.

Local Government Reorganisation

The Government has announced proposals to restructure local government throughout England. County and District councils (and, in some cases, existing Unitary authorities) will be abolished and replaced with new, larger Unitary authorities, which will (in many cases) work together with peers in a regional or sub-regional Combined Authority. Authorities which are unaffected by these proposals may still see changes in local police and fire authorities and in the Councils they already work in collaboration with.

Restructuring has, in some cases, resulted in differing views on how services should be provided in their regions – with little consensus on how previously separate organisations will be knitted together. Councils will need to ensure that investment decisions are in the long-term interest of their regions, and that appropriate governance is in place to support decision making.

Financial performance

Over recent years, Councils have been expected to do more with less. Central government grants have been reduced, and the nature of central government support has become more uncertain in timing and amount. This has caused Councils to cut services and change the way that services are delivered in order to remain financially viable.

Whilst the Government has indicated an intention to restore multi-year funding settlements, giving Councils greater certainty and ability to make longer-term investment decisions, the Government has also proposed linking grant funding to deprivation. For some authorities this presents a significant funding opportunity, whereas for others this reinforces existing financial sustainability concerns and creates new financial planning uncertainties.

Education

Many schools are now the responsibility of academy trusts, however some schools are still controlled and overseen by the local Council. Dedicated funding is provided by central government to run schools, however due to cost pressures many Councils have overspent against their central government allocation, particularly in relation to “high needs” expenditure (i.e. to support students with special educational needs and disability (SEND)). Government guidance is awaited on children's services reform and SEND, and some authorities are delaying transformation programmes until there is clarity on how services should evolve.

An accounting override exists meaning Councils do not need to recognise schools deficits as part of their reserves which, for some, avoids Councils becoming insolvent. This override was extended to March 2028. However, some have raised concerns that this extension only defers the problem, and the underlying unsustainability of education expenditure has not been resolved.



Local context

The Council is not unique among unitary authorities: the vast majority are using reserves to manage budgets and enacting large scale savings plans to balance Medium Term Financial Plans going forward.

Reading's revenue budget for the year saw an overspend of £9.3 million (not including the DSG-linked overspend). An overspend of this size has a significant impact on the level of reserves and Reading will struggle to absorb this level of overspend if it continues through the next financial year.

Although the Council has reserves to cover this in the audited year, the Financial Resilience Reserve held for budget stabilisation has a total balance of £10.1 million at the year end, illustrating the size of the risk if overspends continue.

The Authority's own risk management and financial reporting is clear that up to £16.2 million of savings will be required over the next three years in order to maintain this position.

We also note that the Dedicated Schools Grant position at the Council is growing in deficit. Whilst a national issue with the growth of individuals on Education Health Care Plans (EHCP), Reading have a number of capital projects and implemented governance recommendations to reduce the growth in size of the annual deficit, but it remains a risk for the entity as well.

The Council bringing back Brighter Futures for Children in house will give the Council greater visibility and control over the quality of children's services and relevant spend.

Financial Sustainability



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

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Conclusion on financial sustainability

Our risk assessment procedures identified a risk of significant weakness in the area of financial sustainability. We noted the 24/25 outturn was an adverse variance of £9.3 million to budget. As larger budget deficits can be indicative of weaknesses in arrangement around financial sustainability, we focused more on this area..

As our response to the risk identified above we performed additional procedures at year end. We have completed additional procedures and have concluded that no significant weakness identified. See page 18 for audit assessment and findings.

Delivery of the financial plan and position on reserves

The Council set a balanced budget for the 24/25 financial year, recognising in the Medium Term Financial Plan that savings were required in order to achieve this, with total assumed savings in the budget of £8.5 million. The 24/25 Quarter 4 Performance Report states that 73% of the total identified savings were achieved, however there is an adverse net variance of £9.3 million.

The primary drivers for the adverse variance to budget to date were due to Adult Social Care (net pressure of £3.8 million) and Children's Social Care of £6.4 million. This is consistent with the Council's internal reporting and risk register, as well as identified pressure points in the previous financial year. The Council has reserves from which it can draw down and intends to fund the deficit through use of the Demographic & Cost Led Pressures Reserve of £5 million and the Financial Resilience Reserve of £4.3 million. This leaves a balance of £10.7 million in the financial resilience reserve and removes the Demographic & Cost Led Pressures.

This means total reserves have dropped from £66 million in 23/24 to £49 million, which includes some reserves that are not transferrable for deficit funding. A similar deficit in the next financial year could utilise the Financial Resilience Reserve in full.

We have considered the budget deficit on page 18 as part of our work over the risk identified at planning.

The reduction in reserves during the year has increased the underlying risk and this was noted in the below extract from the CIPFA Resilience Index 2023-24 and other benchmarking (discussed in the *Improving Economy, Efficiency and Effectiveness* section). The 24/25 position will not be released before audited accounts, but we expect the position to worsen.



Source: CIPFA Resilience Index 2023-24

Financial Sustainability



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

We have considered the following in our work:

- How the Council ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the Council plans to bridge its funding gaps and identifies achievable savings;
- How the Council plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the Council ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the Council identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Approval of Financial Plans

Guidance is issued (in line with practice noted in the previous year) by Finance to Assistant Directors on an annual basis, typically shortly after the previous financial year end. This includes guidance for Budget Managers to propose a budget with efficiencies, supported by Finance Business Partners. Business cases are reviewed and challenged by the Corporate Management Team (CMT) and are then taken through a Lead Member group challenge process.

Supported business cases are included within the MTFS reporting package and scrutinised at the Policy Committee. Following the finalisation of proposals, a final budget is produced and approved through the Policy Committee and up to full Council. KPMG have reviewed documentation and Committee minutes confirming appropriate consideration and challenge of proposals. The 24/25 Budget & Medium-Term Financial Strategy 24/25-26/27 was approved by Council on 27 February 2024.

The Council's plans for 25/26 include an increase in Council Tax (2.99%) and Adult Social Care Precept (2%) and this together with an increase in the Band D equivalent taxbase equates to £7.3 million additional income, but note the budget also requires £7 million of savings and a reserves drawdown of £3.9 million to achieve a balanced budget. We reviewed these plans as part of our concluding report.

Monitoring of Financial results

All approved savings proposals generate a monthly savings tracker that is reported monthly as part of the budget monitoring process and included within the Quarterly Performance and Monitoring Report, reported through the Policy Committee. The Corporate Management Team also have a monthly meeting dedicated to performance, which we have also reviewed and judged the budgetary process to have an appropriate level of scrutiny, comparable with similar authorities of this size.

Internal audit have provided 'Reasonable Assurance' over the Council's core financial systems, which is the first report on the new financial ledger, as noted through the quarterly update provided to the 21 January 2025 Audit & Governance Committee.

Financial Sustainability

Dedicated Schools Grant

The government has in place a statutory override which has allowed Councils to exclude Dedicated Schools Grant deficits from their main revenue budgets, allowing Council's to account separately for this in an unusable reserve. The current override has been extended to 31 March 2028, after which there is lack of clarity over extension or reform of the High Needs Block. Councils building large deficits would face significant financial instability if the override was removed. Reading's in year DSG deficit was £15.5 million.

We acknowledge this is a risk to the Council, particularly if the current measures are ended. However, given this is applicable nationally to most Councils providing educational services and that Reading have identified the risk and put mitigations in place, this doesn't in itself constitute a weakness in arrangements for the current financial year.

Forward look

The latest Performance and Monitoring Report was taken to the Policy Committee in September 2025, which reported the position as at the end of Q1. This shows an overspend of approximately £4.2 million. This is summarised as a gross variance of £12.6 million (£4.1 million in Adult Social Care and £6 million in Children's Services), offset by £5.3 million of recovery plan mitigations. The Council expects to achieve 66% of the savings identified in the budgeting process, with 16% non-deliverable and 18% at risk of delivery. Both elements will likely contribute to a further challenging overspend by the year end.

The DSG position anticipates a deficit of £40.4 million by the end of the financial year to 31 March 2026 and £53.2 million the following year, should the underlying issues not be addressed.

Key financial and performance metrics:	2024-25 (£'000)	2023-24 (£'000)
Planned surplus/(deficit), excluding HRA	Balanced	Balanced
Actual surplus/(deficit), excluding HRA	(9,305)	(6,099)
General Fund balance	8,905	8,394
Cumulative DSG deficit	24,903	9,404
Year-end borrowings	200,145	187,889
Year-end cash position	33,901	24,169



Risk of significant weakness



1

Budget deficit 2024/25

Risk that value for money arrangements may contain a significant weakness linked to Financial Sustainability

Significant Value for Money Risk

The 24/25 outturn suggests a £9.3 million adverse variance to Budget. Large budget deficits can be an indication of weakness in arrangements around financial sustainability.

Our response

We performed the following procedures:

1. Consider the Council's arrangements and structures to monitor and deliver a balanced budget;
2. Understand the process for identifying savings and other available levers to the Council;
3. Review recent budget monitoring and performance throughout the period to date; and
4. Conduct interviews with senior management to understand the feasibility of on-going recovery plans and measures to support financial sustainability.

Our findings

Findings

The Council set a balanced budget for the 24/25 financial year with total assumed savings in the budget of £8.5 million. As at end of 24/25, 73% of the total identified savings were achieved with an adverse net variance of £9.3 million. DSG deficit was £24.9 million which is lower than the estimate of £26.5 million per 24/25 MTFS. This gives us assurance that management recognised the scale of DSG appropriately. At 31/3/25 the Council has total general fund reserves of £49 million.

The 25/26 budget is balanced by an overall £3.9 million assumed draw down on earmarked reserves. We inspected the latest report taken to the Policy Committee in September 2025, which reported an overspend of approximately £4.2 million. Whilst the financial position is in financial pressure the Council does acknowledge the risk and has identified financial pressures as a significant risk, which drives regularly performance monitoring.

The Council is also looking for savings to bring the deficit under control and is regularly monitoring the position.

The situation with Reading Borough Council is not unique and many other authorities are in a similar financial position. We recognised the financial pressure as significant risk over the financial sustainability but do not consider this is a significant weakness as this risk is acknowledged and monitored by the Council with clear action plan to bridge the gap.

Conclusion

Based on the findings above we have not identified any significant weaknesses in arrangements.

Improving economy, efficiency and effectiveness



How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

Conclusion on arrangements for improving economy, efficiency and effectiveness

Our risk assessment procedures identified a risk of significant weakness in the area of improving economy, efficiency and effectiveness. This is due to the procedures performed during our risk assessment identifying the Council to have appropriate and effective processes in place.

Assessing Value for Money and Opportunities for Improvement

The Council had a target of £7.5 million regarding cost savings for the financial year 24/25. In the Savings and Recovery Tracker, reported within the Quarter Performance Report (Policy Committee, July 2025), £5.5 million were delivered by 31 March 2025. This compares to £5.3 million savings planned in 23/24 of which the Council achieved £4.2 million.

Cost saving performance is part of the regular reporting to the Council and Corporate Management Team, which allows the Council to assess the level of value for money being achieved. The Policy Committee also provide additional oversight and budgets are reviewed and managed on a regular quarterly basis through key performance indicators reported, with any expected significant variances escalated.

Monitoring of Performance of Services

Performance reporting and monitoring of efficiency plans has not changed significantly since our previous report, with reporting lines and documentation in line with other similar local authorities. We have reviewed the in-depth reporting. The Audit & Governance Committee review the Strategic Risk Register quarterly and Council also have oversight of the position annually through the Budget and the associated Chief Finance Officer's Report on the Robustness of the Council Budget.

The Corporate Plan also includes performance measures, key projects and initiatives and other non-financial metrics which also are reported to the Policy Committee as part of the Quarterly Performance and Monitoring Report. All collated information is subject to initial scrutiny by the CMT.

Improving economy, efficiency and effectiveness



How the Council uses information about its costs and performance to improve the way it manages and delivers its services

We have considered the following in our work:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the Council evaluates the services it provides to assess performance and identify areas for improvement;
- how the Council ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- where the Council commissions or procures services, how it assesses whether it is realising the expected benefits.

Benchmarking

The Council operates limited benchmarking activities on a case by case basis and review national benchmarking performed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Government Association (LGA). We will explore this area further as part of our overall conclusion.

We have reviewed the CIPFA outputs for the Council. Current benchmarking on the CIPFA Financial Resilience Index is based on 2023-24 data, however we expect the inputs to be similar for 24/25 and its indicators of financial stress suggest the authority is generally lower-medium risk compared to its Nearest Neighbours and other Unitary Authorities. The Council's 'Level of Reserves' metric has deteriorated per the Index and is no longer considered 'Lower Risk'.

View from the regulators

The Council is subject to a number of inspections by the regulator. The latest Children's services inspection from Ofsted was received on 22 April 2024, however picks up a theme of a number of years, whereby the Children's services are assessed as 'Requires improvement to be good'. Our investigation into this matter in 23/24 showed evidence of improvement in this area and we concluded it was not a significant weakness.

However, a 'joint area child protection inspection' was carried out by Ofsted and partner organisations in March 2025, which states significant weaknesses were identified in the multi-agency approach to prevention, help and support for children and their families who are victims of domestic abuse in Reading.

Additionally, a recent judgment by the Regulator of Social Housing released in April 2025, rated Reading's services as C3, which suggests 'serious failings' and 'significant improvement' is needed.

Since our risk assessment, there has also been a report issued by the CQC with a status of 'Requires Improvement'. We have considered the arrangements in place regarding the issues identified within our significant risk area overleaf.

Risk of significant weakness



2

Regulator reporting identified weaknesses

Risk that value for money arrangements may contain a significant weakness linked to Economy, Efficiency and Effectiveness

Significant Value for Money Risk

The recent challenging reporting from Ofsted and the Regulator of Social Housing indicates that there is a risk that the Council does not have in place adequate arrangements to achieve economy, efficiency and effectiveness of services in the period.

Our response

We performed the following procedures:

1. Considered the recent reports and the underlying issues identified;
2. Investigate and challenge management as to the drivers behind the reports and arrangements currently in place; and
3. Understand management's response to the reports, the action plan and future proposed arrangements.

Our findings

Findings

A Joint Targeted Area Inspection (JTAI) identified significant weaknesses in the multi-agency approach to prevention, help and support for children and their families who are victims of domestic abuse in Reading.

We have reviewed the papers and progress report taken to Audit Social Care, Children's Services and Education Committee and confirmed a detailed action plan is in place, with progress closely monitored following the publication of the inspection report in May. We do not consider this is a significant weakness in improving economy, efficiency and effectiveness as the Council has a detailed plan in place and monitor the implementation of action plan on a regular basis.

However, we consider this as a significant weakness in governance because there was no evidence of the Council identifying and attempting to mitigate the risks in advance of receipt of the report. Hence, we considered this is an indication of lack of scrutiny and consider it as a weakness in governance.

We inspected the reports from the Regulators of Social Housing where a C3 rating was given due to the concerns regarding areas such as health and safety and transparency.

Following our inspection of reports taken to the Housing, Neighbourhoods and Leisure Committee we concluded that although there were weaknesses identified in the inspection, RBC had already identified the majority of the issues and had active action plans in place at the time of the visit. Delivery against these action plans has been monitored at each committee.

We also inspected the CQC inspection report regarding adult social care and the council's risk register. We confirmed that the Council have identified and attempted to mitigate the risk in advance of the report.

Conclusion

We do not consider there is a significant weakness in improving economy, efficiency and effectiveness as we have seen action plans the council have in place and evidence for monitoring the implementation of action plans.

However, we have determined that there was a significant weakness in governance as we do not see evidence of the Council identifying and attempting to mitigating risks in advance of the JTAI report. We are however happy that the action plans are in place to respond.

Governance

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

We have considered the following in our work:

- how the Council monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- how the Council approaches and carries out its annual budget setting process;
- how the Council ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- how the Council ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency; and
- how the Council monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of management or Board members' behaviour.

Conclusion on governance arrangements

We did not identify a risk of significant weakness relating to governance during our initial risk assessment phase.

However, we updated this risk assessment in light of reports subsequently received from key regulators:

- A report from Ofsted and the Joint Targeted Area Inspection (JTAI) was issued on 6 May 2025. This was an inspection of the Brighter Futures partnership, carried out by inspectors from Ofsted, the Care Quality Commission (CQC), His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and His Majesty's Inspectorate of Probation (HMIP). An improvement notice was issued on 31 July 2025, and a DfE Improvement Advisor was appointed to oversee progress against the highlighted areas for improvement
- The regulator of social housing issued a regulatory judgement on 30 April 2025 resulting in a C3 grading. The report highlighted serious failings in delivery of the outcomes of the consumer standards.
- The Care Quality Commission issued its Local Authority Assessment on 10 October 2025 which gave a 'requires improvement' grading.

We have reviewed these reports and discussed the findings and Action Plans with key Council Executives.. We have concluded that there is a weakness in underlying governance in the financial year, as , although some of the issues highlighted in the reports were known and being managed, many were not. We have therefore made a recommendation regarding a review of the underlying risk management and escalation arrangements.

Approach to identifying, monitoring and management of risk

The Council's guiding governance document is the Constitution. This is built on with the Council's risk management policy and procedure, which further formalises the risk management structures within the authority and cements its approach to risk assessment.

There are five levels of risk register operated within the Council, the highest being the Strategic Risk Register. A 5 x 5 scoring matrix is used by the Council to score risks on the Strategic Risk Register (Impact x Likelihood). The Strategic Risk Register has 11 risks identified, the mostly highly rated include: inability to deliver a balanced budget, SEND provision, climate mitigation, cyber risk and safeguarding of vulnerable adults and children. Our review of the risk register found that this was sufficiently detailed to effectively manage key risks and we identified evidence of review within the Audit & Governance Committee throughout the year.

Given the recent Ofsted report referenced later in the report, it is positive that the Council had already recognised this on the Risk Register. The risk had reduced since Q4 23/24 from 16 to 9, however since the recent inspection the risk has moved back to 16, recognising the outcome and need to deliver the improvement plan. There were actions in place before the report was issued in order to continue to reduce the risk.

Governance



Fraud, Laws and Regulation and Officer compliance

The effectiveness of internal controls is monitored by the Audit & Governance Committee, through reporting from Internal Audit and Counter Fraud. The programme of work for each organisation is approved at the start of the financial year by the Audit & Governance Committee, following input by the CMT. Any recommendations raised by Internal Audit or the Counter Fraud teams are reported to the Audit & Governance Committee. Our review of the Audit & Governance Committee papers confirmed that there were appropriate discussions and follow up of recommendations for both Internal Audit and Counter Fraud.

The Council retains a suite of policies (in line with other comparable local authorities), which clearly outline the expected behaviour of Councillors and officers in relation to areas such as Staff and Councillor Codes of Conduct and Members’ Allowances. Specific guidance is in place for teams and managers via standards of behaviour for these roles. Overall compliance with legislation, laws & regulations are monitored by management. The authority has a dedicated Whistleblowing email and includes guidance on conflicts of interest and gifts & hospitality in the Code of Conduct.

Internal audit

We noted in the Annual Assurance report from Internal Audit that the majority of the reports issued in year have reasonable assurance. There are three reports with limited assurance, which found evidence of improvements required to controls around Residents Parking Enforcement, Commercial Properties (rent roll) and Supporting Living tendering. Whilst important to consider, we do not think that these reports alone amount to a significant weakness in overall governance.

View from the regulators

The Council is subject to a number of regular inspections by the regulator. We have considered the outcomes of these reports in economy, efficiency and effectiveness and concluded that there is a significant weakness in governance in the financial year, due to some of the issue identified in the report pertaining to Brighter Futures for Children having not been identified by the council prior to the inspection.

	2024-25	2023-24
Control deficiencies reported in the Annual Governance Statement	None	None
Head of Internal Audit Opinion	Reasonable Assurance	Limited Assurance
Ofsted rating	Children’s Services - Requires improvement	Children’s Services - Requires Improvement
Care Quality Commission rating	Requires improvement	No overall rating – individual services rated as ‘Good’

Value for Money: Recommendations



The recommendations raised as a result of our work in respect of the significant value for money weakness in the current year is as follows:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date
1	Issue A Joint Targeted Area Inspection identified significant weaknesses in the multi-agency approach to prevention, help and support for children and their families who are victims of domestic abuse in Reading. While we appreciate that some of the issues identified were known by the Council and were being worked upon by the Council, some of them were not, which raises questions regarding the underlying monitoring arrangements and escalation of risk. We note that the Council have responded well to the findings of the report, and a detailed action plan is in place to respond to the findings and this is being effectively monitored with effective governance arrangements supporting the action plan.. We also note that Brighter Futures has recently transferred back into the Council from October 2025 and the detailed action plans are being effectively monitored. Impact A lack of effective oversight may lead to the Council failing to deliver services efficiently. This could also expose the Council to increased financial pressures and result in significant legal or reputational consequences. Recommendation We recommend that the Council:: • continue to implement the agreed action plan and closely monitor progress against the plan; • Revisit their arrangements in light of the report to understand how issues raised were not highlighted, risk assessed and escalated sooner and in advance of the report being issued • Use the findings from this review to look across to other services across the Council that may have similar failings that are continuing without the appropriate scrutiny or support	During November 2025, the Council received the first monitoring visit since the Joint Targeted Area Inspection (JTAI) in March 2025. This visit was carried out in line with the inspection of local authority children's services (ILACS) framework. The monitoring visit noted there has been a strengthened focus and effective action by senior leaders and others to start to address the areas of concern and weakness identified in March 2025. Progress is being made in implementing a multi-agency improvement plan and a service development plan. This is beginning to have a positive impact on addressing concerns. The introduction of assessment teams as part of this improvement work has required the financial backing of corporate and political leaders. Although recent, this is beginning to support improvements in the manageability of some social workers' caseloads and is supporting improvements in the timeliness and quality of work with children. However, further progress is needed to improve consistency in practice and embed change, to ensure all children have the right help at the right time. The Council will continue to work on improvements and implement the agreed action plan. The recent transfer of Brighter Futures for Children back into the Council from October 2025 reinforces the Council's governance process to identify any issues as soon as possible so that any mitigating action can be put in place. Officer Responsible: Director of Children's Services Due Date: 31/3/26

Value for Money: Recommendations



Below we have set out our findings from following up recommendations raised in respect of significant weaknesses identified in prior periods:

#	Issue, Impact and Recommendation	Management Response/Officer/Due Date	Update as of October 2025
2	Issue As part of the financial statements audit and internal audit's annual assurance report, deficiencies were found in the Employee Gifts & Hospitality and Declarations of Interest register. Impact The Council may be vulnerable to conflicts of interest. There is a risk of undue influence over decisions where undeclared interests, gifts or hospitality are not identified. This also exposes the Council to accusations of undue influence, where decisions are made without these considerations, regardless of whether this has or has not been exercised. Recommendation The Council should apply a more rigorous approach to declarations of interests and gifts & hospitality, with centralised and regularly updated/reviewed registers. To ensure these are kept up-to-date, these could be tracked through the Audit and Governance Committee.	The Council will review and improve the arrangements for managing Employee Gifts & Hospitality and the Declarations of Interest register. Progress on implementing audit findings will continue to be included in regular performance reports to the Audit and Governance Committee. Officer: Monitoring Officer Due Date: 31/3/25	The Council has updated its Gifts and Hospitality Policy which is available on the Council's intranet site. New processes are in place and communicated to all staff. We have obtained the recent internal audit report which suggests inconsistency still remains. Hence we keep this recommendation open.



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Council

24 February 2026



Reading
Borough Council
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Title	Annual Governance Statement 2024/25
Purpose of the report	To make a decision
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Jayne La Grua, Monitoring Officer & Director, Legal & Governance
Report author	Nicky Blacker, Deputy Chief Accountant
Lead Councillor	Cllr Ellie Emberson, Lead Councillor for Corporate Services and Resources
Council priority	Not applicable, but still requires a decision
Recommendations	1. That the Annual Governance Statement for 2024/25 be approved. 2. That the Director, Legal & Governance be authorised to make minor amendments to the Statement, in consultation with the Leader and Chief Executive, prior to signature by the Leader and Chief Executive.

1. Executive Summary

- 1.1. The Council is responsible for ensuring that financial management is adequate and effective and that the Council has a sound system of internal control, which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.
- 1.2. The Accounts and Audit Regulations require local authorities to prepare and publish an Annual Governance Statement (AGS) each financial year, which accompanies the authority's financial statements.
- 1.3. The Annual Governance Statement is a key record of the overall effectiveness of governance arrangements within the Council. The statement reflects the latest guidance from CIPFA/SOLACE on a strategic approach to governance and demonstrates how the key governance requirements have been met.

2. Policy Context

- 2.1. The Council's AGS for 2024/25 is attached at Appendix 1.
- 2.2. Essentially, it outlines for the Council:
 - the scope of governance responsibilities;
 - the purpose of the governance framework;
 - a description of the governance framework against the CIPFA/SOLACE Framework for "Delivering Good Governance in Local Authorities";
 - arrangements for reviewing the effectiveness of the governance framework; and

- governance issues that need to be addressed.
- 2.3. The preparation of the Statement has built on previously established arrangements, which involves the collating of information from a number of sources, both internal and external. The information is analysed, and a draft AGS is produced, discussed with key officers, and any amendments identified are then made.
 - 2.4. To support the Annual Governance review, each directorate is required to complete a Directorate Governance Statement in relation to systems and processes operational within their areas during the year. These are signed off by the relevant Executive Director. The Directorate Statements demonstrate that Directorates have evaluated and assessed their internal control environment.
 - 2.5. The Council receives a substantial amount of assurance from the work that is undertaken by its Internal and External Auditors (KPMG). The role of Internal Audit is to provide independent assurance that the Council's risk management, governance and internal control processes are operating effectively. The role of External Audit is to review the financial statements, obtain evidence that they are materially correct and provide an opinion as to whether these represent a true and fair view of the financial position of the Council. External Audit also provides a value for money opinion assessing whether proper arrangements are in place for securing financial resilience and challenging how the Council secures economy, efficiency and effectiveness.
 - 2.6. The Audit and Governance Committee receives reports and updates from both Internal and External Auditors throughout the year and consider their impact on the control environment.
 - 2.7. One of the assurance statements the Council receives is the annual opinion of the Chief Internal Auditor in respect of the control framework. The opinion of the Chief Internal Auditor in respect of audit work completed in 2024/25 was reported to the Audit and Governance Committee on 16 July 2025 and gives Reasonable Assurance on the internal control environment based on the areas audited.

3. The Proposal

- 3.1. The statement covers the period up to the publication of the accounts, but, as the Statement is signed by the Leader of the Council and the Head of Paid Service, it would be sensible to authorise minor amendments that may be needed before then. The need for material amendment is not currently anticipated. External Audit will review the statement for consistency with their knowledge of the Council but does not "audit" it as such.

4. Contribution to Strategic Aims

- 4.1. The Council 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. These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.
- 4.4. The concept of Governance is cross-cutting and relevant to all Services of the Council and to all of our public facing services. As such it is relevant to the Council's ability to be able to deliver on all of its Corporate Priorities. Good Governance is also strongly linked to the principle of "Building on strong foundations".

5. Environmental and Climate Implications

- 5.1. None arising.

6. Community Engagement

- 6.1. It is not anticipated that there will be public consultation on the Annual Governance Statement. It will however be in the public domain, and is written in such a way to be accessible for members of the public to understand the Council's approach to Corporate Governance.

7. Equality Implications

- 7.1. Under the Equality Act 2010, Section 149, a public authority must, in the exercise of its functions, have due regard to the need to:
- eliminate direct or indirect discrimination, harassment, victimisation, or any other conduct prohibited by the Equality Act 2010;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.2. An Equality Impact Assessment (EIA) is not relevant to this report.

8. Other Relevant Considerations

- 8.1. There are none.

9. Legal Implications

- 9.1. Covered in the main body of the report.

10. Financial Implications

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

11. Timetable for Implementation

- 11.1. Not applicable.

12. Background Papers

- 12.1. There are none.

Appendices

1. Annual Governance Statement 2024/25

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ANNUAL GOVERNANCE STATEMENT 2024/2025

EXECUTIVE SUMMARY

This Annual Governance Statement (AGS) provides an assessment of Reading Borough Council's governance arrangements for the financial year 1 April 2024 to 31 March 2025. The statement has been prepared in accordance with the Accounts and Audit Regulations 2015 and follows the current CIPFA/SOLACE guidance on delivering good governance in local authorities. Key developments during 2024/25 include:

- Alignment with the Best Value Standards and Intervention Guidance 2024, demonstrating the Council's commitment to continuous improvement;
- Key governance decision to bring children's services back in-house from Brighter Futures for Children Ltd;
- Several key regulatory inspections by the Care Quality Commission, OFSTED and Social Housing Regulator; and
- Continued financial challenges requiring robust governance oversight.

PURPOSE OF THE GOVERNANCE FRAMEWORK

The Council's governance framework sets out the systems, processes, culture and values through which it is directed, controlled and held accountable to its communities. It supports the monitoring of strategic objectives and ensures that services are delivered effectively and provide value for money. A key element is the system of internal control, designed to manage risks to an acceptable level rather than eliminate them entirely. This ongoing process identifies and prioritises risks to achieving the Council's aims, evaluates their likelihood and impact, and ensures they are managed efficiently and economically.

KEY ELEMENTS OF THE COUNCIL'S GOVERNANCE FRAMEWORK

The Council operates a committee-based system of governance with four standing committees broadly aligned to the Council's departmental structure. Their remit includes obtaining assurance that Corporate Plan priorities, and the Budget and Policy Framework approved by Council each year, are delivered in their relevant areas. There are no separate scrutiny committees or call-in provisions. However:

- the Standards Committee investigates specific allegations of councillor misconduct;
- the Audit and Governance Committee is tasked with reviewing and considering improvements to corporate governance in general; and
- all standing committees can undertake scrutiny of relevant functions where they think it appropriate.

Key elements of the governance framework at Reading Borough Council are:

Decision Making

- All meetings are held in public and are now webcast and available to watch after the event;
- Decisions are published on the Council website;
- All Council decisions are supported by detailed officer reports which are open to the public unless they qualify as legally "confidential" or "exempt" from publication.

Risk Management

- Risk registers identify operational and strategic risks;
- Key risks are considered by Directorate Management Teams;
- Strategic risks are reported to the Audit & Governance Committee quarterly and overseen by the Corporate Management Team.

Corporate Management Team (CMT)

- CMT are responsible for the overall management of the Council;
- The Head of Paid Service is the Chief Executive who is responsible for all Council staff and for leading CMT;
- The Executive Directors lead the majority of services which are delivered to the public;
- The Director of Finance is the Council's s.151 Officer and is responsible for safeguarding the Council's financial position and ensuring value for money;
- The Monitoring Officer is the Council's Assistant Director of Legal & Democratic Services who with the Chief Executive is responsible for ensuring legality and promoting high standards of ethical conduct.

HOW WE COMPLY WITH THE CIPFA/SOLACE FRAMEWORK

The Council has arrangements in place to meet all relevant requirements of the CIPFA/SOLACE Framework. The seven “core principles” underpinning the Framework are set out below together with a summary of new or enhanced arrangements introduced in 2024/25.

Principle 1 – Behaving with integrity and respecting the rule of law: Codes of Conduct for members and officers promote high standards of behaviour in line with the Nolan principles, supported by detailed policies such as the Anti-Fraud, Bribery and Corruption Strategy, Whistleblowing Procedures and the Procurement Code. The Monitoring Officer and Section 151 Officer ensure decisions meet legal and financial requirements, and the statutory officers, along with their deputies, meet regularly to review key governance matters, complementing the work of CMT. In 2024/25, the Council strengthened its ethical framework by updating the Anti-Fraud, Bribery and Corruption Policy to reflect the new “failure to prevent fraud” offence, increasing whistleblowing awareness and improving declarations of interests and gifts and hospitality.

Principle 2 – Ensuring open and comprehensive stakeholder engagement: The Council engages regularly with stakeholders, taxpayers and service users through its online Consultation Hub, a range of thematic committees and forums, and communication channels including newsletters, e-bulletins and social media. Residents can attend committee meetings, ask questions, submit petitions and access councillors through local surgeries. An annual resident survey provides statistically robust feedback to inform service planning. In 2024/25, engagement was further strengthened through major consultations on the Draft Town Centre Public Realm Strategy, community engagement on allotment and burial ground changes, improved tenant involvement following regulatory inspection, and wider participation linked to the Medium-Term Financial Strategy.

Principle 3 – Defining outcomes in terms of sustainable economic, social and environmental benefits: The Council Plan clearly sets out strategic outcomes, with progress monitored through regular committee reporting and quarterly performance reviews. It guides resource prioritisation and informs service plans and staff objectives, all designed to be financially and environmentally sustainable and shaped through consultation. The Medium-Term Financial Strategy provides a realistic assessment of available resources, while the annual Budget and Policy Framework sets spending limits, savings and key priorities. Performance and risk are tracked through KPIs and regular reports to CMT, Policy Committee and Audit and Governance Committee. During 2024/25, the Council also published the Market Position Statement for Adult Social Care, advanced its climate adaptation work and strengthened the integration of environmental considerations into decision-making.

Principle 4 – Determining the intervention necessary to achieve intended outcomes: CMT meets monthly to monitor performance, using KPI reports that track progress, risks and issues, and ensuring remedial action where services underperform. Major change programmes are overseen through cross-cutting internal boards, with outcomes feeding into the CMT performance cycle. Senior management and councillors maintain focus on agreed objectives through regular reporting to Policy Committee, while the four standing committees oversee delivery of actions within the Budget and Policy Framework. Financial and Performance Monitoring reports provide updates on the budget position and savings delivery. In 2024/25, the Council strengthened governance through the decision to in-source Children's Services, enhanced Strategic Housing and Landlord oversight, and improved capital programme and business case governance.

Principle 5 – Developing capacity, including the capacity of leadership and individuals within the Council: The Council invests in leadership development and workforce planning to support sustainable services, with strategic direction provided by CMT and directorate management teams, underpinned by the TEAM Reading values and the People Strategy. Partnership working is embedded in the Corporate Plan, supported by governance arrangements set out in the Constitution. The Learning and Workforce Development Team builds organisational capability through skills and qualification-based training. In 2024/25, the Council strengthened leadership capacity through permanent Executive Director and Assistant Director appointments, improved governance across key service areas, enhanced statutory officer collaboration, and continued organisational development through regular leadership and manager briefings.

Principle 6 – Managing risks and performance through strong internal control and financial management:

Corporate risk registers are reviewed quarterly, with significant risks considered by senior management and members, and councillors receiving risk-management training to strengthen scrutiny. Internal Audit provides independent assurance on internal controls and recommends improvements. The Council aims to produce its annual accounts within statutory deadlines. In 2024/25, risk management was strengthened following regulatory inspections, business continuity planning, particularly cyber resilience, was enhanced, and oversight of major programmes improved.

Overall, the Council's decision-making framework promotes best value through continuous improvement, robust leadership, clear governance, strong financial stewardship and effective

partnerships, supported by performance monitoring, ethical standards and a disciplined Medium-Term Financial Strategy to ensure services deliver positive outcomes for residents.

Principle 7 – Implementing good practices in transparency, reporting and audit to deliver effective accountability:

The Council follows Government guidance on providing clear and accurate information and has developed both its website and the format of Council reports to improve transparency and accessibility. Papers (including performance reports) and minutes of meetings, key decisions, and all items of expenditure and contracts awarded over £500 are published on the Council's website. All Council meetings are held in public, and minutes of meetings and webcasts are available on the Council's website. Public questions are allowed at Committees and at Council meetings. In 2024/25, the Council improved transparency in its Traffic Regulation Order processes following a report to Council on the maladministration of historic Orders, enhanced reporting on company governance arrangements, and strengthened cooperation with external audit alongside improvements in accounts preparation.

REVIEW OF EFFECTIVENESS

CMT is responsible for putting in place adequate governance arrangements and effective systems of internal control. The Council uses several ways to review and assess the effectiveness of governance arrangements, as set out below:

Assurances from Internal and External Audit

Internal Audit: Internal Audit Standards require the Chief Auditor to provide an assessment of the overall adequacy and effectiveness of the Council's control environment. This opinion is expressed using a scale ranging from Substantial to Reasonable, then Limited and finally No Assurance.

The annual report and opinion of the Chief Internal Auditor for 2025/26 was presented to the Audit and Governance Committee on 16 July 2025. It states that the Council's internal control environment and systems of internal control in the areas audited were to be classed as "Reasonable Assurance". The number of audits receiving a negative assurance opinion, as well as a combination of advisory work (not detailed audit reviews) and investigations undertaken. 18% of audits received limited or no assurance in 2024-25, compared to 44% in 2023-24, and 26% in 2022-23. The following areas influenced the annual assurance opinion:

- An audit identified discrepancies in the Commercial Properties rent roll that were affecting billing accuracy, highlighting the need for stronger authorisation and verification controls until the CPM system can generate invoices. Split budget responsibilities also meant the overall level of debt was not visible, making it difficult to monitor and report commercial rent and lease risks. A project has begun to upload all leases into CIVICA, validating tenant information, income data and lease details to improve accuracy and control.
- An audit of Supported Living found weaknesses in the tendering process, financial controls for placements, and governance of off-framework providers. Additional controls have been introduced to ensure proper governance for any off-framework providers, and the Council is procuring a new framework (due March 2026) to further reduce off-framework purchasing.
- An audit of Residents Parking Enforcement provided limited assurance over governance, risk management and controls, identifying unclear responsibilities, poor data quality and expired contracts that may no longer be fit for purpose. A series of actions has been agreed

to strengthen contract management, record-keeping and decision-making. Work on contracts is ongoing, including an early review of the current enforcement contract ahead of its 2027 renewal.

- An investigation found that the East Reading Red Route TRO and several other TROs had not been properly made or implemented, meaning the Council had no legal basis to issue Penalty Charge Notices and their enforcement was unlawful. The Monitoring Officer issued a Section 5 report under the Local Government and Housing Act 1989 to formally report this maladministration to the Council. A Restitution Scheme and an Action Plan have been established, both of which are monitored by the Audit and Governance Committee.

External Audit: The Council's external auditor, KPMG, provides assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing and improving value for money. In response to a national recovery programme to bring up to date the achievement of timely external audit opinions, the Government has implemented a series of backstop dates by when audit opinions must be issued. The Council received a disclaimed opinion from EY for 2021/22 and 2022/23, and a disclaimed opinion from KPMG for 2023/24 in compliance with the recovery programme. In giving the 2023/24 opinion, KPMG also provided a small number of improvement recommendations in their ISA 260 reported to the Council's Audit and Governance Committee in April 2025. Value for money commentary was also provided for each of these years by the respective auditors. The latest Auditors Annual Report from KPMG for 2024/25 was reported to Council at its meeting 25 February 2025 which recognised an improvement in the arrangements concerning Children's Services with regard to the on-going continuous improvement plan and evidence of an increasingly joined up approach with other councils and partners to tackle issues. The direction of travel is positive and therefore this does not represent a significant weakness for 2023/24.

Compliance with the Financial Management Code

CIPFA's Financial Management Code requires local authorities to review and evidence compliance with its 17 standards annually. The 2023/24 self-assessment showed continued progress: the 2020/21 accounts received an unqualified opinion, and the 2021/22, 2022/23 and 2023/24 audits were completed to national backstop deadlines, albeit with disclaimed opinions; however, auditors identified no major weaknesses in arrangements to secure economy, efficiency and effectiveness for 2023/24. The Chief Auditor's 2023/24 Annual Assurance Report provided a limited assurance rating on governance, risk management and internal control, resulting in one FM Code standard being downgraded from Green to Amber; overall, 11 standards were assessed as Green and 6 as Amber, giving an overall Amber rating for the year.

Self-assessment and review of key performance indicators

The Council's Finance team works with Internal Audit to confirm that expected governance arrangements have been in place throughout the year. Management Assurance Statements, signed by senior officers, also confirm that Codes of Conduct, Financial Regulations and other corporate processes have operated as expected. In addition, the Chief Executive has implemented a Statutory Officers Group to monitor governance issues on a monthly basis with the Executive Director of Resources, Chief Finance Officer and Monitoring Officer. The Council uses several key outcomes to confirm the adequacy of governance arrangements. These KPIs are outlined as follows:

- Formal reports by s151 or Monitoring Officer - One – October 2024 at Council in relation to maladministration of historic Traffic Regulation Orders.
- Number of Member Code of Conduct Complaints investigated - None beyond the initial filter stage. Report on referrals presented annually to Standards Committee.
- Proven fraud carried out by councillors or members of staff - None in 2024/2025
- Objections received from local electors - There was one objection raised during the year relating to the 2022/23 Statement of Accounts which was not upheld by the Council's External Auditor for those accounts, Ernst & Young
- Local Government Ombudsman referrals upheld:
 - Total number of LGSCO complaints/enquiries received – 59;
 - Cases referred back to Council – 12;
 - Cases closed after initial enquiries – 24;
 - Formal investigations – 15 (10 were upheld).
- Housing Ombudsman referrals upheld:
 - Findings (outcomes) - 3 upheld – further 12 awaiting outcome from the HO;
 - Orders (compensation, apology, specific actions etc.) – 3;
 - Determinations (cases decided upon by the HO) – 3;
 - Maladministration findings- 3.
- Information Commissioner referrals upheld - There was one case investigated by the ICO during the year which was not upheld.
- Freedom of Information requests (performance) - 1043 requests were received in 2024/2025. 74.5% were responded to within the statutory timeframe (20 days).
- Annual Accounts - 2021/22, 2022/23 signed off with a disclaimed opinion following limited external audit fieldwork undertaken. 2023/24 was also signed off with a disclaimed opinion, however this was mainly as a result of the unaudited opening balances brought forward from previous years. Significant external audit fieldwork was undertaken by KPMG in relation to 2023/24 'in-year' transactions.
- Group activities¹ - No governance issues to address in 2024/25. The Council continues to receive appropriate information about the performance of its companies through the Policy Committee which acts as the designated shareholder committee for the Council.

Inspections and Assessments

OFSTED Inspection of Children's Services: Between April and May 2024, Ofsted carried out a full inspection of Reading's children's services, concluding that the experiences and progress of

¹ The Council operates several companies: Reading Transport Ltd – the operating company for Reading Buses, which itself has several subsidiaries. (100% share ownership). Homes for Reading Ltd – provision of private sector lettings. (100% share ownership). Brighter Futures for Children Ltd – provision of Children's Services. (Sole member). Reading Hampshire Property Partnership Ltd– provision of property and construction related consultancy and procurement. (49% share ownership). The Council also is involved in two other not for profit partnerships as a member: First, REDA (Reading's Economy and Destination Agency) delivering economic development for the Borough. Secondly, IESE Ltd providing management consultancy.

children who need help and protection, as well as the impact of leaders on social work practice, both “require improvement to be good,” while the experiences and progress of children in care and care leavers were judged “good,” resulting in an overall effectiveness rating of “requires improvement to be good.” Key areas identified for further improvement included the quality of assessment, planning and provision for children in need, the timely identification of risk, strengthened workforce development and support, and improved responses to children at risk of harm outside the home.

His Majesty's Inspectorate of Probation (HMIP) Youth Justice Inspection (September 2024): issued an overall judgment of “Inadequate,” identifying significant weaknesses requiring comprehensive improvement. Key recommendations focused on strengthening quality assurance, management oversight, assessment and planning, attention to victim needs, resourcing and structure for effective interventions, use of the disproportionality action plan, and access to suitable education, training and employment opportunities.

In response, a comprehensive improvement plan was developed in December 2024, structured around four pillars, Governance and Leadership, Staffing and Workforce Development, Partnership and Services, and Process, Systems and Quality of Practice, with progress overseen by sub-groups reporting to the Youth Justice Management Board and clear timescales and responsibilities assigned.

The Care Quality Commission (December 2024): conducted an onsite inspection of Adult Social Care between 16th to 19th December 2024 in relation to how we fulfil our statutory duties within the Care Act 2014. Report is pending. Enhanced governance arrangements through new Adult Social Care board structures and delivery against the service's established improvement plan have contributed to the preparation to this inspection.

The Social Housing Regulator (February 2025): conducted an onsite inspection of the Council's Housing and Communities landlord function to assess compliance with the Consumer Standards, issuing a C3 grading that confirmed serious failings across the Safety and Quality, Transparency, Influence and Accountability, and Neighbourhood and Community standards. Key issues included only 50% of homes being surveyed in the last five years, an outdated understanding of property conditions, around 1,600 overdue repairs, significant weaknesses in the repairs service, limited tenant scrutiny opportunities, shortcomings in anti-social behaviour case management, and further concerns relating to PFI-managed properties—particularly the absence of ASB risk assessments, inadequate tenant information and poor complaint handling. The Council has implemented a comprehensive improvement plan, with progress monitored through monthly provider improvement meetings with the Regulator and regular reporting to the Housing, Neighbourhoods and Leisure Committee.

Joint Targeted Area Inspection (February 2025): A Joint Targeted Area Inspection focusing on domestic abuse took place over three weeks, examining 30 cases. The inspection identified several strengths including quick decision-making at initial contact, strong partnerships, and skilled staff providing various interventions. However, ten areas for improvement were identified, including enhanced information sharing, better use of data in repeated domestic abuse cases, and improved commissioning of support services.

Association for Public Service Excellence (APSE) (February 2025): reviewed the handling of Traffic Regulation Orders (TROs). APSE recommended improvements to governance, team structures, and processes. The Highways department is struggling with workload due to vacancies and a lack of experienced applicants. More demands will come from digitising TROs and consolidating Orders, requiring strong systems to avoid errors like those in 2024. Clear information, policies, and plans can guide Elected Members and the public. Internal communication issues, like those with

the Bus Lane introduction, show the need for better arrangements and early involvement in proposals.

The Local Government Association (LGA) - reviewed Brighter Futures for Children's Transformation Programme and the costs of Reading's children's services, finding residential care costs high due to complex needs, limited local provision and reduced foster-carer availability—all issues already targeted in the Transformation Plan.

The review highlighted budget pressures, historic reliance on agency staff (now improving), and the need to strengthen data quality, particularly in SEND, to improve forecasting. It also recommended better integration of performance and cost management and reduced reliance on spreadsheets. Overall, the Transformation Programme was judged to be focused on the right priorities but would benefit from accelerating key actions and securing permanent resourcing, with a remaining risk that demand may still exceed the budget and MTFS assumptions.

KEY GOVERNANCE ISSUES

Based on the review of effectiveness, several governance issues have been identified requiring ongoing attention:

- 1) *Traffic Regulation Orders* - On 15 October 2024, the Council reviewed a report identifying that several historic Traffic Regulation Orders (TROs) had been improperly made and implemented, rendering enforcement and related Penalty Charge Notice income unlawful. A Scheme of Restitution and an Action Plan were established, with progress reported to the Audit and Governance Committee to ensure scrutiny. New governance and monitoring arrangements now require Network Services, Parking Enforcement and Legal Services to jointly review TROs, supported by site inspections before and after implementation, while a new digital map-based TRO management system is being developed to improve accuracy, transparency and accountability.
- 2) *Children's Services* - The Council will bring all services provided by Brighter Futures for Children Ltd (BFfC) in-house on 1 October 2025, to improve control, decision-making, integration, and reduce duplication. Expected benefits include better oversight, streamlined operations, enhanced collaboration, cost savings of £200,000-£300,000 annually, and improved service delivery for children and families in Reading.
- 3) *Homes for Reading Ltd* - Reading Borough Council has agreed to close Homes for Reading Ltd, its wholly owned housing company, following tenant consultation and in light of changes to lending rules, the housing market and interest rates that affected the company's viability. The 101 homes will be transferred into the Council's mainstream housing stock as leases end, providing affordable homes for key workers, and the Council is supporting tenants throughout the transition to ensure suitable alternative accommodation is secured.
- 4) *Reading Hampshire Property Partnership Ltd* – Reading Council's partner in this property services shared service, Hampshire County Council, has given notice to the Council that it no longer has the capacity to provide the support services required by the Council. All activity ceased by the end of March 2025. A report went to Policy Committee in July 2025 and approval was given for the closure of the Company following completion of all outstanding projects and contractual obligations.
- 5) *Response to regulatory assessments* – a number of areas have been inspected during 2024/25 and the Action Plans to address recommendations will need oversight during 2025/26.

Last year's Annual Governance Report highlighted six key areas for improvement. Set out below are the actions taken to address these issues during 2023/24:

- 1) Review of procurement Hub and Spoke governance and practices to ensure all activities are aligned to the latest transformation / change programmes. Consultation completed on corporate Hub and agreed model has begun implementation to resolve any performance and capability gaps. Introduction of a new operational governance model to complement project framework and Procurement Act 2023.
- 2) Continue to embed monitoring arrangement to maximise completion of mandatory learning. Governance in place to report to Corporate Management Team. Mandatory learning completions have risen significantly and are now tracked every 3 months. Where necessary, individuals are provided with prompts to complete required mandatory learning in line with the new approach. Mandatory learning completions for GDPR rose to 96.6% at the end of March and 96.2% for cyber security (IT users).
- 3) Strengthen arrangements for monitoring and recording declarations of interests, gifts and hospitality. New processes in place and communicated to all staff.
- 4) Targeted work to improve response times to FOIs and enquiries and learning to be gathered from complaints. FOI performance has been reported to Audit and Governance Committee. There was a significant slip in Q2 due to the implementation of a system which requires additional work to provide the expected benefits. Work continues to improve performance and this continues to be reported to Audit and Governance.
- 5) Implement the recommendations following the Housing Repairs Task Force and improvement plan and achieve/maintain all relevant safety standards for the housing stock. Task Force updates have been reported into Audit and Governance Committee noting significant improvements. One workstream remains outstanding linked to procurement which will be completed by September 2025. Actions will evolve into a continuous improvement plan and is linked with the response to the Regulatory inspection.
- 6) Review of the governance of the Climate Programme Board and reporting lines to ensure climate action is embedded across the organisation. The Climate Board's governance was reviewed in 2024, with a further review planned following development of the new Climate Emergency Strategy and Carbon Plan for 2025–2030. Climate implications are now built into committee and budget-bid templates, and carbon literacy training is being rolled out to all managers. The Council has achieved bronze carbon-literacy status and holds an A-rating for Climate Action (CDP).

CONCLUSION

The Council's governance arrangements are considered fit for purpose, though several issues have been identified and captured below. The annual review of governance demonstrates the effectiveness of the overall framework and has informed the actions we are now taking to strengthen it further. We are satisfied that these planned improvements address the weaknesses identified in the review, and progress will be monitored as part of the next annual assessment.

The Council is satisfied that appropriate governance arrangements are in place, however it remains committed to maintaining and, where possible, improving these arrangements by:

- 1) Following receipt of the results of Adult Social Care's CQC assessment areas of improvement will be logged, monitored and actioned throughout 2025-26 via our internal governance boards. Progress will be reported into the Adult Social Care, Children's Services & Education Committee.
- 2) Following the receipt of the Social Housing Regulator Inspection Report areas of improvement will be logged, monitored and actioned throughout 2025/26 via our internal governance boards. Progress will be reported to the Social Housing Regulator and reported into the Housing, Neighbourhoods and Leisure Committee.
- 3) Continue with the procurement stream of the housing repairs and property services improvement plan to ensure that all contracts are up to date, are properly implemented and mobilised and have robust contract management in place.
- 4) Reminder to all staff about the importance of the Speaking Up and Whistle Blowing Policy.
- 5) Remind all staff that Declaration of Interests and Gifts and Hospitality declarations should be submitted where necessary and remind managers that the Register of Gifts and Hospitality is reviewed from time to time and is accurate and up to date.
- 6) Traffic Regulation Orders – commissioning of the Digital TRO project, conclusion of the Scheme of Restitution and sign-off of the Action Plan at Audit and Governance Committee.
- 7) The Council will transfer BFfC staff and property back to its control, novate contracts, and close the BFfC Company. Committee terms and the Council's Constitution will be updated, and the Independent Fostering Agency will transition to a Local Authority Fostering Service. An independently chaired Improvement Board will be established, with transition costs funded from earmarked reserves.
- 8) Continue to implement the Children's Services Rapid Improvement Plan and the Partnership Improvement Plan to address the 10 areas of improvement following the partnership's Joint Targeted Area Inspection. Progress will be overseen by the Berkshire West Safeguarding Children's Partnership and the Adult Social Care, Children's Services & Education Committee.
- 9) Continue to implement the Youth Justice Improvement Plan, monitored by the Youth Justice Management Board.

- 10) Budget plans to be in place for the next MTFS period and planning will start soon for further savings to close the forecast Council budget gap.
- 11) Update the Council Anti-Fraud, Bribery and Corruption Policy to take into account the new 'failure to prevent fraud offence', which will come into effect on 1 September 2025. Under the Economic Crime and Corporate Transparency Act 2023, the "failure to prevent fraud" offence means large organisations can be criminally liable if they fail to prevent fraud committed by employees and associated persons, unless they can demonstrate reasonable fraud prevention procedures.

Cllr Liz Terry

Leader of Reading Borough Council

Date:

Jackie Yates

Chief Executive

Date:

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Council

24 February 2026



Reading
Borough Council
Working better with you

Title	Statement of Accounts 2024/25
Purpose of the report	To make a decision
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Darren Carter, Section 151 Officer & Director of Finance
Report author	Mark Sanders, Chief Accountant (Deputy S.151)
Lead Councillor	Cllr Ellie Emberson, Lead Councillor for Corporate Services and Resources
Council priority	Not applicable, but still requires a decision
Recommendations	1. That the 2024/25 Statement of Accounts be approved. 2. That the Director of Finance (as S.151 Officer) be authorised to make minor amendments to the 2024/25 Statement of Accounts, in consultation with the Lead Councillor for Corporate Services and Resources

1. Executive Summary

- 1.1. The Council is responsible for approving the annual Statement of Accounts. This includes placing reliance on the work of the Council's Internal Audit Team, the external auditor KPMG and the work of the Audit and Governance Committee to focus on the adequacy of governance, risk and control arrangements that are in place, and that any issues arising are managed and resolved by the Council's senior managers.
- 1.2. KPMG is expected to issue a 'disclaimed' audit opinion by the statutory backstop date of 27 February 2026 which is as expected following the Government's approach to recovering from the national backlog in audit opinions.
- 1.3. Any adjustments identified during the audit have been corrected, and there are no matters arising from the public inspection period which is now closed.
- 1.4. The accounts are disclaimed purely as a result of KPMG having insufficient time to provide assurance on 'unaudited' opening balances and split of reserves before the backstop date. A full audit for 2024/25 has been undertaken and there are no significant issues arising.

2. 2024/25 Statement of Accounts

- 2.1. This report should be considered alongside the Annual Governance Statement and the Auditor's Annual Report (KPMG) elsewhere on tonight's agenda.
- 2.2. Members will be aware that the draft statement of accounts and external audit progress updates are routinely reported to and considered by the Audit and Governance Committee.
- 2.3. Nationally, a significant number of local authorities received 'disclaimed' audit opinions for 2023/24 (approximately 45%) and this is expected to continue into 2024/25 while

auditors work through the framework for returning councils to 'unqualified' audit opinions.

- 2.4. The Council is up to date with producing its accounts, and there are no significant matters arising from the independent external audit work undertaken. The accounts for 2024/25 will only be disclaimed as a result of KPMG following the Government's Building Back Assurance recovery process to clear an historical backlog of audit opinions.
- 2.5. To support this recovery process, the Government has issued a series of backstop dates by when audit opinions must be given. For Reading, this meant the accounts for 2021/22 and 2022/23 were 'disclaimed' by the Council's previous auditor EY with limited audit fieldwork undertaken.
- 2.6. The accounts for 2023/24 were disclaimed by KPMG as they could not place reliance on previous years' 'unaudited' balances and the prior year comparator figures – they did however undertake a full audit for 2023/24 transactions and reported their findings as usual to both Audit and Governance Committee and Council (January/February 2025).
- 2.7. Since then, a further full audit has been undertaken for 2024/25 and these accounts are presented tonight for approval. KPMG intend to issue a disclaimed opinion as there is still work to do regarding opening balances and split of reserves.
- 2.8. The National Audit Office has now issued guidance for auditors to follow in returning councils to an 'unqualified' audit opinion. This guidance includes offering a risk-based framework to consider the unaudited brought forward balances which for Reading refers to 2021/22 and 2022/23 (EY's disclaimed years) and 2023/24 (KPMG disclaimed year) and how those balances still form part of the 2024/25 position.
- 2.9. A plan has been agreed between the Council's finance officers and KPMG to undertake a focussed piece of work on the unaudited areas as part of next year's audit, with the intention of moving the Council to a qualified opinion for 2025/26 and an unqualified opinion for 2026/27.
- 2.10. The accounts for 2024/25 have been prepared on a going concern basis and all balances and reserves are consistent with the data that is being used to manage the Medium Term Financial Strategy.
- 2.11. At time of drafting this report, there may be minor roundings and typos that the Council will resolve by final publication. All amendments will be signed off with KPMG as a matter of course.

3. Contribution to Strategic Aims

- 3.1. The external audit process includes the approval of the annual Statement of Accounts results and the publication of accurate, transparent financial information which gives a true and fair view of Reading Borough Council's economic performance and financial stability.

4. Environmental and Climate Implications

- 4.1. None arising.

5. Community Engagement

- 5.1. The Public Inspection period has concluded and there are no implications to report.

6. Equality Implications

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

- eliminate direct or indirect discrimination, harassment, victimisation, or any other conduct prohibited by the Equality Act 2010;

- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

7. Other Relevant Considerations

7.1. There are none.

8. Legal Implications

8.1. The Accounts and Audit Regulations 2015 (as amended) require the Council to produce and publish an annual Statement of Accounts in accordance with these regulations and “proper practice”.

8.2. Section 21 of the Local Government Act 2003 defines “proper practice” for this purpose to be the Chartered Institute of Public Finance and Accountability (CIPFA) Code of Practice on Local Authority Accounting (the Code) for the relevant year. The Code specified the principles, practices, format and content required in the preparation of the Statement of Accounts.

8.3. Part Five of the Accounts and Audit Regulations 2015 requires authorities to allow the public to inspect the accounts for a single period of 30 working days and stipulates that this must include the first 10 working days of June of the financial year immediately following the financial year to which the accounts relate. The Council was unable to comply with this requirement in respect of 2024/25 as the accounts were not ready for inspection.

9. Financial Implications

9.1. There are no direct financial implications arising from this report.

10. Timetable for Implementation

10.1. Not applicable.

11. Background Papers

11.1. There are none

Appendices

1. 2024/25 Statement of Accounts

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Aerial photo by www.isaerial.co.uk

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Narrative Report

An introduction to Reading

Reading is the county town of Berkshire. It is situated in the Thames Valley between Slough and Bristol, 40 miles west of London.

Reading ranks amongst the UK's top 10 locations for economic success and wellbeing, when measured by factors such as employment levels, health, income and skills.

The town also offers a wealth of cultural, sporting and leisure opportunities including over 100 parks and open spaces.

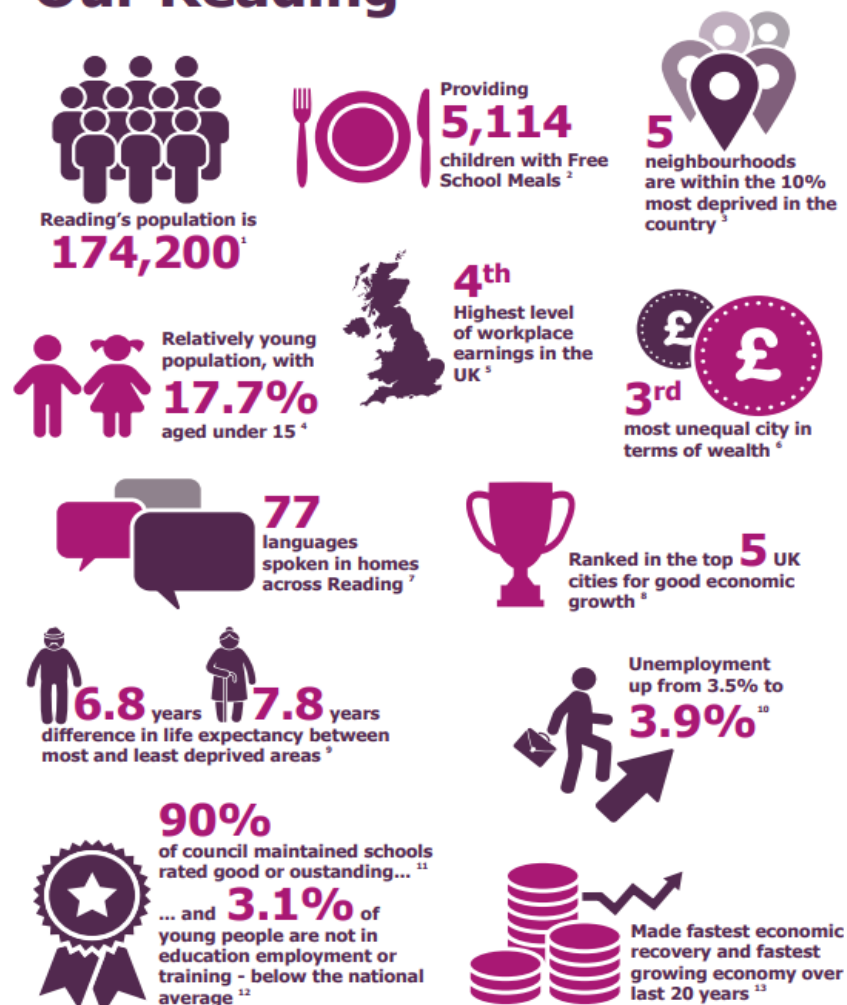
Every year it hosts the Reading Festival, one of the country's major music events, as well as the Reading Beer Festival, Reading Pride, and the Reading Half Marathon.

The town is a major transport interchange, continuing to benefit from its strategic location on the M4 corridor and proximity to Heathrow Airport and London. Reading is also home to the University of Reading and Reading College, with a large percentage of the local working population highly skilled.

However, prosperity has brought its own problems, with pressure on infrastructure, communities and the environment. The high cost of living and, in particular, the high cost of housing, have had a significant impact on local communities. Although Reading can undoubtedly demonstrate success and wealth, the town also contains wards amongst some of the most deprived in the country.

The following extracts from the Corporate Plan highlight our work to support and improve the lives of our residents.

Our Reading



1.ONS Census 2021 2. School Census 2023/24 3. Index of Multiple Deprivation 2019 ONS 4.ONS Census 2021 5.Centre for Cities 2022 6.Centre for Cities, gini coefficient 2016 7.ONS Census 2021 8.Demo-PARC Good Growth for Cities Index 2019 9.Institute of Health Equity/PHF 2018-2020 10.ONS Jun-22 to Jun-23 11.Ofsted 2023 12.DfE, Dec-23 13.Ernst & Young Economic Forecast

Our Achievements

We are proud of the achievements and investments we have delivered in 2024/25 and will continue to build on these successes. In the last year we have:



Refurbished Reading Station subway and High Bridge (a designated scheduled monument) on London Street / Duke Street.

Opened four new and improved playgrounds at Westfield Road Recreation Ground, Waterloo Meadows, Rivermead, and Victoria Park.



Added 13 new electric vehicles to Reading's refuse fleet, meaning refuse and recycling collections are now up to 92% electric.

Developed the new Community Wellness Outreach Service, alongside Health and Voluntary Sector colleagues, to carry out 4,878 health checks.



Increased the number of school places for children with special educational needs and disabilities in Reading from 564 to 940.

89% of schools in Reading have received strong Ofsted inspection outcomes and the Council's adult and community learning service, New Directions College, was rated 'Good' by Ofsted



Filled in 1,664 potholes.

Built 224 affordable new homes, including new homes for key workers.



Delivered 752 carer assessments and supported 2,520 people to live more independently by providing essential equipment and technology enabled care.



Received 4,226 referrals into Adult Social Care – and through effective work to promote independence only 11% needed to access long term care and support.

Opened a new 25-metre competition swimming pool and teaching and diving pool at Rivermead Leisure Centre.



Delivered a 30% reduction in energy consumption since 2019/20 and decarbonised energy sources at our leisure centres.

Supported the Business Improvement District in securing a £7.5m investment over 5-years to support the town centre, in addition to Council services.



Successfully implemented a voice automation option in our call centre, enabling residents to report issues such as a missed bin without having to wait to speak to someone.

Our Vision

"Our Vision is to help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success."

To make this vision happen, this Plan groups the Council's work into three themes:

- **Healthy Environment**
- **Thriving Communities**
- **Inclusive Economy**

Within the Council, we are driven by the principles of **TEAM Reading**:



Together

We work together as one team with colleagues and partners to deliver great services

Our Foundations

Our foundations underpin how our services are delivered. They are:

- **Customers first:** Our Customer Experience Strategy puts our customers at the heart of service design and delivery, and we seek regular feedback through consultations and our residents' survey.
- **Digital transformation:** Both internally and externally, we're transforming how we work using the power of digital technology. We're modernising services and harnessing new technology to make it easier for residents to interact with us. We're improving our website, streamlining processes and making more services available online.
- **Building self-reliance:** We work with others to build the ability of individuals and communities to solve their own problems and withstand the shocks that come their way. We provide support to those who need it – but our first priority is always to help people live independently for as long as possible.
- **Getting the best value:** We strive for value for money in everything we do, and we are focussed on delivering the Council's three-year Savings and Investment Programme. But the best deal is not always the cheapest – it's the one that protects people, jobs, the environment and the budget. So, we're also evolving our procurement practices to enhance the social value in all we do.
- **Collaborating with others:** We are stronger in partnership and we collaborate with organisations from major corporations to local groups; with the business sector, charities, education institutions, health and social care, the police, faith groups, and the voluntary sector in Reading and across the Thames Valley to achieve our vision for Reading. We are building on the work done during the pandemic to consolidate partnerships and ensure a stronger network to support the most vulnerable.

Efficient

We drive efficiency and value for money in everything we do

Ambitious

We are ambitious in our plans and in what we want to achieve

Make a difference

We are here to make a difference to the residents, communities and businesses of Reading

Residents' Survey Results 2024



In 2024 we conducted a survey with a representative sample of 1,000 Reading residents about satisfaction with the Council and the services we provide. Key findings were:

- **60%** were 'very' or 'fairly' satisfied with the way Reading Borough Council runs things overall (compared to 55% nationally)
- **46%** agreed that Reading Borough Council provides value for money (compared to 38% nationally)
- **54%** agreed that Reading Borough Council acts on the concerns of local residents (compared to 47% nationally)

Our Vision and Priorities

Our Vision is to help Reading realise its potential and to ensure that everyone who lives and works here can share in the benefits of its success.

To deliver this vision we are focusing on the following five priorities over the next three years:

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



2024/25 Budget

The 2024/25 budget for Reading Borough Council was agreed by Council on 27 February 2024 and forms part of the Council's Medium Term Financial Strategy (MTFS).

Reading is a unitary authority and accounts for its expenditure in three categories:

General Fund Revenue Account

This includes day to day spending on all services. It is funded by the council taxpayer, government grant and other sources of income.

Housing Revenue Account (HRA)

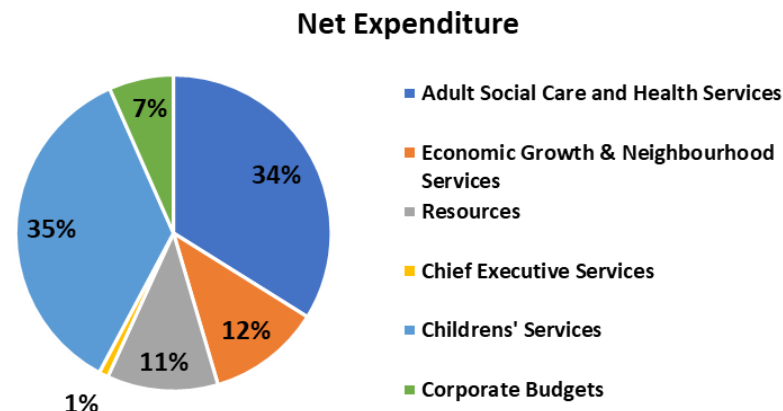
This is a ring-fenced budget for expenditure on the Council's Housing stock and is funded by council tenants' rents.

Capital

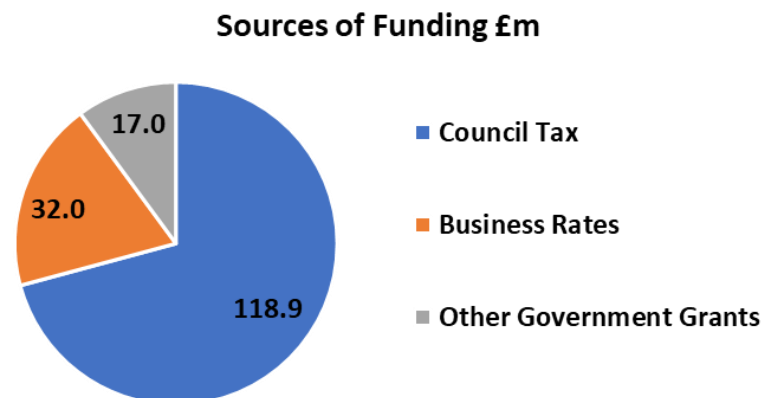
This is the expenditure incurred to make improvements to the Council's assets or for the purchase or creation of new assets. The Council has two capital programmes, one for the General Fund and one for the Housing Revenue Account. Capital is funded by grants, contributions from developers, capital receipts (the sale of capital assets), revenue and prudential borrowing.

For 2024/25, the Council has a net revenue budget of £167.9m, a General Fund Capital Programme of £69.6m, Housing Revenue Account budget of £54.1m and HRA Capital Programme of £33.7m.

The Chart below set out the relative proportions of the net budget spent in each of the key service areas for 2024/25.



The chart below shows the net funding for the General Fund revenue budget of £167.9m



Financial Performance 2024/25

General Fund Revenue

The financial outturn for 2024/25 was presented to Policy Committee on 21 July 2025.

There was a net adverse variance of £9.3m on General Fund revenue expenditure, and this will be funded from the Financial Resilience Reserve (£4.3m) and the Demographic & Cost-Led Pressures Reserve (£5.0m). The comparison of budget to actual for each service was broken down as follows:

£5.4m of ongoing savings were delivered against a target of £7.5m. £2.0m of non-delivered savings were carried forward.

The General Fund reserve balance was increased to £8.9m and General Fund earmarked reserves were £40.9m, giving total General Fund reserves of £49.8m.

Housing Revenue Account

Net expenditure on the Housing Revenue Account was £0.5m worse than expected. The final drawdown from reserves was £4.1m. The HRA reserve now stands at £32.8m.

Capital Expenditure

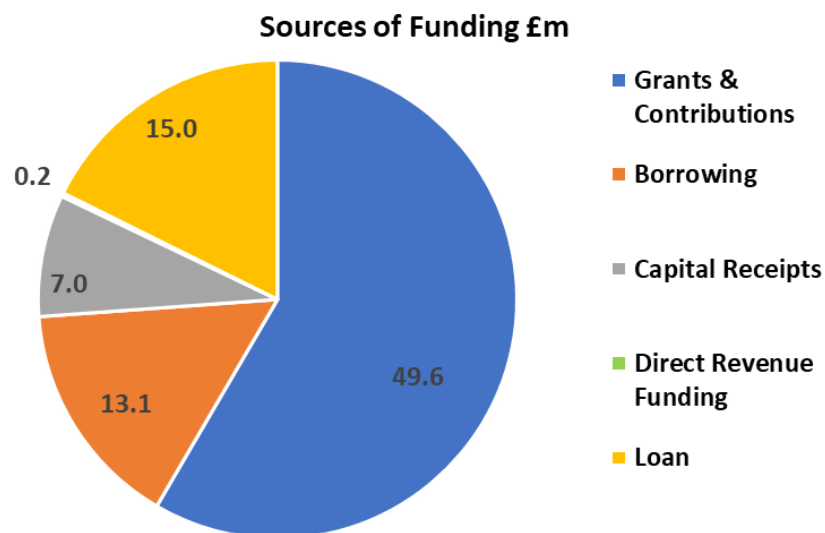
General Fund capital expenditure amounted to £56.7m and HRA capital expenditure was £28.2m, giving total capital expenditure for the year of £84.9m.

Capital expenditure for the year was £84.9m, including:

- Major Repairs – Existing Homes £12.5m
- New Build Housing £7.1m

- Bus Service Improvement £11.4m
- Highways Infrastructure £7.0m
- Acquisitions and Homes Provided under Local Authority Housing Fund £5.3m
- Leisure Centres £1.3m
- Replacement Vehicles and Maintenance £2.2m
- Delivery Fund £8.2m
- Corporate and Community Buildings £1.3m

Funding of General Fund capital expenditure:



Performance of Council owned companies

The Council's year-end Balance Sheet includes investments in limited companies and joint ventures. Its three principal interests are Brighter Futures for Children, Reading Transport Limited, and Homes for Reading. All three are wholly owned subsidiaries of the Council. A summary of the accounts for 2024/25 is as follows:

	Reading Transport Ltd £'000	Homes for Reading £'000	Brighter Futures for Children £'000
Turnover	63,927	1,174	127,734
Profit/(Loss)	1,774	44	(10,124)

NB. The subsidiaries' accounts are currently unaudited and therefore subject to change. Profit/(Loss) is before tax.

Commercial Investments

Reading Borough Council has a small portfolio of investment properties:

Property	Annual Rental Yield Mar 25 £'000	Capital Value Mar 25 £'000	Purchase Price £'000
Kennet Wharf	689	9,530	21,276
Adelphi House	688	7,530	12,116
160-163 Friar St	744	6,710	11,884
Four 10 TVP	2,274	24,850	39,968

Schools and the High Needs Block

Schools maintained by the Council are recognised on the Balance Sheet as the balance of control lies with the Council.

The **Schools Earmarked Reserve** has been established to hold balances held by Schools under the delegation scheme. The Schools' surplus of £1.3m comprises the unspent revenue balances held by schools in surplus, offset by the overdrawn revenue balances of schools in deficit. This part of the balance can only be used by the Schools and is not available to the Council for general use.

The Balance Sheet

The balance sheet is a position statement at the end of the year. It shows what the Council owns (assets) and what it owes to others (liabilities).

Usable reserves and balances have been built up over time and can be used to fund future service costs or capital expenditure. Unusable reserves cannot be accessed and relate primarily to statutory accounting adjustments for capital transactions and pensions. A summary of the balance sheet as at 31 March 2025 is:

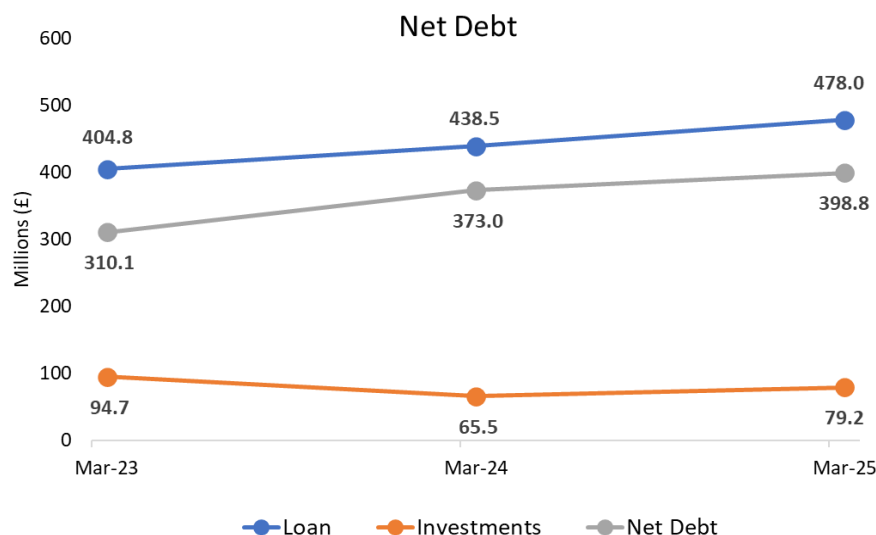
	March 2024 £'000	March 2025 £'000
Long-term Assets	1,254,841	1,291,011
Current Assets	107,406	107,288
Current Liabilities	(189,520)	(227,074)
Long-term Liabilities	(495,849)	(446,878)
Net Assets	676,878	724,347
Usable Reserves	(206,919)	(168,363)
Unusable Reserves	(469,959)	(555,984)
Total Reserves	(676,878)	(724,347)

Treasury Management

The Council has a small treasury management function, ensuring that funds are invested to achieve a return whilst maintaining adequate cash balances to meet liabilities as they fall due.

The position on loans and investments across the last 3-years is shown below:

New borrowing undertaken during 2024/25 totalled £253.5m. Principal repayments on loans totalling £214.0m were made. The net change in the gross borrowing position between 31 March 2024 and 31 March 2025 was an increase of £39.5m.



Pensions

The Council offers retirement pensions to its staff under a statutory scheme and makes contributions on their behalf to the Council's Local Government Pension Scheme which forms part of the Royal County of Berkshire Pension Fund, which is administered by the Royal Borough of Windsor and Maidenhead.

Although pension benefits are not payable until employees retire, the Council has a commitment to make payments and must account for them in the year in which the future entitlements are earned. Accounting Standards require future pension liabilities to be recognised on the Council's balance sheet as the employing body rather than in the pension fund's accounts.

There is a net pensions deficit in the balance sheet of £62.2m at 31 March 25, the equivalent deficit figure for 2023/24 was £117.1m. In April 2023 the Council made an up-front payment of employer's contributions payable to the scheme of £17.4m for the three years 2023/24 to 2025/26 to secure a cashflow discount.

Looking ahead

A balanced budget for 2025/26 was set by Council in February 2025, including a budgeted net contribution from reserves of £3.9m and with planned savings of £11.6m and additional income of £4.6m across the 3-years of the MTFS.

A guide to the Financial Statements

The following form the main components of the Statement of Accounts:

The **Comprehensive Income and Expenditure Statement** shows the net cost of providing Council services in line with International Financial Reporting Standards.

The **Movement in Reserves Statement** shows the movement on different reserves and balances held by the Council, analysed between general, earmarked and unusable reserves.

The **Balance Sheet** shows the value of Council assets and liabilities at the year end.

The **Cashflow Statement** summarises changes in cash and cash equivalents during the year.

The **Expenditure and Funding Analysis** reconciles the full cost of providing services with the amounts funded by taxation.

The **Housing Revenue Account** (HRA) accounts for the Council's "landlord" role.

The **Group Accounts** summarise the financial position of the Council and its subsidiaries.

The **Annual Governance Statement** explains the arrangements put in place for corporate governance and for the general management of the Council's affairs.

The Notes provide more detail about individual transactions and balances.



A handwritten signature in black ink, appearing to read 'D. Carter', written over a horizontal line.

Darren Carter
Director of Finance
Section 151 Officer
Reading Borough Council

Date –

Annual Governance Statement 2024/25

EXECUTIVE SUMMARY

This Annual Governance Statement (AGS) provides an assessment of Reading Borough Council's governance arrangements for the financial year 1 April 2024 to 31 March 2025. The statement has been prepared in accordance with the Accounts and Audit Regulations 2015 and follows the current CIPFA/SOLACE guidance on delivering good governance in local authorities. Key developments during 2024/25 include:

- Alignment with the Best Value Standards and Intervention Guidance 2024, demonstrating the Council's commitment to continuous improvement;
- Key governance decision to bring children's services back in-house from Brighter Futures for Children Ltd;
- Several key regulatory inspections by the Care Quality Commission, OFSTED and Social Housing Regulator; and
- Continued financial challenges requiring robust governance oversight.

PURPOSE OF THE GOVERNANCE FRAMEWORK

The Council's governance framework sets out the systems, processes, culture and values through which it is directed, controlled and held accountable to its communities. It supports the monitoring of strategic objectives and ensures that services are delivered effectively and provide value for money. A key element is the system of internal control, designed to manage risks to an acceptable level rather than eliminate them entirely. This ongoing process identifies and prioritises risks to achieving the Council's aims, evaluates their likelihood and impact, and ensures they are managed efficiently and economically.

KEY ELEMENTS OF THE COUNCIL'S GOVERNANCE FRAMEWORK

The Council operates a committee-based system of governance with four standing committees broadly aligned to the Council's departmental structure. Their remit includes obtaining assurance that Corporate Plan priorities, and the Budget and Policy Framework approved by Council each year, are delivered in their relevant areas. There are no separate scrutiny committees or call-in provisions. However:

- the Standards Committee investigates specific allegations of councillor misconduct;
- the Audit and Governance Committee is tasked with reviewing and considering improvements to corporate governance in general; and
- all standing committees can undertake scrutiny of relevant functions where they think it appropriate.

Key elements of the governance framework at Reading Borough Council are:

Decision Making

- All meetings are held in public and are now webcast and available to watch after the event;
- Decisions are published on the Council website;
- All Council decisions are supported by detailed officer reports which are open to the public unless they qualify as legally “confidential” or “exempt” from publication.

Risk Management

- Risk registers identify operational and strategic risks;
- Key risks are considered by Directorate Management Teams;
- Strategic risks are reported to the Audit & Governance Committee quarterly and overseen by the Corporate Management Team.

Corporate Management Team (CMT)

- CMT are responsible for the overall management of the Council;
- The Head of Paid Service is the Chief Executive who is responsible for all Council staff and for leading CMT;
- The Executive Directors lead the majority of services which are delivered to the public;
- The Director of Finance is the Council’s s.151 Officer and is responsible for safeguarding the Council’s financial position and ensuring value for money;
- The Monitoring Officer is the Council’s Assistant Director of Legal & Democratic Services who with the Chief Executive is responsible for ensuring legality and promoting high standards of ethical conduct.

HOW WE COMPLY WITH THE CIPFA/SOLACE FRAMEWORK

The Council has arrangements in place to meet all relevant requirements of the CIPFA/SOLACE Framework. The seven “core principles” underpinning the Framework are set out below together with a summary of new or enhanced arrangements introduced in 2024/25.

Principle 1 – Behaving with integrity and respecting the rule of law:

Codes of Conduct for members and officers promote high standards of behaviour in line with the Nolan principles, supported by detailed policies such as the Anti-Fraud, Bribery and Corruption Strategy, Whistleblowing Procedures and the Procurement Code. The Monitoring Officer and Section 151 Officer ensure decisions meet legal and financial requirements, and the statutory officers, along with their deputies, meet regularly to review key governance matters, complementing the work of CMT. In 2024/25, the Council strengthened its ethical framework by updating the Anti-Fraud, Bribery and Corruption Policy to reflect the new “failure to prevent fraud” offence, increasing whistleblowing awareness and improving declarations of interests and gifts and hospitality.

Principle 2 – Ensuring open and comprehensive stakeholder engagement:

The Council engages regularly with stakeholders, taxpayers and service users through its online Consultation Hub, a range of thematic committees and forums, and communication channels including newsletters, e-bulletins and social media. Residents can attend committee meetings, ask questions, submit petitions and access councillors through local surgeries. An annual resident survey provides statistically robust feedback to inform service planning. In 2024/25, engagement was further strengthened through major consultations on the Draft Town Centre Public Realm Strategy, community engagement on allotment and burial ground changes, improved tenant involvement following regulatory inspection, and wider participation linked to the Medium-Term Financial Strategy.

Principle 3 – Defining outcomes in terms of sustainable economic, social and environmental benefits:

The Council Plan clearly sets out strategic outcomes, with progress monitored through regular committee reporting and quarterly performance reviews. It guides resource prioritisation and informs service plans and staff objectives, all designed to be financially and environmentally sustainable and shaped through consultation. The Medium-Term Financial Strategy provides a realistic assessment of available resources, while the annual Budget and Policy Framework sets spending limits, savings and key priorities. Performance and risk are tracked through KPIs and regular reports to CMT, Policy Committee and Audit and Governance Committee. During 2024/25, the Council also published the Market Position Statement for Adult Social Care, advanced its climate adaptation work and strengthened the integration of environmental considerations into decision-making.

Principle 4 – Determining the intervention necessary to achieve intended outcomes:

CMT meets monthly to monitor performance, using KPI reports that track progress, risks and issues, and ensuring remedial action where services underperform. Major change programmes are overseen through cross-cutting internal boards, with outcomes feeding into the CMT performance cycle. Senior management and councillors maintain focus on agreed objectives through regular reporting to Policy Committee, while the four standing committees oversee delivery of actions within the Budget and Policy Framework. Financial and Performance Monitoring reports provide

updates on the budget position and savings delivery. In 2024/25, the Council strengthened governance through the decision to in-source Children's Services, enhanced Strategic Housing and Landlord oversight, and improved capital programme and business case governance.

Principle 5 – Developing capacity, including the capacity of leadership and individuals within the Council:

The Council invests in leadership development and workforce planning to support sustainable services, with strategic direction provided by CMT and directorate management teams, underpinned by the TEAM Reading values and the People Strategy. Partnership working is embedded in the Corporate Plan, supported by governance arrangements set out in the Constitution. The Learning and Workforce Development Team builds organisational capability through skills and qualification-based training. In 2024/25, the Council strengthened leadership capacity through permanent Executive Director and Assistant Director appointments, improved governance across key service areas, enhanced statutory officer collaboration, and continued organisational development through regular leadership and manager briefings.

Principle 6 – Managing risks and performance through strong internal control and financial management:

Corporate risk registers are reviewed quarterly, with significant risks considered by senior management and members, and councillors receiving risk-management training to strengthen scrutiny. Internal Audit provides independent assurance on internal controls and recommends improvements. The Council aims to produce its annual accounts within statutory deadlines. In 2024/25, risk management was strengthened following regulatory inspections, business continuity planning, particularly cyber resilience, was enhanced, and oversight of major programmes improved.

Overall, the Council's decision-making framework promotes best value through continuous improvement, robust leadership, clear governance, strong financial stewardship and effective partnerships, supported by performance monitoring, ethical standards and a disciplined Medium-Term Financial Strategy to ensure services deliver positive outcomes for residents.

Principle 7 – Implementing good practices in transparency, reporting and audit to deliver effective accountability:

The Council follows Government guidance on providing clear and accurate information and has developed both its website and the format of Council reports to improve transparency and accessibility. Papers (including performance reports) and minutes of meetings, key decisions, and all items of expenditure and contracts awarded over £500 are published on the Council's website. All Council meetings are held in public, and minutes of meetings and webcasts are available on the Council's website. Public questions are allowed at Committees and at Council meetings. In 2024/25, the Council improved transparency in its Traffic Regulation Order processes following a report to Council on the maladministration of historic Orders, enhanced reporting on company governance arrangements, and strengthened cooperation with external audit alongside improvements in accounts preparation.

REVIEW OF EFFECTIVENESS

CMT is responsible for putting in place adequate governance arrangements and effective systems of internal control. The Council uses several ways to review and assess the effectiveness of governance arrangements, as set out below:

Assurances from Internal and External Audit

Internal Audit: Internal Audit Standards require the Chief Auditor to provide an assessment of the overall adequacy and effectiveness of the Council's control environment. This opinion is expressed using a scale ranging from Substantial to Reasonable, then Limited and finally No Assurance.

The annual report and opinion of the Chief Internal Auditor for 2025/26 was presented to the Audit and Governance Committee on 16 July 2025. It states that the Council's internal control environment and systems of internal control in the areas audited were to be classed as "Reasonable Assurance". The number of audits receiving a negative assurance opinion, as well as a combination of advisory work (not detailed audit reviews) and investigations undertaken. 18% of audits received limited or no assurance in 2024/25, compared to 44% in 2023/24, and 26% in 2022/23. The following areas influenced the annual assurance opinion:

- An audit identified discrepancies in the Commercial Properties rent roll that were affecting billing accuracy, highlighting the need for stronger authorisation and verification controls until the CPM system can generate invoices. Split budget responsibilities also meant the overall level of debt was not visible, making it difficult to monitor and report commercial rent and lease risks. A project has begun to upload all leases into CIVICA, validating tenant information, income data and lease details to improve accuracy and control.
- An audit of Supported Living found weaknesses in the tendering process, financial controls for placements, and governance of off-framework providers. Additional controls have been introduced to ensure proper governance for any off-framework providers, and the Council is procuring a new framework (due March 2026) to further reduce off-framework purchasing.
- An audit of Residents Parking Enforcement provided limited assurance over governance, risk management and controls, identifying unclear responsibilities, poor data quality and expired contracts that may no longer be fit for purpose. A series of actions has been agreed to strengthen contract management, record-keeping and decision-making. Work on contracts is ongoing, including an early review of the current enforcement contract ahead of its 2027 renewal.
- An investigation found that the East Reading Red Route TRO and several other TROs had not been properly made or implemented, meaning the Council had no legal basis to issue Penalty Charge Notices and their enforcement was unlawful. The Monitoring Officer issued a Section 5 report under the Local Government and Housing Act 1989 to formally report this maladministration to the Council. A Restitution Scheme and an Action Plan have been established, both of which are monitored by the Audit and Governance Committee.

External Audit: The Council's external auditor, KPMG, provides assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing and improving value for money. In response to a national recovery programme to bring up to date the achievement of timely external audit opinions, the Government has implemented a series of backstop dates by when audit opinions must be issued. The Council received a disclaimed opinion from EY for 2021/22 and 2022/23, and a disclaimed opinion from KPMG for 2023/24 in compliance with the recovery programme. In giving the 2023/24 opinion, KPMG also provided a small number of improvement recommendations in their ISA 260 reported to the Council's Audit and Governance Committee in April 2025. Value for money commentary was also provided for each of these years by the respective auditors. The latest Auditors Annual Report from KPMG for 2024/25 was reported to Council at its meeting 25 February 2025 which recognised an improvement in the arrangements concerning Children's Services with regard to the on-going continuous improvement plan and evidence of an increasingly joined up approach with other councils and partners to tackle issues. The direction of travel is positive and therefore this does not represent a significant weakness for 2023/24.

Compliance with the Financial Management Code

CIPFA's Financial Management Code requires local authorities to review and evidence compliance with its 17 standards annually. The 2023/24 self-assessment showed continued progress: the 2020/21 accounts received an unqualified opinion, and the 2021/22, 2022/23 and 2023/24 audits were completed to national backstop deadlines, albeit with disclaimed opinions; however, auditors identified no major weaknesses in arrangements to secure economy, efficiency and effectiveness for 2023/24. The Chief Auditor's 2023/24 Annual Assurance Report provided a limited assurance rating on governance, risk management and internal control, resulting in one FM Code standard being downgraded from Green to Amber; overall, 11 standards were assessed as Green and 6 as Amber, giving an overall Amber rating for the year.

Self-assessment and review of key performance indicators

The Council's Finance team works with Internal Audit to confirm that expected governance arrangements have been in place throughout the year. Management Assurance Statements, signed by senior officers, also confirm that Codes of Conduct, Financial Regulations and other corporate processes have operated as expected. In addition, the Chief Executive has implemented a Statutory Officers Group to monitor governance issues on a monthly basis with the Executive Director of Resources, Chief Finance Officer and Monitoring Officer. The Council uses several key outcomes to confirm the adequacy of governance arrangements. These KPIs are outlined as follows:

- Formal reports by s151 or Monitoring Officer - One – October 2024 at Council in relation to maladministration of historic Traffic Regulation Orders.
- Number of Member Code of Conduct Complaints investigated - None beyond the initial filter stage. Report on referrals presented annually to Standards Committee.
- Proven fraud carried out by councillors or members of staff - None in 2024/25

- Objections received from local electors - There was one objection raised during the year relating to the 2022/23 Statement of Accounts which was not upheld by the Council's External Auditor for those accounts, Ernst & Young
- Local Government Ombudsman referrals upheld:
 - Total number of LGSCO complaints/enquiries received – 59;
 - Cases referred back to Council – 12;
 - Cases closed after initial enquiries – 24;
 - Formal investigations – 15 (10 were upheld).
- Housing Ombudsman referrals upheld:
 - Findings (outcomes) - 3 upheld – further 12 awaiting outcome from the HO;
 - Orders (compensation, apology, specific actions etc.) – 3;
 - Determinations (cases decided upon by the HO) – 3;
 - Maladministration findings- 3.
- Information Commissioner referrals upheld - There was one case investigated by the ICO during the year which was not upheld.
- Freedom of Information requests (performance) - 1043 requests were received in 2024/25. 74.5% were responded to within the statutory timeframe (20 days).
- Annual Accounts - 2021/22, 2022/23 signed off with a disclaimed opinion following limited external audit fieldwork undertaken. 2023/24 was also signed off with a disclaimed opinion, however this was mainly as a result of the unaudited opening balances brought forward from previous years. Significant external audit fieldwork was undertaken by KPMG in relation to 2023/24 'in-year' transactions.
- Group activities¹ - No governance issues to address in 2024/25. The Council continues to receive appropriate information about the performance of its companies through the Policy Committee which acts as the designated shareholder committee for the Council.

¹ The Council operates several companies: Reading Transport Ltd – the operating company for Reading Buses, which itself has several subsidiaries. (100% share ownership). Homes for Reading Ltd – provision of private sector lettings. (100% share ownership). Brighter Futures for Children Ltd – provision of Children's Services. (Sole member). Reading Hampshire Property Partnership Ltd– provision of property and construction related consultancy and procurement. (49% share ownership). The Council also is involved in two other not for profit partnerships as a member: First, REDA (Reading's Economy and Destination Agency) delivering economic development for the Borough. Secondly, IESE Ltd providing management consultancy.

Inspections and Assessments

OFSTED Inspection of Children's Services: Between April and May 2024, Ofsted carried out a full inspection of Reading's children's services, concluding that the experiences and progress of children who need help and protection, as well as the impact of leaders on social work practice, both "require improvement to be good," while the experiences and progress of children in care and care leavers were judged "good," resulting in an overall effectiveness rating of "requires improvement to be good." Key areas identified for further improvement included the quality of assessment, planning and provision for children in need, the timely identification of risk, strengthened workforce development and support, and improved responses to children at risk of harm outside the home.

His Majesty's Inspectorate of Probation (HMIP) Youth Justice Inspection (September 2024): issued an overall judgment of "Inadequate," identifying significant weaknesses requiring comprehensive improvement. Key recommendations focused on strengthening quality assurance, management oversight, assessment and planning, attention to victim needs, resourcing and structure for effective interventions, use of the disproportionality action plan, and access to suitable education, training and employment opportunities.

In response, a comprehensive improvement plan was developed in December 2024, structured around four pillars, Governance and Leadership, Staffing and Workforce Development, Partnership and Services, and Process, Systems and Quality of Practice, with progress overseen by sub-groups reporting to the Youth Justice Management Board and clear timescales and responsibilities assigned.

The Care Quality Commission (December 2024): conducted an onsite inspection of Adult Social Care between 16th to 19th December 2024 in relation to how we fulfil our statutory duties within the Care Act 2014. Report is pending. Enhanced governance arrangements through new Adult Social Care board structures and delivery against the service's established improvement plan have contributed to the preparation to this inspection.

The Social Housing Regulator (February 2025): conducted an onsite inspection of the Council's Housing and Communities landlord function to assess compliance with the Consumer Standards, issuing a C3 grading that confirmed serious failings across the Safety and Quality, Transparency, Influence and Accountability, and Neighbourhood and Community standards. Key issues included only 50% of homes being surveyed in the last five years, an outdated understanding of property conditions, around 1,600 overdue repairs, significant weaknesses in the repairs service, limited tenant scrutiny opportunities, shortcomings in anti-social behaviour case management, and further concerns relating to PFI-managed properties—particularly the absence of ASB risk assessments, inadequate tenant information and poor complaint handling. The Council has implemented a comprehensive improvement plan, with progress monitored through monthly provider improvement meetings with the Regulator and regular reporting to the Housing, Neighbourhoods and Leisure Committee.

Joint Targeted Area Inspection (February 2025): A Joint Targeted Area Inspection focusing on domestic abuse took place over three weeks, examining 30 cases. The inspection identified several strengths including quick decision-making at initial contact, strong partnerships, and skilled staff providing various interventions. However, ten areas for improvement were identified, including enhanced information sharing, better use of data in repeated domestic abuse cases, and improved commissioning of support services.

Association for Public Service Excellence (APSE) (February 2025): reviewed the handling of Traffic Regulation Orders (TROs). APSE recommended improvements to governance, team structures, and processes. The Highways department is struggling with workload due to vacancies and a lack of experienced applicants. More demands will come from digitising TROs and consolidating Orders, requiring strong systems to avoid errors like those in 2024. Clear information, policies, and plans can guide Elected Members and the public. Internal communication issues, like those with the Bus Lane introduction, show the need for better arrangements and early involvement in proposals.

The Local Government Association (LGA): reviewed Brighter Futures for Children's Transformation Programme and the costs of Reading's children's services, finding residential care costs high due to complex needs, limited local provision and reduced foster-carer availability—all issues already targeted in the Transformation Plan.

The review highlighted budget pressures, historic reliance on agency staff (now improving), and the need to strengthen data quality, particularly in SEND, to improve forecasting. It also recommended better integration of performance and cost management and reduced reliance on spreadsheets. Overall, the Transformation Programme was judged to be focused on the right priorities but would benefit from accelerating key actions and securing permanent resourcing, with a remaining risk that demand may still exceed the budget and MTFS assumptions.

KEY GOVERNANCE ISSUES

Based on the review of effectiveness, several governance issues have been identified requiring ongoing attention:

- 1) **Traffic Regulation Orders** – On 15 October 2024, the Council reviewed a report identifying that several historic Traffic Regulation Orders (TROs) had been improperly made and implemented, rendering enforcement and related Penalty Charge Notice income unlawful. A Scheme of Restitution and an Action Plan were established, with progress reported to the Audit and Governance Committee to ensure scrutiny. New governance and monitoring arrangements now require Network Services, Parking Enforcement and Legal Services to jointly review TROs, supported by site inspections before and after implementation, while a new digital map-based TRO management system is being developed to improve accuracy, transparency and accountability.
- 2) **Children's Services** – The Council will bring all services provided by Brighter Futures for Children Ltd (BFfC) in-house on 1 October 2025, to improve control, decision-making, integration, and reduce duplication. Expected benefits include better oversight, streamlined operations, enhanced collaboration, cost savings of £200,000-£300,000 annually, and improved service delivery for children and families in Reading.
- 3) **Homes for Reading Ltd** – Reading Borough Council has agreed to close Homes for Reading Ltd, its wholly owned housing company, following tenant consultation and in light of changes to lending rules, the housing market and interest rates that affected the company's viability. The 101 homes will be transferred into the Council's mainstream housing stock as leases end, providing affordable homes for key workers, and the Council is supporting tenants throughout the transition to ensure suitable alternative accommodation is secured.
- 4) **Reading Hampshire Property Partnership Ltd** – Reading Council's partner in this property services shared service, Hampshire County Council, has given notice to the Council that it no longer has the capacity to provide the support services required by the Council. All activity ceased by the end of March 2025. A report went to Policy Committee in July 2025 and approval was given for the closure of the Company following completion of all outstanding projects and contractual obligations.
- 5) **Response to regulatory assessments** – a number of areas have been inspected during 2024/25 and the Action Plans to address recommendations will need oversight during 2025/26.

Last year's Annual Governance Report highlighted six key areas for improvement. Set out below are the actions taken to address these issues during 2023/24:

- 1) Review of procurement Hub and Spoke governance and practices to ensure all activities are aligned to the latest transformation / change programmes. Consultation completed on corporate Hub and agreed model has begun implementation to resolve any performance and capability gaps. Introduction of a new operational governance model to compliment project framework and Procurement Act 2023.
- 2) Continue to embed monitoring arrangement to maximise completion of mandatory learning. Governance in place to report to Corporate Management Team. Mandatory learning completions have risen significantly and are now tracked every 3 months. Where necessary, individuals are provided with prompts to complete required mandatory learning in line with the new approach. Mandatory learning completions for GDPR rose to 96.6% at the end of March and 96.2% for cyber security (IT users).
- 3) Strengthen arrangements for monitoring and recording declarations of interests, gifts and hospitality. New processes in place and communicated to all staff.
- 4) Targeted work to improve response times to FOIs and enquiries and learning to be gathered from complaints. FOI performance has been reported to Audit and Governance Committee. There was a significant slip in Q2 due to the implementation of a system which requires additional work to provide the expected benefits. Work continues to improve performance and this continues to be reported to Audit and Governance.
- 5) Implement the recommendations following the Housing Repairs Task Force and improvement plan and achieve/maintain all relevant safety standards for the housing stock. Task Force updates have been reported into Audit and Governance Committee noting significant improvements. One workstream remains outstanding linked to procurement which will be completed by September 2025. Actions will evolve into a continuous improvement plan and is linked with the response to the Regulatory inspection.
- 6) Review of the governance of the Climate Programme Board and reporting lines to ensure climate action is embedded across the organisation. The Climate Board's governance was reviewed in 2024, with a further review planned following development of the new Climate Emergency Strategy and Carbon Plan for 2025–2030. Climate implications are now built into committee and budget-bid templates, and carbon literacy training is being rolled out to all managers. The Council has achieved bronze carbon-literacy status and holds an A-rating for Climate Action (CDP).

CONCLUSION

The Council's governance arrangements are considered fit for purpose, though several issues have been identified and captured below. The annual review of governance demonstrates the effectiveness of the overall framework and has informed the actions we are now taking to strengthen it further. We are satisfied that these planned improvements address the weaknesses identified in the review, and progress will be monitored as part of the next annual assessment.

The Council is satisfied that appropriate governance arrangements are in place, however it remains committed to maintaining and, where possible, improving these arrangements by:

- 1) Following receipt of the results of Adult Social Care's CQC assessment areas of improvement will be logged, monitored and actioned throughout 2025/26 via our internal governance boards. Progress will be reported into the Adult Social Care, Children's Services & Education Committee.
- 2) Following the receipt of the Social Housing Regulator Inspection Report areas of improvement will be logged, monitored and actioned throughout 2025/26 via our internal governance boards. Progress will be reported to the Social Housing Regulator and reported into the Housing, Neighbourhoods and Leisure Committee.
- 3) Continue with the procurement stream of the housing repairs and property services improvement plan to ensure that all contracts are up to date, are properly implemented and mobilised and have robust contract management in place.
- 4) Reminder to all staff about the importance of the Speaking Up and Whistle Blowing Policy.
- 5) Remind all staff that Declaration of Interests and Gifts and Hospitality declarations should be submitted where necessary and remind managers that the Register of Gifts and Hospitality is reviewed from time to time and is accurate and up to date.
- 6) Traffic Regulation Orders – commissioning of the Digital TRO project, conclusion of the Scheme of Restitution and sign-off of the Action Plan at Audit and Governance Committee.
- 7) The Council will transfer BFfC staff and property back to its control, novate contracts, and close the BFfC Company. Committee terms and the Council's Constitution will be updated, and the Independent Fostering Agency will transition to a Local Authority Fostering Service. An independently chaired Improvement Board will be established, with transition costs funded from earmarked reserves.
- 8) Continue to implement the Children's Services Rapid Improvement Plan and the Partnership Improvement Plan to address the 10 areas of improvement following the partnership's Joint Targeted Area Inspection. Progress will be overseen by the Berkshire West Safeguarding Children's Partnership and the Adult Social Care, Children's Services & Education Committee.
- 9) Continue to implement the Youth Justice Improvement Plan, monitored by the Youth Justice Management Board.

- 10) Budget plans to be in place for the next MTFS period and planning will start soon for further savings to close the forecast Council budget gap.
- 11) Update the Council Anti-Fraud, Bribery and Corruption Policy to take into account the new 'failure to prevent fraud offence', which will come into effect on 1 September 2025. Under the Economic Crime and Corporate Transparency Act 2023, the "failure to prevent fraud" offence means large organisations can be criminally liable if they fail to prevent fraud committed by employees and associated persons, unless they can demonstrate reasonable fraud prevention procedures.

Cllr Liz Terry

Leader of Reading Borough Council

Date:

Jackie Yates

Chief Executive of Reading Borough Council

Date:

Independent Auditor’s Report to the Members of Reading Borough Council

To follow

Statement of Responsibilities

Responsibilities of the Council

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, for 2024/25, the Chief Financial Officer is the Director of Finance.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Arrange for the approval of the Statement of Accounts at the conclusion of the audit. In this Council, the approval is delegated to the Audit and Governance Committee.

Responsibilities of the Chief Financial Officer

The Chief Financial Officer is responsible for the preparation of the Council's Statement of Accounts, in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (The Code).

In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the Local Authority Code.

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Approval of the Accounts

This Statement of Accounts gives a true and fair view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

Darren Carter
Director of Finance (S151 Officer)

Date

Financial Statements

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement (CIES) shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

	2023/24 Restated			Service Area	Note	2024/25		
	Gross Expenditure	Gross Income	Net Expenditure			Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000			£'000	£'000	£'000
Page 299	115,386	(61,963)	53,423	Communities and Adult Social Care		130,500	(69,506)	60,994
	43,904	(23,220)	20,684	Resources		48,830	(26,210)	22,620
	1,925	(236)	1,689	Chief Executive Services		1,895	(425)	1,470
	50,575	(50,585)	(10)	Corporate		43,090	(50,835)	(7,745)
	185,968	(116,492)	69,476	Children, Education and Early Help Services		209,653	(120,671)	88,982
	96,687	(44,769)	51,918	Economic Growth and Neighbourhood Services		100,221	(42,973)	57,248
	46,226	(46,418)	(192)	Housing Revenue Account		52,826	(50,504)	2,322
	540,671	(343,683)	196,988	Costs of Services		587,015	(361,124)	225,891
			21,543	Other Operating Expenditure	10			2,071
			23,581	Financing and Investment Income and Expenditure	11			19,563
			(188,840)	Taxation and Non-Specific Grant Income	12			(214,818)
			53,272	(Surplus) or Deficit on Provision of Services				32,707
			340	(Surplus) or Deficit on Revaluation of Available for Sale Financial Assets				(268)
			(33,257)	Remeasurements of the Net Defined Benefit Liability	44			(57,860)
			21,717	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment				(22,048)
			(11,200)	Other Comprehensive Income and Expenditure				(80,176)
			42,072	Total Comprehensive Income and Expenditure				(47,469)

Please Note: This table and all others within this document are subject to some rounding of figures. Where necessary some previous year figures may have been restated to match 2024/25 reporting structure

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

2024/25	REVENUE RESERVES						CAPITAL RESERVES			Total Usable Reserves £'000	Total Unusable Reserves £'000	Total Reserves £'000
	General Fund balance	Earmarked General Fund Reserves	Total General Fund balances	Housing Revenue Account (HRA)	Earmarked HRA Reserves	Total HRA Balances	Capital Receipts Reserve	Major repairs Reserve	Capital Grants Unapplied Account			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
Balance at 31 March 2024	(8,394)	(57,751)	(66,145)	(27,388)	(9,524)	(36,912)	(32,670)	(11,786)	(59,406)	(206,919)	(469,959)	(676,878)
(Surplus)/Deficit on provision of services	23,028	-	23,028	9,679	-	9,679	-	-	-	32,707	-	32,707
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	(80,176)	(80,176)
Total Comprehensive Income and Expenditure	23,028	-	23,028	9,679	-	9,679	-	-	-	32,707	(80,176)	(47,469)
Adjustments between accounting basis and funding basis under regulations	8,823	-	8,823	(5,604)	-	(5,604)	15,824	346	1,959	21,348	(21,348)	-
Net (increase)/decrease before transfers to/(from) earmarked reserves	31,851	-	31,851	4,075	-	4,075	15,824	346	1,959	54,055	(101,524)	(47,469)
Transfers to/(from) earmarked reserves	(32,362)	16,852	(15,510)	(933)	933	-	-	-	10	(15,499)	15,499	-
(Increase)/decrease for the year	(511)	16,852	16,341	3,143	933	4,075	15,824	346	1,969	38,556	(86,025)	(47,469)
Balance at 31 March 2025	(8,905)	(40,899)	(49,804)	(24,245)	(8,591)	(32,836)	(16,846)	(11,440)	(57,437)	(168,363)	(555,984)	(724,347)

2023/24 Restated	REVENUE RESERVES						CAPITAL RESERVES			Total Usable Reserves	Total Unusable Reserves	Total Reserves
	General Fund balance	Earmarked General Fund Reserves	Total General Fund balances	Housing Revenue Account (HRA)	Earmarked HRA Reserves	Total HRA Balances	Capital Receipts Reserve	Major repairs Reserve	Capital Grants Unapplied Account			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023	(8,221)	(70,132)	(78,353)	(35,334)	(9,916)	(45,250)	(31,584)	(8,749)	(61,704)	(225,640)	(493,310)	(718,950)
(Surplus)/Deficit on provision of services	47,122	-	47,122	6,150	-	6,150	-	-	-	53,272	-	53,272
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	-	-	(11,200)	(11,200)
Total Comprehensive Income and Expenditure	47,122	-	47,122	6,150	-	6,150	-	-	-	53,272	(11,200)	42,072
Adjustments between accounting basis and funding basis under regulations	(28,973)	-	(28,973)	2,188	-	2,188	(1,086)	(3,037)	2,298	(28,610)	28,610	-
Net (increase)/decrease before transfers to/(from) earmarked reserves	18,149	-	18,149	8,338	-	8,338	(1,086)	(3,037)	2,298	24,662	17,410	42,072
Transfers to/(from) earmarked reserves	(18,322)	12,381	(5,941)	(392)	392	-	-	-	-	(5,941)	5,941	-
(Increase)/decrease for the year	(173)	12,381	12,208	7,946	392	8,338	(1,086)	(3,037)	2,298	18,721	23,351	42,072
Balance at 31 March 2024	(8,394)	(57,751)	(66,145)	(27,388)	(9,524)	(36,912)	(32,670)	(11,786)	(59,406)	(206,919)	(469,959)	(676,878)

Balance Sheet

2023/24 Restated £'000	Balance Sheet	Note	2024/25 £'000
1,007,223	Property, Plant & Equipment	22	1,051,468
137,168	Infrastructure	23	137,097
3,376	Heritage Assets	24	3,273
57,580	Investment Property	25	52,310
7,228	Intangible Assets	26	9,077
23,080	Long-term Investments	29	23,347
19,186	Long-term Debtors	34	14,439
1,254,841	Non-Current Assets		1,291,011
125	Assets held for sale		-
204	Financial Assets Held for Sale		186
441	Inventories	31	568
82,467	Short-term Debtors	34	72,733
24,169	Cash and Cash Equivalents	33	33,801
107,406	Current Assets		107,288
(79,518)	Short-term Borrowing	29	(122,182)
(93,159)	Short-Term Creditors	35	(86,914)
(9,234)	Revenue Receipts in Advance	35	(9,785)
(6,256)	Short-Term Provisions	36	(6,101)
(1,325)	PFI Short-Term Liabilities and Deferred Income	42	(2,092)
(28)	Deferred Income		-
(189,520)	Current Liabilities		(227,074)
-	Long-Term Provisions	36	-
(357,485)	Long-Term Borrowing	29	(355,485)
(117,072)	Liability relating to defined benefit pension scheme	44	(62,179)
(20,518)	PFI Long-Term Liabilities and Deferred Income	42	(28,242)
(774)	Other Long Term Liabilities		(972)
(495,849)	Long Term Liabilities		(446,878)
676,878	Net Assets		724,347
(206,919)	Usable Reserves	37	(168,363)
(469,959)	Unusable reserves	38	(555,984)
(676,878)	Total Reserves		(724,347)

Darren Carter
Director of Finance (S151 Officer) – Date

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2023/24 Restated £'000	Cash Flow	Note	2024/25 £'000
53,272	Net (surplus) or deficit on the provision of services		32,707
(71,372)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	45	(71,718)
33,334	Adjustments for items included in the net surplus on the provision of services that are investing and financing activities	45	55,724
15,234	Net cash flows from Operating Activities		16,713
33,819	Investing Activities	46	13,228
(19,015)	Financing Activities	47	(39,573)
30,038	Net (increase) or decrease in cash and cash equivalents		(9,632)

54,207	Cash and cash equivalents at the beginning of the reporting period		24,169
(30,038)	Net increase or (decrease) in cash and cash equivalents		9,632
24,169	Cash and cash equivalents at the end of the reporting period	33	33,801

Notes to the Statement of Accounts

Note 1 – Significant Accounting Policies

i. General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position as at 31 March 2025.

The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015 (as amended), which require the accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), supported by International Financial Reporting Standards (IFRS)

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts has been prepared on a "going concern" basis.

ii. Events after the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the statement of accounts is authorised for issue.

Where an event occurring after the balance sheet date provides evidence of conditions that existed at the balance sheet date, the amounts recognised in the statement of accounts are adjusted.

Where an event that occurs after the balance sheet date is indicative of conditions that arose after the balance sheet date, the amounts recognised in the statement of accounts are not adjusted, but where this would have a material effect, it is disclosed in the notes to the accounts.

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

iii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

Revenue from contracts with service recipients, whether for services or the provision of goods is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.

Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.

Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.

Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure based on the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.

When **revenue or expenditure is recognised**, but the cash has not transferred, a debtor or creditor for the relevant amount is included in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

The Council has set a general de minimis level for accruals that are calculated manually at year end, this is to avoid additional time and cost in the preparation of the accounts. The level has been set at £5,000 for 2024/25 and is reviewed annually.

iv. **Interest Income & Expense**

Interest income and expenses are accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

Interest expense on a qualifying asset can be capitalised.

v. **Exceptional Items**

Exceptional items are material items which derive from individual events that fall within the ordinary activities of the Council and are identified as exceptional items by virtue of their size, nature or incidence. These items are disclosed separately in the accounts.

vi. **Cash and Cash Equivalents**

Cash is represented by cash in hand and on-demand deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in not more than seven days from the acquisition date and are readily convertible to known amounts of cash with insignificant risk of value change.

In the Balance Sheet, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

vii. Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including Government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The council tax and NDR income included in the comprehensive income and expenditure statement is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Council's general fund. Therefore, the difference between the income included in the comprehensive income and expenditure statement and the amount required by regulation to be credited to the general fund is taken to the collection fund adjustment account and included as a reconciling item in the movement in reserves statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the financing and investment income and expenditure line in the comprehensive income and expenditure statement. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

viii. Employee Benefits

Benefits Payable during employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits (e.g., cars) for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g., time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits. Costs are charged on an accruals basis to the Corporate Support Services segment in the Comprehensive Income and Expenditure Statement at the earlier of when the Council can no longer withdraw the offer of the benefits or when the Council recognises the costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the pension fund or pensioner in year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pension Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-Employment Benefits

Employees of the Council may be members of one of three separate pension schemes:

- a) The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
b) The Local Government Pension Scheme (LGPS), administered by the Royal Borough of Windsor and Maidenhead.
c) The National Health Service Pension scheme.

All the above schemes provide defined benefits to members (e.g., retirement lump sums and pensions).

However, the arrangements for the Teachers' Pension Scheme and the NHS Pension Scheme mean that liabilities for these benefits cannot be identified to the Council. These schemes are, therefore, accounted for as if they are Defined Contributions Schemes and no liability for future payment of benefits is recognised in the Balance Sheet. Children, Education and Early Help Services and Adult Care and Health Service lines in the Comprehensive Income and Expenditure Statement are charged with the employer's contributions payable to the Teachers' and NHS Pension schemes in year.

The Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is accounted for as a defined benefits scheme.

The liabilities of the Royal County of Berkshire Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e., an assessment is made of the future payments that will be made in relation to retirement benefits earned to date by scheme members based on assumptions about mortality rates, employee turnover, etc., and projected earnings of current members.

Liabilities are measured on an actuarial basis discounted to present value using the projected unit method. The discount rate used is determined in reference to the market yields of high-quality corporate bonds at 31 March.

The assets of the Royal County of Berkshire Pension Fund, attributable to the Council, are included in the Balance Sheet at their fair value:

- **quoted securities** – current bid price
- **unquoted securities** – professional estimate
- **unitised securities** – current bid price
- **property** – market value

The change in the net pensions liability is analysed into the following components:

Service costs comprising:

Current Service Cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

Increases in Liabilities resulting years of the service earned in the year – are allocated in the Comprehensive Income and Expenditure Statement to the revenue accounts for the service for which the employees worked.

Past Service Cost - the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement [note that the treatment of past service costs will depend on the decisions of the authority about how they are allocated to service segments].

Net interest on the net defined benefit liability (asset), - i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments

Contributions paid to the Royal County of Berkshire Pension Fund - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

The return on Plan Assets - excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure.

Actuarial Gains and Losses - changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.

Pensions Reserve - the amount chargeable to the General Fund for providing pensions for employees is the amount payable for the year in accordance with the statutory requirements governing each pension scheme. Where this amount does not match the amount charged to the Surplus or Deficit on the Provision of Services for the year the difference is taken to the Pensions Reserve via the Movement in Reserves Statement.

The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits - The Council has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (including teachers) are accrued in the year of the decision to make the award and are accounted for on the same basis as Defined Benefit Schemes, and using the same policies as applied to the Local Government Pension Scheme.

ix. Financial Instruments

Financial instruments are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost.

Financial Liabilities

Financial liabilities are recognised on the balance sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the comprehensive income and expenditure statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognized.

For most of the borrowings that the authority has, this means that the amount presented in the balance sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the comprehensive income and expenditure statement is the amount payable for the year according to the loan agreement.

The fair value for PWLB and non-PWLB loans are defined in Note 30.

However, the bonds issued by the Council are carried at a lower amortised cost than the outstanding principal and interest is charged at a marginally higher effective rate of interest than the rate payable to bondholders, as a material amount of costs incurred in its issue is being financed over the life of the stock.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is deducted from, or added to, the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The authority holds financial assets measured at:

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- amortised cost, and
- fair value through profit or loss (FVPL)

The Council's business model is to hold investments to collect contractual cash flows financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets measured at amortised cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable using the effective interest rate. Any gains and losses that arise on the derecognition of a financial asset are credited or debited to the financing and investment income and expenditure line in CIES.

Financial assets measured at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets that are measured at FVOCI are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value.

The Council holds shares in the Municipal Bonds Agency. The characteristics of the instrument would result in the instrument being classed as Fair Value through Profit and Loss with unrealised gains and losses being taken to the CIES. However, the business model for holding the instrument is to hold for the long-term rather than for trading. Consequently, the instrument has been designated as Fair Value through Other Comprehensive Income.

All gains and losses due to changes in fair value are accounted for through a reserve account (the Financial Instruments Revaluation Reserve) with the balance debited or credited to the CIES when the instrument is disposed of.

Financial Assets measured at Fair Value Through Profit and Loss (FVTPL)

Financial assets that are measured at FVPL are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses and any gains/losses that arise on the derecognition of the asset are recognised.

Any gains/losses that arise on the derecognition of the asset are debited/credited to the Financing and Investment Income and Expenditure line in the CIES.

Government Grants and Contributions

Whether paid on account, by instalment or in arrears, Government grants and third-party contributions are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments; and
- the contributions or grants will be received.

Income is only recognised in the Comprehensive Income and Expenditure Statement once any conditions attached to the contribution or grant have been met. A condition can stipulate how an asset purchased with grant can be used, or a service provided, with the risk of having to repay the grant to the awarding body if the conditions are not complied with.

Grants and contributions received where the conditions have not been satisfied are carried on the Balance Sheet as creditors. When conditions are satisfied or there are no conditions, the grant or contribution is credited to the relevant service line (for revenue grants and contributions) or Taxation and Non-Specific Grant (for non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the

Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

A Business Improvement District (BID) scheme applies across the whole of the Council. The scheme is funded by a BID levy paid by non-domestic ratepayers. The Council acts as principal under the scheme, and accounts for income received and expenditure incurred (including contributions to the BID project) within the relevant services within the Comprehensive Income and Expenditure Statement.

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area.

Income from CIL charges, with the exception of amounts applied in accordance with the CIL regulations to meet administrative expenses, must be applied to fund infrastructure to support the development of the area in accordance with the Community Infrastructure Levy Regulations 2010, as amended.

Where CIL charges to be applied to fund capital expenditure have been received prior to the commencement date for the chargeable development, the CIL charges shall be recognised initially in the Grants Receipts in Advance Account until such a time that the chargeable development commences and then the charges are recognised as income. Where CIL charges have been recognised as income in the Comprehensive Income and Expenditure Statement, but have not yet been applied to fund infrastructure, the CIL charges shall be transferred to Usable Reserves (Capital Grants Unapplied Account). When the CIL charges are applied to capital expenditure the CIL charges shall be transferred from the General Fund (or the Capital Grants Unapplied Account) to the Capital Adjustment Account.

Where CIL charges are to be applied to fund revenue expenditure (such as but not limited to administration expenses), the CIL charges shall not be transferred out of the General Fund.

xi. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

xii. Interests in Companies and Other Entities

Companies

The Council has interests in three subsidiary companies, which:

- are carried on the Council Balance Sheet at historic cost less any provision for impairment; and
- where material and actively trading they have been consolidated into the Council's Group Accounts on a line-by-line basis after first re-aligning accounting policies with the Council where appropriate and eliminating intra-Group transactions.

Schools

Schools maintained by the Council are recognised on the Balance Sheet as the balance of control lies with the Council. Consequently, all those schools' assets, liabilities, reserves and cash flows are recognised in the Council's financial statements (and not the Group Accounts). Voluntary Aided and Voluntary Controlled schools are not recognised on the Council's Balance Sheet as the balance of control for those schools lies with the respective dioceses. Academies are also not recognised on the Balance Sheet as they are controlled by Academy Trusts.

xiii. Investment Property

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the financing and investment income and expenditure line in the comprehensive income and expenditure statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the general fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the general fund balance. The gains and losses are therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account and (for any sales proceeds greater than £10,000) the capital receipts reserve.

xiv. Leases

Council as Lessee

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Under **International Financial Reporting Standard 16 (IFRS 16)**, which we adopted on 1 April 2024, there is now no distinction between operating and finance leases for lessees. A right-of use asset and corresponding lease liability are recognised at the commencement of the lease (or 1 April 2024 if later). The lease liability is measured at the present value of the lease payments, discounted at the lessee's incremental borrowing rate specific to the term and start date of the lease. The incremental borrowing rate is based on the relevant Public Works Loan Board (PWLb) rate for new loans on an annuity basis.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right-of-use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the Council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right-of-use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs. The right-of-use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the asset – applied to write down the lease liability, and;
- a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Where leases are for items of low value (under £10k), or the lease term is less than 12 months from commencement, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement, as an expense of the services benefitting from the use of the leased item.

Council as Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal and replaced by a long-term debtor in the Balance Sheet valued on the future income due under the finance lease.

Income from lessees is apportioned between:

- a charge to write down the lease debtor for the acquisition of the leased item; and
- finance income (i.e., interest) which is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and will be required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Unapplied Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are paid, the element for the charge for the acquisition of the interest in the property is used to write down the lease asset. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

xv. Overhead and support service recharges

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

xvi. Prior period adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e., in the current and future years affected by the change and do not give rise to a prior period adjustment.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

During the preparation of the 2024/25 accounts, the following updates have been made to the prior period financial statements (as previous reported) to either correct previously reported numbers identified within the prior year financial statements, or to update comparatives to reflect the 2024/25 management reporting structure and better allow comparison between financial years:

Primary Statement	CIES - Reporting Line 2023/24	Value Previously Reported £'000	Note A £'000	Note B £'000	Note C £'000	Note D £'000	Restated Figure £'000
CIES	Communities and Adult Social Care	51,766	1,657				53,423
CIES	Resources	18,463	2,221				20,684
CIES	Chief Executive Services	1,503	186				1,689
CIES	Corporate	(10)	-				(10)
CIES	Children, Education and Early Help Services	65,677	3,799				69,476
CIES	Economic Growth and Neighbourhood Services	50,280	2,796	(1,158)			51,918
CIES	Housing Revenue Account	(1,167)	975				(192)
CIES	Costs of Services	186,512	11,634	(1,158)	-	-	196,988
CIES	Other Operating Expenditure	21,543					21,543
CIES	Financing and Investment Income and Expenditure	22,763		1,158	(340)		23,581
CIES	Taxation and Non-Specific Grant Income	(188,840)					(188,840)
CIES	(Surplus) or Deficit on Provision of Services	41,978	11,634	-	(340)	-	53,272
CIES	(Surplus) or Deficit on Revaluation of Available for Sale Financial Assets	-			340		340
CIES	Remeasurements of the Net Defined Benefit Liability	(21,623)	(11,634)				(33,257)
CIES	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment	21,717					21,717
CIES	Other Comprehensive Income and Expenditure	94	(11,634)	-	340	-	(11,200)
CIES	Total Comprehensive Income and Expenditure	42,072	-	-	-	-	42,072
MIRS - Reporting Line 2023/24							
MIRS	(Surplus)/Deficit on provision of services	34,168	11,634		(340)	7,810	53,272
MIRS	Other Comprehensive Income and Expenditure	94	(11,634)		340		(11,200)
MIRS	Total Comprehensive Income and Expenditure	34,262	-	-	-	7,810	42,072

- A. **Pension Prepayment (See CIES, MIRS and Notes 7, 8, 38 and 44)** – The Council have reversed an incorrect journal posted during last year relating to pensions contributions. The Council have adjusted the comparatives for the year to 31 March 2024, increasing the cost of services for the year ended 31 March 2024 by £11.634 million (see impact on individual service line in the table above) and increasing the remeasurement of the net defined benefit pension liability in other comprehensive income by an equal amount. There was no impact on the Balance Sheet.
- B. **Reclassification of income and expenditure associated with rental properties (see CIES and Notes 7 and 11)** – The Council have updated comparative numbers to increase Financing and Investment Income and Expenditure by £1.158 million, while decreasing the net cost of Environmental and Neighbourhood services by £1.158 million to reflect the rental income generated from providing Environmental and Neighbourhood services, and to aid future comparability.
- C. **Movement of expenditure associated with the revaluation of financial assets (see CIES, MIRS and Notes 7, 11 and 29)** – The Council have updated the comparative numbers to move the loss on revaluation of financial assets at FVOCI to other comprehensive income. This correction decreases Financing and Investment Income and Expenditure by £0.340 million, while increasing (Surplus)/Deficit on Revaluation of Available for Sale Financial Assets by the same amount.
- D. **Correction of casting error in Movement in Reserves Table (see MIRS)** – There was an arithmetic error of £7.810 million in the movement in reserves table within the prior year accounts, linking to the (Surplus) / deficit per CIES, which has been updated so it ties to the other primary statements as reported.

xvii. **Property, Plant and Equipment**
 Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially valued at cost comprising:

- the purchase price.
- costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (where appropriate).

The Council does not have a de minimis level for capitalisation of assets.

The Council does not capitalise borrowing costs incurred while assets are under construction.

The cost of assets acquired other than by purchase is deemed to be their fair value, unless the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the comprehensive income and expenditure statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited to the comprehensive income and expenditure statement, they are reversed out of the general fund balance to the capital adjustment account in the movement in reserves statement.

Assets are held on the Balance Sheet according to the following valuations bases:

Asset type	Valuation basis
Infrastructure, community assets, vehicles, plant and equipment	Depreciated historic cost. Infrastructure is subject to statutory override and shown at net book value.
Council Offices	Current Value, determined as the amount that would be paid for the asset.
Council Dwellings	Current value determined using Existing Use Value for Social Housing (EUV-SH).
School Buildings	Current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value.
Assets under Construction	Historic cost.
Surplus Assets	Fair value, estimated at highest and best use from a market participant's perspective.
All other Property, Plant and Equipment assets	Current value, determined as the amount that would be paid for an asset based on its Existing Use Value (EUV).

Where there is no market-based evidence of current value due to the specialised nature of the asset, Depreciated Replacement Cost (DRC) is used as an estimate of current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amounts are not materially different from the current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service, adjusted for depreciation that would have been charged if the loss had not been recognised.

Where decreases in value are identified, they are accounted for by:

- Where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- Where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only – the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Impairment

Assets are assessed annually at year-end to determine whether there is any indication they may have been impaired. Where indications exist and possible differences are estimated to be material, the recoverable amount of the asset is estimated and where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall:

- Initially as a charge against the Revaluation Reserve where there is a credit balance for the asset to the extent of the credit balance; and
- Then as a charge to the relevant service line in the Comprehensive Income and Expenditure Statement.

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service line(s) in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful economic lives. An exception is made for assets without a determinable finite useful life i.e., Freehold Land and certain selected Community Assets, and assets that are not yet available for use i.e. Assets Under Construction.

Depreciation is calculated on the following bases:

- **Dwellings and Other Buildings** – straight-line allocation over the useful life of the property as estimated by a qualified valuer.
- **Vehicles, Plant, Furniture and Equipment** – straight-line allocation over their useful economic lives, as estimated at the time of purchase by a suitably qualified officer. Assets acquired under finance leases are depreciated over their lease term.
- **Infrastructure** – straight-line allocation over 5 to 40 years depending on the type of asset.

Where an item of property, plant or equipment comprises major components whose cost is significant in relation to the total cost of the item, those components are depreciated separately.

Revaluation gains are also depreciated with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based upon the historical cost; this amount being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as held for sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Where a receipt from the disposal of an asset exceeds £10,000 the income is recognised as a capital receipt. Receipts for assets disposed of at less than £10,000 are credited to the relevant service line in the Comprehensive Income and Expenditure Statement.

The balance of receipts remains within the Capital Receipts Reserve and can then only be used for new capital investment (or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Heritage Assets

Heritage assets are considered tangible assets which have historical geophysical, artistic, scientific, technology or environmental qualities held for their contribution to culture and knowledge.

Heritage assets are measured in the Balance Sheet at insurance value based on market value. Impairment reviews are carried out annually to assess any physical depletion of the assets.

Any impairment is recognised and measured in accordance with the authority's general policies on impairment. Heritage assets held by the Council are deemed to have indefinite lives and are not depreciated. Disposals will be treated in the same manner as other Property, Plant and Equipment.

The exception to this is the Abbey Ruins which are held at historic cost less depreciation/impairment.

Componentisation

The component is a part of a larger asset that is separately identified and depreciated, for the purposes of assisting more accurate financial reporting and asset management.

Significant Component Factors:

- Different useful life from the Parent Asset
- Different value to the Parent Asset
- Economic/service benefit to the Council that is materially different to the rest of the asset.

The Componentisation takes place at acquisition, valuation and enhancement of the parent asset.

xviii. Service Concessions

Service concessions e.g., Private Finance Initiatives (PFI) and similar contracts are contracts to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the contractor. The Council recognises the assets used under the contracts on its Balance Sheet within Property, Plant and Equipment, because ownership of the property, plant and equipment will pass to the Council at the end of the contract terms for no additional charge.

The original recognition of these assets at current value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority.

The amounts payable to the PFI operators each year are analysed into five elements:

- **Fair value of services** received during the year – debited to the relevant service in the CIES.
- **Finance cost** – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line on the CIES.
- **Contingent rent** – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the CIES.
- **Payment towards liability** – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- **Lifecycle replacement costs** – a proportion of the amount's payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

xix. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised where the Council has a legal or constructive obligation arising from a past event that will probably require settlement by a transfer of economic benefits (cash or service potential), and where a reliable estimate can be made of the amount required to settle the obligation.

Provisions are charged as an expense to the appropriate Service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When a payment for expenditure against a provision is made, the expenditure is charged directly to that provision. All provisions are reviewed each year. Where some or all of the payment required to settle a provision is expected to be recovered from another party, e.g., from an insurance claim, this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

No provision is made for debts that are secured except in exceptional circumstances. Of all remaining debts, excluding financial instruments where an expected credit loss model is applied, the Council makes a provision for bad debts based upon continuous reviews of likely recovery undertaken by service managers and supporting finance staff.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

No liability is recognised if an outflow of economic resources is not probable or quantifiable. Such situations are not recognised in the Balance Sheet but are disclosed as contingent liabilities where the outflow of resources may be significant and is possible.

Contingent Assets

A contingent asset arises where an event has taken place that gives the authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority.

Contingent assets are not recognised in the balance sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

xx. Reserves

The Council sets aside specific amounts for future policy purposes or to fund contingencies. Reserves are created by appropriating amounts from the General Fund Balance and/or the Housing Revenue Account Balance in the Movement in Reserves Statement.

When expenditure to be financed from the Reserve is incurred, it is charged to the appropriate Service line in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The Reserve is then appropriated back to the General Fund Balance or Housing Revenue Account Balance in the Movement in Reserves Statement so that there is no overall charge against Council Tax in respect of the costs incurred.

Certain reserves are kept managing the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Council. Reserves are further explained in the relevant notes to the accounts.

xxi. Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Legislation requires defined items of revenue expenditure charged to services within the Comprehensive Income and Expenditure Statement to be treated as capital expenditure. All such expenditure is transferred from the General Fund Balance via the Movement in Reserves Statement to the Capital Adjustment Account and is included in the Capital Expenditure and Capital Financing disclosure in Note 28.

During the period 1 April 2016 to 31 March 2030 the Council is allowed under guidance published by MHCLG the flexible use of capital receipts on areas of revenue cost to reform which generate ongoing savings to the Council. In the case where revenue spend is identified as meeting the criteria to use flexible capital receipts the Council will meet the cost of the reform through capital receipts generated during the same financial year. Where the Council has determined to meet this cost from capital receipts a transfer to the Capital Adjustment Account reverses the amounts charged to the Comprehensive Income and Expenditure Statement via the Movement in Reserves Statement so there is no impact on the level of Council Tax.

xxii. Value Added Tax (VAT)

The Comprehensive Income and Expenditure Statement excludes amounts relating to VAT. It is included as an expense only if it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income within the Comprehensive Income and Expenditure Statement.

Note 2 – Accounting Standards Issued but Not Yet Adopted

The Code of Practice requires that the Council discloses the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e., on or before 1 January 2025 for 2024/25). The 2025/26 Code will highlight the following amendments: IAS21 Effects of Changes in Foreign Exchange Rate and IFRS 17 Insurance Contracts. These changes are likely to have a material effect on the accounts. There will also be changes to the measurement of non-investment assets, and the impact of this has not yet been quantified.

Note 3 – Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 1 Accounting Policies, the Council has made judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

There is a high degree of uncertainty regarding future levels of funding for Local Government. The Council's medium term financial strategy assesses the on-going pressures from reduced funding and increased demand for services, which are mitigated by further savings and use of reserves. The Council takes the

view that this uncertainty is not yet sufficient indication that the value of the Council's assets might need to be impaired due to reduced levels of service provision or the need to close associated facilities.

The Council is engaged in two PFI contracts. After an assessment under the requirements of IFRIC 12, it has been determined that both arrangements are controlled by the Council. The Accounting Policies relating to PFI schemes have therefore been applied to these two contracts with the associated assets recognised within the Council's year-end Balance Sheet.

The Council has a number of properties for which it receives rental income. The nature of these holdings has been assessed against the Code requirements for Investment Properties in line with IAS 40 Investment Property, and the definition of this asset class. Properties that are held principally for the rental incomes received, or for increases in the capital value of the building, have been treated as Investment Properties, with the income and expenditure resulting from them included within the 'Investment Income' line in the Comprehensive Income and Expenditure Statement (CIES).

The Council has completed a school-by-school assessment across the different schools operated within the Borough to determine the individual accounting treatments. Judgements have been made to determine the arrangements in place and the accounting treatment of the Non-Current Assets. As a result, the Council recognises school assets for Community schools on the Balance Sheet. The Council does not recognise assets relating to Academies, Voluntary Aided (VA), Voluntary Controlled (VC) or Free Schools as the view has been adopted that these entities were deemed to be owned by the relevant Dioceses or Trust following consultation and review. School assets are recognised as a disposal from the Council's Balance Sheet on the date on which a school converts to Academy status, not on the date of any related announcement, nor is any impairment recognised by the Council prior to conversion.

The Council has to determine whether individual leases are Operating or Finance in nature, based upon assessment criteria as outlined in IAS 17 Leases and IFRIC 4 Determining whether or not an arrangement contains a lease. The relevant accounting policy applied to the lease is based upon the outcome of this assessment. The requirements for determining the treatment of leases changed in 2024/25 when IFRS 16 came into force.

Based upon the criteria described in the Code, the Council has undertaken a detailed review to assess the extent of Group accounting relationships. The Council has identified the entities that it consolidates, on the basis of materiality, in relation to the financial statements. Reading Transport Limited (RTL), Homes for Reading (HfR) and Brighter Futures for Children (BFfC) are deemed to constitute a material Group interest and these wholly owned subsidiaries have been consolidated within the Group Accounts. The Council has several interests in other entities which have been deemed as falling outside the scope of consolidation on the grounds of significant influence and control in line with the Code. Furthermore, the Council's interests in these entities in aggregate are not sufficiently substantial to warrant consolidation within the Group Accounts.

In 2018/19 the Council transferred a number of staff to the newly established Council subsidiary, Brighter Futures for Children Ltd. As part of the transfer agreement the Council provided an indemnity to the company in respect of all costs, liabilities, contributions and expenses which relate to any deficits in the Local Government Pension Fund from time to time. Management's view is that this indemnity provides a constructive obligation on the Council to meet the post-employment benefits of staff who transferred to the company at the transfer date of 1 December 2018. Accordingly, the Council has accounted for the liabilities arising in Note 44 and in accordance with IAS 19.

Note 4 – Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are based upon historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £1.126m for every year that useful lives had to be reduced.

Valuation of HRA dwellings

The valuation of HRA Dwellings has been split between land and buildings. Land values do not depreciate. The proportion of total HRA Dwellings value attributable to land has been derived by multiplying the residential land rate per hectare by the hectareage occupied by HRA Dwellings; the remaining balance of the total value is attributable to buildings and is depreciated. The annual depreciation charge would increase by £0.184m for a 1% shift in the overall proportion of Dwellings value in favour of buildings over land, and would reduce by the same for a 1% shift in favour of land value over buildings.

Pension Liability

Estimation of the net liability to pay pensions depends on complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates, and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about these assumptions and judgments and has provided the sensitivity analysis shown below for 2024/25:

Impact on the defined benefit obligation	Increase in assumption £'000	Decrease in assumption £'000
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(8,370)	8,575
Rate of increase in salaries (increase or decrease by 0.1%)	551	(546)
Rate of inflation (increase or decrease by 0.1%)	8,264	(8,069)
Longevity (increase or decrease by 1 year)	20,042	(19,311)

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £8.370m. See Note 44 for more details of the LGPS Pension Scheme.

Arrears

At 31 March 2025, the Council had a balance of sundry debtors of £16.8m (net of impairments). A review of significant balances suggested that an impairment of doubtful debts of £9.4m was appropriate. If collection rates were to deteriorate, a 1% increase in the value of impairments for doubtful debts would require an additional £94,130 to set aside as an allowance.

Service Concessions

Estimates of the future payments due to contractors are based on assumptions regarding inflation and satisfactory performance as determined by the terms laid out within the contract. Inflation increases will lead to the Council having to pay over more to the contractor and therefore amounts disclosed will be understated. If the contractor's performance is below the service level that has been built into the financial model linked to the Scheme, the contractor will have penalty charges levied against it and therefore the Council's costs will be lower than disclosed. Estimates may also be impacted by other assumptions (e.g., waste volumes). A 1% increase in the amount payable to the contractors due to inflation would result in an estimated additional annual cost of approximately £117,000.

Business ratepayer appeals

Business ratepayers may lodge appeals against the rateable value given to their properties on the current rating list. The Council makes a provision for this in the Collection Fund, estimated as the expenditure required to settle outstanding appeals based on the likely outcome of those appeals. The provision at 31 March 2025 was £10.223m, which is shared between the Council, Central Government, and the Fire Authority. The Council's share of this provision totals £5.009m. The provision at 31 March 2025 has been calculated based on appeals submitted and analysis of appeals submitted in other areas. The eventual outcome of all outstanding appeal cases cannot be assessed with certainty. A 1% variance between actual and expected outcomes would increase the Council's share of potential appeals by £50,000.

Note 5 – Material Items of Income and Expense

For the purposes of this Note, the Council considers material items to be those greater than £2m. The Council incurred the following material expenditure:

- £10.5m (£9.7m 2023/24) to RE3 Ltd for waste collection and disposal under the waste collection service concession.
- £58.9m (£60.6m 2023/24) to BFfC for provision of Children's Services.
- £8.2m (£8.0m 2023/24) to Affinity (Reading) Ltd under a service concession to refurbish council-owned housing at North Whitley.
- £3.9m (£4.0m 2023/24) to Reading Transport Ltd for providing free travel under the Concessionary Fares Scheme.
- £2.7m (£2.8m 2023/24) to Northgate Public Services (UK) Ltd for the provision of IT services.

Note 6 – Events After the Reporting Period

Events taking place after 30 June 2025 are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

In July 2024, the Council decided that it's 100% owned subsidiary Homes for Reading will be closed and the Company's properties are to be transferred to the Council's Housing Revenue Account. This is to happen on a phased basis as existing tenancies come to an end. Property valuations will be determined at the point of transfer.

Note 7 – Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from annual resources (Government Grants, Rents, Council Tax and Business Rates).

The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

	2023/24 Restated				2024/25		
	Net Expenditure Chargeable to the GF and HRA Balances	Adjustments	Net Expenditure in the CIES		Net Expenditure Chargeable to the GF and HRA Balances	Adjustments	Net Expenditure in the CIES
	£'000	£'000	£'000		£'000	£'000	£'000
Page 328	54,444	(1,021)	53,423	Communities and Adult Social Care	61,664	(671)	60,994
	23,496	(2,812)	20,684	Resources	23,777	(1,157)	22,620
	1,933	(244)	1,689	Chief Executive Services	1,559	(89)	1,470
	5,119	(5,129)	(10)	Corporate	5,317	(13,062)	(7,745)
	70,934	(1,458)	69,476	Children, Education and Early Help Services	82,003	6,979	88,982
	28,061	23,857	51,918	Economic Growth and Neighbourhood Services	26,984	30,264	57,248
	7,636	(7,828)	(192)	Housing Revenue Account	3,900	(1,578)	2,322
	191,623	5,365	196,988	Cost of Services	205,204	20,686	225,891
	(165,135)	21,419	(143,716)	Other Income and Expenditure	(169,288)	(23,896)	(193,184)
	26,488	26,784	53,272	(Surplus) or Deficit on Provision of Services	35,916	(3,210)	32,707
			(123,603)	Opening General Fund and HRA Balances as at 1 April			(103,057)
			(5,942)	Movement on DSG deficit to Unusable Reserves			(15,499)
			26,488	Transfer from Capital Grants Unapplied to Earmarked Reserve			
				(Surplus) or Deficit on Provision of Services (Statutory Basis)			35,916
			(103,057)	Closing General Fund and HRA Balances as at 31 March			(82,640)

Please Note: This table and all others within this document are subject to some rounding of figures. Where necessary some previous year figures may have been restated to match 2024/25 reporting structure

Note 7a – Note to the Expenditure and Funding Analysis

2023/24 Restated						2024/25					
Capital Statutory Adjustments £'000	Net Pension Statutory Adjustments £'000	Salary Accruals £'000	Other Adjustments £'000	Total Adjustments £'000		Capital Statutory Adjustments £'000	Net Pension Statutory Adjustments £'000	Salary Accruals £'000	Other Adjustments £'000	Total Adjustments £'000	
517	(2,241)	11	693	(1,021)	Communities and Adult Social Care	513	(1,136)	24	(72)	(671)	
211	(3,038)	15	-	(2,812)	Resources	362	(1,484)	23	(58)	(1,157)	
-	(241)	(3)	-	(244)	Chief Executive Services	-	(88)	(1)	-	(89)	
(9,282)	10,889	-	(6,737)	(5,129)	Corporate	(6,236)	(552)	-	(6,274)	(13,062)	
3,682	(5,197)	58	-	(1,458)	Children, Education and Early Help Services	8,308	(1,357)	2	26	6,979	
24,012	(3,721)	27	3,537	23,857	Economic Growth and Neighbourhood Services	27,473	(1,725)	13	4,503	30,264	
(1,518)	(1,424)	2	(4,888)	(7,828)	Housing Revenue Account	7,456	(685)	(1)	(8,348)	(1,578)	
17,623	(4,973)	110	(7,396)	5,365	Net Cost of Services	37,876	(7,027)	60	(10,223)	20,686	
21,406	-	-	137	21,543	Other Operating Expenditure	1,931	-	-	140	2,071	
8,917	6,934	-	7,732	23,583	Financing and investment income	5,270	4,140	-	10,144	19,554	
(28,914)	-	-	5,208	(23,707)	Taxation and non - specific grants	(47,655)	-	-	2,134	(45,521)	
Difference between GF/HRA (surplus)/ deficit and											
19,032	1,961	110	5,681	26,784	CIES (surplus) /deficit	(2,578)	(2,887)	60	2,195	(3,210)	

Net Change for Capital Statutory Adjustments This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e., Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from total amounts receivable in the year to total amount receivable without conditions or for which conditions were satisfied. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for the Pensions Adjustments

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- For services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the CIES.

Net Change for Salary Adjustments

This relates to short-term employee benefits are those due to be settled wholly within 12 months of the year-end. The accrual is charged to the surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs. (See Accounting Policies).

Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- For Financing and Investment Income and Expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and Non-Specific Grant Income and Expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Note 7b – Segmental Analysis of Income

The Segmental Analysis of Income provides analysis of the revenue generated from external customers:

Segmental income	Total Income per CIES £'000	Less Grants in Note 21 £'000	Net Income £'000
Communities and Adult Social Care	(69,506)	(24,269)	(45,237)
Resources	(26,210)	(4,749)	(21,460)
Chief Executive Services	(425)	-	(425)
Corporate	(50,835)	(50,447)	(388)
Children, Education and Early Help Services	(120,671)	(119,818)	(853)
Economic Growth and Neighbourhood Services	(42,973)	(5,259)	(37,714)
Housing Revenue Account	(50,504)	(4,036)	(46,468)
	(361,124)	(208,578)	(152,545)

Note 7c – Expenditure and Income Analysed by Nature

This note provides a subjective analysis of the Council's main income and expenditure statement:

2023/24 Restated £'000	Nature of Expenditure or Income	2024/25 £'000
143,925	Council employees	151,941
11,396	Voluntary Aided Schools	13,444
155,321	Sub total	165,385
39,745	Depreciation, amortisation, impairment	54,504
22,939	Interest payments	25,439
354,371	Other service expenses	372,536
36,371	Business Rates Tariff	37,642
21,406	Net Loss on Asset Disposals	1,927
-	Payments to Housing Capital Receipts Pool	4
630,153	Total Expenditure	657,437
(155,698)	Revenue from external customers and other service income	(152,545)
(516)	Interest and investment income	(11,147)
(175,695)	Income from Council Tax and NDR	(184,722)
(244,972)	Government grants and contributions	(276,316)
-	Net Gain on Asset Disposals	-
(576,880)	Total Income	(624,730)
53,272	(Surplus) or Deficit for Year	32,707

The definition of the single entity local authority financial statements has been adapted to include the transactions of local authority-maintained schools as if these transactions were recognised in the local authority group accounts. Consequently, the income and expenditure of local authority-maintained schools for the year is included in the nature of expenses disclosure above as if this were a disclosure of the group accounts.

Voluntary aided and foundation school employees are not the employees of the Council, however, in terms of the Code, they are required to be consolidated into the single entity financial statements of the Council. Accordingly, employee costs relating to voluntary aided and foundation schools are disclosed above.

Note 8 – Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund Balance - The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

Housing Revenue Account Balance - The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Capital Receipts Reserve - The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Major Repairs Reserve - The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

Capital Grants Unapplied - The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

2024/25	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pension cost (transferred to (or from) the Pensions Reserve)	(2,839)	(128)	-	-	-	2,967
Pensions Prepayment from prior year transferred from Pensions Reserve	5,187	665	-	-	-	(5,852)
Council tax and NDR (transfers to or from the Collection Fund)	(2,185)	-	-	-	-	2,185
Holiday pay (transferred to the Accumulated Absences reserve)	(61)	1	-	-	-	60
Charges for depreciation and impairment of non-current assets	(24,896)	(21,717)	-	-	-	46,613
Movements in the market value of investment properties	(5,270)	-	-	-	-	5,270
Amortisation of intangible assets	(2,620)	-	-	-	-	2,620
Revenue expenditure funded from capital under statute	(13,588)	-	-	-	-	13,588
Amounts of non-current assets write off on disposal or sale as part of the gain/loss on disposal	(7,055)	(2,941)	-	-	-	9,995
Capital grants and contributions unapplied	47,655	-	-	-	(47,655)	-
First time recognition of IFRS 16	311	-	-	-	-	(311)
Total Adjustments to Revenue Resources	(5,361)	(24,120)	-	-	(47,655)	77,136
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	3,966	4,103	(8,069)	-	-	-
Posting of Housing Revenue Account resource from revenue to the Major Repairs Reserve	-	12,770	-	(12,770)	-	-
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	10,153	1,485	-	-	-	(11,638)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	69	158	-	-	-	(227)
Total Adjustments between Revenue and Capital Resources	14,188	18,516	(8,069)	(12,770)	-	(11,865)
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	7,281	-	-	(7,281)
Capital receipts not linked to sales	-	-	16,900	-	-	(16,900)
Capital receipts pooling	(4)	-	4	-	-	-
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	13,116	-	(13,116)
Application of capital grants to finance capital expenditure	-	-	-	-	49,614	(49,614)
Cash payments in relation to deferred capital receipts	-	-	(292)	-	-	292
Total Adjustments to Capital Resources	(4)	-	23,893	13,116	49,614	(86,619)
Total Adjustments	8,823	(5,604)	15,824	346	1,959	(21,348)

2023/24 Restated	General Fund Balance £'000	Housing Revenue Account £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Movement in Unusable Reserves £'000
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:						
Pension cost (transferred to (or from) the Pensions Reserve)	8,873	800	-	-	-	(9,673)
Pensions Prepayment for future years transferred to Pensions Reserve	(10,660)	(975)	-	-	-	11,635
Council tax and NDR (transfers to or from the Collection Fund)	(5,683)	-	-	-	-	5,683
Holiday pay (transferred to the Accumulated Absences reserve)	(108)	(2)	-	-	-	110
Charges for depreciation and impairment of non-current assets	(22,748)	(14,888)	-	-	-	37,636
Movements in the market value of investment properties	(8,917)	-	-	-	-	8,917
Amortisation of intangible assets	(2,108)	-	-	-	-	2,108
Revenue expenditure funded from capital under statute	(8,838)	-	-	-	-	8,838
Amounts of non-current assets write off on disposal or sale as part of the gain/loss on disposal	(24,934)	(892)	-	-	-	25,826
Capital grants and contributions unapplied	28,914	-	-	-	(28,914)	-
Total Adjustments to Revenue Resources	(46,209)	(15,957)	-	-	(28,914)	91,080
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	2,681	1,739	(4,420)	-	-	-
Posting of Housing Revenue Account resource from revenue to the Major Repairs Reserve	-	14,892	-	(14,892)	-	-
Statutory Provision for the repayment of debt (transfer to the Capital Adjustment Account)	9,010	764	-	-	-	(9,774)
Capital expenditure financed from revenue balances (transfer to the Capital Adjustment Account)	5,545	750	-	-	-	(6,295)
Total Adjustments between Revenue and Capital Resources	17,236	18,145	(4,420)	(14,892)	-	(16,069)
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	5,079	-	-	(5,079)
Use of the Major Repairs Reserve to finance new capital expenditure	-	-	-	11,855	-	(11,855)
Application of capital grants to finance capital expenditure	-	-	-	-	31,212	(31,212)
Cash payments in relation to deferred capital receipts	-	-	(1,744)	-	-	1,744
Total Adjustments to Capital Resources	-	-	3,335	11,855	31,212	(46,402)
Total Adjustments	(28,973)	2,188	(1,086)	(3,037)	2,298	28,610

Note 9 – Transfers to/from Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure.

	Balance at 31 March 2023 Restated £'000	Transfers Out £'000	Transfers In £'000	Balance at 31 March 2024 £'000	Transfers Out £'000	Transfers In £'000	Balance at 31 March 2025 £'000
General Fund Reserves:							
Emergency Planning Reserve	(1,308)	308	-	(1,000)	51	-	(949)
Communications Reserve	(200)	74	-	(126)	20	-	(106)
Housing Benefit Subsidy Loss Reserve	(625)	625	-	-	-	-	-
Public Health Reserve	(1,067)	-	(452)	(1,519)	-	(178)	(1,697)
Schools Deficit Liability Reserve	(1,004)	-	(297)	(1,301)	-	-	(1,301)
Climate Change Reserve	(226)	4	-	(222)	68	-	(153)
Legal & Taxation Reserve	(1,360)	1,442	(308)	(226)	162	(290)	(354)
Commercial Property Liabilities Reserve	(2,800)	24	-	(2,776)	808	-	(1,968)
Revenue Grants Unapplied Reserve	(17,547)	8,086	(1,999)	(11,459)	4,992	(666)	(7,133)
Self Insurance Reserve	(3,198)	578	(562)	(3,182)	698	(562)	(3,046)
IT & Digital Reserve	(2,591)	-	-	(2,591)	2,591	-	-
Cyber Security Risk Reserve	-	-	-	-	532	(2,591)	(2,059)
Transformation Reserve	(6,584)	5,034	-	(1,551)	702	(300)	(1,149)
Capital Financing Smoothing Reserve	(9,678)	7,444	(4,488)	(6,722)	6,722	-	-
Redundancy Reserve	(345)	104	-	(241)	241	-	-
Demographic & Cost-Led Pressures Reserve	(2,000)	-	(3,000)	(5,000)	5,000	-	-
Abortive Capital Costs Reserve	(825)	724	-	(101)	10	-	(91)
Collection Fund Smoothing Reserve	(2,780)	14	(792)	(3,557)	2,884	(2,092)	(2,765)
Better Care Fund Reserve	(1,820)	750	(806)	(1,877)	466	-	(1,411)
Joint Legal Team Reserve	(126)	126	-	-	-	(408)	(408)
Financial Resilience Reserve	(10,114)	6,099	(4,221)	(8,236)	4,047	(7,323)	(11,511)
DEGNS Strategic Reserve	(155)	155	-	-	-	-	-
Archives Projects Reserve	(9)	81	(72)	-	-	-	-
Energy Reserve	(1,287)	787	-	(500)	500	-	-
Ministry of Justice Liability Order Reserve	(119)	-	-	(119)	119	-	-
Pay & Inflation Reserve	-	1,000	(4,000)	(3,000)	1,330	-	(1,670)
Health & Safety Reserve	(71)	-	-	(71)	42	-	(29)
Project Management Office Reserve	(210)	47	-	(163)	-	-	(163)
Hardship Fund	(500)	67	-	(433)	86	-	(347)
Schools	(1,585)	979	(1,174)	(1,780)	1,666	(1,234)	(1,348)
Elections Reserve	-	-	-	-	-	(41)	(41)
Pooled Investment Fund Reserve	-	-	-	-	-	(1,200)	(1,200)
Total General Fund	(70,132)	34,552	(22,170)	(57,751)	33,737	(16,885)	(40,898)
Housing Revenue Account Reserves:							
North Whitley PFI	(9,916)	392	-	(9,524)	933	-	(8,591)
Total Housing Revenue Account	(9,916)	392	-	(9,524)	933	-	(8,591)
Total Earmarked Reserves	(80,048)	34,944	(22,170)	(67,275)	34,670	(16,885)	(49,490)

The Council holds these Reserves for the following purposes:

The **Emergency Planning Reserve** has been created to cover for unforeseen emergencies not budgeted for.

The **Communications Reserve** has been created to allow for investment in communications strategies and engaging with the public.

The **Housing Benefit Subsidy Loss Reserve** has been created to provide for any potential claw back from Central Government of housing benefit subsidy following audit of the annual housing subsidy claim.

The **Public Health Reserve** has been created in line with the conditions of the Public Health grant to carry forward unspent grant to support Public Health expenditure.

The **Schools Deficit Liability Reserve** has been created to fund potential deficits of schools that may become academies in the future.

The **Climate Change Reserve** was established to allow for revenue investment to address the climate emergency.

The **Legal and Taxation Reserve** has been set up as a contingency to help meet unbudgeted legal costs and/or liabilities arising from litigation and other previously unbudgeted legal liabilities and taxation matters.

The **Commercial Property Liabilities Reserve** was set up to manage urgent liabilities associated with the Council's property.

The **Revenue Grants Unapplied Reserve** has been formed to hold Revenue Grant balances where the conditions for use have been met but relevant expenditure has not yet been incurred. The Grant balance will be transferred out to match relevant expenditure incurred in future years.

The **Self-Insurance Reserve** was formed to meet estimated liabilities in connection with internally held risks related to the Council's Insurance programme.

The **IT and Digital Reserve** was set up to provide for the replacement of IT and Digital equipment which has passed its useful economic life, to improve operational efficiency.

The **Cyber Security Risk Reserve** was set up to mitigate against potential cyber security risks.

The **Transformation Reserve** was set up to allow for potential slippage in the delivery of capital receipts to fund transformation as well as funding transformation projects.

The **Capital Finance Smoothing Reserve** has been formed to smooth funding across the period of the Medium-Term Financial Strategy.

The **Redundancy Reserve** was set up to fund future costs of redundancy.

The **Demographic and Cost-Led Pressures Reserve** has been formed to provide for potential cost pressures arising from demographic or other demand-led services.

The **Abortive Capital Costs Reserve** was set up to provide for the cost of feasibility studies which do not progress into Capital Schemes.

The **Collection Fund Smoothing Reserve** has been set up to provide for the potential downturn in the economy that would reduce the level of Business Rates/Council Tax.

The **Better Care Fund Reserve** is to meet costs relating to the Hospital Discharge Scheme.

The **Joint Legal Team Reserve** is to fund specific invest to save projects.

The **Financial Resilience Reserve** is to provide the Council with financial resilience in respect of implications from future local government funding reform including the business rates reset.

The **DEGNS Strategic Reserve** is to address acknowledged strategic challenges facing the Directorate including in the areas of capital programme delivery, driving forward major regeneration projects and securing funding, supporting Reading's economic recovery from the impacts of the Covid-19 pandemic and delivery of directorate savings plans.

The **Archives Projects Reserve** is to hold specific archives partnership funds.

The **Energy Reserve** is to mitigate against fluctuations in energy prices.

The **Ministry of Justice Liability Order Reserve** is to fund overpaid liability orders.

The **Pay & Inflation Reserve** is to mitigate against potential additional pay & inflationary pressures.

The **Health & Safety Reserve** is to fund a temporary Risk Management Officer.

The **Project Management Office Reserve** is to fund temporary support to the Project Management Office.

The **Hardship Fund** is to fund hardship relief.

The **Pension Liabilities Reserve** was created to cover potential future Pension Fund Liabilities arising from Employer contribution rate fluctuations and/or from organisational change.

The **Procurement Training Reserve** previously was used to fund specific procurement related training.

The **Schools Reserve** holds individual accumulated schools' balances, e.g. The unspent revenue balances held by schools in surplus, offset by the overdrawn revenue balances of schools in deficit. The balance of a School in surplus can only be used by the School and is not available to the Council for general use.

The **North Whitley PFI Reserve** has been established within the HRA balance to ensure that the contracted payment can be sustained over the contract period.

The **Elections Reserve** is a smoothing reserve for elections over a rolling 5 year cycle.

The **Pooled Investment Fund Reserve** has been established to mitigate against any fluctuations in the fair value of pooled investments.

Note 10 – Other Operating Expenditure

2023/24 £'000		2024/25 £'000
137	Levies	140
-	Payments to the Government Housing Capital Receipts Pool	4
21,406	(Gains)/Losses on the disposal of non-current assets	1,927
21,543	Total	2,071

Note 11 – Financing and Investment Income and Expenditure

2023/24 Restated £'000		2024/25 £'000
16,005	Interest payable and similar charges	19,342
6,934	Net interest on the net defined benefit liability (asset)	4,140
(3,246)	Interest receivable and similar income	(4,214)
(5,027)	Income and expenditure in relation to investment properties	(4,475)
8,917	Changes in the fair value of Investment Properties	5,270
-	RTL Dividend	(500)
23,581	Total	19,563

Note 12 – Taxation and Non-Specific Grant Income

2023/24 £'000		2024/25 £'000
(110,996)	Council Tax Income	(117,587)
(64,698)	Non-Domestic rates income	(67,135)
36,371	Non-Domestic Rates Tariff and Levy	37,642
(20,603)	Non-Ringfenced Government Grants	(20,083)
(28,914)	Capital Grants and Contributions	(47,655)
(188,840)	Total	(214,818)

Note 13 – Officers' Remuneration

The Corporate Management Team (CMT) is responsible for the day-to-day management and direction of the Council. The remuneration paid to the Members of CMT is as follows:

2024/25 Senior Officers' Remuneration

2024/25	Post Holder Information	Salary, fees and allowances* (£)	Expenses allowances (£)	Compensation for loss of office (£)	Total remuneration (£)	Employer's pension contributions (£)	Total remuneration including pension contributions (£)
	Chief Executive (Jackie Yates)	182,391	-	-	182,391	29,547	211,938
	Director of Finance (S151 Officer)	129,836	-	-	129,836	21,033	150,869
	Executive Director of Communities & Adult Social Care Services	150,021	-	-	150,021	24,303	174,324
	Executive Director Of Resources	149,766	-	-	149,766	24,262	174,028
	Executive Director for Economic Growth & Neighbourhood Services 1*	131,703	-	-	131,703	21,336	153,039
	Interim Director of Public Health Berkshire West 2*	53,459	-	-	53,459	-	53,459
	Director of Public Health Berkshire West 3*	94,516	-	-	94,516	15,312	109,828
	Executive Director of Children's Services	133,945	-	-	133,945	21,699	155,644
	Assistant Director of Legal & Democratic Services (Monitoring Officer) 4*	114,967	-	-	114,967	18,625	133,592
		1,140,604	-	-	1,140,604	176,117	1,316,721

*Salary, Fees and Allowances includes market supplements, acting up allowances and honorarium

1* Acted up in the role for the entire year, but became permanent on 31/03/2025

2* Left the role on 12/07/2024 and was on an agency contract

3* Started the role on 01/07/2024

4* The Assistant Director of Legal & Democratic Services is also the Returning Officer and their salary includes £13,611 and £2,205 in Employer's Pension contributions for this role

2023/24 Senior Officers' Remuneration

2023/24	Post Holder Information	Salary, fees and allowances* (£)	Expenses allowances (£)	Compensation for loss of office (£)	Total remuneration (£)	Employer's pension contributions (£)	Total remuneration including pension contributions (£)
	Chief Executive (Jackie Yates)	177,942	-	-	177,942	28,827	206,769
	Director of Finance (S151 Officer)	127,255	-	-	127,255	20,615	147,870
	Executive Director of Communities & Adult Social Care Services	135,985	-	-	135,985	22,030	158,015
	Executive Director Of Resources	146,423	-	-	146,423	23,721	170,144
	Executive Director for Economic Growth & Neighbourhood Services 1*	23,345	-	-	23,345	3,703	27,048
	Acting Executive Director for Economic Growth & Neighbourhood Services 2*	34,216	-	-	34,216	5,575	39,791
	Executive Director for Economic Growth & Neighbourhood Services 3*	76,878	-	61,010	137,888	11,726	149,614
	Interim Director of Public Health Berkshire West 4*	220,589	-	-	220,589	-	220,589
	Executive Director of Children's Services	127,386	-	-	127,386	20,637	148,023
	Assistant Director of Legal & Democratic Services (Monitoring Officer) 5*	102,458	-	-	102,458	16,598	119,056
		1,172,477	-	61,010	1,233,487	153,432	1,386,919

*Salary, Fees and Allowances includes market supplements, acting up allowances and honorarium

2* Left the role on 04/06/2023

2* Acted up in the role for 2 separate periods: both 05/06/2023 to 14/09/2023 and 04/03/2024 to 31/03/2024

3* Started 4/9/2023 & left role on 01/03/2024

4* Started the role on 17/04/23 but on an Agency Contract

5* The Assistant Director of Legal & Democratic Services is also the Returning Officer and their salary includes £5,032 for this role

50k Banding

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts. These numbers exclude the employees shown in the senior employees' disclosure note above:

2023/24			Number of Employees	2024/25		
Schools	Restated Non-schools	Total		Schools	Non-schools	Total
31	64	95	£50,001 to £55,000	45	82	127
15	32	47	£55,001 to £60,000	24	53	77
9	42	51	£60,001 to £65,000	15	38	53
6	13	19	£65,001 to £70,000	6	21	27
5	12	17	£70,001 to £75,000	6	15	21
4	3	7	£75,001 to £80,000	4	8	12
4	7	11	£80,001 to £85,000	4	6	10
3	6	9	£85,001 to £90,000	3	4	7
3	3	6	£90,001 to £95,000	4	4	8
-	3	3	£95,001 to £100,000	2	1	3
2	3	5	£100,001 to £105,000	-	2	2
-	-	-	£105,001 to £110,000	-	4	4
-	2	2	£110,001 to £115,000	2	2	4
-	-	-	£115,001 to £120,000	-	1	1
-	-	-	£120,001 to £125,000	-	-	-
1	-	1	£125,001 to £130,000	-	-	-
-	-	-	£130,001 to £135,000	-	-	-
-	1	1	£135,001 to £140,000	1	-	1
-	-	-	£140,001 to £145,000	-	-	-
-	-	-	£145,001 to £150,000	-	-	-
-	-	-	£150,001 to £155,000	-	1	1
83	191	274	Total	116	242	358

Note 14 – Exit Packages

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band (£)	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	-	-	18	23	18	23	95,628	112,762
£20,001 - £40,000	-	-	2	4	2	4	45,893	117,802
£40,001 - £60,000	-	-	-	-	-	-	-	-
£60,001 - £80,000	-	-	1	-	1	-	61,010	-
£80,001 - £100,000	-	-	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-	-	-
Total	-	-	21	27	21	27	202,531	230,564
Add: Amounts provided for in CIES not included in bandings							-	-
Total cost included in CIES							202,531	230,564

As a result of various changes being implemented by the Council, a number of individuals have received Exit Packages, including redundancy compensation. The preceding table (and prior year comparators) shows those amounts paid during the year (including the costs borne by the Council for the additional contribution to the Pension Funds where this was part of the Exit Package).

Where the total salary and compensation for loss of office payable to an individual in the course of the year exceeds £50,000, the individual is also included within the amounts disclosed above.

Note 15 – Members’ Allowances

Payments to Members are made under the provisions of the Local Authorities (Members Allowances) (England) Regulations 2003.

Co-optees’ Allowances are payable to non-Councillor members sitting on the Standards Committee or any other sub-committee formed by the Standards Committee.

The total amounts paid to Members and Co-opted Officers during 2024/25 was as follows:

2023/24 £'000		2024/25 £'000
444	Basic Allowances	458
171	Special Responsibility Allowance	177
2	Travelling and Subsistence Allowance	1
3	Co-optees' Allowance	1
620		637

Note 16 – Related Parties

The Council is required to disclose material transactions during the year with related parties. Parties are considered to be related to the Council if either of the parties has the power (either via voting rights, family ties or financially) to influence operational or financial policy decisions of the other.

The key personnel responsible for the major strategic decisions within the Council are:

- Elected Members;
- Chief Executive;
- Members of the Corporate Management Team (CMT). Additional details of these Officers are provided in Note 13.

Members are required to complete the Register of Members’ Interests. The Council retains and updates a full copy of this document. It is available to view during office hours at the Council’s Offices. From the Register, it has been identified that:

Three Members sit on the Board of Readibus. This Charity has been established to provide a Scheme for the transportation of elderly and temporarily or permanently disabled people within Reading and the surrounding district. The Council is the major grant funding body for Readibus. In total during 2024/25, the Council incurred costs of £650k (2023/24: £655k) with Readibus.

Transactions with Central Government

Central Government has an effective general control over the operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides a significant portion of the Council's funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties. Details of the transactions with other Government departments include items reported within Note 21 Grant Income, Note 28 Capital Expenditure, Note 34 Debtors and Note 35 Creditors.

Transactions with Bodies where the Council can exhibit 'significant influence'

The Council holds 49% of the shareholding of Reading-Hampshire Property Partnership (RHPP); this is a Joint Venture between the Council and Hampshire County Council and provides services to support work on property, notably the Primary School Expansion Programme. The Council has been assessed as being able to exert significant influence over the organisation but as transactions with RHPP total £1.35m (2023/24: £2.95m) and the entity has no assets, RHPP has been excluded from the Group Accounts on materiality grounds.

One Member (the current lead Councillor) and the Chief Executive are on the Board of Reading's Economic & Destination Agency (REDA), a community interest company that manages the Town Centre Business Improvement District and various other Economic and Business Development activities. All the staff working for the company are seconded from the Council. Although the company's constitution provides that Council connected director's votes are diluted to a weight of less than 20% should they numerically exceed that, the Council does exhibit some influence as the majority of the turnover is derived directly or indirectly from the Council.

In 2024/25 the transactions with REDA totaled £1.88m, however this income does not originate from the Council, it is principally from the two Business Improvement Districts. The Council is simply collecting the levy as part of the Business Rates on REDA's behalf and paying it over. The Council's direct contribution is £20k.

Note 17 – External Audit Costs

KPMG were appointed as our external auditors for the financial year 2024/25 and beyond. Our previous external auditors were EY. The amounts payable by the Council to EY and KPMG for external audit services are as follows, in some cases there will be a credit following a previous year's estimate:

2023/24 £'000		2024/25 £'000
	Certification of grant claims and returns for the following years	
56	Financial Year 2021-22	51
92	Financial Year 2022-23	(22)
98	Financial Year 2023-24	(25)
-	Financial Year 2024-25	73
	Certification of Pooling Returns for the following years	
-	Financial Years 2017-18 to 2023-24	73
-	Financial Year 2024-25	7
	Fees payable in regard to external audit services for the following years	
290	Financial Year 2019-20	-
290	Financial Year 2020-21	(76)
42	Financial Year 2021-22	-
42	Financial Year 2022-23	-
222	Financial Year 2023-24	34
-	Financial Year 2024-25	335
1,132	Total	450

Note 18 – Trading Operations

The Council operates a trading account for the service below:

Building Control - Trading Account

The Local Authority Building Control Regulations 2010 require the disclosure of information regarding the setting of charges for the administration of the building control function. However, certain activities cannot be charged for such as providing statutory advice or liaising with other statutory authorities. The statement shows the total cost for operating the building control unit for chargeable activities.

2023/24		2024/25
£'000		£'000
(255)	Turnover	(249)
414	Expenditure	461
159	(Surplus)/Deficit	212

Previously, we reported Building Services in this area, however, in 2024/25, this was subsumed into the HRA and does not offer services externally in the commercial market, so it is not deemed to be a trading unit.

Note 19 – Pooled Budgets

Reading is party to two partnership schemes established under Section 75 of the National Health Service Act 2006. These enable the establishment of joint working arrangements between NHS bodies and local authorities to enable them to work collaboratively to provide services.

1) Berkshire Community Equipment Stores

The Community Equipment Stores Agreement uses NRS Healthcare as an agent to provide the services. The six Berkshire Unitary Authorities and the Berkshire Clinical Commissioning Groups are members of the agreement with West Berkshire Council as the lead partner.

2023/24 £'000		2024/25 £'000
	Funding Within the Pooled Budget	
(886)	Reading Borough Council - Adult Services	(858)
(126)	Reading Borough Council - Children's Services	(121)
(4,316)	Other Berkshire Councils	(4,313)
(7,801)	Berkshire Clinical Commissioning Groups	(7,090)
(13,129)		(12,382)
	Expenditure Within the Pooled Budget	
129	Management Fund Costs	129
13,000	Nottingham Rehab Supplies Equipment	12,253
13,129		12,382
-	Net (Surplus)/Deficit within the scheme	-

2) Better Care Fund

Reading Borough Council and Berkshire West Clinical Commissioning Group are partners in the provision of services with the primary purpose to ensure vulnerable clients are placed at the centre of their own care and support packages and to provide fully integrated health and social care. The services included within the BCF include support to carers, reablement, intermediate care and long-term support packages.

2023/24 £'000		2024/25 £'000
	Funding Provided to the Pooled Budget	
(4,299)	Reading Borough Council	(4,304)
(12,449)	Berkshire West ICB	(15,256)
(16,748)		(19,560)
	Expenditure within the Pooled Budget	
11,228	Reading Borough Council	13,715
4,996	Berkshire West ICB	5,279
16,224		18,994
(524)	(Surplus) for the pooled budget in 24/25	(566)

Note 20 – Dedicated Schools Grant

School funding is provided to Local Authorities by means of a ring-fenced grant from the Department for Education. The split between individual schools is by a formula agreed by local schools through the Schools' Forum; the Forum also agrees the split between the total amount devolved to schools and the amount retained by the Council for central expenditure.

These accounts have been produced in accordance with the Schools and Early Years Finance (England) Regulations 2020, which required local authorities to carry forward overspends of Dedicated School Grant (DSG)*. Further regulations which came into force on 29 November 2020 and mandated that any deficit must **not** be charged to the local authorities' revenue account but instead must be recorded in a separate account solely for the purposes of recording deficits relating to its schools' budget.

These regulations also mean that the use of funding from the revenue account to make good any deficit can only be made upon approval from the Secretary of State. This reflects the statutory requirement that a deficit must be carried forward to be funded from future DSG income.

As of 31 March 2025, the cumulative DSG deficit is £24.90m. The statutory instrument, which prevents the deficit from being offset against useable reserves, expires on 31 March 2026. These accounts have been prepared on the basis the Government will find a solution towards dealing with the overspends before then as part of the Comprehensive Spending Review. The Government indicated in June 2025 that it will commence a phased transition process which will include working with local authorities to manage the SEND process including deficits, and that the statutory override is expected to be extended until the end of 2027-28.

*Such DSG deficits have accumulated over a number of years and are now common amongst upper tier councils responsible for SEND provision and have come about as a result of national policy decisions about the SEND system for which the grant is “far from sufficient to meet this demand” (Reference: [Select Committee Report into Local Authorities in Financial Distress](#)).

Details of the deployment of DSG amounts receivable are as follows:

2024/25	Central Expenditure £'000	Individual Schools Budget £'000	Total £'000
Final DSG for 2024/25 before Academy recoupment			(181,011)
Academy figure recouped for 2024/25			76,128
Total DSG after Academy recoupment for 2024/25			(104,883)
Plus: Brought forward from 2023/24			-
Less: Carry forward to 2025/26 agreed in advance			-
Agreed initial budgeted distribution in 2024/25	(22,824)	(82,058)	(104,882)
In year adjustments	-	(151)	(151)
Final budgeted distribution for 2024/25	(22,824)	(82,209)	(105,033)
Less: Actual central expenditure	38,773		38,773
Less: Actual ISB deployed to schools		81,759	81,759
Plus: Local Authority contribution for 2024/25	-	-	-
In-year Carry-forward to 2025/26	15,949	(450)	15,499
DSG deficit within Unusable Reserves at the end of 2023/24			9,404
Addition to DSG deficit within Unusable Reserves at the end of 2024/25			15,499
Total of DSG deficit within Unusable Reserves at the end of 2024/25			24,903
New DSG position at the end of 2024/25			24,903

Note 21 – Grant Income

Grants and contributions, including donated assets, shall not be recognised until there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments; and
- the contributions or grants will be received.

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis and recognised immediately (when the two criteria above are met) in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition(s) (as opposed to restrictions) relating to initial recognition that the Council has not satisfied. Grants and contributions that satisfy the recognition criteria above, but which have a condition attached that remains to be satisfied are recognised initially in the relevant Grants Receipts in Advance Account.

General grants and contributions (comprising Revenue Support Grant, NDR redistribution and non-ringfenced government grants) are disclosed as one or more items on the face of the Comprehensive Income and Expenditure Statement.

Revenue grants and contributions that are not general grants described above are credited to service revenue accounts, support services, trading accounts and the Housing Revenue Account.

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2024/25 as follows:

2023/24 £'000	Credited to Taxation and Non Specific Grant Income	2024/25 £'000
(14,674)	Business Rates Reliefs	(14,666)
(2,487)	Revenue Support Grant	(2,652)
(1,453)	New Homes Bonus	(1,255)
-	Funding Guarantee Grant	(979)
(1,241)	Services Grant	(214)
(307)	Other Non Specific Revenue Grants	(318)
(4,143)	Capital Grants*	(5,866)
(24,772)	Capital Contributions (including CIL and S106 monies)*	(41,789)
(49,076)	Total	(67,738)

2023/24 £'000	* Capital Grants and Contributions	2024/25 £'000
(2,645)	Levelling Up Funds (LUF)	(10,070)
(6,237)	Bus Service Improvement Plan	(7,113)
(948)	Housing Infrastructure Fund (school)	(4,309)
(1,653)	Community Infrastructure Levy - Contributions	(4,802)
-	Zero Emissions Bus Regional Areas (ZEBRA)	(4,736)
(247)	Affordable Housing Homes England Funding	(3,227)
(5,056)	Schools Standards Fund	(2,930)
(2,613)	LTP - Integrated Transport Block Grant	(2,613)
-	Housing Partner Contribution	(1,609)
(1,302)	Disabled Facilities Grant	(1,486)
(2,490)	S106 Contributions	(1,065)
(789)	Pothole Action Fund	(817)
(23)	Salix Low Carbon Skills Fund	(777)
(2,427)	Local Authority Housing Fund	(477)
(558)	Active Travel	(183)
(779)	LEVI Capital Fund - Local Electric Vehicle Infrastructure	(87)
(561)	DCLG Brownfield Land release grant for Minster Quarter Scheme	-
(15)	Leisure Procurement Lottery Funding	-
(571)	Other Capital grants	(1,356)
(28,914)	Total	(47,655)

2023/24 £'000	Credited to Services	2024/25 £'000
(92,168)	Dedicated Schools Grant (DSG)	(103,765)
(42,242)	Housing Benefit Subsidy	(40,127)
(10,653)	Public Health Grant	(11,016)
(7,499)	Social Care Grant	(9,948)
(4,001)	Pupil Premium Grant	(4,004)
(3,997)	North Whitley PFI - Housing	(3,997)
(2,693)	Improved Better Care Fund	(2,693)
(2,261)	DWP Household Support Fund	(2,261)
(2,200)	Market Sustainability Fund	(2,492)
(2,149)	Unaccompanied Asylum-Seeking Children Funding	(2,151)
(2,042)	Preventing Homelessness Grant	(2,054)
(1,698)	Core Schools Budget Grant	(1,456)
(19)	Teachers Pension Grant	(1,453)
(4,100)	Bus Service Improvement Plan	(1,384)
(1,376)	ESFA Funded Adult Education Grant	(1,350)
(1,250)	Universal Infants Free School Meals	(1,182)
(640)	Teachers Pay Grant	(1,097)
(1,057)	PFI Central Berkshire Waste Disposal	(1,057)
(1,347)	Rough Sleeping Accommodation Project	(882)
(820)	Rough Sleeping Initiative	(800)
(803)	Rough Sleeping Drug and Alcohol Treatment	(802)
(174)	Supporting Families	(768)
(470)	Supplementary Substance Misuse Treatment & Recovery Grant	(766)
(497)	Asylum Dispersal Grant	(683)
(559)	Sixth Form Funding	(669)
(378)	Discharge Fund	(629)
(315)	Afghan Citizens Resettlement Scheme & Afghan Relocation and Assistance Policy (ARAP & ACRS)	(574)
(257)	SEND Programmes	(557)
(529)	Primary PE and Sport Premium	(529)
(49)	Holiday Activities and Food Programme	(521)
(166)	Shared prosperity Fund (Revenue)	(492)
(494)	Housing Benefit Admin Subsidy	(484)
(168)	Rough Sleeping Winter Pressures	(458)
(363)	Homes for Ukraine Sponsor Thank You Grant	(440)
(507)	Recovery Premium Grant	(126)
(971)	Early years Supplementary Grant	-
(4,864)	Other Grants	(4,911)
(195,776)	Total	(208,578)

Note 22 – Property, Plant and Equipment

The following non-current assets are subject to revaluation as set out below:

Asset type	Valuation basis	Date of valuation	Valuation frequency
Council dwellings	Existing Use Value – Social Housing	31 March 2025	Annual
Other land and buildings	Existing Use Value	31 March 2025	Five-yearly
Surplus Assets	Fair value	31 March 2025	Annual

Other land and buildings and surplus asset valuations were undertaken by the external Valuer Sanderson Weatherall LLP, under the direction of Ian Vivian, MRICS. The valuation date is the 31 March 2025 for all valuations completed.

Vehicles, plant, and equipment are valued at depreciated historic cost, as a proxy for current value on the basis that these are low value assets and/or have short lives. There is one exception which is the plant and equipment of the two Waste Disposal Assets in which the Council has a share of the interest. These assets are subject to valuation as outlined in the valuation information provided below.

Revaluations

The Council carries out a rolling programme that ensures that all property, plant, and equipment required to be measured at current value is revalued at every five years. All valuations have been carried out externally as detailed above.

Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimate set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

The significant assumptions applied in estimating the current values of property, plant and equipment are:

- Amenity land rate £40k per Hectare
- Low value land rate £4,000k per Hectare
- High value land rate £5,500k per Hectare
- Industrial land rate £3,000k per hectare

For DRC Valuations:

Assessments are modelled on the core build cost derived from BCIS that is relevant to property type

Contingency of 5% and Professional Fees of 12.5% applied

For Valuations using MEA:

The MEA is adopted when the actual area is lower

The actual area is adopted where the MEA is larger

MEA based on DFE guidance per pupil per m²

For Valuations based on Comparable/Capitalised rent:

Running Yields and Net Initial Yields are based on value plus buyer's costs

Net Initial Yields excludes acquisition costs

Formulae as in Parry's Tables: rent annually in arrears

Stamp Duty is progressive and derived from the set "HMRC (UK excl Scotland, 2019)"

Cap Adj running yield is based on cumulative capital invested

Dual rate sinking fund at 4% with correction and tax at 40%

The following statement shows the progress of Reading Borough Council's rolling programme for the revaluation of property, plant, and equipment. The table below shows the summary of assets revalued at each date and is an extract from the Gross Book Values from the Property, Plant and Equipment note.

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	Council Dwellings NBV £'000	Other Land & Buildings NBV £'000	Vehicles, Plant & Equipment NBV £'000	Surplus Assets NBV £'000	Total NBV £'000
Carried at Historical Cost	-	-	16,663	-	16,663
Carried at Present Value (IFRS16 RoU Assets)	-	530	49	-	579
Valued at Current Value as at:					
Prior to 31 March 2021	-	281	-	-	281
31 March 2021	-	35,030	841	-	35,871
31 March 2022	-	57,075	-	-	57,075
31 March 2023	-	52,387	-	-	52,387
31 March 2024	-	128,420	-	-	128,420
31 March 2025	567,149	96,253	-	22,609	686,011
	567,149	369,976	17,553	22,609	977,287

All asset valuations were carried out by Sanderson Weatherall LLP.

Property, Plant and Equipment 2024/25

Movements to 31 March 2025	Council Dwellings	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
at 1 April 2024	550,571	376,062	37,985	9,258	23,772	47,277	1,044,926
Adjustment owing to initial application of IFRS16	8,710	2,796	70	-	-	-	11,576
Revised Opening Balance at 1 April 2024	559,282	378,858	38,055	9,258	23,772	47,277	1,056,502
Additions	19,747	3,891	2,444	123	41	33,309	59,555
Revaluation increases/(decreases) recognised in the Revaluation Reserve	12,682	8,095	-	-	1,269	-	22,046
Derecognition – disposals	(2,909)	(6,590)	(899)	-	(814)	-	(11,211)
Reclassifications and transfer	(488)	9,299	1,100	-	(1,607)	(12,922)	(4,618)
Other movements in cost or valuation	(21,165)	(7,215)	-	-	(53)	-	(28,433)
at 31 March 2025	567,149	386,338	40,701	9,381	22,609	67,664	1,093,841
Accumulated Depreciation and Impairment							
at 1 April 2024	-	(14,068)	(20,824)	(2,094)	-	(717)	(37,702)
Depreciation charge	(12,532)	(10,393)	(3,173)	(53)	(10)	-	(26,161)
Impairment (losses)/reversals recognised in the Surplus/Deficit on the Provision of Services	(8,710)	407	-	-	(47)	-	(8,350)
Derecognition – disposals	77	476	849	-	4	-	1,406
Reclassifications and transfers	-	-	-	-	-	1	1
Other movements in depreciation and impairment	21,165	7,215	-	-	53	-	28,433
at 31 March 2025	-	(16,362)	(23,148)	(2,147)	-	(716)	(42,373)
Net Book Value							
at 31 March 2024	550,571	361,995	17,161	7,164	23,772	46,560	1,007,223
at 31 March 2025	567,149	369,976	17,553	7,234	22,609	66,948	1,051,468

Property, Plant and Equipment 2023/24

Movements to 31 March 2024	Council Dwellings	Land and Buildings	Vehicles, Plant & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant and Equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation							
at 1 April 2023	569,136	357,651	29,875	9,020	27,781	81,188	1,074,648
Additions	18,442	6,618	4,913	238	-	25,989	56,201
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(34,392)	9,547	-	-	2,077	-	(22,768)
Derecognition – disposals	(916)	(2,218)	(488)	-	(2,101)	-	(5,723)
Reclassifications and transfer	12,921	19,851	3,685	-	(3,896)	(59,900)	(27,339)
Other movements in cost or valuation	(14,620)	(15,387)	-	-	(88)	-	(30,095)
at 31 March 2024	550,571	376,062	37,985	9,258	23,772	47,277	1,044,926
Accumulated Depreciation and Impairment							
at 1 April 2023	-	(21,944)	(18,583)	(2,057)	-	(708)	(43,292)
Depreciation charge	(14,644)	(10,198)	(2,628)	(37)	(53)	-	(27,560)
Impairment (losses)/reversals recognised	-	-	-	-	-	-	-
On the Surplus/Deficit on the Provision of Services	-	1,952	-	-	(53)	-	1,899
Derecognition – disposals	24	710	388	-	34	-	1,155
Reclassifications and transfers	-	25	-	-	(16)	(9)	-
Other movements in depreciation and impairment	14,620	15,387	-	-	88	-	30,095
at 31 March 2024	-	(14,068)	(20,824)	(2,094)	-	(717)	(37,702)
Net Book Value							
at 31 March 2023	569,136	335,707	11,292	6,963	27,781	80,480	1,031,359
at 31 March 2024	550,571	361,995	17,161	7,164	23,772	46,560	1,007,223

Note 23 – Infrastructure Assets

	2023/24	2024/25
Movements on Balances	£'000	£'000
Net Book Value at 1 April	132,985	137,168
Additions	9,636	9,680
Derecognition	(21,258)	-
Reclassifications	27,672	2,241
Depreciation	(11,867)	(11,992)
Impairment	-	-
Adjustments	-	-
Net Book Value at 31 March	137,168	137,097

	2023/24	2024/25
Property, Plant and Equipment (PPE)	£'000	£'000
Infrastructure Assets	137,168	137,097
PPE excluding Infrastructure Assets	1,007,223	1,051,468
Net Book Value at 31 March	1,144,392	1,188,565

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In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements.

The Council is unable to provide sufficient evidence of the value of replaced components of infrastructure assets when they are derecognised. This is particularly the case in relation to roads, though the issue impacts all infrastructure assets. This can lead to issues relating to the reporting of gross historical cost and accumulated depreciation.

This is particularly the case with older infrastructure assets that were either built, developed, or adopted prior to when accounting requirements for their recognition were first introduced. Given the uncertainties attached to the original costs of such historical structures, a consistent methodology cannot be applied to faithfully disclose the derecognition values for such assets. The nature of infrastructure assets is such that there would not usually be an open market in which to conduct any exchange or to derive an accurate value. In this respect, the ownership of existing infrastructure assets would remain with the Council or any subsequent public authority responsible for holding and maintaining them.

The Council has determined in accordance with Regulation 30M (England) of the Local Authorities (Capital Finance and Accounting) (England/Wales) (Amendment) Regulations 2022 that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil.

Note 24 – Heritage Assets

2023/24 £'000	Heritage Assets	Reading Abbey £'000	Civic Regalia £'000	Other £'000	Total 2024/25 £'000
2,541	Opening Balance	1,774	1,424	179	3,376
(110)	Depreciation	(111)	-	-	(111)
-	Acquisitions	-	-	-	-
19	Additions	8	-	-	8
927	Revaluations	-	-	-	-
-	Disposals	-	-	-	-
3,376	Closing Balance	1,671	1,424	179	3,273

Heritage assets include:

- Reading Abbey Quarter: in 2009 the remains of Reading Abbey were closed to the public. This was due to their deteriorating condition making them unsafe for visitors. The 'Reading Abbey Revealed' project was conceived by Reading Borough Council in 2010 to develop the Abbey Quarter. In December 2015 the project secured Heritage Lottery funding of £1.77m. This was match-funded by Reading Council with £1.37m from ring-fenced development contributions. This made a total of £3.15m. The Ruins re-opened to the public on 16 June 2018 and the project ran until 2020. From 1st April 2019, the Abbey Ruins are held on the balance sheet at historic cost. This is a change of accounting policy from prior year where the Ruins balance was based on a land valuation from 2007 (prior to the commencement of restoration works) plus the cost of additional works carried out since the valuation. The change of accounting policy is to ensure the costs of bringing the Ruins into their current state is appropriately represented in the Accounts. In line with this change of accounting policy, the Works are now depreciated. Further information at <https://www.readingabbeyquarter.org.uk/>
- Civic Regalia: the collection contains around 200 items, mainly donated by individuals or organisations local to the area, and includes a George III Coronation Mace bearing the Royal Arms & Crown (dated 1769) and the Mayor's Robes and Chain. The collection is held on the balance sheet at Insurance Valuation; there was a full revaluation of the Regalia carried out in FY23/24.
- Father Willis Organ: the organ was built by Henry Willis in 1864 for the old Town Hall, which dates from 1785. The organ was rebuilt by Willis for the new Hall in 1882. The Organ is held on the Balance Sheet at the cost of the restoration works in 1999.
- Art Works: the John Piper photolithograph prints are of the Reading Tapestries – the two tapestries, Reading Townscape and Rural Reading, were commissioned by Reading Borough Council to celebrate the opening of the New Civic Offices in 1970. The tapestries are held in secure storage, with reproductions of the same hanging in the Council Chamber, Civic Offices. The prints are held on the Balance Sheet at a value based on previous sales.

Note 25 – Investment Properties

2023/24		2024/25
£'000		£'000
(5,294)	Rental income from Investment Property	(4,680)
268	Direct operating expenses arising from Investment Property	205
-	Other Income and Expenditure	-
(5,027)	Net (Gain) / Loss	(4,475)

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance, or enhancement. The above items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

2023/24		2024/25
£'000		£'000
67,775	Opening balance	57,580
(1,278)	Transfers Out	-
(8,917)	Net gains / (losses) from fair value adjustments	(5,270)
57,580	Closing balance	52,310

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally by Sanderson Weatherall LLP, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The table above summarises the movement in the fair value of investment properties over the year.

Note 26 – Intangible Assets

Reading Borough Council accounts for Software as Intangible Assets to the extent that the software is not an integral part of a particular IT system, accounted for as a hardware, plant and equipment.

Our Intangible assets include both purchased and internally generated software, including the ICT infrastructure, the corporate website, and related intellectual properties on the site.

The carrying amount of Intangible Assets is amortised on straight-line basis over the useful life of the Asset. The amortisation of £2.620 million was charged to revenue in 2024/25 (£2.108 million in 2023/24).

The movement on intangible asset balances during the year is as follows:

2023/24 £'000	Intangible Asset	2024/25 £'000
14,675	Gross Book Value at 1 April	18,042
(8,706)	Accumulated Amortisation at 1 April	(10,814)
5,968	Net Book Value at 1 April	7,228
Changes in year		
2,422	Additions	2,158
-	Transfers Out/Impairment	(31)
945	Transfer In	2,342
(2,108)	Amortisation	(2,620)
7,228	Net Book Value at 31 March	9,077
18,042	Gross Book Value at 31 March	22,480
(10,814)	Accumulated Amortisation at 31 March	(13,403)
7,228	Closing Balance	9,077

All software is generated at historical cost. We own a number of software licences across the Council, which are written off to revenue over their expected useful lives.

Note 27 – Capital Commitments

At 31 March 2025, the Council has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2024/25 and future years at a cost of £45.4m. The major commitments are as follows:

2023/24 £'000		2024/25 £'000
-	New Build Day Opportunities and Sheltered Housing	19,370
1,876	New Build Housing and Respite Facility	8,710
9,134	Leisure Centre Procurement - GLL	8,120
375	Levelling Up Delivery Plan - New Library at the Civic Centre	6,326
317	Schools Capital Programme	1,636
10,197	Bus Service Improvement	1,048
678	Levelling Up Delivery Plan - Hexagon Theatre	146
3,902	Dee Park Regeneration - School	-
376	Green Park Station	-
26,855	Total	45,356

Note 28 – Capital Expenditure and Capital Financing

The total capital expenditure for the year is shown in the table below, along with the source of financing. Where capital expenditure is financed through borrowing, the expenditure results in an increase in the Capital Finance Requirement (CFR), the movement in the CFR is shown in the second part of the note below.

2023/24 £'000		2024/25 £'000
615,614	Opening Capital Finance Requirement	628,515
	O/B Adjustment re IFRS 16 Liability Remeasurements	11,265
	Opening Capital Finance Requirement	639,780
	Capital investment:	
65,836	Property, plant and equipment and Infrastructure	69,235
-	Investment property	-
2,422	Intangible assets	2,158
8,839	Revenue Expenditure Funded through Capital Under Statute	13,588
19	Heritage assets	8
-	Long term debtor	-
-	Long term investment	-
<u>77,116</u>		<u>84,989</u>
	Sources of finance:	
(3,334)	Capital receipts	(6,989)
(31,212)	Government grants and other contributions	(49,614)
(6,296)	Sums set aside from revenue	(227)
(11,855)	Major Repairs Reserve	(13,116)
(1,744)	Application of capital receipts to reduce debt	(5,920)
<u>(54,441)</u>		<u>(75,866)</u>
(9,774)	Minimum Revenue Provision	(11,638)
628,515	Closing Capital Finance Requirement	637,265
2023/24 £'000		2024/25 £'000
	Movements in year:	
24,419	Increase in underlying need to borrow (unsupported by Government financial assistance)	15,043
-	Assets acquired under finance leases	-
-	Assets acquired under PFI contracts/Remeasured PFI Liabilities	-
(1,744)	Capital receipts applied to reduce existing Capital Financing Requirement	(5,920)
-	Revenue reserves applied to reduce existing Capital Financing Requirement	-
(8,585)	Statutory provision for repayment of debt (Minimum Revenue Provision)	(9,436)
(1,189)	Statutory provision for PFI and finance lease debt (Minimum Revenue Provision)	(1,827)
-	Statutory provision for Right of Use asset debt (Minimum Revenue Provision)	(375)
12,901	Increase/(decrease) in Capital Finance Requirement	(2,515)

Note 29 – Financial Instruments

Financial Instruments are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. These are analysed below:

2023/24			2024/25	
Non-current £'000	Current £'000		Non-current £'000	Current £'000
Financial Assets				
Fair value through profit and loss				
13,895	-	Investments	14,162	-
-	13,585	Cash and cash equivalents	-	33,820
9,125	-	Investments in subsidiaries	9,125	-
60	-	Investment in Energy Company	60	-
Amortised cost				
19,186	29,517	Debtors	14,438	19,511
	10,584	Cash and cash equivalents		(19)
Designated as fair value through other comprehensive income				
42,266	53,686	Total Financial Assets	37,786	53,312
Financial Liabilities				
Amortised cost				
(357,485)	(79,518)	Loans outstanding	(355,485)	(122,182)
(20,518)	(1,325)	PFI lease liability	(28,242)	(2,092)
-	(33,678)	Creditors	-	(30,166)
		Bank overdraft		
Designated as fair value through other comprehensive income				
(378,002)	(114,521)	Total Financial Liabilities	(383,727)	(154,440)

- The Council's investment with the CCLA pooled investment fund is classified as fair value through profit or loss as there are no contractual payments comprising solely interest and principal and it is not being held as part of a business model to sell financial assets.
- Investment in subsidiaries include Homes for Reading Ltd and Reading Transport Ltd, see Group Accounts.
- Under the Code of Practice, both short and long term PFI lease liabilities are included on the Balance Sheet as long-term liabilities.

The value of debtors and creditors reported in the table above are solely those amounts meeting the definition of a financial instrument. The balances of debtors and creditors reported in the Balance Sheet and Notes 34 and 35 also include balances which do not meet the definition of a financial instrument, such as tax-based debtors and creditors.

Investments in equity instruments designated at fair value through other comprehensive income

The Council invested £64,000 in 60,000 shares in Municipal Bonds Agency plc (MBA) when the MBA was first established in 2015/16. The Council has designated the holding as fair value through comprehensive income as it does not hold the shares for short-term trading. Based on the latest available audited accounts to 30 November 2024, the net worth of the company as an overall loss of £1.164m. There have been no dividends declared for the 2024/25 financial year. On this basis the value of the Council's holding of £64,000 has been written out to the Financial Instruments Revaluation Reserve.

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following:

2024/25	Financial Liabilities Measured at amortised cost £'000	Financial Assets Measured at amortised cost £'000	Fair value through other comprehensive income £'000	Fair value through profit and loss £'000	Total £'000
Realised (Gains)/Losses	-	-	-	-	-
Unrealised (Gains)/Losses	-	-	-	(268)	(268)
Net (Gains)/Losses on Financial Instruments in Surplus/Deficit on Provision of Services	-	-	-	(268)	(268)
Interest expense	19,342	-	-	-	19,342
Fee expense	-	-	-	86	86
Impairment Losses	-	-	-	-	-
Total expense in Surplus/Deficit on the Provision of Services	19,342	-	-	86	19,428
Interest income	-	(3,431)	-	-	(3,431)
Dividend income/distributions	-	-	-	(1,283)	(1,283)
Total Income in Surplus/Deficit on the Provision of Services	-	(3,431)	-	(1,283)	(4,714)
Total (Gain)/Loss in Surplus/Deficit on Provision of Services	19,342	(3,431)	-	(1,465)	14,446
Interest revenue					
(Gains) on Revaluation	-	-	-	-	-
Losses on Revaluation	-	-	-	-	-
(Surplus)/Deficit arising on Revaluation of Financial Assets in Other Comprehensive Income and Expenditure	-	-	-	-	-
Net (Gain)/Loss for the Year	19,342	(3,431)	-	(1,465)	14,446

2023/24	Financial Liabilities Measured at amortised cost £'000	Financial Assets Measured at amortised cost £'000	Fair value through other comprehensive income £'000	Fair value through profit and loss £'000	Total £'000
Realised (Gains)/Losses	-	-	-	-	-
Unrealised (Gains)/Losses	-	-	-	340	340
Net (Gains)/Losses on Financial Instruments in Surplus/Deficit on Provision of Services	-	-	-	340	340
Interest expense	16,005	-	-	-	16,005
Fee expense	-	-	-	90	90
Impairment Losses	-	-	-	-	-
Total expense in Surplus/Deficit on the Provision of Services	16,005	-	-	90	16,095
Interest income	-	(2,439)	-	-	(2,439)
Dividend income/distributions	-	-	-	(807)	(807)
Total Income in Surplus/Deficit on the Provision of Services	-	(2,439)	-	(807)	(3,246)
Total (Gain)/Loss in Surplus/Deficit on Provision of Services	16,005	(2,439)	-	(377)	13,189
Interest revenue					
(Gains) on Revaluation	-	-	-	-	-
Losses on Revaluation	-	-	-	-	-
(Surplus)/Deficit arising on Revaluation of Financial Assets in Other Comprehensive Income and Expenditure	-	-	-	-	-
Net (Gain)/Loss for the Year	16,005	(2,439)	-	(377)	13,189

Note 30 – Fair Value

The basis of valuation of each class of asset and liability measured at fair value is set out below. There has been no change in the valuation techniques used during the year. All assets and liabilities have been valued using fair value techniques based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

Description of asset or liability	Valuation Hierarchy	Basis of Valuation	Observable and unobservable inputs	Key sensitivities
Borrowing from Public Works Loans Board (PWLB) and Lender Option Borrower Option loans (LOBOs) and Service Concessions	Level 2	The fair values have been estimated by discounting the remaining cashflows or the borrowing using the PWLB certainty rate for new loans	Not required	Not required
Property Fund	Level 2	Closing bid price where bid and offer prices are published	Adjusted for net capital current assets	Estimated acquisition and disposal costs - 5%
Long-term loans	Level 3	Capital value of unpaid loan	Council accounting records	None
Investment property	Level 3	Investment method of valuation	Assumed void periods, estimated rental value. Existing lease terms and rentals	Estimated acquisition and disposal costs - 5%
Non-current assets held for sale and surplus assets	Level 3	Mostly development land which has been valued by staff in the Council's Property Services division who are RICS qualified valuers on a five year rolling programme. Some based on offers received, with adjustments for conditions.	Development land values, site constraints, variables in market evidence, build & site clearance costs, planning permissions/requirements, costs of sale	Planning permissions, estimated disposal costs of 5%

Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, the Council's advisers have determined that the valuation methods described above are likely to be accurate to within the following ranges and have set out below the consequent potential impact on the closing value of investments held at 31 March 2025.

2024/25	Assessed valuation range		Value at 31 March 2025	Value on increase	Value on decrease
	+	-	£'000	£'000	£'000
Investment property	5%	5%	52,310	54,926	49,695
Surplus assets	0%	5%	22,609	22,609	21,479
Total			74,919	77,535	71,174

2023/24	Assessed valuation range		Value at 31 March 2024	Value on increase	Value on decrease
Restated	+	-	£'000	£'000	£'000
Investment property	5%	5%	57,580	60,459	54,701
Surplus assets	0%	5%	23,772	23,772	22,583
Total			81,352	84,231	77,284

Fair value hierarchy

The valuation of assets and liabilities measured at fair value has been classified into three levels, according to the quality and reliability of information used to determine fair values.

- Level 1** Assets and liabilities at level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed securities, quoted index linked securities and unit trusts.
- Level 2** Assets and liabilities at level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value.
- Level 3** Assets and liabilities at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Transfers between level 1 and 2

There were no transfers between levels 1 and 2 during the year.

Reconciliation of fair values within Level 3

2024/25 £'000		Transfers into Level 3 £'000	Transfers out of Level 3 £'000	Purchases £'000	Sales £'000	Unrealised gains and losses £'000	Realised gains and losses £'000	31 March 2025 £'000
57,580	Investment property	-	-	-	-	(5,270)	-	52,310
23,771	Surplus assets	-	(1,607)	41	(814)	1,218	-	22,609
81,351	Total	-	(1,607)	41	(814)	(4,052)	-	74,919

2023/24 £'000		Transfers into Level 3 £'000	Transfers out of Level 3 £'000	Purchases £'000	Sales £'000	Unrealised gains and losses £'000	Realised gains and losses £'000	31 March 2024 £'000
67,775	Investment property	-	-	-	-	(10,195)	-	57,580
27,781	Surplus assets	-	(3,897)	-	(2,101)	1,988	-	23,771
88,344	Total	-	(3,897)	-	(2,101)	(8,207)	-	81,351

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Note 31 – Inventories

The Council holds stock and materials (such as recycling boxes and maintenance supplies) for its services. At the end of the year, that stock was valued as below:

	Balance at 1 April 2024 £'000	Movement in 2024/25 £'000	Balance at 31 March 2025 £'000
Refuse bins	130	(38)	92
Building Maintenance Stocks	186	123	309
Other	125	42	167
Total	441	127	568

Note 32 – Nature and Extent of Risks Arising from Financial Instruments

Overall procedures for managing risk

The Council's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise potential adverse risks on the resources available to fund services. The Council has put in place formal policies and procedures for the effective management and control of its treasury management activities. Risk management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy and the annual investment strategy. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risks and the investment of surplus cash.

The procedures in place comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management and statutory investment guidance issued under the Local Government Act 2003 and associated secondary legislation. The Council, in complying with this framework, acknowledges that effective management and control of risk are the prime objectives of its treasury management activities and responsibility for these lie clearly with the Council. The key policy documents are available on the Council's website.

The main risks to the Council's treasury activities are:

- Page 371
- a) Credit Risk: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
 - b) Liquidity Risk: The possibility that the Council might not have the cash available to make contracted payments on time.
 - c) Market Risk: The possibility that an unplanned financial loss will materialise because of changes in market variable such as interest rate or equity prices.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to Council customers. This risk is minimised through the Annual Investment Strategy available on the Council website which requires that deposits are only made with UK financial institutions where they meet a credit rating of A- from the three major credit rating agencies. The Investment Strategy also imposes a maximum sum to be invested within each rating category. The Investment Strategy is contained with the Council's Treasury Management Strategy.

No more than £20m is held with any one institution regardless of standing or duration.

The Council's maximum exposure to credit risk in relation to its investments in financial instruments cannot be assessed generally as the risk of any institution failing to make interest payments of repay principal will be specific to each institution. In addition, the Council has no history of default from such institutions. Consequently, the Council has not considered it necessary to establish an expected loss allowance for such investments.

Credit Risk - Treasury Investments

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating:

Credit Rating	2023/24		2024/25	
	Long Term £'000	Short Term £'000	Long Term £'000	Short Term £'000
Banks or Building Societies rated A- or higher	-	1,719	-	423
Unrated Local Authorities	-	-	-	-
Public Corporations	35,721	-	30,092	-
Total	35,721	1,719	30,092	423
Credit Risk Non applicable*				
Money Market Funds	-	13,500	-	33,650
Property Funds	15,000	-	15,000	-
Total Investments	50,721	15,219	45,092	34,073

* Credit risk is not applicable to shareholdings and pooled funds where the council has no contractual right to receive any sum of money.

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies. The estimated loss is negligible as the investments mature within 12 months; therefore, no loss allowance has been provided.

Credit and Counterparty Risk – Trade Debtors

For the sundry debtor element of the trade debtor balance the Council applies a simplified approach permitted under the Code and recognises a loss allowance equal to lifetime expected losses. The expected credit losses on these assets are estimated using a provision matrix based on historical credit loss experience adjusted for factors specified to individual debtors, general economic conditions and assessment of both the current and forecast direction of conditions at the reporting date. A loss allowance for expected losses is not recognised on a financial asset where the counterparty is Central Government or a local authority for which relevant statutory provisions prevent default.

The remaining balance of trade debtors comprises year-end accruals for which no loss allowance has been provided.

In measuring the expected credit losses, significant trade receivable balances are assessed individually for impairment where specific information regarding recoverability of the debt is available. Trade receivables not assessed individually have been assessed collectively based on shared risk characteristics and days past due.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery.

On the above basis, the expected loss allowance for trade receivables at the year-end is as follows:

At March 2025	Total £'000	Not past due (0-30 days) £'000	1-3 months £'000	3-6 months £'000	over 6 months £'000
Debtors collectively assessed	10,355	2,870	738	641	6,106
Loss rate		1.56%	6.73%	12.00%	47.50%
Total Lifetime Expected Credit Losses	(3,073)	(45)	(50)	(77)	(2,901)

At March 2024	Total £'000	Not past due (0-30 days) £'000	1-3 months £'000	4-5 months £'000	over 5 months £'000
Debtors collectively assessed	12,227	4,818	923	414	6,073
Loss rate		23.47%	16.16%	22.15%	47.30%
Total Lifetime Expected Credit Losses	(4,244)	(1,131)	(149)	(92)	(2,872)

Credit risk - long-term debtors

For long-term debtors, recognition of 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk in these items since initial recognition.

As at 31 March 2025, the gross carrying amount of long-term debtors measured at amortised cost was £14.438m (£19.186m at 31 March 2024). Of the balance at 31 March 2025, £14.074m are intra-group loans to wholly owned subsidiaries of the Council. The Council is of the view that the assets of the companies would be sufficient to cover the liabilities without impairment of the loans. Therefore, no credit loss allowance has been recognised in respect of long-term debtors.

Liquidity risk

Liquidity risk is the risk that the Council will have insufficient funds in its bank account to make the payments necessary to meet its financial obligations.

The Council has a comprehensive cash flow management system which seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets, the Public Works Loans Board and its treasury investment portfolio which is considered to be liquid. There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

The contractual maturity of the Council's financial liabilities (including interest payments where applicable) is as follows:

	Approved minimum limits	Approved maximum limits	Actual 31 March 2025	Actual 31 March 2024	Actual 31 March 2025 £'000	Actual 31 March 2024 £'000
Less than 1 year	0.00	100.00%	25.00%	17.79%	119,500	78,000
Between 1 and 2 years	0.00	20.00%	2.82%	0.46%	13,500	2,000
Between 2 and 5 years	0.00	20.00%	0.94%	3.76%	4,500	16,500
Between 5 and 10 years	0.00	30.00%	3.66%	4.10%	17,500	18,000
Between 10 and 20 years	0.00	40.00%	11.72%	13.00%	56,000	57,000
Between 20 and 30 years	0.00	50.00%	21.76%	23.72%	104,000	104,000
Between 30 and 40 years	0.00	60.00%	21.55%	21.21%	103,000	93,000
Over 40 years	0.00	60.00%	12.55%	15.96%	60,000	70,000
Total			100.00%	100.00%	478,000	438,500

As of 31 March 2025, the Council holds £33.820m (£13.585m as at 31 March 2024) of liquid financial assets that can be withdrawn or sold at short notice if required to meet cash outflows on financial liabilities.

Market Risks

Interest rate risk

The Council is exposed to interest movements on its borrowings and investments. Movements in interest rates can have a complex effect on the Council depending on how variable and fixed interest rates move across differing financial instruments periods. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the liabilities will fall.
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the investment will fall.

Investments measured at historic cost and loans borrowed are not carried at fair value on the Balance Sheet, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the General Fund balance.

The Council has limited interest rate risk from its short-term borrowing which needs to be regularly refinanced as part of the strategy to benefit from low short-term interest rates. This risk is mitigated by the ability of the Council to switch from short-term to long-term borrowing should the UK enter a period of rising interest rates.

As part of a balanced portfolio, the interest rate risk is further mitigated by the following:

- i. Maturing short-term investments can be used to pay down debt, should it become cost-effective to do; and
- ii. Having a substantial part of the loan debt portfolio with maturity dates spread evenly over the next 30 years at fixed interest rates reducing the re-financing risk.

The treasury team will monitor the market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long-term returns, similarly the drawing of longer-term fixed rate borrowing would be postponed.

At 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	-
Increase in interest receivable on variable rate investments	393
Impact on surplus/deficit on the provision of services	393
Decrease in fair value of fixed rate investments	-
Impact on Other comprehensive income and expenditure	-
Decrease in fair value of fixed rate borrowing liabilities (no impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure)	(28,773)

The impact of a 1% fall in interest rates would be as above but with the movements being reversed. The above sensitivity analysis is based on the loans and investments as at 31 March 2025.

Page 376 Note 33 – Cash and Cash Equivalents

31 March 2024 £'000		31 March 2025 £'000
13,348	Bank current accounts (including unrepresented bank items)	5,530
(2,764)	Cash held by the Council	(5,549)
13,585	Short term deposits with banks and building societies	33,820
24,169	Total	33,801

Note 34 – Debtors

Long Term Debtors

The Council has a number of debtors who are due to repay amounts owed to the Council over a number of years. The balances at the end of the financial year, and the movement during the year are shown below:

2024/25	Balance at 1 April 2024	New advances recognised	Advances repaid	Transfer (to)/from short term or other	Balance at 31 March 2025
	£'000	£'000	£ '000	£'000	£'000
Amounts due from Subsidiary undertakings	18,800	-	-	(4,726)	14,074
Other long term debtors	386	-	-	(21)	365
	19,186	-	-	(4,747)	14,439

Short Term Debtors

The outstanding debtors due within one year recognised by the Council as at 31 March, net of impairments for bad debts, were:

31 March 2024 Restated £'000		31 March 2025 £'000
	Government Bodies	
8,707	HMRC	4,182
5,088	Other Central Government	6,357
7,277	Other Local Authorities	3,112
1,831	NHS Bodies	972
15	Public Corporations	5
	Other Entities and Individuals	
1,852	Business Rates payers	2,178
6,263	Council Tax payers	6,474
1,630	Housing Benefits Overpayments	1,607
2,319	Housing	2,699
20,077	Group Subsidiaries	28,339
27,408	Other Sundry Debtors	16,808
82,467	Total Debtors	72,733

31 March 2024 Restated £'000		31 March 2025 £'000
	Other Entities and Individuals	
(4,374)	Business Rates payers	(4,272)
(15,185)	Council Tax payers	(16,713)
(3,636)	Housing Benefits Overpayments	(3,058)
(3,467)	Housing	(3,921)
(8,852)	Other Sundry Debtors	(9,413)
(35,514)	Total Impairment Allowance	(37,377)

Note 35 – Creditors

The creditors that the Council has an obligation to pay in the next twelve months are as follows:

Restated 2023/24 £'000		2024/25 £'000
	Government Bodies	
(2,925)	HMRC – PAYE and NI	(3,279)
(18,021)	Other	(14,958)
(604)	Other Local Authorities	(677)
(1,120)	NHS Bodies	(248)
	Other Entities and Individuals	
(21,042)	Group Subsidiaries	(19,644)
(6,656)	Business Rates payers	(8,064)
(3,928)	Council Tax payers	(3,710)
(2,032)	Accumulated Absences	(2,092)
(36,829)	Other creditors	(34,242)
(93,159)	Total	(86,914)
	Receipts in Advance	
(9,234)		(9,785)
(102,394)	Total	(96,699)

Note 36 – Provisions

	Balance at 1 April 2024	Amounts Used in 2024/25	Additional Provisions Made in 2024/25	Balance at 31 March 2025
	£'000	£'000	£'000	£'000
Provision for NNDR Appeals	(4,988)	-	(21)	(5,009)
Insurance	(1,077)	165	-	(912)
Other	(191)	11	-	(180)
Total	(6,256)	176	(21)	(6,101)

Business Rates (NNDR) Appeals - due to the localisation of Business Rates, which became effective from 1 April 2013, the Council has set aside a provision for any potential liabilities as a result of any Business Rate Payers' appeals against rateable valuations.

Insurance Provision - a provision has been made to meet known and anticipated liabilities on claims under the Council's insurance arrangements.

Note 37 – Usable Reserves

The Usable Reserves of the Council are as follows:

31 March 2024 £'000		31 March 2025 £'000
(8,394)	General Fund (GF)	(8,905)
(27,388)	Housing Revenue Account (HRA)	(24,245)
(9,524)	HRA Earmarked Reserves	(8,591)
(57,751)	GF - Earmarked Reserves	(40,899)
(11,786)	Major Repairs Reserve	(11,440)
(59,406)	Capital Grants Unapplied	(57,437)
(32,670)	Capital Receipts Reserve	(16,846)
(206,919)	Total	(168,363)

Major Repairs Reserve (HRA)

31 March 2024 £'000		31 March 2025 £'000
(8,749)	Balance 1 April	(11,786)
(14,892)	Depreciation and amortisation	(12,770)
11,855	Application to finance capital expenditure	13,116
(11,786)	Balance 31 March	(11,440)

**Table is subject to rounding*

Capital Grants Unapplied

31 March 2024 £'000		31 March 2025 £'000
(61,704)	Balance 1 April	(59,406)
(28,914)	Capital grants recognised in year	(47,655)
31,212	Capital grants and contributions applied	49,614
-	Capital Contribution applied to Revenue via EM Reserve	10
(59,406)	Balance 31 March	(57,437)

Capital Receipts Reserve

31 March 2024 £'000		31 March 2025 £'000
(31,585)	Balance 1 April	(32,670)
(4,420)	Capital receipts in year	(8,069)
(1,744)	Deferred receipts realised	(291)
-	Capital receipts pooled	4
-	Capital Receipts re Loan repayment	(5,629)
5,079	Capital receipts used for financing capital expenditure	6,989
-	Capital receipts used to reduce CFR	5,920
-	Other movement	16,900
(32,670)	Balance 31 March	(16,846)

Note 38 – Unusable Reserves

The Unusable Reserves of the Council are as follows:

31 March 2024 Restated £'000		31 March 2025 £'000
(228,452)	Revaluation Reserve	(245,272)
(383,573)	Capital Adjustment Account	(409,799)
128,707	Pension Reserve	67,961
(1,504)	Deferred Capital Receipts Reserve	(1,213)
2,257	Collection Fund Adjustment Account	4,441
2,032	Accumulated Absences Account	2,092
1,105	Pooled Fund Adjustment Account	838
64	Financial Instrument Revaluation Reserve	64
9,405	Dedicated Schools Grant	24,904
(469,959)	Total	(555,984)

Revaluation Reserve

2023/24 £'000		2024/25 £'000
(256,997)	Balance at 1 April	(228,452)
(15,591)	Upward revaluation of assets	(26,741)
37,308	Downward revaluation of assets and impairment losses	4,693
21,717	Surplus or deficit on revaluation of non-current assets not posted to the Comprehensive Income and Expenditure Statement	(22,048)
5,134	Difference between fair value depreciation and historic cost depreciation	3,813
1,695	Accumulated gains on assets disposed	1,415
-	Other movements	-
6,829	Amount written off to the Capital Adjustment Account	5,228
(228,452)	Balance at 31 March	(245,272)

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its property, plant and equipment and intangible assets.

- The balance is reduced when assets with accumulated gains are:
- revalued downwards or impaired and the gains are lost.
 - used in the provision of services and the gains are consumed through depreciation, or
 - disposed of and the gains are realised.

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and subsequent costs. The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2023/24 £'000		2024/25 £'000
(395,855)	Balance at 1 April	(383,573)
-	Opening Balance Adjustment re IFRS16 for First time Recognition of Leased In Assets at Peppercorn Rent (Donated Assets)	(311)
(395,855)		(383,884)
37,637	Charges for depreciation and impairment of non-current assets	46,614
-	Reversal of impairment of subsidiary holding	-
2,108	Amortisation of intangible assets	2,620
8,839	Revenue expenditure funded from capital under statute	13,588
25,826	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	9,996
74,410	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:	72,818
(6,829)	Adjusting Amounts written out of the Revaluations Reserve	(5,228)
67,581	Net written out amount of the cost of non-current assets consumed in year	67,590
(3,334)	Use of Capital Receipts Reserve to finance new capital expenditure	(6,989)
(11,855)	Use of the Major repairs reserve	(13,116)
(31,212)	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement which have been applied to capital expenditure	(49,614)
(9,774)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balance	(11,638)
(6,296)	Capital expenditure charged against the General Fund and HRA balances	(227)
(62,472)	Capital financing applied in year:	(81,584)
8,917	Movement in the fair value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	5,270
(1,744)	Other Movements	(17,191)
(383,573)	Balance at 31 March	(409,799)

Pension Reserve

2023/24 £'000		2024/25 £'000
160,003	Balance at 1 April	128,707
(33,258)	Actuarial gains and losses on scheme assets and liabilities	(57,860)
21,888	Reversal of charges to the Comprehensive Income and Expenditure Statement	18,471
(19,926)	Employer's pension contributions	(21,357)
128,707	Balance at 31 March	67,961

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Normally the Pension Reserve would directly offset the Pension Liability (£62.179m in 2024/25 and £117.072m in 2023/24), however the Council made an upfront payment of employer's contributions payable to the scheme of £17.4m for the three years 2023/24 to 2025/26 to secure a cashflow discount. This has resulted in a difference between the value of the Pensions Reserve and the Net Pension Liability on the Balance Sheet for these years, as shown in the table below. After the third year covered by the prepayment, the Pension Liability and the Pension Reserve will match at 2025/26 year end.

2023/24 £'000	Pensions Reserve and Liabilities Recognised in the Balance Sheet	2024/25 £'000
128,707	Balance on the Pension Reserve for LGPS	67,961
(5,853)	2024/25 Upfront payment	-
(5,782)	2025/26 Upfront payment	(5,782)
117,072	Balance on the net pensions liability for LGPS	62,179

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2023/24 £'000		2024/25 £'000
(3,248)	Balance 1 April	(1,504)
1,744	Transfer to the Capital Receipts Reserve upon receipt of cash	291
-	Other movements	-
(1,504)	Balance 31 March	(1,213)

Collection Fund Adjustment Account

2023/24 £'000		2024/25 £'000
(3,427)	Balance at 1 April	2,257
5,684	Expenditure Statement is different from amounts calculated for the year in accordance with statutory requirements	2,184
2,257	Balance at 31 March	4,441

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council taxpayers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

Accumulated Absences Account

2023/24 £'000		2024/25 £'000
1,922	Balance at 1 April	2,032
(1,922)	Settlement or cancellation of accrual made at the end of the preceding year	(2,032)
2,032	Amounts accrued at the end of the current year	2,092
2,032	Balance at 31 March	2,092

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

Pooled Fund Adjustment Account

2023/24 £'000		2024/25 £'000
765	Balance at 1 April	1,105
340	Unrealised gains/(losses) on adjustment in fair value of financial instruments	(267)
1,105	Balance at 31 March	838

Financial Instruments Revaluation Reserve

2023/24 £'000		2024/25 £'000
64	Balance at 1 April	64
-	Downward revaluation of investments	-
64	Balance at 31 March	64

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost.
- disposed of and the gains are realised.

Dedicated Schools Grant

2023/24 £'000		2024/25 £'000
3,463	Balance at 1 April	9,405
5,942	(Surplus)/Deficit on the DSG for the year	15,499
9,405	Balance at 31 March	24,904

See also Note 20 – when the DSG Reserve is in deficit, it is shown in the Unusable Reserves.

Note 39 – Contingent Liabilities

Municipal Mutual Insurance (MMI)

The Council's previous insurer, Municipal Mutual Insurance (MMI), went into a solvent run-off in September 1992 and is subject to a contingent scheme of arrangement which became effective in January 1994. In November 2012 the Directors of the company resolved to trigger the Scheme of Arrangement as a solvent run-off could no longer be foreseen. Ernst and Young, the Scheme Administrator, imposed an initial levy of 15% in January 2014 under the terms of the scheme. A further levy of 10% was imposed by the Scheme Administrator in April 2016 and based on information currently held; the final aggregate levy may be up to 28%. The Council has sufficient resources in the Earmarked Insurance Reserve to cover any further anticipated levy.

Duty of Care Claims

The Council has received a number of claims with regard to its duties to care for both elderly and young to which the Council asserts it discharged its duties fully and diligently. Should any of these claims progress, and ultimately prove to be founded, potential exists for compensation payments to become due. It is not possible at this stage to reliably place an estimate on any potential liability or quantum that may be ascribed to these claims.

Wholly Owned Companies - Pension Liabilities

In 2018/19 the Council transferred a number of staff to the newly established Council subsidiary, Brighter Futures for Children Ltd. As part of the transfer agreement the Council has agreed that, where the company defaults on any obligations due under this agreement, the Council will, following receipt of written notice, make good any payments due. To date no such defaults have occurred or are anticipated.

Business Rates Appeals

The Council has estimated that its share of the total maximum exposure to Business Rate Payers' appeals is £8.807m. A provision of £5.009m has been made within the accounts as a prudent but realistic estimate of the level of these appeals that will actually materialise. The remaining £3.798m has therefore been included as a contingent liability.

Note 40 – Contingent Assets

The Council has no contingent assets.

Note 41 – Leases

Authority as Lessee - Finance Leases

The Council has applied IFRS 16 Leases (Right of Use) from 1 April 2024. See Accounting Policies Note 1 for details of IFRS16 and the changes that brings.

Right of Use Assets

The following table shows the change in value of right of use assets held under leases by the Council.

	Land and Buildings	Vehicles, Plant and Equipment	Community Assets	Surplus	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2024	10,125	60	532	2,095	12,811
Reclassifications	2,095	-	-	(2,095)	-
Depreciation	(1,022)	(21)	-	-	(1,043)
Additions	122	10	-	-	133
Revaluations	3,820	-	-	-	3,820
Disposals	-	-	-	-	-
Balance at 31 March 2025	15,140	49	532	-	15,721

Transactions under Leases

The Council incurred the following expenses and cash flows in relation to leases.

	2023/24 £'000	2024/25 £'000
Comprehensive income and expenditure statement		
Interest expense on lease liabilities	-	44
Expense relating to short-term leases	2	2
Expense relating to exempt leases of low-value items	37	69
Variable lease payments not included in the measurement of lease liabilities	41	103
Income from subletting right of use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
Cash flow statement		
Total cash outflow for leases	205	434

Expenses for short-term leases where period of arrangement is for less than one month are not disclosed.

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time banks (measured at the undiscounted amounts of expected cash payments)

	2023/24 £'000	2024/25 £'000
Less than one year	419	251
One to five years	498	251
More than five years	5	-
Total undiscounted liabilities	921	503

Table is subject to roundings

Authority as Lessor - Finance Leases

The Council has leased buses to Reading Transport Ltd. The Council's gross investment in the lease is made up of the minimum lease payments expected to be received over the remaining term and the residual value of the assets when the lease(s) come to an end. The minimum lease payments comprise settlement of the long-term debtor for the interest in the assets and the finance income which will be earned by the Council in future years while the debt is still outstanding. The gross investment is disclosed below:

2023/24 £ '000		2024/25 £ '000
	Finance lease debtor (net present value of minimum lease payments):	
291	Current	-
1,213	Non-Current	1,213
139	Unearned Finance Income	110
-	Unguaranteed Residual Value of Assets	-
1,643	Gross investment in the lease	1,323

The gross investment in the lease and the minimum lease payments will be received over the following periods:

2023/24			2024/25	
Gross investment in the lease	Minimum Lease Payments		Gross investment in the lease	Minimum Lease Payments
£ '000	£ '000		£ '000	£ '000
320	320	Payments due within one year		
1,323	1,323	Payments due later than one year and not later than five years	1,323	1,323
-	-	Payments due later than five years	-	-
1,643	1,643	Total due	1,323	1,323

Authority as Lessor - Operating Leases

The Council leases out a number of buildings, facilities and pieces of land to businesses, charities and individuals. The forecast minimum lease payments receivable in future years are:

2023/24		2024/25
£ '000		£ '000
6,787	Payments due within one year	5,531
19,142	Payments due later than one year and not later than five years	12,411
13,858	Payments due later than five years	8,291
39,787	Total due	26,233

Note 42 – Service Concession Arrangements

The Council is involved in two PFI schemes. One is with FCC (RE3 Limited) for the shared Waste PFI with Bracknell Forest Borough Council and Wokingham Borough Council and the other with Affinity (Reading) Limited for the North Whitley Housing PFI scheme.

Under IFRS 16, the opening finance lease liability is remeasured at the net present value of the future rental payments where an inflationary increase has been applied to the unitary payments. See Accounting Policies for more details about IFRS 16, page 52 Leases for more details.

The Short Term and Long Term PFI Liabilities appear on the balance sheet as per table below:

2023/24 £'000	Balance Sheet	2024/25 £'000
(1,325)	PFI Short Term	(2,092)
(20,518)	PFI Long Term	(28,242)
(21,843)	Total	(30,334)

These two figures are explained in greater detail in the note below and are summarised as follows:

2023/24 £'000	PFI Liabilities - within 1 year	2024/25 £'000
(771)	Housing PFI - Reimbursement of CAPEX	(1,390)
(115)	Waste PFI - Annual Income Stream	(115)
(473)	Waste PFI - Repayment in year	(587)
34	Adjusting Journals	-
(1,325)	Total	(2,092)

2023/24 £'000	PFI Liabilities - Long Term	2024/25 £'000
(16,269)	Housing PFI - Liability Outstanding	(23,188)
(717)	Annual Income Stream - Waste PFI	(602)
(3,532)	Waste PFI - Liability Outstanding	(4,452)
(20,518)	Total	(28,242)

a) North Whitley Housing PFI scheme

2024/25 was the twenty first year of a 30-year PFI contract to manage and maintain 1,246 dwellings on the North Whitley estate to defined availability and quality standard (1,250 dwellings remained as at 31 March 2024). The contract does not provide for transfer of the assets to the contractor or any other third party at the end of the contract on 9 May 2034.

Property, Plant and Equipment

The Housing PFI assets used to provide services at North Whitley estate are recognised on the Council's Balance Sheet, the value of land & buildings is £119.9m at 31 March 2025 (£109.9m at 31 March 2024).

Payments

The Council makes an agreed payment to the contractor which is increased annually by the annual change in the retail prices index measure of inflation. Payments can be increased or decreased for performance and availability. Payments remaining to be made under the contract at 31 March 2025 are as follows:

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		2024/25			
Service cost	Reimbursement of capital expenditure	Interest	Total		
£'000	£'000	£'000	£'000		
4,305	1,390	2,720	8,415	within 1 year	
18,189	8,310	9,056	35,555	within 2-5 years	
20,279	14,878	4,485	39,642	within 6-10 years	
-	-	-	-	within 11-15 years	
-	-	-	-	within 16-20 years	
42,773	24,578	16,261	83,612		

Service cost £'000	Reimbursement of capital expenditure £'000	2023/24		Total £'000	
		Interest £'000			
4,212	771	3,251	8,234		within 1 year
17,797	4,227	12,766	34,790		within 2-5 years
24,540	11,735	11,695	47,970		within 6-10 years
436	307	110	853		within 11-15 years
-	-	-	-		within 16-20 years
46,986	17,040	27,822	91,848		

NB. The prior year comparatives have been restated due to the impact of updated inflation figures on the future payments. Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide; the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The liability outstanding to be paid to the contractor for capital expenditure incurred is as follows:

2023/24 £'000		2024/25 £'000
(17,756)	Opening balance	(17,040)
-	O/B Adjustment re IFRS16	(8,710)
716	Repayment of liability	1,172
(17,040)	Closing Balance	(24,578)

b) Waste PFI Scheme

This is the eighteenth year of a 25-year waste disposal contract between Reading, Wokingham and Bracknell Forest Councils on the one hand, and RE3 Limited on the other, which expires in 2031/32. Under the contract, RE3 has built a waste transfer station, materials recycling facility, civic amenity site and offices on Council-owned land at Smallmead and a waste transfer station and civic amenity site at Longshot Lane in Bracknell. All three councils have roughly equal rights to use the assets.

The contract specifies the minimum standards for the services to be provided by the contractor, RE3 Ltd, with deductions if facilities are unavailable or performance is below the standards set out in the contract. Under the terms of the contract, existing assets (buildings, plant and equipment) transferred to the contractor for the duration of the contract. The contractor is responsible for the design, build, financing and operation of all the facilities.

At the end of the contract period all the facilities transfer to the Council at no additional cost.

Value of assets under the PFI contract

Land & Buildings £'000	2023/24 Plant & Equipment £'000	Total £'000		Land & Buildings £'000	2024/25 Plant & Equipment £'000	Total £'000
11,847	991	12,838	Opening Balance	11,717	916	12,632
			O/B Adjust Re IFRS16	1,723		1,723
-	-	-	Impairment of O/B Adjust	(1,723)		(1,723)
(130)	(75)	(206)	Depreciation	(130)	(75)	(206)
-	-	-	Revaluations			-
-	-	-	Additions			-
11,717	916	12,632	Closing balance	11,586	841	12,426

Payments

The Council makes payments to the contractor which cover the charge for services provided, repayment of the liabilities and interest on those liabilities. Payments remaining to be made under the contract at 31 March 2025 are set out below:

2023/24				2024/25			
Service cost	Reimbursement of capital expenditure	Interest	Total	Service cost	Reimbursement of capital expenditure	Interest	Total
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2,386	602	478	3,465	2,563	587	376	3,526
11,640	791	2,047	14,478	10,458	3,288	985	14,731
6,997	159	1,446	8,603	3,555	1,164	105	4,824
-	-	-	-	-	-	-	-
21,023	1,552	3,971	26,546	16,576	5,039	1,466	23,081

NB. The prior year comparatives have been restated due to the impact of updated inflation figures on the future payments.

The contract generates an annual income stream from third party income forecast as follows:

2023/24		2024/25
£'000		£'000
(115)	Within one year	(115)
(460)	2 to 5 years	(460)
(257)	6 to 10 years	(142)
-	11 to 15 years	-
(832)	Total	(717)

The movement on value of the liabilities outstanding at the year-end are disclosed below:

2023/24		2024/25
£'000		£'000
(4,444)	Opening balance	(3,971)
-	O/B Adjustment re IFRS16	(1,723)
473	Repayment	655
(3,971)	Closing balance	(5,039)

Note 43 – Pension Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Council are members of the Teachers' Pension Scheme administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE). The Scheme provides teachers with specified benefits upon their retirement and the Council contributes towards the cost by making contributions based on a percentage of scheme members pensionable salaries.

The Scheme is a defined benefit scheme. The Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The notional fund is valued every four years. The Scheme has in excess of 3,700 participating employers and consequently the Council is not able to identify its share of the underlying position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25, the Council paid £7.714m to the Teachers Pensions Agency in respect of teachers' retirement benefits, representing 28.7% of pensionable pay (in 2023/24 £5.953m was paid representing 23.7% of pensionable pay). There were no contributions payable at the year-end. The expected contributions to the Teachers' Pension Scheme for 2025/26 are £8.019m (representing 28.7% of pensionable pay).

Note 44 – Defined Benefit Pension Scheme

Local Government Pension Schemes

As part of the terms and conditions of employment the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not be payable until employees retire, the Council has a commitment to make the payments for those benefits and to disclose them when employees earn their future entitlement.

The Council participates in two post-employment schemes:

1. The Royal Berkshire Pension Fund, which is part of the Local Government Pension Scheme (LGPS) and is administered by the Royal Borough of Windsor and Maidenhead. This is a defined benefit scheme, meaning that the Council and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets. The Council is responsible for the liabilities of the Council and a share (16.69%) of liabilities of the former Berkshire County Council.
2. Arrangements for the award of discretionary post-retirement benefits upon early retirement - this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they fall due.

Transactions relating to post-employment benefits

The Council recognises the cost of post-employment benefits in the reported cost of services when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge the Council is required to make against council tax is based on the cash payable in the year, so the real cost of post-employment benefits is reversed out of the General Fund via the Movement in Reserves Statement. During the year the following transactions have been made in the Comprehensive Income and Expenditure Statement and General Fund Balance via the Movement in Reserves Statement.

i. Impact on Comprehensive Income & Expenditure Account

2023/24		2024/25	
Funded £'000	Unfunded £'000	Funded £'000	Unfunded £'000
Comprehensive Income and Expenditure Statement			
Cost of Services			
Service cost comprising:			
14,381	-	13,709	-
50	-	-	-
-	-	117	-
523	-	505	-
Other Operating Expenditure:			
Financing and Investment Income and Expenditure			
6,934	-	4,140	-
21,888	-	18,471	-
Total charged to Surplus and Deficit on Provision of Services			

2023/24		2024/25	
Funded £'000	Unfunded £'000	Funded £'000	Unfunded £'000
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement			
Remeasurement of the net defined benefit liability comprising:			
(21,098)	-	16,631	-
-	-	-	-
(8,685)	-	(1,645)	-
(6,164)	-	(95,776)	-
-	351	-	(417)
2,338	-	(1,588)	-
-	-	24,935	-
(33,609)	351	(57,443)	(417)
Total charged to Other Comprehensive Income and Expenditure Statement			
(11,721)	351	(38,972)	(417)
Total charged to Comprehensive Income and Expenditure Statement			

It is possible that these secondary contributions, once paid, lead to a future accounting surplus that cannot be realised due to the asset ceiling. In such cases the requirement to make these contributions leads to an additional accounting liability known as the Onerous Funding Commitment. As a result of the asset ceiling, an increase in the pension liabilities has been recognised by the Council to reflect the current commitment to pay employer's contributions to recover a deficit in the Pension Fund that has been assessed as greater than the net pension liability established under Accounting Code requirements.

2023/24			2024/25	
Funded £'000	Unfunded £'000		Funded £'000	Unfunded £'000
Movement in Reserves Statement				
(21,888)	-	Reversal of net charges to made to the Surplus or Deficit on the Provision of Services for post employment benefits in accordance with the Code	(18,471)	-
Actual amount charged against the General Fund balance for pensions in the year:				
30,296	-	Employer contributions payable to the scheme	14,205	-
-	1,265	Benefits paid direct to beneficiaries	-	1,299
8,408	1,265		(4,266)	1,299

Reconciliation between the fair value of assets and liabilities and the balance sheet liability

Pensions Assets and Liabilities Recognised in the Balance Sheet					
2023/24			2024/25		
Funded £'000	Unfunded £'000	Total £'000	Funded £'000	Unfunded £'000	Total £'000
(648,954)	(11,517)	(660,471)	(575,323)	(9,801)	(585,124)
543,399	-	543,399	547,880	-	547,880
-	-	-	(24,935)	-	(24,935)
(105,555)	(11,517)	(117,072)	(52,378)	(9,801)	(62,179)
Net (liability) / asset arising from the defined benefit obligation					

As per the section on the Pensions Reserve within note 38, in April 2023/24, the Council made an upfront payment of employer's contributions payable to the scheme of £17.4m for the three years 2023/24 to 2025/26 to secure a cashflow discount. This has resulted in a difference between the value of the pensions reserve and the net pension liability on the balance sheet. This difference will return to zero in 2025/26.

iii. Reconciliation of the Present Value of the Scheme Liabilities

Reconciliation of present value of the scheme liabilities (Defined Benefit Obligation)						
Funded £'000	2023/24		Total £'000		Funded £'000	Total £'000
	Unfunded £'000				Unfunded £'000	
(636,650)	(12,431)	(649,081)	Opening present value of liabilities	(648,954)	(11,517)	(660,471)
(14,381)	-	(14,381)	Current service cost	(13,709)	-	(13,709)
(30,648)	-	(30,648)	Interest cost	(32,838)	-	(32,838)
(5,190)	-	(5,190)	Contributions from scheme participants	(5,735)	-	(5,735)
			Remeasurement gain/(loss):			
8,685	-	8,685	Actuarial gains/(losses) arising from changes in demographic assumptions	1,645	-	1,645
6,164	-	6,164	Actuarial gains/(losses) arising from changes in financial assumptions	95,776	-	95,776
-	(351)	(351)	Actuarial (gains)/losses arising from changes in assumptions for Unfunded elements	-	417	417
(2,338)	-	(2,338)	Other	1,588	-	1,588
(50)	-	(50)	Past service cost	-	-	-
-	-	-	Loss on curtailments/settlements	-	-	-
-	-	-	Liabilities assumed on entity combinations	-	-	-
25,454	1,265	26,719	Benefits paid	28,095	1,299	29,394
-	-	-	Liabilities extinguished on settlements	(1,191)	-	(1,191)
(648,954)	(11,517)	(660,471)	Closing present value of liabilities	(575,323)	(9,801)	(585,124)

iv. **Reconciliation of the Movement of the Fair Value of the Plan Assets**

Movements in the Fair Value of Scheme Assets					
2023/24			2024/25		
Funded £'000	Unfunded £'000	Total £'000	Funded £'000	Unfunded £'000	Total £'000
489,078	-	489,078	543,399	-	543,399
23,714	-	23,714	28,698	-	28,698
-	-	-	-	-	-
21,098	-	21,098	(16,631)	-	(16,631)
30,296	1,265	31,561	14,205	1,299	15,504
5,190	-	5,190	5,735	-	5,735
(25,454)	(1,265)	(26,719)	(28,095)	(1,299)	(29,394)
-	-	-	1,074	-	1,074
(523)	-	(523)	(505)	-	(505)
-	-	-	-	-	-
543,399	-	543,399	547,880	-	547,880

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Basis for estimating assets and liabilities

Liabilities have been estimated on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the LGPS and unfunded discretionary benefits liabilities have been valued by Barnett Waddingham, an independent firm of actuaries with estimates for the Berkshire Pension Fund being based on the latest full (triennial) valuation as at 31 March 2022.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law. Following the publication of draft legislation, we do not now expect the ruling to give rise to any additional liabilities.

v. Impact of Asset Ceiling

2023/24 £'000		2024/25 £'000
-	Opening impact of asset ceiling	-
-	Interest on impact of asset ceiling	-
-	Actuarial losses / (gains)	24,935
-	Closing impact of asset ceiling	24,935

The asset ceiling is the present value of any economic benefit available to the council in the form of refunds or reduced future employer contributions. As at 31 March 2025, the results show a net defined benefit liability position before considering IFRIC 14.

Reading Borough Council is currently paying deficit contributions towards a funding deficit and this minimum funding requirement constitutes an onerous funding commitment under the 2022 funding agreement – which gives a present value of secondary contributions of £52.378m as at 31 March 2025. There is therefore a further IFRIC 14 adjustment of £24.935m to bring the final net defined benefit liability on the balance sheet for 2024/25 to £62.179m.

As per note ii above this is composed of the minimum funding obligation of £52.378m for LGPS and unfunded liabilities of £9.801m.

Principal Assumptions

The principal assumptions used by the actuary are set out below.

2023/24 Years	Life expectancy assumptions	2024/25 Years
	Longevity at 65 for current pensioners	
20.8	Men	20.7
23.6	Women	23.6
	Longevity at 65 for future pensioners	
22.0	Men	22.0
25.0	Women	25.0

%	Financial assumptions	%
4.9	Discount rate	5.9
2.9	Pension increases (CPI)	2.9
3.2	RPI Inflation	3.2
3.9	Salary increases	3.9

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes, while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity Analysis

The figures in these notes are based on the Actuary's best estimates for future movements in inflation and life expectancy. The impact on the Pension Fund of slight changes to these assumptions is shown below:

Impact on the defined benefit obligation	Increase in assumption £'000	Decrease in assumption £'000
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	(8,370)	8,575
Rate of increase in salaries (increase or decrease by 0.1%)	551	(546)
Rate of inflation (increase or decrease by 0.1%)	8,264	(8,069)
Longevity (increase or decrease by 1 year)	20,042	(19,311)

vi. **Scheme Assets**

2023/24 £'000		2024/25 £'000
373,803	Equities	370,692
71,376	Other Bonds and Target Return Portfolio	80,038
49,466	Property	45,903
5,004	Cash	9,978
68,080	Infrastructure	64,020
(24,330)	Longevity insurance	(22,751)
543,399	Total	547,880

Asset and Liability Matching Strategy

In order to manage future liability risk, the Royal County of Berkshire Pension Fund entered into a longevity insurance contract with Swiss Re which covered all of the members of the Fund who had started receiving their pension by the end of July 2009 and their dependents. This contract effectively means that the Fund will pay inflation-linked fixed premiums to Swiss Re and in exchange Swiss Re will pay the actual pension amounts due, thus removing the longevity risk to the Fund in respect of the members covered.

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. As at the 2022 triennial valuation, the Council's liabilities were 75% funded. The Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 21 years and this will shorten in future years. Funding levels are monitored on an annual basis.

vii. **Estimate of contributions for 2025/26**

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2026 are £14.144m.

Note 45 – Cash Flow from Operating Activities

Operating activities within the cashflow statement include the following cashflows relating to interest:

2023/24 Restated £'000	Cashflows relating to interest	2024/25 £'000
(3,246)	Interest received	(6,172)
22,939	Interest paid	25,439
-	Dividends received	(500)
19,693	Total	18,767

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2023/24 Restated £'000	Adjustments for non-cash movements	2024/25 £'000
(37,637)	Depreciation	(28,142)
-	Impairment and downward valuations	(8,039)
(2,108)	Amortisation	(2,620)
7,608	(Increase)/decrease in creditors	6,134
(12,377)	Increase/(decrease) in debtors	(11,511)
58	Increase/(decrease) in inventories	127
9,674	Movement in pension liability	(2,967)
(25,826)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(9,996)
(10,764)	Other non-cash movements charged to the surplus or deficit on provision of services	(14,704)
(71,372)	Total	(71,718)

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2023/24 Restated £'000	Adjustments relating to Investing and Financing Activities	2024/25 £'000
4,420	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	8,069
28,914	Any other items for which the cash effects are investing or financing cash flows	47,655
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments	-
33,334	Total	55,724

Note 46 – Cash Flow from Investing Activities

2023/24 Restated £'000	Net Cash Flows from Investing Activities	2024/25 £'000
68,896	Purchase of property, plant and equipment, investment property and intangible assets	69,243
-	Purchase of short-term and long-term investments	-
-	Other payments for investing activities	-
(6,163)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(8,360)
-	Proceeds from short-term and long-term investments	-
(28,914)	Other receipts from investing activities	(47,655)
33,819	Total	13,228

Note 47 – Cash Flow from Financing Activities

2023/24 Restated £'000	Net Cash Flows from Financing Activities	2024/25 £'000
(101,849)	Cash receipts of short-term and long-term borrowing	(254,664)
-	Other receipts from financing activities	(2,376)
1,304	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	1,532
67,340	Repayments of short-term and long-term borrowing	214,000
14,190	Council Tax and NNDR share	1,936
(19,015)	Total	(39,573)

Housing Revenue Account

Housing Revenue Account Income and Expenditure Statement

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with the Code, rather than the amount to be funded from rents and grants. The Council charges rents to cover expenditure in accordance with regulations; however, these may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the HRA Statement.

2023/24 Restated £'000	Expenditure	2024/25 £'000
10,833	Repairs and Maintenance	12,532
19,784	Supervision and Management	17,723
359	Rents, Rates, Taxes and other charges	403
14,888	Depreciation, impairment and revaluation losses of non-current assets	21,718
21	Debt Management Costs	30
45,885	Total Expenditure	52,406

2023/24 Restated £'000	Income	2024/25 £'000
(40,693)	Dwelling Rents	(44,323)
(49)	Non-Dwelling rents	(39)
(3,997)	PFI Credit	(3,994)
(1,598)	Charges for services and facilities	(1,756)
(80)	Other	(391)
(46,418)	Total Income	(50,504)

2023/24 Restated £'000		2024/25 £'000
45,885	Total Expenditure	52,406
(46,418)	Total Income	(50,504)
(533)	Net Expenditure of HRA Services	1,902
341	HRA share of costs of Corporate and Democratic core	420
(192)	Net Expenditure of HRA Services as reported in CIES	2,322
(847)	(Gains)/loss on sale of HRA Fixed Assets	(1,161)
8,981	Interest Payable and Similar Charges	10,329
(2,416)	HRA Interest and Investment Income	(1,958)
624	Net Interest on the defined benefit liability/asset	147
6,150	(Surplus) or deficit for Year on HRA Services	9,679

Movement on the HRA Statement

Analysis of the amounts included within 'Adjustments between accounting basis and funding basis under regulations' and 'Transfers to or from reserves' within the Movement in the HRA Statement:

2023/24 Restated £'000	Movement on the HRA Statement	2024/25 £'000
35,334	Balance on the HRA at the end of the previous year	27,388
6,150	(Surplus) or deficit on the HRA Income and Expenditure Statement	9,679
2,188	Adjustments between accounting basis and funding basis under statute	(5,604)
8,338	Net (increase) or decrease before transfers to or from other reserves	4,075
(392)	Transfers to/(from) other reserves - PFI Smoothing Reserve	(933)
7,946	(Increase) or decrease on the HRA for the year	3,143
(27,388)	Balance on the HRA at the end of the current year	(24,245)
(9,524)	Earmarked reserves - PFI Smoothing Reserve	(8,591)
(36,914)	Total HRA Reserves	(32,836)

2023/24 Restated £'000	Adjustments between accounting basis	2024/25 £'000
(14,124)	Transfers to/(from) the Capital Adjustment Account	(20,232)
847	Gain or (loss) on sale of non-current assets	1,161
800	Contributions to or (from) the Pension Reserve	(128)
(975)	Impact of Pensions Prepayment	665
750	Capital Expenditure funded from the HRA	158
(2)	Transfers to/(from) the Accumulated Absences Account	1
14,892	Transfers to/(from) Major Repairs Reserve	12,770
2,188	Net additional amount required by statute to be debited or (credited) to the HRA Balance for the year	(5,604)

Note 1 – Analysis of Council Housing Stock

At 31 March 2025, the Council was responsible for managing a housing stock of 6,824 dwellings, including 1,246 within the North Whitley PFI scheme (31 March 2024: 6,852 dwellings, 1,250 in the PFI scheme). These dwellings are of the following types:

31 March 2024				31 March 2025		
<u>Flats</u>	<u>Houses</u>	<u>Total</u>		<u>Flats</u>	<u>Houses</u>	<u>Total</u>
2,985	3,867	6,852	Total number and type of dwellings	2,955	3,869	6,824

Note 2 – Housing Revenue Account Capital Expenditure

During 2024/25, the Council incurred £28.2m capital expenditure on land, houses and other properties within the HRA (2023/24: £31.6m). The details of expenditure and the methods of financing are detailed below:

31 March 2024 £'000		31 March 2025 £'000
Capital Investment		
18,581	Operational Assets	19,747
13,057	Assets Under Construction	8,488
-	REFCUS	-
31,638	Total Capital Expenditure within the HRA	28,235
Sources of Funding		
(11,810)	Borrowing	(9,159)
(101)	Capital Receipts	(394)
(11,855)	Major Repairs Reserve	(13,116)
(750)	Revenue Contributions	(158)
(7,123)	Government Grants and other Contributions	(5,408)
(31,638)	Total Funding	(28,235)

Note 3 – Balance Sheet Value of HRA Operational Assets

31 March 2024 £'000		31 March 2025 £'000
	Operational Assets	
550,571	Dwellings	567,149
5,447	Other Land and Buildings	5,796
-	Intangibles	1,958
	Non Operational Assets	
34,497	Assets Under Construction	40,993
1,277	Surplus Assets	2,049
591,792	Total	617,945

Dwellings are initially valued at open market value assuming vacant possession. The vacant possession value of the HRA tenanted dwellings was £1,730m at 31 March 2025 (£1,668m at 31 March 2024). The difference between the vacant possession value and the Balance Sheet value of dwellings within the HRA reflects that tenancies are held on a secure basis without vacant possession.

The Balance Sheet value is determined by applying the Government prescribed discount factor (the vacant possession discount factor) to the vacant possession value of the stock. The vacant possession discount factor was 33% (33% in 2023/24).

Note 4 – Depreciation and Impairment

31 March 2024				31 March 2025		
Depreciation £'000	Impairment £'000	Total £'000		Depreciation £'000	Impairment £'000	Total £'000
(14,644)	-	(14,644)	Council Dwellings	(12,532)	(8,710)	(21,242)
(233)	-	(233)	Other Land and Buildings' Properties	(459)	(1)	(460)
(15)	4	(11)	Surplus Assets	(5)	(10)	(15)
(14,892)	4	(14,888)	Total	(12,996)	(8,721)	(21,717)

NB. A positive entry indicates an impairment reversal.

Note 5 – Transactions relating to Retirement Benefits

31 March 2024 £'000		31 March 2025 £'000
(1,476)	Current Service Cost	(41)
5	Past Service Costs	-
-	(Gain)/loss from settlements	4
47	Administration expenses	18
624	Net interest expense	147
(800)	Total	128
(800)	Movement on Pension Reserve	128

Applying IAS 19 to the Housing Revenue Account (HRA) has no overall effect on the HRA balance as the debit to the Income and Expenditure Account is reversed out by an appropriation from the Pensions Reserve in the Statement of Movement of HRA Balances.

Note 6 – Total Capital Receipts Generated during the year

31 March 2024 £'000		31 March 2025 £'000
(1,739)	Council Houses	(2,351)
-	Other Property	(478)
(1,739)	Total	(2,829)

During the year, the Council disposed of 22 dwellings to tenants under the Right to Buy scheme. These disposals, along with other Non Dwelling HRA Property sales (2) and shared ownership sales (2), generated total capital receipts of £4.1m. £1.3m of RTB receipts is recognised within the General Fund for the allowable Authority share of the 22 RTB sales. £0.004m of funds were due to Central Government as the Council's contribution to the Central Housing Pool.

Note 7 – Rent Arrears and Bad Debt Provision

	2023/24 £'000	2024/25 £'000
Arrears by Tenant		
Current Tenants	1,598	1,576
Former Tenants	1,027	1,290
Total Arrears	2,625	2,866

The specific provision for the possible non-collection of all rent related charges at 31 March is £1.960m, which represents 68% of the total outstanding arrears. The calculation assesses the potential for future impairment based on an analysis of arrears with and without arrangements with current and former tenants. These are then further analysed on an age outstanding basis and provisions made on established percentages, relating to the age of debt outstanding.

Collection Fund

Introduction

The Collection Fund Statement is a record of revenue expenditure and income relating to the Council's role as a Billing and Precepting Authority for Council Tax and Non-Domestic Rates (NDR) in accordance with the requirements of Section 89 of the Local Government Finance Act 1988. Its primary purpose is to show the transactions in relation to the collection from taxpayers of tax due and its distribution to other authorities, major preceptors and the Government. Collection Fund Statement items are only included within the Comprehensive Income and Expenditure Account and Balance Sheet when they relate to the Council's own entitlements or commitments as distinct from those of Local Government or Central Government partners. Amounts owed to or owing by taxpayers at the Balance Sheet date are therefore not shown in the Council's Balance Sheet with the exception of the proportion of Council Tax to which the Council itself is entitled.

It also shows how the Council Tax income is distributed between Reading Borough Council, Thames Valley Police and the Royal Berkshire Fire Authority, and the Non-Domestic Rates (NDR) income is distributed between Reading Borough Council, Central Government and the Royal Berkshire Fire Authority.

Billing authorities in England are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and Non-Domestic Rates (NDR). The fund key features relevant to accounting for Council Tax in the core financial statements are:

- While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the General Fund of the Billing Authority or paid out of the Collection Fund to the other major preceptors.
- Council Tax income included in the Comprehensive Income and Expenditure Account for the year shall be the accrued income for the year. The difference between the income included in the Comprehensive Income and Expenditure Account and the amount required by regulation to be credited to the Collection Fund shall be taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

Since the collection of Council Tax and Non-Domestic Rates Income is in substance an agency arrangement:

- Cash collected by the Billing Authority from Council Tax debtors belongs proportionately to the Billing Authority and the other major preceptors. There will therefore be a debtor/creditor position between the Billing Authority and each of the other major preceptors to be recognised since the net cash paid to each of the other major preceptors in the year will not be its share of the cash collected from Council Tax taxpayers.
- Cash collected from NDR taxpayers by Billing Authorities (net of the cost of collection allowance) belongs to the Government, the Council as a preceptor and the other major preceptors. The amount not yet paid to them at the Balance Sheet date shall be included in the Balance Sheet as a creditor; similarly, if cash paid to the Government and the other major preceptors exceeds the cash collected from NDR taxpayers (net of the Billing Authority's cost of collection allowance), the excess shall be included in the Balance Sheet as a debtor.

Council Tax

This section summarises how the money we collected through Council Tax is distributed between the other major precepting authorities and ourselves.

The Collection Fund Income and Expenditure Account - Council Tax		2023/24 £'000	2024/25 £'000
Income			
Council Tax Receivable		(131,303)	(140,340)
Transfer for Transitional Relief, S13A Reliefs and discount for prompt payment		(576)	(580)
		(131,879)	(140,920)
Contributions to previous year estimated deficit			
Reading Borough Council		-	(1,701)
Royal Berkshire Fire Authority		-	(70)
Thames Valley Police		-	(227)
		-	(1,998)
Total Income		(131,879)	(142,918)
Expenditure			
Precepts, Demands and Shares			
Reading Borough Council		111,086	118,884
Royal Berkshire Fire Authority		4,565	4,793
Thames Valley Police		14,820	15,873
		130,471	139,550
Distribution of previous year estimated surplus			
Reading Borough Council		1,723	-
Royal Berkshire Fire Authority		70	-
Thames Valley Police		230	-
		2,023	-
Change in allowance for impairments		1,515	2,894
Total Expenditure		134,009	142,444
(Surplus)/Deficit for the year		2,130	(474)
Opening Balance (Surplus)/Deficit at 1 April		(1,369)	761
Closing Balance (Surplus)/Deficit at 31 March		761	287

Business Rates (Non-Domestic Rates)

This section summarises how the money we collected through Business Rates is distributed between the other major precepting authorities; Central Government and ourselves.

The Collection Fund Income and Expenditure Account - Business Rates		2023/24 £'000	2024/25 £'000
Income			
Business Rates receivable (net of discretionary and mandatory relief)		(130,808)	(138,276)
Transitional Protection Payments		(7,439)	(694)
		(138,247)	(138,970)
Contributions to previous year estimated deficit			
Central Government		-	(2,524)
Reading Borough Council		-	(2,473)
Royal Berkshire Fire Authority		-	(50)
		-	(5,047)
Total Income		(138,247)	(144,017)
Expenditure			
Precepts, Demands and Shares			
Central Government		67,440	73,670
Reading Borough Council		66,091	72,196
Royal Berkshire Fire Authority		1,349	1,473
		134,880	147,339
Distribution of previous year estimated surplus			
Central Government		2,543	-
Reading Borough Council		2,492	-
Royal Berkshire Fire Authority		51	-
		5,086	-
Change in allowance for impairments		373	1,197
Interest		58	430
Provision for appeals		5,489	42
Cost of collection allowance		289	290
Transitional protection payment		-	-
		6,209	1,959
Total Expenditure		146,175	149,298
(Surplus)/Deficit for the year		7,928	5,281
Opening Balance (Surplus)/Deficit at 1 April		(4,963)	2,965
Closing Balance (Surplus)/Deficit at 31 March		2,965	8,246

Notes to the Collection Fund

Business Rates

The Council collects business rates for its area based on rateable values (as determined by the Valuation Office Agency) and multipliers set by Central Government, which are set out below.

Non-domestic rateable value and multipliers	2023/24	2024/25
Non-domestic rateable value at 31 March	£341,140,036	£334,627,052
Business rate multiplier - standard rate	51.2p	54.6p
Business rate multiplier - small businesses	49.9p	49.9p

Council Tax

Council Tax is charged on residential properties based upon valuation bandings established when the system was introduced in 1993. The number of properties in each band and calculation of the taxbase (adjusted to reflect relevant discounts and exemptions) was approved by Full Council in the January preceding the start of the respective financial year and is summarised in the table below.

Band	2024/25 Valuation band limits £	Calculated No. of chargeable dwellings No.	Ratio to band D	Equated No. of dwellings No.
AA	Band A entitled to disabled relief reduction	3	5/9	2
A	Up to and including - 40,000	4,830	6/9	3,220
B	40,001 - 52,000	11,226	7/9	8,731
C	52,001 - 68,000	25,640	8/9	22,791
D	68,001 - 88,000	10,228	9/9	10,228
E	88,001 - 120,000	5,372	11/9	6,565
F	120,001 - 160,000	3,099	13/9	4,476
G	160,001 - 320,000	1,791	15/9	2,985
H	More than - 320,001	74	18/9	148
		62,264		59,149
Adjustments for estimates of new build and non-collection				(204)
		Council Tax Base		58,945

Group Accounts

Introduction

The Council has reviewed its relationships with its partner organisations to determine whether there are any entities that should be considered as part of the Council's 'group'. Three wholly owned organisations have been identified as needing to be consolidated within the Group:

- Reading Transport Limited (RTL).
- Homes for Reading (HfR).
- Brighter Futures for Children (BFfC)

In addition to the above companies:

RTL has ten wholly owned subsidiaries, Newbury and District Limited (N&D); The Greater Omnibus Company Limited; Reading Rovers Limited; Reading Minibuses Limited; Reading Buses Limited; Newbury Buses Limited; Reading Transport Pensions Trustees Limited; Thames Valley Buses Limited; Courtney Bodyworks Limited; and Courtney ATF Ltd which have been consolidated into the Council's Group Accounts.

RTL was founded in 1986 to meet the requirements of the Transport Act and provides local bus services within the Greater Reading and West Berkshire areas, along with holidays and excursions, and the provision of drivers and buses for private hire. Reading Borough Council owns 100% of the share capital and is able to control the operating, governance and financial policies of the company. In addition, the Council has two representatives on the Board of Directors.

HfR was established in April 2016 as a wholly owned subsidiary, to provide quality rented housing in the Greater Reading area and help alleviate local housing need for both market and submarket tenants. HfR acquire and let both freehold and leasehold properties ranging from street properties (individual, multiple or a block) through to new build properties under construction. The aim is to achieve an optimum mix of market rent lettings and submarket rent lettings across its property portfolio so that it can satisfy its social obligations whilst remaining a commercially viable entity.

In July 2024, the Council decided that Homes for Reading will be closed, and the Company's properties are to be transferred to the Council's Housing Revenue Account. This is to happen on a phased basis as existing tenancies come to an end. Property valuations will be determined at the point of transfer.

BFfC was established on 5 April 2018 to deliver Children's Social Care Services, Education, Special Education and Disabilities, School Support Services and Early Help. It began trading on 3 December 2018. The overall objective is to deliver the best possible opportunities for the children of Reading.

On 28 January 2025, the Council decided to bring the BFfC contract to an end and bring back it's children's services in house. Services and staff will transfer back to Reading Borough Council on 1 October 2025 with contracts being novated to the Council to ensure continuity of service provision.

Group Financial Statements

The Council is required to produce financial statements for the group, together with supporting notes, where there is a material difference to the single entity statement. The following statements have been prepared:

The **Group Comprehensive Income and Expenditure Statement**, which brings together the Comprehensive Income and Expenditure Statement produced by the Council and the Profit and Loss Statements produced by Reading Transport Limited, Homes for Reading and Brighter Futures for Children.

The **Group Movement in Reserves Statement**, which combines the in-year movements of the financial reserves of the Council, with those of the Group entities, providing the overall change in the Council's total reserves.

The **Group Balance Sheet**, which recognises the year end position for all the group entities.

The **Group Cashflow Statement**, which consolidates the cashflow statements for the Council, HfR, BFfC and the RTL.

The **Notes to the Group Accounts**, where the balances are materially different to those in the single entity accounts.

Group Accounting Policies

The Accounting policies for the subsidiary companies are not materially different to those of the Council, as set out in Note 1 to the Main Accounts.

Basis of accounts production

The group accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

As required by Chapter 9 of the Code, the Council has consolidated the above subsidiaries on a line-by-line basis. Intra -group transactions have been eliminated before consolidation on a line-by-line basis, and the accounts of the subsidiaries have been restated where they use different accounting policies to the Council, as required by the Code.

Critical Judgements in Applying Group Accounting Policies

Group accounts have been prepared using the following financial information:

Reading Borough Council	Audited financial statements for 2024/25 and prior years.
Brighter Futures for Children	Audited financial statements for 2024/25 and prior years.
Homes for Reading	Audited financial statements for 2024/25 and prior years.
Reading Transport Limited	Audited financial statements for 2024/25 and prior years.

Group Comprehensive Income and Expenditure Statement

	2023/24 Restated			Service Area	2024/25		
	Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000		Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
	115,386	(61,963)	53,423	Communities and Adult Social Care	130,500	(69,507)	60,993
	43,904	(23,220)	20,684	Resources	48,830	(26,210)	22,620
	1,925	(236)	1,689	Chief Executive Services	1,895	(425)	1,470
	50,575	(49,929)	646	Corporate Support Services	43,090	(50,835)	(7,745)
	230,894	(155,909)	74,985	Children, Education and Early Help Services	274,297	(175,215)	99,082
	92,895	(40,977)	51,918	Economic Growth and Neighbourhood Services	92,683	(35,435)	57,248
	55,966	(58,032)	(2,066)	Reading Transport Limited (RTL)	64,591	(63,927)	664
	102	(319)	(217)	Homes for Reading (HFR)	44	(1,990)	(1,946)
	45,118	(46,418)	(1,300)	Housing Revenue Account	53,642	(50,207)	3,435
	636,765	(437,003)	199,762	Group Cost of Services	709,572	(473,751)	235,821
Page 421			18,528	Other Operating (Income)/Expenditure			(876)
			23,844	Financing and Investing Income and Expenditure			19,834
			(188,839)	Taxation and Non-Specific Grant Income			(214,744)
			524	Corporation and Deferred Tax payable			982
			53,819	Group (Surplus)/Deficit on Provision of Services			41,018
			340	(Surplus)/Deficit on Revaluation of Investments			(568)
			22,292	(Surplus)/Deficit on Revaluation of Non-Current Assets			(22,048)
			(36,138)	Remeasurement of Pension Fund Liabilities			(66,275)
			(1,650)	Deferred Tax on Pension Liability and Corporation Tax Adjustment			(360)
			(15,156)	Other Group Comprehensive Income and Expenditure			(89,251)
			38,663	Total Group Comprehensive Income and Expenditure			(48,233)

Please Note: This table and all others within this document are subject to some rounding of figures. Where necessary some previous year figures may have been restated to match 2024/25.

Group Movement in Reserves Statement

2024/25	REVENUE RESERVES						CAPITAL RESERVES			Total Council Usable Reserves	Total Council Unusable Reserves	Total Council Reserves	Council's share of subsidiaries' Reserves	Total Group Reserves
	General Fund	General Fund Earmarked Reserves	Total General Fund Balances	Housing Revenue Account (HRA)	HRA Earmarked Reserves	Total HRA Balances	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
Balance 1 April 2024	(8,394)	(57,751)	(66,145)	(27,388)	(9,524)	(36,912)	(32,670)	(11,786)	(59,406)	(206,919)	(469,959)	(676,878)	(14,049)	(690,927)
Surplus/Deficit on the Provision of Services	(42,014)	-	(42,014)	9,679	-	9,679	-	-	-	(32,335)	-	(32,335)	73,353	41,018
Other Comprehensive Income/Expenditure	-	-	-	-	-	-	-	-	-	-	(80,176)	(80,176)	(9,075)	(89,251)
Total Income/Expenditure	(42,014)	-	(42,014)	9,679	-	9,679	-	-	-	(32,335)	(80,176)	(112,511)	64,278	(48,233)
Consolidation adjustments between Group and Council Accounts	65,042	-	65,042	-	-	-	-	-	-	65,042	-	65,042	(65,042)	-
Net Increase/Decrease	23,028	-	23,028	9,679	-	9,679	-	-	-	32,707	(80,176)	(47,469)	(764)	(48,233)
Adjustments between Funding and Accounting	8,823	-	8,823	(5,604)	-	(5,604)	15,824	346	1,959	21,348	(21,348)	-	-	-
Net Increase/Decrease before Transfers to/from Reserves	31,851	-	31,851	4,075	-	4,075	15,824	346	1,959	54,055	(101,524)	(47,469)	(764)	(48,233)
Transfers to/from Reserves	(32,362)	16,852	(15,510)	(933)	933	-	-	-	10	(15,499)	15,499	-	-	-
Net Increase/Decrease for year	(511)	16,852	16,341	3,143	933	4,075	15,824	346	1,969	38,556	(86,025)	(47,469)	(764)	(48,233)
Balance 31 March 2025	(8,905)	(40,899)	(49,804)	(24,245)	(8,591)	(32,836)	(16,846)	(11,440)	(57,437)	(168,363)	(555,984)	(724,347)	(14,813)	(739,160)

2023/24 Restated	REVENUE RESERVES						CAPITAL RESERVES			Total Council Usable Reserves	Total Council Unusable Reserves	Total Council Reserves	Council's share of subsidiaries' Reserves	Total Group Reserves
	General Fund	General Fund Earmarked Reserves	Total General Fund Balances	Housing Revenue Account (HRA)	HRA Earmarked Reserves	Total HRA Balances	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied					
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000					
Balance 1 April 2023	(8,221)	(70,132)	(78,353)	(35,334)	(9,916)	(45,250)	(31,584)	(8,749)	(61,704)	(225,640)	(493,310)	(718,952)	(10,639)	(729,590)
Surplus/Deficit on the Provision of Services	(9,144)	-	(9,144)	6,150	-	6,150	-	-	-	(2,994)	-	(2,994)	56,813	53,819
Other Comprehensive Income/Expenditure	-	-	-	-	-	-	-	-	-	-	(11,200)	(11,200)	(3,957)	(15,157)
Total Income/Expenditure	(9,144)	-	(9,144)	6,150	-	6,150	-	-	-	(2,994)	(11,200)	(14,194)	52,856	38,662
Consolidation adjustments between Group and Council Accounts	56,266	-	56,266	-	-	-	-	-	-	56,266	-	56,266	(56,266)	-
Net Increase/Decrease	47,122	-	47,122	6,150	-	6,150	-	-	-	53,272	(11,200)	42,072	(3,410)	38,662
Adjustments between Funding and Accounting	(28,973)	-	(28,973)	2,188	-	2,188	(1,086)	(3,037)	2,298	(28,610)	28,610	-	-	-
Net Increase/Decrease before Transfers to/from Reserves	18,149	-	18,149	8,338	-	8,338	(1,086)	(3,037)	2,298	24,662	17,410	42,072	(3,410)	38,662
Transfers to/from Reserves	(18,322)	12,381	(5,941)	(392)	392	-	-	-	-	(5,941)	5,941	-	-	-
Net Increase/Decrease for year	(173)	12,381	12,208	7,946	392	8,338	(1,086)	(3,037)	2,298	18,721	23,351	42,072	(3,410)	38,662
Balance 31 March 2024	(8,394)	(57,751)	(66,145)	(27,388)	(9,524)	(36,912)	(32,670)	(11,786)	(59,406)	(206,919)	(469,959)	(676,878)	(14,049)	(690,927)

Group Balance Sheet

2023/24 Restated £'000	Balance Sheet	Note	2024/25 £'000
1,036,120	Property, Plant and Equipment	1	1,090,766
137,168	Infrastructure		137,097
3,376	Heritage Assets		3,273
87,905	Investment Property	2	78,540
8,853	Intangible Assets		10,352
5,869	Pension Assets		4,157
13,955	Long-Term Investments		14,222
386	Long-Term Debtors		365
1,293,632	Group Non-Current Assets		1,338,772
329	Assets Held for Sale		186
1,045	Inventories		1,318
64,565	Short-Term Debtors	3	55,514
33,831	Cash and Cash Equivalents		44,434
99,770	Group Current Assets		101,452
(79,518)	Short-Term Borrowing		(122,182)
(94,880)	Short-Term Creditors	4	(88,431)
(9,234)	Revenue Receipts in Advance		(9,785)
(6,256)	Short-Term Provisions		(6,381)
(1,325)	PFI Short-Term Liabilities and Deferred Income		(2,092)
(28)	Deferred Income		-
-	Grants Received in Advance - Capital		-
(191,241)	Group Current Liabilities		(228,871)
(592)	Long-Term Provisions		(432)
(357,485)	Long-Term Borrowing		(355,486)
(117,072)	Pensions Liabilities		(62,179)
(33,000)	Other Long-Term Liabilities	5	(50,477)
(3,084)	Deferred Tax re Pension Scheme		(3,620)
(511,233)	Group Long-Term Liabilities		(472,194)
690,928	Net Group Assets		739,160
(220,969)	Usable Reserves		(183,176)
(469,959)	Unusable Reserves		(555,984)
(690,928)	Total Group Reserves		(739,160)

Darren Carter
Director of Finance (S151 Officer) – Date

Group Cash Flow Statement

2023/24 Restated £'000	Cash Flow	Note	2024/25 £'000
53,819	Net (surplus) or deficit on the provision of services		41,018
(70,404)	Adjustments to net surplus or deficit on the provision of services for non-cash movements	6	(86,205)
33,334	Adjustments for items included in the net surplus on the provision of services that are investing and financing	6	57,125
16,749	Net cash flows from Operating Activities		11,938
41,352	Investing Activities	6a	13,293
(24,845)	Financing Activities	6b	(35,834)
33,256	Net (increase) or decrease in cash and cash equivalents		(10,603)
67,087	Cash and cash equivalents at the beginning of the reporting period		33,831
(33,256)	Net increase or (decrease) in cash and cash equivalents		10,603
33,831	Cash and cash equivalents at the end of the reporting period		44,434

Note 1 – Group Property, Plant and Equipment

The following non-current assets are subject to revaluation as set out below:

Asset type	Valuation basis	Date of valuation	Valuation frequency
Council dwellings	Existing Use Value – Social Housing	31-Mar	Annual
Other land and buildings	Existing Use Value	31-Mar	Five -yearly
Surplus Assets	Fair value	31-Mar	Annual

Other land and buildings and surplus asset valuations were undertaken by the external Valuer Sanderson Weatherall LLP. The valuation date is the 31 March 2025 for all valuations completed.

Vehicles, plant, and equipment are valued at depreciated historic cost, as a proxy for current value on the basis that these are low value assets and/or have short lives. There is one exception in Reading Borough Council which is the plant and equipment of the two Waste Disposal Assets in which the Council has a share of the interest. These assets are subject to valuation as outlined in the valuation information provided below.

Group Property, Plant and Equipment 2024/25

2024/25	Council dwellings £'000	Other land and buildings £'000	Vehicles, furniture, plant and equipment £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total £'000
Cost or valuation 2024/25							
at 1 April 2024	550,572	382,649	98,900	9,257	23,772	47,284	1,112,435
Adjustment owing to initial application of IFRS16	9,825	2,796	70	-	-	-	12,691
Revised Opening Balance at 1 April 2024	560,397	385,445	98,970	9,257	23,772	47,284	1,125,126
Additions	19,747	3,902	12,200	123	41	37,797	73,810
Revaluation Adjustments Recognised in the Revaluation Reserve	12,682	8,095	-	-	1,269	-	22,046
Derecognition and Disposals	(2,909)	(7,114)	(7,131)	-	(814)	-	(17,967)
Reclassifications and Transfers	(488)	9,299	894	-	(1,607)	(12,716)	(4,618)
Other Movements in Cost or Valuation	(21,726)	(7,215)	-	-	(53)	-	(28,994)
At 31 March 2025	567,703	392,412	104,934	9,380	22,609	72,364	1,169,403
Accumulated Depreciation and Impairment							
at 1 April 2024	-	(17,251)	(56,253)	(2,094)	-	(716)	(76,313)
Depreciation Charge for Year	(12,532)	(10,503)	(7,192)	(53)	(10)	-	(30,289)
Impairments Recognised in the Provision of Services	(8,710)	407	-	-	(47)	-	(8,350)
Derecognition and Disposals	77	1,000	6,802	-	4	-	7,883
Reclassifications and Transfers	-	(27)	27	-	-	-	-
Other Movements in Depreciation and Impairment	21,165	7,215	-	-	53	-	28,433
At 31 March 2025	-	(19,160)	(56,616)	(2,147)	-	(716)	(78,637)
Net book value 31 March 2025	567,703	373,253	48,318	7,233	22,609	71,649	1,090,766
Net book value 31 March 2024	550,572	365,398	42,647	7,163	23,772	46,568	1,036,119

* This table is subject to roundings

Group Property, Plant and Equipment 2023/24

2023/24 Restated	Council dwellings £'000	Other land and buildings £'000	Vehicles, furniture, plant and equipment £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total £'000
Cost or valuation 2023/24							
at 1 April 2023	569,137	364,237	86,331	9,019	27,781	81,195	1,137,700
Additions	18,442	6,618	12,498	238	-	25,989	63,785
Revaluation Adjustments Recognised in the Revaluation Reserve	(34,392)	9,547	-	-	2,077	-	(22,768)
Derecognition and Disposals	(916)	(2,218)	(3,615)	-	(2,101)	-	(8,850)
Reclassifications and Transfers	12,921	19,851	3,685	-	(3,896)	(59,900)	(27,339)
Other Movements in Cost or Valuation	(14,620)	(15,385)	-	-	(88)	-	(30,093)
At 31 March 2024	550,572	382,649	98,900	9,257	23,772	47,284	1,112,435
Accumulated Depreciation and Impairment							
at 1 April 2023	-	(25,032)	(52,716)	(2,057)	-	(707)	(80,512)
Depreciation Charge for Year	(14,644)	(10,293)	(6,799)	(37)	(53)	-	(31,826)
Impairments Recognised in the Provision of Services	-	1,952	-	-	(53)	-	1,899
Derecognition and Disposals	24	710	3,261	-	34	-	4,029
Reclassifications and Transfers	-	25	-	-	(16)	(9)	(0)
Other Movements in Depreciation and Impairment	14,620	15,387	-	-	88	-	30,095
At 31 March 2024	-	(17,251)	(56,253)	(2,094)	-	(716)	(76,316)
Net book value 31 March 2024	550,572	365,398	42,647	7,163	23,772	46,568	1,036,119
Net book value 31 March 2023	569,137	339,205	33,614	6,963	27,781	80,486	1,057,187

* This table is subject to roundings

Note 2 – Investment Property

The tables below summarise the movement in the fair value of investment properties over the year, together with the income and expenditure relating to these properties which has been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

2023/24			2024/25		
RBC £'000	HfR £'000	Total £'000	RBC £'000	HfR £'000	Total £'000
67,775	30,900	98,675	57,580	30,325	87,905
-	-	-	-	-	-
-	-	-	-	(4,250)	(4,250)
(1,278)	-	(1,278)	-	-	-
(8,917)	(575)	(9,492)	(5,270)	155	(5,115)
57,580	30,325	87,905	52,310	26,230	78,540

Note 3 – Debtors

Debtors due within one year

2023/24 Restated £'000		2024/25 £'000
15,664	Government bodies	13,473
7,277	Other local authorities	3,112
1,831	NHS bodies	972
39,793	Other entities and individuals	37,957
64,565	Total	55,514

Note 4 – Creditors

Creditors due within one year

2023/24 Restated £'000		2024/25 £'000
(24,280)	Government Bodies	(19,373)
(604)	Other Local Authorities	(677)
(1,120)	NHS Bodies	(248)
(68,876)	Other Entities and Individuals	(68,133)
(94,880)	Total	(88,431)

Note 5 – PFI and Other Long-Term Liabilities

Page 429	2023/24 Restated				2024/25		
	RBC £'000	Subsidiaries £'000	Group Total £'000		RBC £'000	Subsidiaries £'000	Group Total £'000
	(16,269)	-	(16,269)	RBC - North Whitley PFI scheme	(23,188)	-	(23,188)
	(4,249)	-	(4,249)	RBC - Waste PFI scheme	(5,054)	-	(5,054)
	-	(5,410)	(5,410)	RTL - Finance Lease and HP contracts	-	(16,456)	(16,456)
	(774)	(6,298)	(7,072)	Accruals and Deferred Income	(972)	(4,807)	(5,779)
	(21,292)	(11,708)	(33,000)	Total	(29,214)	(21,263)	(50,477)

Note 6 – Cash Flow from Operating Activities

Operating activities within the cashflow statement include the following cashflows relating to interest:

2023/24 Restated £'000	Cashflows relating to Interest	2024/25 £'000
(3,359)	Interest received	(5,314)
23,313	Interest paid	26,113
19,954	Total	20,799

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2023/24 Restated £'000	Adjustments for non-cash movements	2024/25 £'000
(41,894)	Depreciation	(32,622)
-	Impairment and downward valuations	(8,039)
(2,108)	Amortisation	(2,620)
19,842	(Increase) / decrease in creditors	8,828
(19,017)	Increase / (decrease) in debtors	(13,559)
139	Increase / (decrease) in inventories	272
9,673	Movement in pension liability	(13,094)
(25,826)	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	(10,275)
(11,214)	Other non-cash movements charged to the surplus or deficit on provision of services	(15,096)
(70,404)	Total	(86,205)

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financing activities:

2023/24 Restated £'000	Adjustments relating to Investing and Financing Activities	2024/25 £'000
4,420	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	8,446
28,914	Any other items for which the cash effects are investing or financing cash flows	48,679
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments	-
33,334	Total	57,125

Note 6a – Cash Flow from Investing Activities

2023/24 Restated £'000	Net cash flows from investing activities	2024/25 £'000
76,431	Purchase of property, plant and equipment, investment property and intangible assets	70,988
-	Purchase of short-term and long-term investments	-
-	Other payments for investing activities	-
(6,165)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(9,016)
-	Proceeds from short-term and long-term investments	-
(28,914)	Other receipts from investing activities	(48,679)
41,352	Total	13,293

Note 6b – Cash Flow from Financing Activities

2023/24 Restated £'000	Net cash flows from financing activities	2024/25 £'000
(34,509)	Cash receipts of short-term and long-term borrowing	(257,040)
(5,829)	Other receipts from financing activities	-
1,304	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	5,270
-	Repayments of short-term and long-term borrowing	214,000
14,190	Council Tax and NNDR share	1,936
(24,845)	Total	(35,834)

Glossary Of Terms

For compliance with the Code of Practice the following definitions have been adopted:

ACCOUNTING PERIOD

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is commonly referred to as the Balance Sheet date.

ACCOUNTING POLICIES

The principles, rules and procedures used in the preparation of the accounts.

ACCRUALS

The recognition of income and expenditure as goods and services are provided, not when cash is received or paid.

ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, the changes in actuarial surpluses or deficits that arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or
- The actuarial assumptions have changed.

ASSET

A resource controlled by the Council because of past events and from which economic benefits or service potential is expected. Assets can be:

- Intangible – assets of non-physical form, e.g., patents, goodwill, trademarks and copyrights
- Property, plant and equipment – assets which give the Council benefits for more than one year
- Community – assets held in perpetuity which may have restrictions on their disposal
- Infrastructure – assets such as highways and footways
- Non-operational – assets not directly used for service provision
- Heritage – assets held solely for historical, artistic, or environmental qualities

A current asset will be consumed or cease to have material value within the next financial year (e.g., cash and stock).

ASSETS UNDER CONSTRUCTION

Capital expenditure on assets where the work is incomplete.

AUDIT OF ACCOUNTS

An independent examination of the Council's financial affairs.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at the end of the accounting period.

BORROWING

Using cash provided by another party to pay for expenditure, on the basis of an agreement to repay the cash at a future point, usually incurring additional interest charges over and above the original amount.

BUDGET

The forecast of net revenue and capital expenditure over the accounting period.

CAPITAL EXPENDITURE

Expenditure on the acquisition of a fixed asset, which will be used in providing services beyond the current accounting period, or expenditure which adds to and not merely maintains the value of an existing fixed asset.

CAPITAL FINANCING

Funds raised to pay for capital expenditure. There are various methods of financing capital expenditure including borrowing, leasing, direct revenue financing, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

CAPITAL PROGRAMME

Capital schemes that the Council intends to carry out over a number of financial years. The Capital Programme is approved annually by the Council alongside the budget.

CAPITAL RECEIPT

The proceeds from the disposal of land or other fixed assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by the government but they cannot be used to finance revenue expenditure.

CLAW-BACK

Where average council house rents are set higher than the Government's prescribed average limit rent, used in the calculation of rent rebates, the percentage difference reduces the amount of rent rebate subsidy due to the a Council, i.e., it is "clawed-back" by the Government.

CIPFA

The Chartered Institute of Public Finance and Accountancy is the professional body that sets accounting codes of practice that the Council follows.

COLLECTION FUND

A separate fund that records the income and expenditure relating to Council Tax and non-domestic rates.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The account of the Council that reports the net cost for the year of the functions for which it is responsible and demonstrates how that cost has been financed from local taxation, grants and other income.

CONSISTENCY

The concept that the accounting treatment of like items within an accounting period and from one period to the next are the same.

CONTINGENT ASSET

A contingent asset is a possible asset arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's accounts.

CONTINGENT LIABILITY

A contingent liability is either:

- A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Council's control; or
- A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.

CORPORATE AND DEMOCRATIC CORE

The corporate and democratic core comprises all activities that local authorities engage in specifically because they are elected, multi-purpose authorities. The cost of these activities is thus over and above those which would be incurred by a series of independent single purpose, nominated bodies managing the same services.

CREDITORS

Amounts owed by the Council for work done, goods received, or services provided but for which payment has not been made by the end of that accounting period.

CURRENT SERVICE COST (PENSIONS)

Officers employed during the year will have earned one or more years of pensionable service. The current service cost is the increase in the value of the pension scheme's liabilities arising from the employee service during the period.

DEBTORS

Amounts due to the Council for works done, goods received, or services provided but which remain unpaid by the end of that accounting period.

DEDICATED SCHOOLS GRANT (DSG)

A Central Government grant paid to the County Council for use for expenditure on schools.

DEFINED BENEFIT PENSION SCHEME

Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.

DEPRECIATION

The measure of the cost of wearing out, consumption or other reduction in the useful economic life of the Council's fixed assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.

DISCRETIONARY BENEFITS (PENSIONS)

Retirement benefits, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers such as the Local Government (Discretionary Payments) Regulations 1996.

EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, favourable or unfavourable, that occur between the Balance Sheet date and the date when the Statement of Accounts is authorised for issue.

EXCEPTIONAL ITEMS

Material items which derive from events or transactions that fall within the ordinary activities of the Council, and which need to be disclosed separately by virtue of their size or incidence to give fair presentation of the accounts.

EXPECTED RETURN ON PENSION ASSETS

For a funded defined benefit scheme, this is the average rate of return, including both income and changes in fair value but net of scheme expenses, which is expected over the remaining life of the related obligation on the actual assets held by the scheme.

FAIR VALUE

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction, or a liability settled.

GENERAL FUND

The Main revenue account of the Council covering all services but excluding Housing landlord functions.

GOING CONCERN

The concept that the Statement of Accounts is prepared on the assumption that the Council will continue in operational existence for the foreseeable future in particular that the revenue accounts and Balance Sheet assume no intention to curtail significant the scale of operations.

GOVERNMENT GRANTS

Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be specific to a particular scheme or may support the revenue spend of the Council in general.

HOUSING BENEFITS

A system of financial assistance to individuals towards certain housing costs administered by authorities and subsidised by Central Government.

HOUSING REVENUE ACCOUNT (HRA)

A separate account to the General Fund, which includes the income and expenditure arising from the provision of housing accommodation by the Council.

IMPAIRMENT

A reduction in the value of a fixed asset to below its recoverable amount, the higher of the asset's fair value less costs to sell and its value in use.

INFRASTRUCTURE ASSETS

Fixed assets belonging to the Council that cannot be transferred or sold on which expenditure is only recoverable by the continued use of the asset created. Examples are highways, footpaths and bridges.

INTANGIBLE ASSETS

An intangible (non-physical) item may be defined as an asset when access to the future economic benefits it represents is controlled by the reporting entity. This Council's intangible assets comprise computer software licences.

INTEREST COST (PENSIONS)

For a defined benefit scheme, the expected increase during the period of the present value of the scheme liabilities because the benefits are one period closer to settlement.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

Accounting Standards applicable to local authorities from 2010/11 onwards.

INVESTMENTS (PENSION FUND)

The investments of the Pension Fund will be accounted for in the statements of that fund. However, authorities are also required to disclose, as part of the disclosure requirements relating to retirement benefits, the attributable share of the pension scheme assets associated with their underlying obligations.

LIABILITY

A liability is where the Council owes payment to an individual or another organisation.

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g., creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

LIQUID RESOURCES

Current asset investments that are readily disposable by the Council without disrupting its business and are either:

- Readily convertible to known amounts of cash at or close to the carrying amount; or
- Traded in an active market.

LONG-TERM CONTRACT

A contract entered into for the design, manufacture or construction of a single substantial asset or the provision of a service (or a combination of assets or services which together constitute a single project), where the time taken to substantially complete the contract is such that the contract activity falls into more than one accounting period.

MATERIALITY

The concept that the Statement of Accounts should include all amounts which, if omitted, or mis-stated, could mean the use of the accounts might come to a difference opinion on the matters contained in the accounts. An item could be material in nature or in value.

MINIMUM REVENUE PROVISION (MRP)

The minimum amount which must be charged to the revenue account each year in order to provide for the repayment of loans and other amounts borrowed by the Council.

NET CURRENT PLACEMENT COSTS

The cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e., the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

NET BOOK VALUE

The amount at which fixed assets are included in the Balance Sheet, i.e., their historical costs or current value less the cumulative amounts provided for depreciation.

NET DEBT

The Council's borrowings less cash and liquid resources.

NON-DISTRIBUTED COSTS

These are overheads for which no user directly benefits and as such are not apportioned to services.

NON-DOMESTIC RATES (NDR)

The Non-Domestic Rate is a levy on businesses, based on a national rate in the pound set by Central Government and multiplied by the assessed rateable value of the premises they occupy. In England it is collected by the Council on behalf of itself, Central Government and major preceptors. In Scotland it is collected by the Council on behalf of Central Government and then redistributed back to support the cost of services.

NON-OPERATIONAL ASSETS

Fixed assets held by the Council but not directly occupied, used or consumed in the delivery of services. Examples are investment properties, assets under construction or assets surplus to requirements pending sale or redevelopment.

OPERATIONAL ASSETS

Fixed assets held and occupied, used or consumed by the Council in the pursuit of its strategy and in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

PAST SERVICE COST (PENSIONS)

For a defined benefit pension scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

PENSION SCHEME LIABILITIES

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

PRECEPT

The levy made by precepting authorities by billing authorities, requiring the latter to collect income from Council Tax on their behalf.

PRIOR YEAR ADJUSTMENT

Material adjustments applicable to previous years arising from changes in accounting policies or from the correction of fundamental errors. This does not include normal recurring corrections or adjustments of accounting estimates made in prior years.

PROVISION

An amount set aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates of when they will arise are uncertain.

PUBLIC WORKS LOAN BOARD (PWLB)

A Central Government Agency, which provides loans for one year and above to authorities at interest rates similar to those at which the government can borrow itself.

RATEABLE VALUE

The annual assumed rental of a hereditament, which is used for NNDR purposes.

RELATED PARTIES

The definition of related parties in IPSAS 20. For the Council's purposes related parties are deemed to include the Council's Members, the Chief Executive, its Directors and their close family and household members.

RELATED PARTY TRANSACTIONS

The CIPFA Code of Practice requires the disclosure of any material transactions between the Council and related parties to ensure that stakeholders are aware when these transactions occur and the amount and implications of such.

REMUNERATION

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

RESERVES

Money set aside to meet the cost of specific future expenditure. These can be either:

- Usable – those which can be used to provide services
- Unusable – those which cannot be used to provide services

RESIDUAL VALUE

The net realisable value of an asset at the end of its useful life.

RETIREMENT BENEFITS

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment.

REVENUE EXPENDITURE

The day-to-day expenses of providing services.

REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE (REFCUS)

Expenditure which ordinarily would be revenue but is statutorily defined as capital. Examples of REFCUS include grants of a capital nature to voluntary organisations and back pay expenditure capitalised under Secretary of State Direction.

REVENUE SUPPORT GRANT

A grant paid by Central Government to authorities, contributing towards the general cost of their services.

STOCKS

Items of raw materials and stores a Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.

TEMPORARY BORROWING

Money borrowed for a period of less than one year.

TRUST FUNDS

Funds administered by the Council for such purposes as prizes, charities, specific projects and on behalf of minors.

USEFUL ECONOMIC LIFE (UEL)

The period over which the Council will derive benefits from the use of a fixed asset.