

To: Councillor Williams (Chair)
Councillors Stevens, Asare, Gavin, Keane,
Magyarosy, McGrother, Moore and Smith

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16 September 2026

Your contact is: Nicky Simpson, Principal Committee Administrator (Team Leader)

NOTICE OF MEETING - AUDIT AND GOVERNANCE COMMITTEE 24 SEPTEMBER 2026

A meeting of the Audit and Governance Committee will be held on Thursday, 24 September 2026 at 6.30 pm in the Council Chamber, Civic Centre, Reading RG1 2LU. The Agenda for the meeting is set out below.

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Further to Minute 27 (2) of the meeting on 8 April 2026, a report giving an assurance update on progress made in addressing the Commercial Leases Rent Roll follow-up audit which had confirmed a Limited Assurance opinion, and presenting an action plan for the recommendations that remained in progress.	
6. EXTERNAL AUDITOR UPDATE - KPMG	23 - 38
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This report provides an update on key findings emanating from Internal Audit reports issued since the last quarterly progress report.	

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	This report updates Members on the activity of the Treasury Management function.	
10.	INFORMATION GOVERNANCE UPDATE	101 - 110
	This report provides an update on the actions in progress to improve the Council's policies, systems and processes around Information Governance.	

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Present: Councillor Williams (Chair);
Councillors Stevens (Vice-Chair), Asare, Gavin, Keane, Magyarosy, McGrother, Moore and Smith

1. DECLARATIONS OF INTEREST

Councillor Williams declared an interest in Item 5 as his son attended Alfred Sutton Primary School.

2. MINUTES OF THE PREVIOUS MEETING HELD ON 8 APRIL 2026

The Minutes of the meeting held on 8 April 2026 were confirmed as a correct record and signed by the Chair.

3. 2025/26 DRAFT STATEMENT OF ACCOUNTS

The Committee received a report on the unaudited draft 2025/26 Statement of Accounts for Reading Borough Council, and the Reading Borough Council Group which included its subsidiaries Brighter Futures for Children (which ceased trading on 30 September 2025), Reading Transport Limited and Homes for Reading, which had been published on the Council's website by the statutory deadline of 30 June 2026, and was attached at Appendix 1 to the report. The formal public inspection period was from 1 July to 11 August 2026.

The report also outlined the timing of the external audit scrutiny of the accounts. It stated that the Government had set a backstop date of 31 January 2027 for the external audit opinion to be issued on the 2025/26 Statement of Accounts.

Resolved:

- (1) That the unaudited draft 2024/25 Statement of Accounts be noted;
- (2) That the Committee's thanks to the finance team for the hard work done to enable the Statement of Accounts to be published by the statutory deadline be recorded.

4. CHIEF AUDITOR'S ANNUAL ASSURANCE REPORT 2025/26

The Committee received a report setting out at Appendix 1 the Internal Audit and Investigations Annual Assurance Report of the Chief Auditor for 2025/26, as required by the Accounts and Audit regulations and the Public Sector Internal Audit Standards. The report gave the Chief Auditor's opinion on the overall adequacy and effectiveness of the organisation's internal control environment, drawing attention to any issues particularly relevant to the preparation of the Annual Governance Statement. It also summarised the audit work and key findings during the 2025/2026 financial year, gave details of third-party assurance, and summarised the performance of the Internal Audit function against its key performance indicators.

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The report explained that, based on the work completed during the year, the Chief Auditor had concluded that, whilst no assurance could ever be absolute, 'Reasonable Assurance' could be placed on the adequacy and effectiveness of the Council's internal control framework in 2025/26. This reflected a position where the majority of controls were operating effectively, but where improvements were required to strengthen consistency, oversight and resilience across some service areas. The basis for the assurance opinion was set out in section 2 of the Annual Assurance report and the key areas for improvement identified during the audit work were set out in section 4.

The report stated 27% of audits had received limited or no assurance in 2025-26, compared to 18% in 2024/25 and 44% in 2023-24. The report provided a comprehensive overview of internal audit activities conducted in 2025-26. A total of 22 audits, four advisory reports, and two grant certifications had been completed.

The report stated that the audit programme had confirmed that many of the Council's core systems were supported by effective governance and well-embedded controls. However, a minority of reviews had identified more significant weaknesses, particularly in relation to data quality, capacity pressures and the consistent application of controls. Follow-up work had shown that progress was being made in addressing previously identified issues, although some areas continued to require sustained management attention.

External assurance broadly supported this position. While the Council's overall governance arrangements were sound, inspection findings in certain high-risk services had highlighted that controls had not always been applied consistently in practice. This distinction between the design of controls and their effectiveness in operation was a key factor underpinning the Reasonable Assurance opinion. Overall, the report demonstrated that the Council had a functioning and responsive governance framework, with clear areas of strength. Continued focus was required to ensure that improvements were embedded and that control arrangements operated consistently across all services.

Resolved:

- (1) That the Internal Audit & Investigations Annual Assurance Report for 2025/26 be noted;**
- (2) That the Chief Auditor's Reasonable Assurance opinion in respect of the Council's governance, risk management and internal control framework be noted.**

5. INTERNAL AUDIT & INVESTIGATIONS - QUARTER 1 UPDATE 2026/27

The Committee received a report providing an update on the key findings from the Internal Audit reports issued for the period 1 April to 30 June 2026 (Quarter 1).

The report summarised the findings, recommendations and management actions that had been put forward for each audit review and stated the overall assurance opinion level given by the Internal Audit team. A total of five audit reviews had been finalised in the period, all

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receiving Reasonable Assurance, indicating that a generally sound control environment was in place across the areas reviewed:

- Occupational Therapy Waiting List Management;
- Cemeteries and Crematorium;
- Payments Against Orders (Children);
- Accounts Receivable;
- Follow-up review of Unaccompanied Asylum-Seeking Children (UASC).

Collectively, the reviews had found that core systems and processes were operating effectively, supported by established frameworks, professional standards, and experienced staff. However, common improvement themes had included the need to strengthen documentation, enhance consistency in the application of controls, improve data quality and reporting, and reduce reliance on individual officers. In several areas, capacity pressures and increasing demand continued to impact service performance, although staff were working proactively and actions had been agreed to address these issues.

The report also gave details of other activity, including a fact-finding review of the Arcus system, three school audits and a summary of the Corporate Investigations Team's work.

Resolved: That the outcomes of Internal Audit and investigations work, as set out in the Internal Audit & Investigations 2026/27 Quarter 1 Update Report, be noted.

(Councillor Williams declared an interest in this item as his son attended Alfred Sutton Primary School)

6. AUDIT RECOMMENDATIONS TRACKER

The Committee received a report setting out a summary of Internal Audit recommendations and updated management responses, which focused on those recommendations where there had been a 'limited' opinion. There were currently no audits assigned a 'no assurance' opinion. Appendix 1 to the report contained a summary of Internal Audit recommendations and updated management responses since the Committee meeting on 20 January 2026.

Prior to reporting to Committee, officers responsible for implementing the specific recommendations had been asked to update the audit tracker. Each recommendation had been marked with a red (off track), amber (at risk), green (on track) or blue (complete) rating. The report listed progress in the implementation of the management responses to audit recommendations to enable tracking of whether the audit recommendations were being properly addressed. Management actions which were overdue were rated red.

There were 32 recommendations currently on the tracker. Seven had been reported as complete in January 2026 and had been removed from the tracker. Six new recommendations had been added for Children's Saving Accounts and ISAs, six for Commercial Assets Rent Roll Follow Up and six for the Joint Legal Teams Billing Process.

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Eight recommendations had been marked as complete, nineteen recommendations had been marked as 'Red' with one ranked as 'Amber' and four 'Green'.

The Committee requested that responsible officers be asked to include updated estimate completion dates for the actions within their updates in the tracker.

Resolved:

- (1) That progress against the audit recommendations for audits assigned a 'limited' opinion, as set out in the Appendix to the report, be noted;**
- (2) That responsible officers be asked to include updated estimated completion dates for the actions within their updates in the tracker.**

7. OFFICER DECLARATIONS OF INTEREST AND GIFTS AND HOSPITALITY

Further to Minute 24 (2) of the meeting held on 21 January 2025, the Committee considered a report giving an update on steps taken to introduce centralised and regularly updated registers of Officer Declarations of Interest and Gifts and Hospitality.

The report explained that, at a meeting of the Audit and Governance Committee on 21 January 2025, the Committee had considered a report by the Council's External Auditor and had resolved that officers be asked to consider applying a more rigorous approach to registering declarations of interest and gifts and hospitality, and whether the process should include monitoring by the Audit and Governance Committee to ensure records were complete.

The report gave details of the following relevant Codes and Policies, which were appended to the report:

- Appendix 1 - The Officers' Code of Conduct, which dealt with employee conflicts of interest and gifts and hospitality, requiring employees to declare to their manager any outside interests they had, financial or otherwise, if and when an outside interest could conflict with the Council's interests or policy, or with their duties and responsibilities as an employee.
- Appendix 2 - The Council's Employee Gifts and Hospitality Policy, which required employees to seek approval from their line manager before accepting any offer of hospitality or a gift of more than nominal value. This had to be declared by completing the appropriate form, which was filed on the Council's systems by the Human Resources team.
- Appendix 3 - A standalone Employee Conflict of Interest Policy, which had recently been developed building on the provisions of the existing Code of Conduct, and had been approved by Personnel Committee on 12 March 2026.
- Appendix 4 - Anti-Fraud, Bribery and Corruption Policy.

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- Appendix 5 - Whistleblowing Policy.

The report explained that the Employee Conflict of Interest Policy had been developed in response to the new Failure to Prevent Fraud offence, which had been created by section 199 of the Economic Crime and Corporate Transparency Act 2023 and had come into force on 1 September 2025. Under the new offence, the Council might be held criminally liable if it failed to prevent fraud committed by employees or associated persons, unless it could demonstrate that reasonable and proportionate fraud prevention procedures were in place. This included having clear governance frameworks, effective monitoring, and documented controls, to mitigate the risk of prosecution and reputational damage.

Previously, staff Declarations of Interest had been required upon first employment and subsequently where there had been a change of circumstances, but they had not been renewed annually. The new Employee Conflict of Interest Policy strengthened governance arrangements by introducing mandatory annual Declarations of Interest for all staff, including the submission of a nil return where no interests existed, together with a renewed requirement for staff to update their declaration immediately if circumstances changed. These measures sought to ensure that the Council could demonstrate proactive compliance with the new legislation, strengthen transparency, and reduce the Council's exposure to fraud, corruption, and procurement risks. They would also create a clear audit trail, evidencing that the Council had taken reasonable steps to prevent conflicts, thereby protecting both staff and the organisation.

A communications campaign was currently under way to raise staff awareness of the new policy and ensure its implementation. The report invited the Committee to receive a monitoring report to its next meeting giving an update on compliance with the new policy requirements.

Resolved:

- (1) That the Council's arrangements for dealing with Employee Conflicts of Interest and the registration of Gifts and Hospitality be noted;**
- (2) That a report be received at the next meeting monitoring compliance with the Council's new Employee Conflict of Interest Policy.**

8. ANNUAL TREASURY MANAGEMENT REVIEW 2025/26

The Committee received a report on the Council's Treasury Management Strategy and Annual Investment Strategy for 2025/26. The Council had adopted a Treasury Management Strategy and an Annual Investment Strategy for 2025/26 at its meeting on 25th February 2025 and the Treasury Management Strategy required an Annual Outturn Report reviewing the Treasury Management activity which had taken place during the year.

The report stated that, at the start of 2025/26, the Bank of England base interest rate had sat at 4.50%. As had been reported through the quarterly review reports, the bank rate had been cut to 3.75% by the end of Quarter 3 and had since been held at this level.

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The Council remained significantly under borrowed against its Capital Financing Requirement and had followed the approved borrowing strategy of deferring any potential long-term borrowing whilst interest rates remained at current levels and instead utilised short or temporary borrowing from the local authority market as required. No long-term loans (those over one year in duration) had been taken out during the year. During 2025/26 the Council had taken out short-term loans (one year or less in duration) of £245.000m (from other local authorities and the Public Loans Work Board (PWLBB)) at an average interest rate of 4.21%.

Overall, the Council was under borrowed by £139.028m as at 31 March 2026. As a consequence, the Council had effectively avoided the requirement to budget for and incur external interest costs in the order of £5.172m during 2025/26, based on the average rate for the existing debt portfolio of 3.72%. Against the 2025/26 General Fund budget, there had been an overall positive net variance of £1.589m on the Capital Financing budget as reported in the 2025/26 Quarter 4 Performance report to Policy Committee on 13 July 2026. This budget included interest payable, interest receivable and Minimum Revenue Provision (MRP); a charge to the revenue budget made in respect of paying off the principal sum of the borrowing undertaken to finance the Capital Programme.

The report stated that the Council had not breached any of its treasury management performance indicators during 2025/26. The Borrowing and Investment portfolios and a list of approved Countries for Investments as at 31 March 2026 were appended to the report.

It was proposed at the meeting that Treasury Management Training for members of the Committee be organised prior to a future Committee meeting.

Resolved: That the Treasury Management Outturn Report for 2025/26 be noted and the plan to organise training for members of the Committee on Treasury Management be endorsed.

9. ANNUAL GOVERNANCE STATEMENT 2025/26

The Committee considered a report setting out the draft 2025/26 Annual Governance Statement (AGS), which was attached to the report at Appendix 1. The Council was required to prepare and publish an AGS each year as an accompaniment to the authority's financial statements. The Council was responsible for ensuring that its financial management was adequate and effective and that it had a sound system of internal control, which facilitated the effective exercise of the Council's functions, including arrangements for the management of risk. The AGS was a record of the overall effectiveness of governance arrangements within the Authority; it reflected the latest guidance from CIPFA/SOLACE on a strategic approach to governance and demonstrated how the key governance requirements had been met.

The report stated that the AGS incorporated the latest guidance in relation to the Council's Best Value duty and demonstrated the Council's continued commitment to maintaining robust governance arrangements while addressing emerging challenges and regulatory requirements.

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The AGS concluded that it was satisfied that the Council's governance arrangements for 2025/26 were fit for purpose and where areas for improvement had been identified, appropriate action plans were in place.

It was noted at the meeting that, under the Governance Arrangements by Principle, the AGS stated that Principle F: Risk Management and Internal Control was considered quarterly by the Committee, but this matter was now considered twice a year instead of quarterly, so this needed amending.

Resolved:

- (1) That the Annual Governance Statement for 2025/26 be agreed, subject to amending the frequency of risk management consideration under Principle F;**
- (2) That the Director of Legal and Democratic Services be authorised to make minor amendments to the Annual Governance Statement, in consultation with the Leader and the Chief Executive, prior to signature by the Leader and Chief Executive.**

10. AUDIT & GOVERNANCE COMMITTEE ANNUAL REPORT

The Committee considered a report in line with CIPFA guidance which recommended that Audit Committees produced an annual report demonstrating how they had fulfilled their responsibilities and assessed their effectiveness. The report presented the Audit and Governance Committee's Annual Report for 2025/26 (Appendix 1) alongside the detailed results of member and officer effectiveness surveys (Appendix 2).

The report concluded that the Committee had continued to operate effectively across its core responsibilities, including governance, risk management, internal control, and oversight of internal and external audit. Key developments during the year had included changes to Committee structure and reporting cycles, improved access to information through a dedicated SharePoint site, and continued investment in member training.

The officer and member survey feedback had indicated a strong understanding of the Committee's role and generally positive views on its performance, particularly in relation to risk management, internal audit, training, and meeting management. However, the findings had also highlighted areas where assurance and visibility could be strengthened. These included issue escalation, tracking of recommendations, stakeholder engagement, and clarity around the Committee's overall impact.

Resolved: That the Audit and Governance Committee's Annual Report be endorsed as a fair reflection of its performance over the 2025/26 Municipal Year for submission to Council at its meeting on 13 October 2026.

(The meeting started at 6.30 pm and closed at 7.50 pm)

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Committee	Directorate	Date of meeting	Minute number	Item title	Decision	Officer delegated to	Lead Councillor portfolio	Expected timescale for decision
Audit & Governance Committee	DoR	15/07/26	9(2)	Annual Governance Statement 2025/26	(2) That the Director of Legal and Democratic Services be authorised to make minor amendments to the Annual Governance Statement, in consultation with the Leader and the Chief Executive, prior to signature by the Leader and Chief Executive.	Director of Legal & Democratic Services/Monitoring Officer/Returning Officer	Corporate Services and Resources	The Annual Governance Statement will be signed at the same time as the accounts, at the end of the audit process, to be completed by 31 January 2027.

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Audit and Governance Committee

24 September 2026



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Title	Commercial Leases Rent Roll Follow Up Audit 25/26
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Emma Gee, Executive Director Economic Growth & Neighbourhood Services
Report author	Charan Dhillon - Director Property and Asset Management
Lead Councillor	Cllr Leng
Council priority	All
Recommendations	1. None. Information only

1. Executive Summary

- 1.1 The Audit and Governance Committee is requested to note the progress made against the Commercial Leases Rent Roll audit recommendations, the assurance provided by the actions now in place, and the delivery plan for recommendations that remain in progress.
- 1.2 The purpose of this report is to provide the Audit and Governance Committee with a clear assurance update on progress made in addressing the Commercial Leases Rent Roll follow-up audit. The follow up audit confirmed a Limited Assurance opinion and identified a further 6 recommendations in total.

2. Governance

- 2.1 Following the internal audit report, the service has taken significant steps to address the recommendations and work towards making the required improvements. The service continues with the implementation of the Commercial Leases Rent Roll action plan, with completed actions embedded into business-as-usual processes and remaining actions progressed through a robust delivery plan. The overall programme is expected to conclude by 31 March 2027, with several interim milestones during 2026.
- 2.2 **Appendix 1** provides the detailed recommendation-by-recommendation position, this covering report draws out the overall progress, key control improvements, areas of continuing risk and the delivery plan for outstanding actions.
- 2.3 Recommendations remain in progress because they depend on wider data validation, system access, insurance valuation work, cross-service information and completion of reconciliations across Civica, e5 and the rent roll. However, appendix 1 sets out named owners, evidence of activity and target dates, including completion dates during 2026 and a final assurance milestone of 31 March 2027 for the full income and insurance checking programme.

- 2.4 Since the audit was finalised, the service has moved from a position where several controls were either undocumented, reliant on individual officers or not consistently evidenced, to a more structured programme of delivery. Progress reporting meetings are now taking place every two weeks, the Asset Portfolio Officers are involved in the work and the service has introduced more active monitoring of rent roll data, income, debt and insurance-related actions. This provides stronger assurance that the recommendations are being actively managed rather than simply recorded.
- 2.5 One recommendation relating to declarations of interest has been completed. This is now subject to continuing monitoring through weekly team meetings where a standard agenda item requires officers to confirm any interest. As well as this and in line with the Council's policy, all staff have completed the declaration of interest form on iTrent.
- 2.6 A number of other recommendations are substantially progressed, with new procedures, checklists, spreadsheets, monitoring arrangements and cross-checking activity now in place. The remaining actions are not being left open-ended; they are supported by specific workstreams, named officers and target dates. Progress reporting meetings are in place every two weeks to ensure that this work is treated as a high priority. These meetings are being used to review evidence, unblock dependencies, monitor completion dates and ensure actions are embedded into routine operational practice.
- 2.7 All four members of the Asset Portfolio team are now involved in delivery of the audit action plan. This reduces reliance on a single officer, supports segregation of duties and provides greater resilience across rent roll administration, Civica updates, e5 billing, income monitoring and debt follow-up.

3 Audit Recommendations - Update

- 3.1 **Governance and conflicts of interest:** declarations are now included in weekly team meetings and recorded, with continued monitoring to ensure corporate declarations remain up to date. All Assets staff have completed the annual declaration of interest form on iTrent.
- 3.2 **Rent roll and income assurance:** a dedicated auditing rents project has been established to check that rents are reviewed and accurately recorded on Civica, invoices are raised correctly and income is coded to the correct project code.
- 3.3 **Data quality and reconciliations:** work is underway to cross-check Civica, e5 and the rent roll, with line-by-line review activity and spreadsheet monitoring now being used to evidence progress.
- 3.4 **Billing controls and segregation of duties:** responsibilities have been split across the wider Asset Portfolio team, with checks introduced for rent roll instructions and invoice processing. Further work remains to strengthen review of e5 input and output controls.
- 3.5 **Debt management:** monthly meetings with Accounts Receivable are in place, older debts are being reviewed, legal referrals and write-offs are being progressed where appropriate and monthly debt reports are being used to support follow-up.
- 3.6 **Insurance:** work is progressing with the Insurance Team to clarify responsibilities, improve records, confirm recoverable premiums, update Civica records and prepare for reinstatement valuation work.

4 Next Steps

- 4.1 Maintain fortnightly audit progress meetings until all remaining recommendations are completed, with each meeting reviewing evidence, target dates, risks and any barriers to delivery.

- 4.2 Introduce a concise monthly highlight report for the Director of Property and Asset Management, setting out completed actions, overdue actions, emerging risks and decisions required.
- 4.3 Prioritise completion of the Civica, e5 and rent roll reconciliation work, including clear evidence that rent amounts, rent review dates, billing frequency, project codes and income receipts have been checked.
- 4.4 Confirm and document the revised billing control process, including who prepares, checks and authorises manual invoices and e5 contract entries, and how output checks are evidenced.
- 4.5 Complete the insurance workstream by agreeing the joint process with the Insurance Team, updating Civica records, confirming recoverable premiums, progressing reinstatement valuation procurement and resolving older lease records.
- 4.6 Continue monthly arrears monitoring with Accounts Receivable and Legal, with a specific focus on clearing or formally resolving debts over 12 months old.
- 4.7 Prepare a further update for the Audit and Governance Committee once the 2026 milestones have been completed, or earlier if any target dates are at risk.

5 Conclusion and Assurance Statement

- 5.1 The Committee can take assurance that the Commercial Leases Rent Roll audit recommendations are being actively progressed through a structured and evidence-based delivery plan. The service has strengthened governance arrangements, introduced more regular monitoring, widened responsibility across the Asset Portfolio team and begun to address the key control weaknesses identified by Internal Audit.
- 5.2 The completed declaration of interest action demonstrates that improvements are already being embedded into routine business processes. In addition, progress on rent roll reconciliation, billing checks, debt monitoring and insurance records provides evidence that the service is moving towards a stronger and more sustainable control environment. However, full assurance cannot yet be given until the remaining reconciliation, billing control, insurance valuation and manual billing actions are completed and evidenced. These outstanding actions have clear owners, target dates and recommended next steps, and will continue to be monitored through the established progress reporting arrangements.
- 5.3 Overall, the position is one of positive progress with continued oversight required. The delivery plan set out in this report and Appendix 1 provides a credible route to full implementation, improved assurance over commercial lease income, and stronger governance of the Council's commercial property rent roll.

Appendices

- 1. Commercial Leases Audit (Follow up) 2025/2026.

Appendix 1 – Commercial Leases Audit Follow-up Action Plan

Audit Recommendation	Progress Update	Evidence of Completion / Progress	Recommended Next Step	Responsible Officer	Current Status	Target Date
1. It needs to be ensured that there are no conflicts of interest between the officer involved and the leasee of the asset. Declarations of interest should be required on a regular basis and clearly documented and dated so it can be clearly seen when declarations have been requested and completed, even if a nil return. This includes the annual corporate declaration of interests.	Declarations of interest are now included as a standing item at Monday team meetings. Team members are asked to confirm whether they have any relationships or interests linked to Council tenants or licensees. The process is being recorded and monitored, with corporate declarations to be kept up to date. All officers have completed the declaration of interest form on iTrent.	Declaration of interest reminders are included in weekly team meeting agendas and actions; team members present on 16 February 2026 confirmed nil returns; absent team members were to be followed up at the next meeting; the process is now minuted and subject to continuing monitoring.	Continue to evidence weekly declarations through team meeting records and periodically check that iTrent corporate declarations remain up to date.	Head of Strategic Assets	Completed – monitoring continuing.	Completed February 2026; ongoing monitoring through weekly meetings.
2. The annual gross debit needs to be determined so that the periodic scheduling for raising the invoice and outstanding debt can be better reconciled and monitored. The options for consideration are: - · Excel Rent Roll. · E5 Accounts Receivable, with instalment payments. Checks need to be conducted on billing to ensure that the correct	A dedicated auditing rents project has been established. This will check rents and rent reviews against lease agreements, confirm that Civica records are accurate, ensure invoices are raised for the correct amount and check that income is recorded against the correct code. Spreadsheet monitoring has been developed and income	Monitoring spreadsheet completed for the auditing rents project; meetings arranged and held to review spreadsheet and cross-referencing approach; forecast work progressed with income codes separated into	Complete the line-by-line reconciliation between Civica, e5 and the rent roll; confirm any variances; allocate corrective actions; and retain evidence of checks and approvals.	Head of Strategic Assets, Asset Portfolio Officers and Senior Asset Portfolio Officer	In progress. Good progress has been made, but full income checking and reconciliation work remains ongoing.	Key milestones during 2026; all income due to be checked by 31 March 2027, followed by annual spot checks.

amount is invoiced at the correct time.	forecasting work is underway. Garage income has been reviewed with Housing and line-by-line information has been obtained for current occupation.	individual tabs; Housing provided line-by-line garage occupation information for 801 lettings; NEC download provided as evidence of rents received; arrears shortfall identified and referred to Housing for follow-up.				
3. Strengthen segregation of duties and verification controls for billing instructions, input checks and output checks. - To ensure that no charges are omitted, it's important to have separations of duties and verification controls in place. This will help ensure the accuracy and completeness of billing instructions and verify that they have been raised correctly. Independent oversight and inclusion can include, e.g.: - · Authorisation of the instruction. · Checking the billing input before submission. · Checking the output report after submission e.g. use control totals etc.	Duties are now being split across the wider Asset Portfolio Officer team. The proposed process is for calculations to be completed by an Asset Portfolio Officer and checked by the Senior Asset Portfolio Officer before entry onto e5. Initial checks have taken place, including an invoice raised for Reading City Football Club, but some follow-up checks remain outstanding and need to be completed and evidenced.	Duties have been separated across the Asset Portfolio Officer team; first check completed where an invoice for Reading City Football Club was raised by one officer and checked by another on 2 April 2026; further customer set-up and rent roll instruction checks were scheduled, with follow-up required to confirm completion and evidence.	Finalise the billing control checklist and require evidence of preparer, checker and approver for each manual invoice and e5 contract entry.	Head of Strategic Assets	Partially implemented. Segregation of duties has improved, but input and output checking arrangements require further completion and evidence.	Ongoing during 2026 as part of the auditing rents project.

4. Determining the debt position of all assets listed on the rent roll is crucial for assessing and monitoring the financial risk factors beyond the responsibilities held by the budget holder. The aged debt report is widely circulated, budget holders should take responsibility for the income they receive.	The Asset Management team and Accounts Receivable meet monthly to monitor arrears and agree recovery action. Older debts have been reviewed, with cases referred to Legal, being progressed for write-off, under negotiation or being chased by officers. Monthly aged debt reports are being used to support monitoring and follow-up.	Monthly Accounts Receivable debt monitoring spreadsheet in use; aged debt report reviewed; 11 debts over 12 months identified and categorised by action route, including Legal, officer follow-up, payment plans and write-off; latest update recorded on 19 May 2026 with named cases and current handling route.	Set a clear clearance plan for debts over 12 months old, including legal action, payment plan, write-off route or closure decision for each case.	Head of Strategic Assets, supported by Senior Asset Portfolio Officer	In progress. Debt monitoring arrangements are in place, with specific older debt cases being actively progressed.	Ongoing, with older debts reviewed during 2026 and continued monthly monitoring.
5. Clarify and document roles, responsibilities and processes for insurance, reinstatement valuations and recoverable insurance premiums.	The Asset Management and Insurance teams have worked together to develop a comprehensive spreadsheet for tendering reinstatement valuations externally. A draft joint process has been shared and insurance responsibilities are being cross-checked against lease and Civica records. A Civica update is required so recoverable insurance premiums can be recorded appropriately. A cross-check identified entries requiring	Comprehensive spreadsheet developed for tendering reinstatement valuations; draft process sent to Insurance and comments received; valuers reminded at team meetings to notify Insurance of completions; Civica lease records reviewed for insurance	Agree the joint insurance process, complete Civica updates, resolve older agreements, confirm recoverable premiums and progress procurement for reinstatement valuations.	Director of Property and Asset Management, Head of Property Services, Head of Strategic Assets and Senior Asset Portfolio Officer	In progress. Joint working has commenced and records are being reviewed, but valuation procurement, Civica has been updated with the current premiums. Insurance premium	Insurance valuation and process milestones during 2026; all insurance premiums due to be checked by 31 March 2027, followed by annual spot checks.

	update and further work is needed on older agreements.	responsibility; up-to-date LOUT report used for cross-checking; cross-check completed on 6 May 2026 identified 70 entries requiring update; further review identified approximately 60 older agreements requiring retrieval from records.			checks have been complete but will be monitored and improve processes have been implemented between Assets Management and Insurance Services..	
6. Clarify the ongoing process for manual billing and review controls for e5 contracts.	RPI-linked rent increases will remain a manual process. A "How To" checklist has been developed for RPI invoicing, and this will be incorporated into the auditing rents project. A schedule of RPI properties is available. Checks of quarterly invoices have been delayed and rescheduled. Review of the procedure notes identified that amendments were required, with further work planned to complete the revised process.	RPI properties schedule available; RPI "How To" checklist completed and reviewed; procedure check completed by HT, with feedback that amendments were required; follow-up meeting arranged to revise the process; quarterly invoice checks were scheduled but deferred and therefore remain outstanding.	Complete the revised RPI billing procedure, carry out the deferred quarterly invoice checks, and record evidence that manual billing is subject to independent review.	Head of Strategic Assets and Senior Asset Portfolio Officer	In progress. Process documentation exists in draft, but further refinement and completion of checking arrangements is required.	Process refinement during 2026; all income due to be checked by 31 March 2027, followed by annual spot checks.

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Audit and Governance Committee

24 September 2026



Reading
Borough Council
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Title	External Auditor Update - KPMG
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Darren Carter – Director of Finance (S.151 Officer)
Report author	Nicky Blacker, Deputy Chief Accountant
Lead Councillor	Cllr Ruth McEwan, Lead Councillor for Corporate Services and Resources
Council priority	Not applicable, but still requires a decision
Recommendations	1. That the Committee notes KPMG's progress report on the external audit of the 2025/26 Statement of Accounts 2. That the Committee notes KPMG's update on rebuilding assurance

1. Executive Summary

- 1.1. A representative from KPMG will be attending the meeting to present a progress report on the audit of the 2025/26 Statement of Accounts.
- 1.2. KPMG will also give an update on their work on rebuilding assurance following several disclaimed audit opinions.

2. Contribution to Strategic Aims

- 2.1. 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.

3. Environmental and Climate Implications

- 3.1. None arising.

4. Community Engagement

- 4.1. This report will include where appropriate any feedback from public inspection of accounts.

5. Equality Implications

- 5.1. None arising.

6. Health Implications

- 6.1. None arising.

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 of the Accounts.

9. Financial Implications

9.1. None arising.

10. Timetable for Implementation

10.1. Not applicable.

11. Background Papers

11.1. There are none.

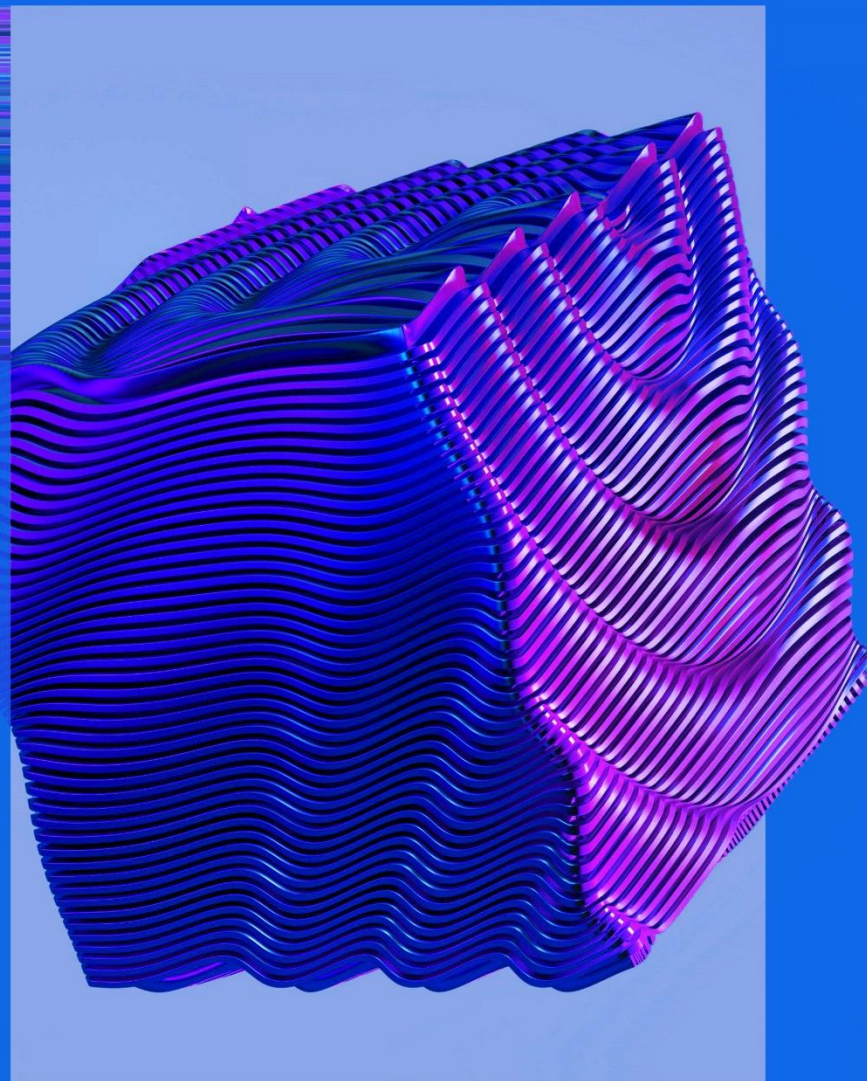
Appendices

1. External Audit of the 2025/26 Statement of Accounts – Progress Update
2. External Audit Rebuilding Assurance Update Report

External Audit Progress Report

Page 25

Report to the Audit and Governance Committee
Reading Borough Council



Executive Summary



Since the last meeting of the Audit & Governance Committee we have:

- Completed a large part of our final audit fieldwork which has included: selecting and testing samples across a wider range of financial statement captions; reviewing and challenging management's assumptions (particularly around estimates); and understanding and investigating variances year on year. Detail of the progress by area of the financial statements is shown as at the date of writing this report on the following page.
- Reviewed the actuarial valuation of the Local Government Pension Scheme as at 31 March 2026 which has highlighted a change in accounting. We are working with management and the actuaries in relation to the treatment of the underlying deficit of Brighter Futures as a result of bringing it back 'in-house'.
- Consulted with KPMG's valuation team and diarised a meeting with the Council's external valuer to investigate and challenge key assumptions, using other industry benchmarks and comparable property.
- Responded to the challenges arising through the backstop process, including substantially completing the Building Back Assurance substantive testing. The work is now largely complete and subject only to final review.
- Progressed our work over Value for Money, which has included: reviewing responses to our detailed questionnaire; collating Council reports through review of Minutes alongside documentation provided to date; and reviewing of the latest inspection report for Children's care services.

Ahead of the next meeting of the Audit & Governance Committee we will:

- Conclude, review and close our final audit work over the financial statements and Value for Money;
- Conclude and finalise our reporting on Building Back Assurance;
- Communicate our draft findings through our Auditor's Annual Report.

The Audit & Governance Committee is asked to note this report.

Audit Progress as at 8 September



Financial Statements Area / Caption	Status update	On track to be complete by next meeting
Collection Fund	Work is largely complete	Yes
Other Income	Work is ongoing	Yes
Grants	Work is ongoing	Yes
Housing Rents	Work is largely complete	Yes
Human Resource	Work is largely complete	Yes
Other Expenditure*	Work is ongoing	Yes
Property Plant and Equipment*	Work is ongoing	Yes
Treasury and Debt	Work is largely complete	Yes
Investments	Work is largely complete	Yes
Defined Benefit Plans*	Work is ongoing	Yes
Other Disclosures	Work is largely complete	Yes
Group	Work is yet to be performed	Yes

Work is largely complete in this area

Work is on-going in this area

Work is yet to be performed in this area

* Significant risk in this area

Value for Money Update

Summary of risk assessment

As set out in our Audit Plan presented in April 2026, we have evaluated the design of controls in place for a number of the Council's systems, reviewed reports from external organisations and internal audit and performed inquiries of management. These procedures are consistent with prior year.

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. In discharging these responsibilities, we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your statement of accounts.

Commentary on arrangements

We will have prepared our draft Auditor's Annual Report and a copy of the report will be included within the papers for the next Committee. The report is required to be published on the Council's website alongside the publication of the Council's statement of accounts.

Summary of work to date

We have set out in the table on the right for the progress on our procedures against each of the domains of value for money:

VFM Domain	Risk of significant weakness identified?
Financial sustainability	One risk of significant weakness identified
Governance	No risk of significant weakness identified
Improving economy, efficiency and effectiveness	No risk of significant weakness identified

Description of risk	Procedures being performed
The Council set a balanced budget for 2025/26, incorporating a savings target of £11.5 million. By the end of Quarter 3, an adverse net variance of £4.6 million had been identified, with 26% of the savings target assessed as non-deliverable or at risk of delivery. Based on performance to date and the level of deficit reported, we consider there to be a risk that the Council may not have adequate arrangements to secure financial sustainability.	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 to ascertain reasons for the non delivery of the savings plans; and 4. Conduct interviews with senior management to understand the feasibility of on-going recovery plans and measures to support financial sustainability.



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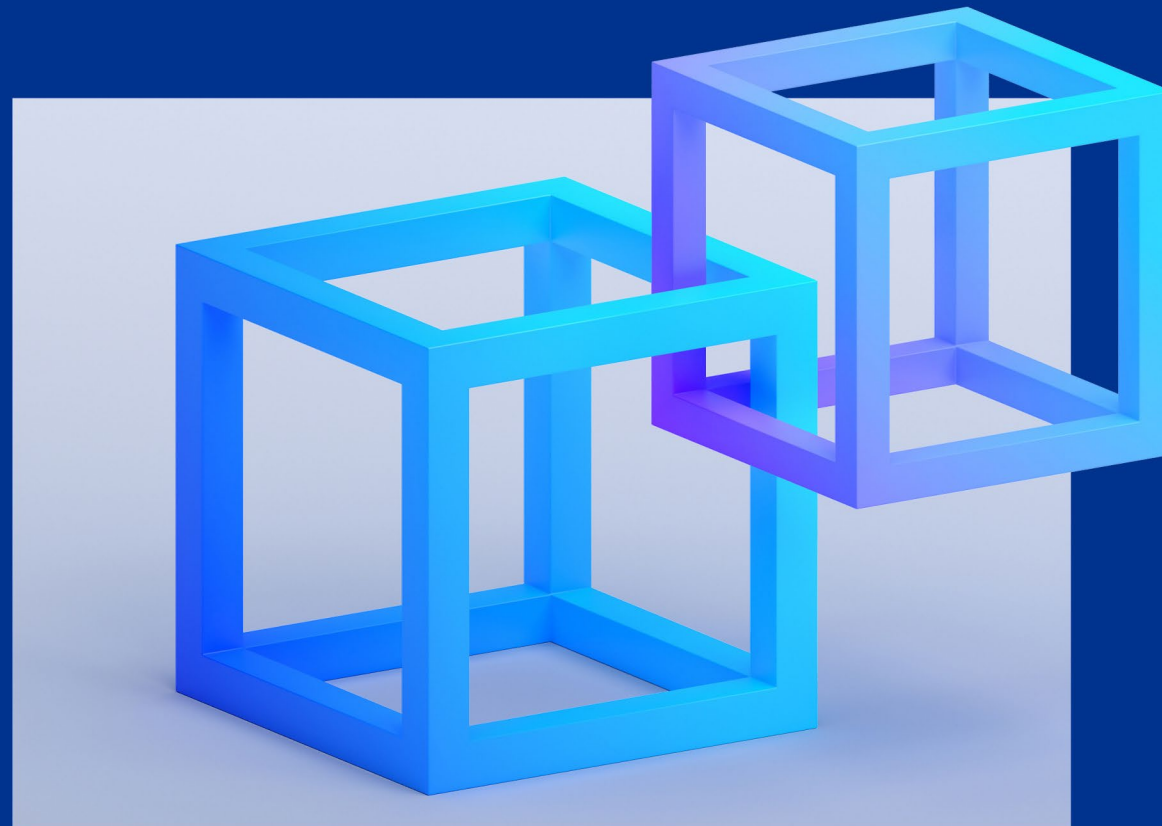
Reading Borough Council

Report to the Audit and Governance Committee

Rebuilding assurance update

For the year ending 31 March 2026

September 2026



Introduction

To the Audit and Governance Committee of Reading Borough Council.

We are pleased to have the opportunity to meet with you to discuss our audit of the consolidated financial statements of Reading Borough Council, as at and for the year ending 31 March 2026 and in particular the results from our Rebuilding Assurance risk assessment

We provide this report to you in advance of the meeting to allow you sufficient time to consider the key matters and formulate your questions.

This report should be read in conjunction with our External Audit Plan and Strategy for the year ended 31 March 2026, which was presented to the Audit and Governance Committee on 8 April 2026. In that report we referred to our work in completing our Rebuilding Assurance Risk Assessment. This report provides further information in respect of our work.

How we deliver audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as the outcome when:

- An audit is executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls; and
- All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

We depend on well-planned timing of our audit work to avoid compromising the quality of the audit. This is also heavily dependent on receiving information from management and those charged with governance in a timely manner.

We are committed to providing you with a high-quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Jon Brown (jonathan.brown@kpmg.co.uk), the engagement lead for the Authority, who will try to resolve your complaint. If you are dissatisfied with the response, please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Tim Cutler (tim.cutler@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can raise your complaint as per the following process [Complaints](#).

Restrictions on distribution

This report is intended solely for the information of those charged with governance of Reading Borough Council and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.



Rebuilding assurance

Background

The Government introduced measures to resolve the legacy local government financial reporting and audit backlog. In 2024, amendments were made to the Accounts and Audit Regulations and NAO's Code of Audit Practice which introduced the requirement for audit reports in respect of any open, incomplete audits up to the period ending 31 March 2023 to be published by 13 December 2024. It also introduced a statutory backstop date of 28 February 2025 and 27 February 2026 for the 2023/24 and 2024/25 audits, respectively.

Guidance has been developed to help support appropriate audit procedures for audits where further work is required to build back assurance. In addition to the Local Audit Reset and Recovery Implementation Guidance (LARRIGs) published in 2024 by the NAO, further guidance has also been published by the NAO: LARRIG 06 – Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions (e.g. reserves balances where a disclaimer has previously been issued). We note the LARRIGs are prepared and published with the endorsement of the Financial Reporting Council (FRC) and are intended to support the reset and recovery of local audit in England.

For Reading Borough Council this had the impact of disclaimers of opinion issued by your predecessor auditor for 2 financial years up to and including 2022/23. We then issued a disclaimer of opinion for 2023/24 on 28 February 2025 to comply with the statutory backstop date as reported to you previously. For the 2024/25 audit we issued a disclaimer of opinion on 27 February 2026.

We note that the Ministry of Housing, Communities and Local Government (MHCLG) has written to all impacted bodies and audit firms (November 2025) to request a brief assessment of each body's capacity to support the build-back audit process once the build-back risk assessment is complete.

The 2025/26 audit

As part of the 2025/26 audit, we have completed our rebuilding assurance risk assessment which included:

- Inquiries regarding changes to the Council during the disclaimed period.
- Considering the disclaimed period and associated reporting including the statement of accounts, Annual Governance Statements, findings from the disclaimed period audits and any findings from the Section 151 officer in their assessment that the financial statements present a true and fair view.



- Reconciling the planned movement in reserves from budget setting, in-year monitoring and outturn reports and documenting our understanding of planned usage and changes in reserves over the disclaimed period.
- Considering the processes over capital additions/disposals and HRA classification.
- A balance sheet financial statement caption by caption assessment of the movement over the disclaimed period overlaid with findings from other risk assessment procedures to determine the appropriate testing strategy to remove the risk of material misstatement in line with the LARRIGs.

As a result of the risk assessment, we have designed an appropriate response to address the risks identified and the audit year we will complete the work. This is set out on page 4 of this report.

We have also included an appendix (pages 5-6) with key elements of the MHCLG capacity assessment requested by MHCLG. We note this includes a categorisation of your audit as requested by MHCLG. The categories identified by MHCLG are:

- A - audits expected to be relatively straightforward and able to sustain an ISA-compliant approach without significant difficulty.
- B - audits that are in theory capable of supporting an ISA-compliant approach but where significant operational difficulties are likely
- C - the audited entity has adequate systems to provide the necessary evidence in principle, but practical constraints mean that ISA-compliant build-back is unlikely by the end of 2027/28
- D – major systemic problems with financial management, governance or accounting systems.

Fee

We note our fees for the risk assessment phase of work are £37,200.

We estimate the fees for the substantive phase are approximately £25,000 -40,000.

We note our fees are subject to fee assumptions set out in our External Audit Plan and Strategy. We also note our fees will be subject to the PSAA fee variation process and PSAA approval.

MHCLG has announced specific grant funding to fund the cost of this audit build-back work.



Rebuilding assurance: Risk assessment results

LARRIG 06 sets out guidance to auditors of English local authorities in circumstances where the auditor's opinion on the prior year financial statements has been disclaimed because of backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024. Specifically, its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances, and disclosures that warrant special consideration beyond the general principles set out in LARRIG 05.

Specifically we have completed the following risk assessment procedures:

- Entity and process level risk assessment procedures;
- Review of Statements of Accounts from disclaimed years;
- Review of predecessor auditor's file, where necessary;
- An assessment of the revenue budget setting and monitoring, including reserves, and capital during the disclaimed period; and
- Inquiries regarding changes to the Council during the disclaimed period.

The risk assessment has identified risks of material misstatement. We need to complete procedures to address these risks. The table below identifies the risks of material misstatement, the procedures to address them and the likely audit year in which we will complete the work.

#	Risk of material misstatement identified	Procedures to address the risk of material misstatement	Audit year we performed procedures *
1	The balance of, and movement in usable and unusable reserves may be materially misstated in the disclaimed period.	We will review management's workings for usable and unusable reserves. The initial information request has been issued by the audit team and responded to by management. Review of this information and follow up of issues. Testing was substantially completed in April 2026 and is currently subject to final review	2025/26
2	We were unable to obtain sufficient appropriate audit evidence over the net assets as at 1 April 2023 in the previous audit. As a result, the valuations for 2021/22, 2022/23 and 2023/24 may be misstated. There is also a risk of inappropriate capitalisation of expenditure across 2021/22, 2022/23 and 2023/24. This would result in assets being overstated and expenditure understated in the relevant periods, with a consequent impact on the level of General Fund reserves available to the Authority at the start of the period subject to our audit.	We will select addition sample for these period to assess whether capitalisation was appropriate and addition recognised in the correct period. We will obtain valuation reports for these disclaimed periods and assess the method, application, assumptions and data used. Testing was substantially completed in April 2026 and is currently subject to final review	2025/26

* This is subject to the Council providing the required information in a timely manner.

MHCLG – Capacity assessment template



We have included below and overleaf key elements of the capacity assessment as requested by MHCLG (Categories as per page 3).

Expected timing of build-back work

	Audit area	Audit for the year ending 31 March						Unable to rebuild	
		2025	2026	2027	2028	2029	Later	Cat C	Cat D
	Risk assessment	x						N/A	N/A
	Statutory reserves		x						
	Property assets		x						
	Non-property investment assets		x						
	Pension deficit/surplus		x						
	Long-term debtors and creditors		x						
	Working balances		x						
	Pension fund (if applicable)		x						
	Other audit work		x						

Expected audit opinions

	Audit area	Audit for the year ending 31 March						Unable to rebuild	
		2025	2026	2027	2028	2029	Later	Cat C	Cat D
	Audit opinion 1								
	Transfer to qualified opinion		x						
	Transfer to unmodified opinion			x					

MHCLG – Capacity assessment template



Overall assessment

The categories below are those MHCLG has described and requested for categorisation.

Audits that **are capable** of supporting an ISA-compliant approach to return to an unmodified opinion within the build-back period (up to and including audit year 2027/28):

A - audits expected to be relatively straightforward and able to sustain an ISA-compliant approach without significant difficulty.

B - audits that are in theory capable of supporting an ISA-compliant approach, but where significant operational difficulties are likely, e.g. inability to obtain some key records or evidence of the operation of some key controls, or where the audited body needs to re-establish the internal mechanisms to support the audit process.

- Difficulty obtaining evidence such as key documents, evidence of operation of key controls, or explanations of historic transactions
- Complex arrangements such as subsidiaries, joint ventures or specialised assets
- Scale of the audit work required, e.g. due to number of years outstanding
- Constraints on auditor's capacity.

Audits that are **not capable** of supporting an ISA-compliant approach by the end of the build-back period (up to and including audit year 2027/28)

C - the audited entity has adequate systems to provide the necessary evidence in principle, but practical constraints mean that ISA-compliant build-back is unlikely by the end of 2027/28. Practical constraints may relate to accessibility of evidence, organisational capacity, or the scale and complexity of the audit.

D – major systemic problems with financial management, governance or accounting systems. There are pervasive weaknesses in systems of financial reporting and internal control such that the auditor judges the conditions do not exist for an ISA-compliant audit to be completed in the foreseeable future.

We have categorised the Reading Borough Council Audit as A



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Audit and Governance Committee

24 September 2026



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Title	Internal Audit & Investigations – Quarter 2 Update 2026/27
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Director of Finance
Report author	Paul Harington, Chief Auditor
Lead Councillor	Councillor Ruth McEwan, Corporate Services and Resources
Council priority	All
Recommendations	That the Committee: 1. Notes the outcomes of Internal Audit work completed in Quarter 2 2026/27. 2. Notes investigation activity and associated outcomes.

1. Executive Summary

- 1.1 This report provides an update on progress in delivering the 2026/27 Internal Audit Plan and summarises the outcomes of audits completed during Quarter 2, alongside investigation activity and emerging risks. The report also highlights progress against the approved audit plan and reports on the activities of the Corporate Investigations Team.
- 1.2 Five audits were finalised during the period. Three audits received Reasonable Assurance, one follow-up review retained a Limited Assurance opinion, and one review received No Assurance. Collectively, the audits identified examples of good governance, effective oversight and established control frameworks. However, several common themes emerged, including the need to improve data quality, strengthen performance reporting, enhance contract and supplier oversight, improve documentation and audit trails, and reduce reliance on manual controls. The most significant findings relate to the review of Managed Payroll Providers for Direct Payments, which received a No Assurance opinion due to weaknesses in governance, contractual arrangements, procurement compliance and financial oversight.

2. Policy Context

- 2.1 Internal Audit forms a key part of the Council's governance and assurance framework. Each audit provides an objective opinion on the adequacy and effectiveness of governance, risk management and internal control arrangements within the area reviewed. Follow-up work is undertaken for Limited and No Assurance reports to assess whether agreed actions have been implemented.

- 2.2 The risk-based Internal Audit Plan and the work of the Corporate Investigations Team support the Council in maintaining effective arrangements for governance, internal control, financial stewardship and fraud prevention

3. Overview of Audit Findings

The principal matters arising are summarised below.

- 3.1 **Financial Assessment & Benefits Team (Follow-Up)** - The follow-up review found positive progress against the seven recommendations made in the previous Limited Assurance report. Improvements include formal triage, enhanced case monitoring, a Power BI dashboard, oversight through the Adult Social Care Debt Board and strengthened workflows and controls within Mosaic. However, assessment backlogs remain high and further work is required to validate performance information and provide a complete and consistent view of service performance. The opinion remains Limited Assurance and four further recommendations were made, including two high-priority actions relating to performance-data verification and declarations of interest.
- 3.2 **Licensing** - The review provided Reasonable Assurance. Governance, oversight and decision-making arrangements were generally operating effectively, supported by documented procedures, management oversight, committee scrutiny, eligibility checks and enforcement activity. The principal weaknesses relate to the Arcus system, including configuration, data quality, reporting and historic data migration. These issues increase reliance on manual controls and reduce confidence in the completeness and reliability of licensing and financial information. Seven recommendations were agreed, with the most significant actions being progressed through the corporate Arcus improvement programme.
- 3.3 **Joint Legal Team Billing Process (Follow-Up)** - The follow-up review concluded with Reasonable Assurance. Expenditure oversight has improved through enhanced monitoring and increased review of purchase orders, while testing showed greater use of the London Boroughs' Legal Alliance framework. Several actions remain in progress, including approval of revised governance documents, improved audit trails and documentation for the appointment of external counsel, and further assessment of value for money. No new recommendations were raised.
- 3.4 **Pupil Premium Funding** - The audit provided Reasonable Assurance. Effective arrangements were identified for grant certification, timely distribution of funding and the management of Pupil Premium Plus for looked-after children. Testing confirmed that all maintained schools reviewed had published Pupil Premium information, although some inconsistencies were found in the currency, format and completeness of published statements. Four low-priority recommendations were made to improve documentation, outcome reporting and guidance to schools.

3.5 Managed Payroll Providers for Direct Payments - This review recorded a No Assurance opinion and identified a number of significant weaknesses within the governance, procurement, contractual and financial control arrangements relating to externally managed payroll providers. Assurance could not be obtained that provider arrangements had been procured in accordance with Contract Procedure Rules, that contractual arrangements remained current, or that formal provider oversight was operating effectively. The review also identified opportunities to strengthen financial monitoring, clarify the treatment of interest earned on client funds and improve oversight of accumulated balances. Whilst no evidence of fraud, misconduct or deliberate misuse of funds was identified, improvements are required to strengthen governance and control arrangements. Three high-priority recommendations were made.

3.6 Audit Plan Delivery

3.6.1 The work programme includes reviews carried forward from 2025/26 and audits scheduled across the four quarters of 2026/27. Completed work and current progress are detailed in Appendix 1. The Children's Occupational Therapy Waiting Lists audit was postponed to Quarter 3. The reduction in available resource may affect delivery of the remaining programme, and coverage will continue to be prioritised and kept under review.

3.7 Investigation Activity

3.7.1 The Corporate Investigations Team reported the following activity:

- 24 Council Tax Support investigations commenced. One case resulted in the removal of a discount and estimated savings of £1,874.95, with three investigations ongoing.
- 32 housing tenancy fraud investigations were opened. One property was recovered and 13 investigations remained ongoing. Notional savings from the recovered property totalled £78,300.
- 27 Blue Badge referrals were received. Nine warning letters were issued, nine badges were seized and destroyed, and three investigations remained open. Notional savings totalled £7,146.
- Five internal investigation referrals were received. One resulted in no further action, one contractor resigned with immediate effect and three cases remained under active review. The reported notional saving associated with the resignation was £53,460.
- 43 Data Protection Act requests were processed between April and June in support of Thames Valley Police investigations and safeguarding activity.
- 8,059 Fraud Hub matches were received between April and June 2026. A risk-based review of 341 matches identified savings of £11,814.75.

4 Contribution to Strategic Aims

4.1 This work supports the Council's priority to ensure it is fit for the future, by:

- Strengthening governance, risk management and control frameworks.
- Promoting transparency, accountability, and value for money.
- Supporting effective service delivery across key areas, including Adult Social Care and financial management.
- Enhancing fraud prevention and detection capability.

5 Environmental and Climate Implications

- 5.1 There are no direct environmental or climate implications arising from this report, as it relates to assurance and oversight activity.

6 Community Engagement

- 6.1 No direct community engagement has been undertaken as part of this report.

7 Equality Implications

- 7.1 There are no direct equality implications arising from this report. However, audits could relate to services supporting vulnerable groups, and improvements identified aim to enhance fairness, access, and consistency of service provision.

8 Other Relevant Considerations

- 8.1 Risk Management: The report provides assurance over key operational and financial risks and identifies areas requiring improvement.
- 8.2 Governance: Findings support ongoing strengthening of corporate governance arrangements.
- 8.3 Fraud and Compliance: Investigation activity contributes to reducing fraud risk and improving compliance.

9 Legal Implications

- 9.1 The Council has a statutory duty to maintain an effective internal audit function. This report supports that duty by providing assurance to Members on the adequacy of internal controls.

10 Financial Implications

- 10.1 Internal Audit activity supports value for money by identifying inefficiencies, strengthening controls, and reducing financial risk. Investigation work has generated identifiable savings and protected Council resources

11 Timetable for Implementation

- 11.1 Not applicable.

12 Background Papers

- 12.1 There are none.

Appendices – delete if there are none

1. **Appendix 1 – Internal Audit & Investigations Quarterly Update Q2 2026/27**

Appendix 1

Internal Audit & Investigations

Quarterly Update Report Q2

1.0 OVERVIEW

1.1 Purpose & Scope of Report

- 1.1.1 The purpose of this report is to provide an update on the progress made against the delivery of the Internal Audit Plan. This report provides details of audits finalised in quarter two of the 2026/2027 financial year.

1.2 Assurance Framework

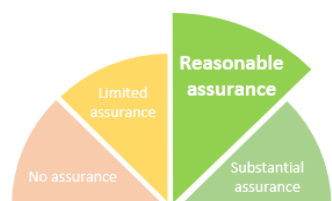
- 1.2.1 Each Internal Audit report provides a clear audit assurance opinion. The opinion provides an objective assessment of the current and expected level of control over the subject audited. It is a statement of the audit view based on the work undertaken in relation to the terms of reference agreed at the start of the audit; it is not a statement of fact. The audit assurance opinion framework is as follows:

Opinion	Explanation
---------	-------------

- 1.2.2 The assurance opinion is based upon the initial risk factor allocated to the subject under review and the number and type of recommendations we make. It is management's responsibility to ensure that effective controls operate within their service areas. Follow up work is undertaken on audits providing **limited** or **'no'** assurance to ensure that agreed recommendations have been implemented in a timely manner.



A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.



There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.



Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.



Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

2.0 HIGH LEVEL SUMMARY OF AUDIT FINDINGS

2.1	Financial Assessment & Benefits Team – follow up	Recs			Assurance
		2	2	0	Limited

2.1.1 A follow-up audit of the Financial Assessment and Benefits (FAB) Team was undertaken to assess progress made in implementing the recommendations arising from the 2025/26 audit review, which resulted in a Limited Assurance opinion. The review examined developments in governance, performance management, operational processes and system controls.

2.1.2 The audit found that a number of improvements have been implemented since the previous review. These include the introduction of a formal triage process, enhanced monitoring of casework, development of a Power BI performance dashboard, strengthened oversight through the Adult Social Care Debt Board, and improvements to financial assessment processes within Mosaic. Enhancements have also been made to referral processes, system controls and management oversight arrangements.

2.1.3 While positive progress has been made, a number of challenges remain. Financial assessment backlogs continue to place pressure on the service, and further work is required to strengthen assurance over the accuracy and completeness of performance information. Although the Power BI dashboard provides improved management information, additional validation and reporting arrangements are needed to support effective performance monitoring and governance oversight.

2.1.4 Further improvements are currently being progressed, including enhancements to mandatory data fields, the introduction of online referral processes through the Mosaic portal, and changes to the service structure designed to strengthen operational management and performance oversight.

2.1.5 The audit opinion remains Limited Assurance, reflecting that a number of key improvements are still being embedded and have not yet demonstrated their full impact. Four further recommendations were agreed, including two high-priority actions relating to the verification of performance data and declarations of interest. Completion of these actions is expected to strengthen governance arrangements, improve the quality of management information and support continued improvement in service performance.

2.2	Licensing	Recs			Assurance
		0	3	4	Reasonable

2.2.1 This audit reviewed whether the Licensing Service maintains accurate and reliable licensing data, complies with legislation and local policies, and has effective controls to support decision-making, risk management and public protection. The review covered both licensing administration and enforcement activities across more than 5,000 licences.

2.2.2 The audit found that the Licensing Service has established governance, oversight and control arrangements that are generally operating effectively. Licensing decisions are supported by documented procedures, management oversight, committee scrutiny, eligibility checks and enforcement activity. Staff have also implemented a range of compensating controls to address known system limitations and maintain service delivery.

- 2.2.3 The principal weaknesses identified relate to the Arcus licensing system. Ongoing issues with system configuration, data quality, reporting functionality and historic data migration have reduced confidence in the completeness and reliability of licensing and financial information. These issues increase reliance on manual controls, create operational inefficiencies and make it more difficult for the service to operate in a fully proactive and intelligence-led manner. The audit also identified opportunities to strengthen procedures, quality assurance arrangements, performance monitoring, financial reconciliation processes and the review of public-facing guidance and documentation.
- 2.2.4 Seven recommendations were agreed with management. The most significant recommendation relates to the Council's corporate Arcus improvement programme, which is already overseeing a programme of system enhancements, data improvements and process reviews through the CCM Programme Board. Planned actions include resolving outstanding workflow and data issues, strengthening reporting and user access controls, improving management information and developing a more robust control framework. Further actions include updating and consolidating procedures, introducing proportionate quality assurance reviews, enhancing financial assurance and reconciliation arrangements, increasing the use of electronic applications, improving performance and intelligence reporting, and establishing regular reviews of public information and standard documentation.
- 2.2.5 Overall, the audit concluded that the Licensing Service is operating within a generally sound control environment. The agreed improvement programme is expected to strengthen system reliability, improve data quality, enhance management oversight and support a more efficient and resilient service

	Recs			Assurance
	0	0	0	Reasonable
2.3	Joint Legal Team (JLT) billing process – follow up			

- 2.3.1 The purpose of this follow-up audit was to assess the progress made in implementing recommendations arising from the previous audit of the Joint Legal Team (JLT) billing process and to confirm whether the actions agreed by management had been introduced and were operating effectively. The review focused on arrangements governing the recording, allocation and recovery of legal costs charged to the six Berkshire unitary authorities served by JTL, together with the governance and oversight arrangements supporting the service.
- 2.3.2 The review found that meaningful progress has been made since the previous audit, which resulted in a Limited Assurance opinion. Oversight of expenditure has improved through enhanced monitoring arrangements, including regular review of purchase orders by senior officers, providing increased scrutiny and challenge over spending decisions. Testing also identified greater use of the London Boroughs' Legal Alliance (LBLA) framework when procuring external legal services, indicating improved compliance with agreed procurement arrangements. However, several improvements remain work in progress. Key governance documents, including the revised service level agreement and terms of reference for the Joint Legal Team's governance bodies, were still awaiting final approval at the time of the audit. Whilst controls have strengthened, some purchase orders continue to be raised retrospectively, and work is ongoing to improve audit trails, transparency and documentation supporting the appointment of external counsel. Further evaluation is also required to assess value for money and the effectiveness of procurement arrangements.

- 2.3.3 The audit concluded that controls are continuing to improve and that management actions are having a positive impact. However, further effort is required to fully implement and embed outstanding actions, ensuring that governance, financial management and procurement arrangements operate consistently and sustainably in the longer term. No new recommendations were raised as part of this follow-up review.

		Recs			Assurance
2.4	Pupil Premium Funding	0	0	4	Reasonable

- 2.4.1 This audit reviewed the arrangements for the administration, certification and oversight of Pupil Premium funding, including the management of Pupil Premium Plus funding for looked-after children and compliance with Department for Education requirements by maintained schools.
- 2.4.2 Internal Audit issued a Reasonable Assurance opinion, concluding that effective arrangements are in place for the management of Pupil Premium funding and compliance with the associated grant conditions. The review identified sound controls over grant certification, the timely distribution of funding to maintained schools, and the governance arrangements supporting the allocation and monitoring of Pupil Premium Plus funding.
- 2.4.3 The audit found that Reading Virtual School has established a structured framework for the allocation and monitoring of Pupil Premium Plus funding. Funding decisions are linked to identified educational needs through Personal Education Plans and are subject to review to assess progress and educational outcomes. Appropriate governance and accountability arrangements are supported through reporting to senior management and the Corporate Parenting Panel.
- 2.4.4 Testing confirmed that all maintained schools reviewed had published Pupil Premium information on their websites. While overall compliance was achieved, some variations in presentation and content were identified, including strategy statements that had not been updated for the current academic year, inconsistent use of Department for Education templates, and differing approaches to reporting funding allocations and outcomes.
- 2.4.5 Four low-priority recommendations were agreed to further strengthen existing arrangements. These relate to enhancing documentation of grant certification and review processes, considering additional reporting on Pupil Premium Plus outcomes, and providing further guidance to schools to promote consistency and transparency. Overall, the audit concluded that Pupil Premium funding is being administered effectively and is supported by a generally sound framework of governance, risk management and internal control.

		Recs			Assurance
2.5	Managed Payroll Providers for Direct Payments	3	0	0	No Assurance

- 2.5.1 This audit examined the oversight arrangements of externally managed payroll providers used to administer Direct Payments on behalf of social care clients. The review was commissioned following concerns regarding accumulated client balances and the treatment of interest earned on Direct Payment funds held by third parties.
- 2.5.2 Internal Audit issued a No Assurance opinion, reflecting weaknesses identified within the governance, contractual and financial control arrangements supporting these services. The review did not identify any matters suggesting deliberate misuse of Direct Payment funds.
- 2.5.3 We were unable to confirm if external payroll provider arrangements had been procured, commissioned or maintained in accordance with Contract Procedure Rules. No procurement documentation was available for review, the principal provider's contract expired in 2013, and no current contracts were identified for other providers. In addition, there was insufficient evidence of formal contract management, performance monitoring or documented provider oversight arrangements.
- 2.5.4 It was not possible to confirm the legal basis on which client funds are held, whether funds are adequately protected in the event of provider insolvency, or how interest earned on balances should be treated. Monitoring arrangements were found to be behind schedule and did not provide complete assurance over balances held by all providers. Significant surplus balances had accumulated within provider-held accounts, highlighting the need for stronger reconciliation and recovery processes.
- 2.5.5 Three high-priority recommendations were made. These require a comprehensive review of the legal and contractual framework, strengthened monitoring and reconciliation of Direct Payment balances, and clarification of the ownership, accounting treatment and future management of interest earned on client funds. Implementation of these actions will be essential to reduce legal, financial, governance and reputational risks and to ensure that Direct Payment funds are managed transparently, effectively and in the best interests of service users.

Key: No Assurance: ■ Limited Assurance: ■ Reasonable Assurance: ■ Substantial Assurance: ■

Audit reviews carried over from 2025/2026

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Unaccompanied Asylum-Seeking Children – follow up		●			Aug-25	May-26	Jun-26	0	0	3	Reasonable
Payments Against Orders		●			Jul-25	Mar-26	Apr-26	0	0	4	Reasonable
ARCUS system implementation			●		Jun-25	Nov-25	Apr-26	-	-	-	N/A
Accounts Receivable				●	Feb-26	May 26	May-26	0	3	2	Reasonable
Housing Repairs (Reactive)				●	Feb-26	Jul-26					
Occupational Therapy Waiting Lists (Adults)				●	Jan-26	Feb-26	Apr-26	0	5	0	Reasonable
Cemeteries and Crematorium				●	Nov-25	Mar-26	Apr-26	0	7	6	Reasonable
IT Application Security											

Audit reviews for 2026/2027

Key: No Assurance: ■ Limited Assurance: ■ Reasonable Assurance: ■ Substantial Assurance: ■

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Licensing	●				May-26	Jul-26	Aug-26	0	3	4	Reasonable
Financial Assessment & Benefits Team – follow up	●				Mar-26	Jun-26	Aug-26	2	2	0	Limited
Occupational Therapy Waiting Lists (Children's)	●				May-26	Postponed to Q3					
Joint Legal Team (JLT) Billing Process – follow up	●				Apr-26	Jun-26	Jul-26	0	0	0	Reasonable
Pupil Premium Funding	●				May-26	Aug-26	Sep-26	0	0	4	Reasonable
Software Asset Management	●				Apr-26						
Council's Building Management Efficiencies – Corporate Landlord		●			Jul-26	Sep-26					
Local Transport Plan Capital Settlement (Grant Certification)		●			Sep-26						
Local Authority Bus Subsidy Grant (BSOG)		●			Sep-26						
Payroll		●			Jun-26						
Payment Card Industry Data Security Standard (PCIDSS)		●			May-26						
Home Improvement Grants – follow up		●									
Foster Care (Allowances)		●			Jun-26						
Coroners (Body Collection Service)*		●			July-26						
Direct Payments & Managed Payroll Providers			●		Jun-26	Jul-26	Sep-26	3	0	0	No Assurance
Lone Working			●								
Fleet Management			●		Aug-26	Sep-26					
Traffic Regulation Orders – follow up			●								
General Ledger			●		Sep-26						

Key: No Assurance: ■ Limited Assurance: ■ Reasonable Assurance: ■ Substantial Assurance: ■

Audit Title	Timing				Start Date	Draft Report	Final Report	Res			Assurance
	Q1	Q2	Q3	Q4				P1	P2	P3	
Housing Repairs– order and control of materials			●								
School Audits			●	●							
Mosaic Provider Portal				●							
Synergy follow up				●							
High Needs Provision Capital Allocation				●							
Residents Parking Enforcement – follow up				●							
Electronic (faster) Payment Requests				●							
Treasury Management				●							
Residential & Nursing Care				●							
Continuing Healthcare, processing payments (Children's)				●							

* Additional to plan following a request

The Committee is advised that the team experienced a small reduction in resource of 0.2 FTE from April this year, with a further reduction of 0.2 FTE from October. As a result, overall audit capacity will decrease slightly. While every effort will be made to prioritise delivery of the approved audit plan, this reduction in capacity may affect overall coverage, and it may not be possible to complete all planned audits within the year. Activity will be kept under review, and any significant changes to planned work or assurance coverage will be reported to the Committee in due course.

3.0 INVESTIGATIONS (APRIL 2026 – SEPTEMBER 2026)

- 3.1 **Council Tax Support Investigations** - Council Tax fraud involves providing false information or failing to report changes to reduce liability, including incorrectly claiming discounts or exemptions. To date, 24 investigations have commenced. One case resulted in removal of a discount and estimated savings of £1,874.95. Three investigations remain ongoing.
- 3.2 **Housing Tenancy Fraud** involves providing false information or unlawful activity to obtain or retain social housing, including subletting or misrepresenting eligibility. Since 1 April 2026, 32 investigations have been opened. One property was recovered during this period, although that investigation commenced during the 2023/2024 financial year, the property was recovered in the first quarter of 2026/2027. The case related to a succession claim. 13 investigations remain ongoing. Notional savings from recovered properties total £78,300, based on Cabinet Office methodology.
- 3.3 **Disabled Persons Parking (Blue Badges)** fraud involves misuse, including use by non-holders, forged or altered badges, or false applications, reducing access for legitimate users. Since April 2026, 27 referrals have been received. We have closed 21 investigations, of which 9 received warning letters, and 9 blue badges were seized and destroyed. Leaving 3 Blue Badge Investigations remaining open. Notional savings from seized badges total £7,146, based on Cabinet Office methodology.
- 3.4 **Internal Investigations** examine alleged misconduct and may result in disciplinary or criminal action. Five referrals were received. Preliminary investigations resulted in no further action being taken in 1 case, while 1 referral resulted in the contractor resigning with immediate effect, leaving 3 cases under active review. The notional saving achieved regarding the 1 resignation is £53,460.00, adopting the notional savings multiplier used by the Cabinet Office in its National Fraud Initiative report.
- 3.5 **Data Protection Act Requests** - The team supports Thames Valley Police by providing intelligence to assist investigations and safeguarding activity. Between April and June, 43 requests were processed.
- 3.6 **Fraud Hub** - Participation in the Cabinet Office Fraud Hub supports fraud detection through data matching and cross-agency collaboration. Between April and June 2026, a total of 8,059 matches were received across a range of datasets, including Council Tax, Payroll, Housing Tenants and Concessionary Travel. A risk-based approach was adopted, resulting in 341 matches being reviewed, which identified £11,814.75 in savings. This approach ensures resources are focused on the highest-risk cases while maximising the effectiveness of data-matching activity.

Audit and Governance Committee

24 September 2026



Reading
Borough Council
Working better with you

Title	Strategic Risk Register – September 2026
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Louise Duffield, Executive Director of Resources
Report author	Robin Pringle, Corporate Health, Safety and Risk Management Lead
Lead Councillor	Councillor Ruth McEwan, Lead Councillor for Corporate Services and Resources
Council priority	Ensure Reading Borough Council is fit for the future
Recommendations	1. That Audit and Governance Committee are asked to consider the Councils Strategic Risk Register as of September 2026 (Appendix 1)

1. Executive Summary

- 1.1. This report outlines the September 2026 update of the Strategic Risk Register. The Register is presented to the Council's Audit & Governance Committee every six months. The previous report was presented to the Council's Audit and Governance Committee in April 2026.
- 1.2. The following documents are appended:
 - Appendix 1 - The Council's Strategic (Corporate) Risk Register

2. Policy Context

- 2.1. The Risk Management Policy and Procedure was presented to Audit & Governance Committee in October 2024, and it is available on the Intranet.
- 2.2. Risk management is a key part of corporate governance. Good risk management will help identify and deal with key strategic risks facing the Council in the pursuit of its goals and is a key part of good management, not simply a compliance exercise. Risk management and internal controls are important and integral parts of a performance management system and are crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving the Council's outcomes.
- 2.3. RBC are operating a comprehensive risk management system, to provide greater governance and reassurances to our insurers and Members. This is achieved by improving:
 - The policy commitments and roles and responsibilities,
 - Defining a clear operating procedure,
 - The frequency of risk reporting, and
 - Working closely with our insurers and risk consultants to embed the new system.

- 2.4. The Corporate Management Team (CMT) and Directorate Management Teams (DMT's) are required to continually review their existing risks, determine if they are still relevant and fit for purpose and determine whether there are new risks that need incorporating into the Risk Registers. DMT's are also asked to determine if any risks should be escalated to the Strategic Risk Register.
- 2.5. The Strategic Risk Register provides a concise, focused, high-level overview of strategic risks that can be easily communicated to all staff, councillors, and stakeholders (e.g., Council's Insurers). It should always be supplemented by directorate, service and project risk registers.

3. The Proposal

- 3.1. The Strategic Risk Register covers the actions completed by the Council between April 2026 - September 2026 and the future risk ratings for the Council for October – December 2026. Timing of reports to Audit & Governance Committee means the report is produced slightly before the end of the quarter.
- 3.2. The Strategic Risk Register was reviewed by the Corporate Management Team (CMT) on the 1st September 2026.
- 3.3. The Strategic Risk Register (Appendix 1) for agreement, consists of 11 risks, one less than the last report. The risks are:
 1. Risk of loss from cyber-attack.
 2. Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand. Insufficient provision impacts on the Dedicated Schools Grant (DSG) High Needs Block (HNB) deficit.
 3. Unable to deliver a balanced budget as a result of demand pressures and achieving income targets.
 4. Failure to deliver zero carbon commitments (Climate mitigation)
 5. Failure to safeguard vulnerable adults.
 6. Failure to safeguard vulnerable children.
 7. Failure to adapt to the impacts of climate change (Climate adaptation)
 8. Information Governance - Failure to protect personal data.
 9. Failure to fulfil our obligations under the PREVENT Duty
 10. Failure to mitigate risks or manage issues, associated with health & safety, appropriately
 11. Risk to adherence to Care Act Statutory duties as residents are waiting in Adult Social Care

3.4. Risks that have been escalated from Directorate registers to the Strategic Register

- **Directorate of Children's Services**
 - No risks escalated.
- **Directorate of Resources**
 - No risks escalated
- **Directorate of Adult Care and Health Services**
 - No risks escalated
- **Directorate of Economic Growth and Neighbourhood Services**
 - No risks escalated

3.5. Risks for de-escalation from the Strategic Risk Register to Directorate registers

The risk titled 'Failure to retain and recruit staff' was removed from the Strategic Risk Register per the request from Executive Directors in June 2026. HR are identifying the services where retention and recruitment remain an issue, and these will be recorded in individual Directorate Risk Registers.

- **Directorate of Children's Services**

- No risks de-escalated
- **Directorate of Resources**
 - No risks de-escalated
- **Directorate of Adult Care and Health Services**
 - No risks de-escalated.
- **Directorate of Economic Growth and Neighbourhood Services**
 - No risks de-escalated.

3.6. There are 4 red risk cards.

1. Risk of loss from cyber-attack.
2. Unable to deliver a balanced budget because of cost-of-living increases, demand pressures and achieving income targets.
3. Failure to adapt to the impacts of climate change (Climate adaption).
4. Failure to safeguard vulnerable children.

3.7 There are 6 amber cards.

1. Information Governance - Failure to protect personal data.
2. Failure to fulfil our obligations under the PREVENT Duty. This has remained an amber risk for the last 4 quarters and will continue to do so as recruitment remains a key focus due to the impending retirement of a highly experience Prevent Lead.
3. Failure to safeguard vulnerable adults.
4. Failure to mitigate risks or manage issues, associated with health & safety, appropriately. This has remained the same for the last two quarters. Whilst this risk rating has fluctuated over the past 4 quarters, it currently sits at an amber risk, due to the completion of a significant number of actions within the Housing H&S Action Plan.
5. Risk to adherence to Care Act Statutory duties as residents are waiting in Adult Social Care.
6. Failure to deliver zero carbon commitments (Climate mitigation). This reduced to an amber risk in Q1 2026 due to the commencement of numerous projects to reduce carbon across the borough.
7. Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand and the impact on the high need's deficit. This has been de-escalated from a red risk in the previous quarter to now an amber risk. This is due to positive progress on developing more school places at Whitley Park and Ridgeway primary school sites.

3.8 Guidance is provided in relation to the scoring of risks to enable as much consistency as possible; it remains a subjective process. The primary aim of the Strategic Risk Register is to identify those key vulnerabilities that Corporate Management Team consider need to be closely monitored in the forthcoming months and, in some instances, years ahead. In some cases, this will be because the risk is relatively new and, whilst being effectively managed, the associated control framework is yet to be fully defined and embedded. In such circumstances it follows that not only will the potential impact be large, but the risk of likelihood of occurrence could also be increased.

3.9 In order to focus senior management and Member attention on areas of greatest risk, the Register should include only the key current risks that have not been mitigated down to the acceptable risk level. Where risks have been rated as green for 2 or more consecutive quarters they are removed from the Register. These can be re-instated should the risk increase again.

3.10 In order to support the embedding of risk management principles across the Council, 255 Managers have now completed the 'Risk Management for Managers' training course and twice monthly courses are planned for 2026 and 2027. The target is 300 managers. These will be provided by the Councils Senior Risk and Health and Safety Adviser.

- 3.11 The risk management intranet page and SharePoint site has been updated to include numerous guidance notes to support managers complete their duties.

4. Contribution to Strategic Aims

- 4.1. Regular review of the Policy, and Strategic Risk Register, is an integral part of effective risk management arrangements and corporate governance. Each risk is linked to a Corporate Plan theme.
- 4.2. 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
- 4.3. 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
- 4.4. Full details of the Council Plan and the projects which will deliver these priorities are published on the Council's website - [Council plan - Reading Borough Council](#). These priorities and the Council Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

5. Environmental and Climate Implications

- 5.1. The Council declared a Climate Emergency at its meeting on 26 February 2019 (Minute 48 refers).
- 5.2. There are no specific environmental and climate implications arising from the decision. The Strategic Risk Register includes two risks related to climate implications and the actions to mitigate these risks are included in Appendix One.

6. Community Engagement

- 6.1. The consultation duty is not applicable to the Risk Management Policy & Procedure.

7. Equality Implications

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

8. Other Relevant Considerations

- 8.1. There are no other considerations relevant for this report

9. Legal Implications

- 9.1. There are no specific legal implications arising from the recommendations in this report.

10. Financial Implications

- 10.1. There are no specific financial implications arising from the recommendations in this report.

11. Timetable for Implementation

- 11.1. Each individual risk card identifies its own implementation timetable.

12. Background Papers

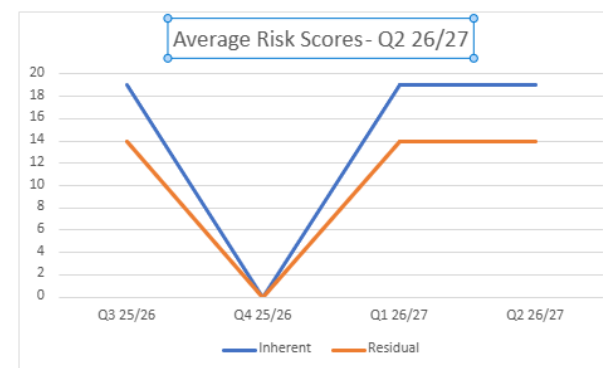
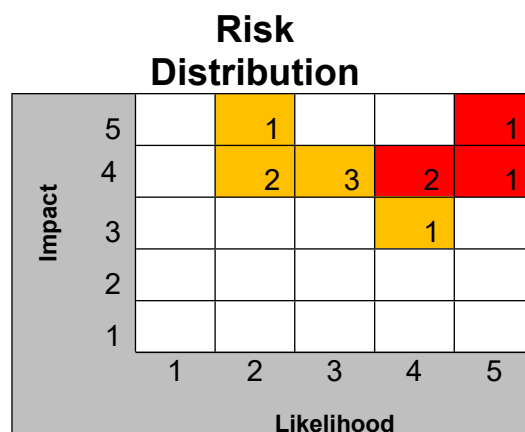
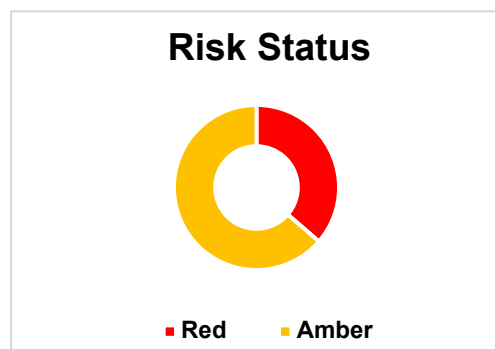
12.1. There are no background papers.

Appendices

1. Strategic Risk Register as at September 2026

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Strategic Risk Register Summary Page – Q2 2026/2027



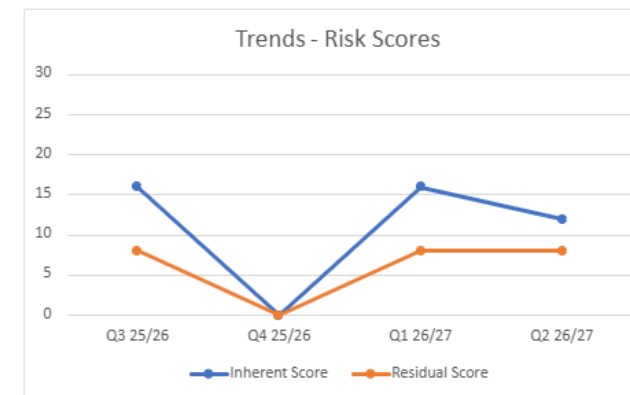
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Risk	Risk Owner	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Strategic Risk: Information Governance - Failure to protect personal data	Gavin Handford	8	0	8	8
Strategic Risk: Cyber - Risk of loss from cyber attack	Louise Duffield / Anrul Ullah	20	0	20	20
Strategic Risk: Risk to adherence to Care Act Statutory duties as residents are waiting in Adult Social Care	Jo Purser	12	0	12	8
Strategic Risk: Unable to deliver a balanced budget as a result of demand pressures and achieving income targets.	Darren Carter	20	0	25	25
Strategic Risk: Failure to deliver zero carbon commitments (Climate mitigation)	Emma Gee/ Ben Burfoot	15	15	12	12
Strategic Risk: Failure to adapt to the impacts of climate change (Climate adaptation)	Emma Gee/ Ben Burfoot	16	16	16	16
Strategic Risk: Failure to safeguard vulnerable adults	Jo Purser	12	0	12	12
Strategic Risk: Directorate of Childrens Services - Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand. Insufficient provision impacts on the Dedicated Schools Grant (DSG) High Needs Block (HNB) deficit.	Brian Grady	16	0	12	12
Strategic Risk: Failure to fulfil our obligations under the PREVENT Duty	Jackie Yates / Zoe Hanim	10	10	10	10
Strategic Risk: Failure to mitigate risks or manage issues, associated with health & safety, appropriately	Louise Duffield/ Robin Pringle	12	0	12	12
Strategic Risk Failure to safeguard vulnerable children	Nabeel Chaudhry	16	0	16	16

Note: Due to a technical issue with the Risk Management Software system, there are no scores for Q3 25/26 unless managers backdated their information.

Risk Title	Strategic Risk: Information Governance - Failure to protect personal data	Register: Strategic	Residual Score:
		Risk Owner: Gavin Handford	
Cause	User error, lack of policy guidance and procedures, failure of system reminders, staff workloads resulting in insufficient care and attention to detail.		8
Potential Impact	Fines/penalties, reputational damage and service failure. Wasted time and cost involved in responding to service failure.		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	4	-	4	4
Likelihood Inherent	4	-	4	3
Inherent Score	16	0	16	12
Impact Residual	4	-	4	4
Likelihood Residual	2	-	2	2
Residual Score	8	0	8	8



Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk
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Specific Actions Required			
	Title	Date for completion	Status
1	Refresh and relaunch Information Governance Champions Network	31/12/2026	In Progress
2	Procure redaction software to improve process for Subject Access Requests	31/10/2026	In Progress
3	Information Sharing Protocols to be reviewed by Information Governance Champions Network (IGCN)	30/03/2027	Not Started
4	Records of Processing Activities (ROPA) in place. 2026/27 review to occur.	30/09/2026	In Progress
5	Cascade of compliance requirements now through the Information Governance Champions Network (IGCN).	30/03/2027	Not Started

Expected risk score after all actions are complete

Predicted Score	6
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Background Information

Information governance is an important issue for the Council as information is a corporate resource and is essential for the delivery of services to residents. The Council has duties to manage information properly, under the General Data Protection Regulations (GDPR). In addition, in order to make best use of the information, it should be organised in a way that allows Services to derive maximum benefit from it.

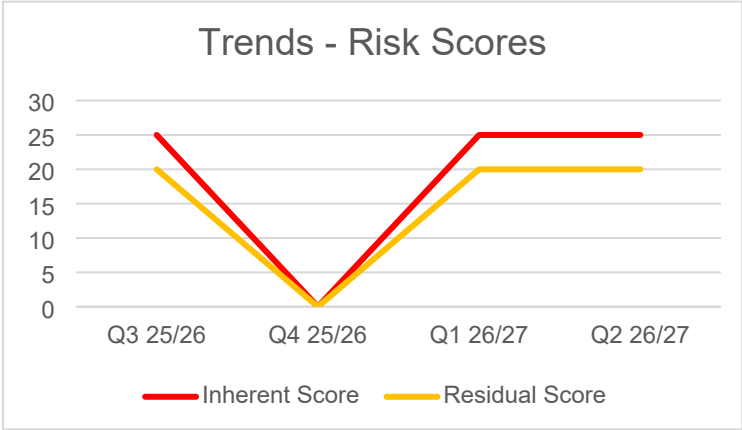
Breach of information governance poses significant risk to the privacy of individuals and fines and reputational damage to the Council by the Information Commissioners Office (ICO).

Existing Controls in Place

- Information Governance Board (IGB) set up to oversee delivery of Information Management Strategy and compliance.
- Information Management Strategy agreed at Policy Committee on 7th March 2022.
- Corporate training programme for data protection, raising awareness with staff groups of the need to handle personal data securely and properly. Data Protection Training is mandatory for all staff.
- Oversight from the Audit and Governance Committee on a regular basis.
- Face to Face Data Protection refresher training is available for staff as and when needed.
- Subject Access Request policy and Breach Management policy reviewed by Information Governance Board. Further training to be delivered to staff.
- Privacy Notices are being updated for each service area and made available to service users. This is kept under review in Information Governance Champions Network (IGCN).
- Information Sharing Protocols have been centralised and will be reviewed by IGCN.
- The Council now has retention schedules for each directorate. All retention schedules have been updated and will be reviewed through ongoing IGCN programme to ensure they are being actioned. Further work through the IGCN will ensure that the schedules are given greater visibility and to assess level of compliance.
- New Information Governance and Cyber Security modules have been rolled out as mandatory training. Uptake is subject to monitoring at Information Governance Board.
- Corporate Management Team (CMT) have confirmed a corporate approach to mandatory training which includes Data Protection and Information Governance (January 2024).
- Review of Breach Management Policy commissioned in relation to external suppliers of software systems.

Risk Title	Strategic Risk: Cyber - Risk of loss from cyber attack	Register: Strategic	Residual Score
		Risk Owner: Anrul Ullah	20
Cause	Attack by hostile nation states, criminals or activists. Likelihood remains high. The continuing evolution of the threat environment means that the likelihood will remain high, particularly with the evolving geopolitical unrest around the world. Our actions continue to align with the government's cyber security strategy 2022- 2030 (www.gov.uk)).		
Potential Impact	Loss of service, loss of reputation, Loss of data, legal challenges, recovery costs.		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	5	-	5	5
Likelihood Inherent	5	-	5	5
Inherent Score	25	0	25	25
Impact Residual	4	-	4	4
Likelihood Residual	5	-	5	5
Residual Score	20	0	20	20



Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk
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Specific Actions Required			
	Title	Date for completion	Status
1	Implementation of Security information and Event Management (SIEM)	31/09/2027	Not Started
2	Achieve Cyber Essentials Plus certification (delayed as a result of delays in legacy application replacement)	31/03/2027	Not Started
3	Introduction of the Customer & Case Management new IT system to remove old software	31/03/2027	In Progress

□

Expected risk score after all actions are complete

Predicted Score	20
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Background Information

The continuing evolution of the threat environment - not least owing to the war in Ukraine and Middle East - means that the likelihood will remain high, notwithstanding the significant set of actions in place. As evidence of this, we continue to intercept over 75% of emails sent to our network. We also continue to block over 5,000 attempts by users to access web links that led to malicious sites monthly. The high impact of cyber incidents has been demonstrated by incidents such as the Haringey and Redcar & Cleveland, M&S and Jaguar Landrover (summer 2025) ransomware attacks. While the risk to loss of applications and data from a cyber-attack does not diminish, in the last quarter we have taken further measures to reduce the likelihood slightly. This has included the introduction of Multifactor Authentication as well as further enhancement and enforcement of cyber training programme for all staff across RBC.

Existing Controls in Place

Organisational controls

- Security governance provided by Information Governance Board, which reviews policy and strategy relating to cyber security, and also monitor reports of security incidents to identify corrective action. Assistant Director Legal & Democratic Services has been appointed as cyber security champion for Corporate Management Team (CMT), and a similar role is played in Council by the Lead Member for Corporate Resources & Customer Services.
- Staff awareness and training is critical. Training (including annual refresher training) has been made mandatory.
- A new training module has been developed in house by the digital and IT team to make this mandatory training more bespoke and user friendly.
- Cyber insurance in place (and ongoing purchase)
- Assessment of security strategy and policy to be conducted against new Local Government profile of Cyber Assessment Framework being conducted by Department for Levelling Up Housing and Communities Future Councils programme (as part of our grant award).
- Local Government Cyber Assessment Framework assessment and remediation planned
- Agreed and implemented policy and approach to enforcing mandatory training (cleansing of personnel data for tracking completed, allowing monitoring of training completion to be implemented in June/July) - Information Governance Board

Controls focused on resistance to attack

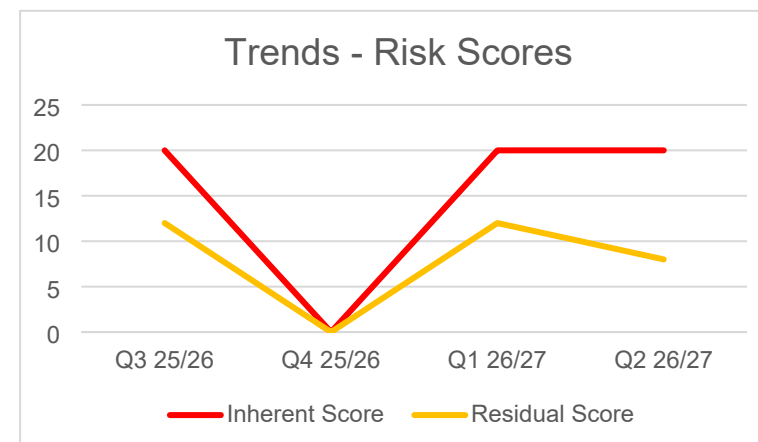
- Improved defences against attack from Internet via email and internet are now in place.
- External certification of cyber countermeasures against Cyber Essentials Plus framework - work to address gaps identified by internal review is in progress, with the most significant actions relating to work (by both IT and business teams) on certain legacy applications. Following an internal audit report that raised questions over remediation plans, an external review has been conducted. There were no major new issues arising from this review. However, we have moved the target date for Cyber Essentials assessment back by to reflect the revised timing of the implementation of some business applications on which achievement of the criteria depend, and also to allow time for a full audit of business and web applications.
- A ransomware simulation event was held in the spring of 2025, to help measure our level of preparedness for a ransomware attack.
- A similar exercise was carried out for all managers on the 24th of September at the Team Talk session.
- A higher grade of Microsoft antivirus Defender P2, has been procured and will be in place from 1st January 2026 to further prevent malware into the RBC network

Controls focused on recovery from attack

- Cyber incident response plan and cyber incident “playbooks” to reflect learning from recent attacks on the public sector and the latest guidance from the National Cyber Security Centre (NCSC).
- An exercise is in place to review business continuity plans for cyber across all areas of the business. This assessment will be followed by a cross-business cyber resilience rehearsal/exercise, following on from a limited exercise run in Legal & Democratic Services. See 'Specific Actions'
- Independent assessment of security improvement plans and threat monitoring to ensure we have robust plan to achieve Cyber Essentials Plus certification conducted
- Preparedness for cyber-attack to be assessed through review of business continuity plans - review workshops completed with all DOR services; DEGNS and DCASC to be completed - Action completed December 2024
- Carrying out actions from the ransomware simulation rehearsal April 2025.
- A cyber preparedness summit was convened by the Assistant Director Digital and IT early December 2025. Bringing together suppliers who will be involved in a cyber recovery exercise. This was convened in response to the heightened security alert following the Tri-Borough cyber-attack in November 2025

Risk Title	Strategic Risk: Risk to adherence to Care Act Statutory duties as residents are waiting in Adult Social Care	Register: Strategic	Residual Score
		Risk Owner: Jo Purser	8
Cause	Increased demand which outstrips staff capacity. Lack of capacity in the various teams to meet the complexity of demand.		
Potential Impact	Risk of death, harm or injury to vulnerable persons for whom we have a statutory responsibility Breach to meeting statutory obligations as defined by the Care Act 2014		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	4	-	5	5
Likelihood Inherent	5	-	4	4
Inherent Score	20	0	20	20
Impact Residual	4	-	4	4
Likelihood Residual	3	-	3	2
Residual Score	12	0	12	8



Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk
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Specific Actions Required			
	Title	Date for completion	Status
1	Efficiencies to MOSAIC to aid workers and reporting	30/09/2026	In Progress

Expected risk score after all actions are complete

Predicted Score	8
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Background Information

The waiting times for people who draw on care and support waiting for an assessment or review of their social care needs continues to be high as demand for interventions outstrips staff capacity across the various teams.

All teams are seeing significant demand and additional complexity. We operate a strengths based model many cases could have been brought to a resolution after 2-3 visits with the person, however this is more likely to be 4-6 visits now and practitioners are needing to undertake more joint working with the National Health Service (NHS) and other partners. Teams have reported that more court work is required which involves lengthy Mental Capacity Assessments, Court of Protection applications and Safeguarding Enquiries.

PowerBI allows managers to analysis their individual waiting lists and target the longest waits, alongside the highest risk.

This data is also reviewed at the Working for People Board and the Directorate Leadership Board which is where we oversee the impact of the mitigations, we are deploying to address the waiting times.

Q1 2025/26 - Demand and resources remain ongoing issues as part of the council's financial position. Demand continues to outstrip capacity with the service seeing as many as 20 referrals per day, as a result the risk rating has increased. We are now undertaking a deep dive to review the internal processes and referral pathways.

The RAG rating processes have been reviewed and refreshed, and the Red RAG cases are tracked on PowerBI and actioned.

Existing Controls in Place

Mitigation controls that have been put in place so far include:

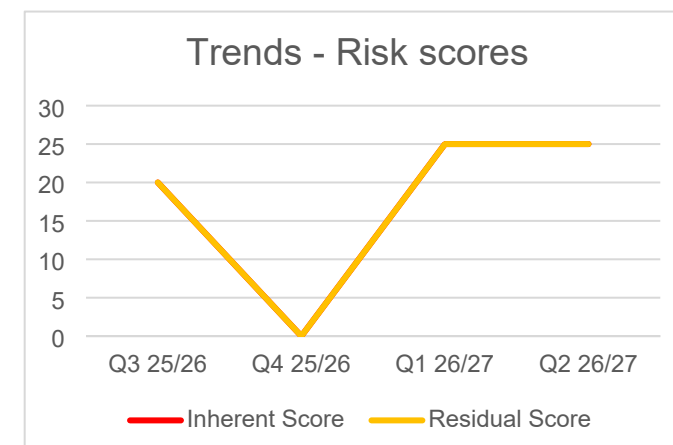
- Strong governance of demand and waits within the Directorate and shared at CMT
- Review of internal processes and referral pathways occurring
- PowerBI utilised by teams and Directorate Leadership Team
- Reviewed capacity across the service to ensure staff are deployed in the correct teams to meet need - Directorate Leadership Team (DMT).
- All residents referred into Adult Social Care are risk assessed to ensure those who are RAG rated red/urgent will be triaged within 24 hours
- The RAG rating processes have been reviewed and refreshed, and the Red RAG cases can now be tracked on PowerBI and actioned.
- Ongoing development work on Advice and Well Being Hub, Digital Front Door and Voluntary and Community Sector Front Door to manage future demand
- Deep Dive into the Social Care AWB (Advice Well Being) processes and forms to determine effectiveness
- Continued successful recruitment into frontline and leadership posts

NB: Longest overdue reviews reduced by one year.

Risk Title	Strategic Risk: Unable to deliver a balanced budget as a result of demand pressures and achieving income targets.	Register: Strategic	Residual Score
		Risk Owner: Darren Carter	25
Cause	Financial pressures arising from increasing demand pressures, increasing complexity of need, and volatility in global markets.		
Potential Impact	There is a forecast overspend in 2026-27 of £5.442 million. Mitigation plans are being developed but are not yet in place. If the forecasted overspend is not mitigated, then this will require a further drawdown from reserves that will jeopardise the future financial stability of the Council.		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	5	-	5	5
Likelihood Inherent	4	-	5	5
Inherent Score	20	0	25	25
Impact Residual	5	-	5	5
Likelihood Residual	4	-	5	5
Residual Score	20	0	25	25

Risk Status	Tolerate the risk – Agreeing to accept the risk at its current risk level. This will mean that no further risk mitigations will be implemented but the risk will continue to be monitored. No actions.
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Expected risk score after all actions are complete

Predicted Score	25
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Background Information

In the Medium-Term Financial Strategy approved by Council in February 2026, there was a forecast budget gap of £2million for 2027/2028.

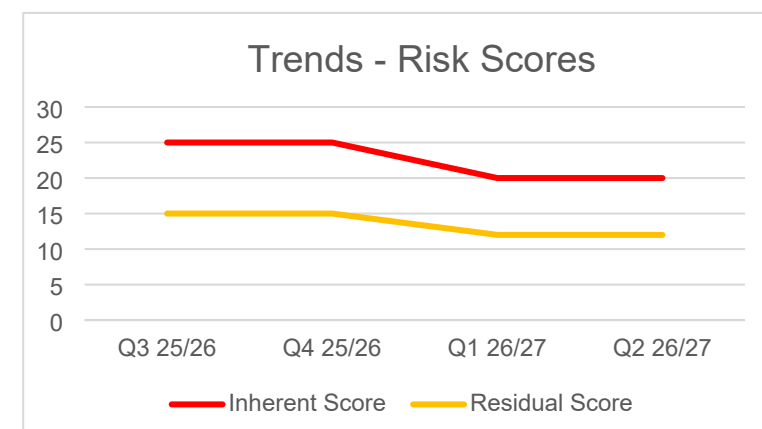
Existing Controls in Place

Controls include regular reporting to CMT and DMT's, plus quarterly reporting to Policy Committee.

Risk Title		Register: Strategic	Residual Score
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	Strategic Risk: Failure to deliver zero carbon commitments (Climate mitigation)		12
		Risk Owner: Ben Burfoot	
Cause	1. Lack of clear policies and plans in place to deliver 2. Insufficient investment of Council resources in delivery; 3. Lack of partner/resident engagement and ownership of climate action; 4. Inadequate government funding and policy support for delivery.		
Potential Impact	The main direct impacts on the Council are (i) practical in the sense that if the Council is not seen to be leading by example, the success of its efforts to persuade other partners and residents to cut their emissions will be reduced and (ii) reputational, in that the Council may be accused of not delivering on its promises, noting that some of the action required to deliver a net zero Reading by 2030 is beyond the Council's control. The 'impact' score is therefore based on this rather than the ultimately catastrophic impacts which will arise in the long-term from unmitigated climate change (see also 'Failure to adapt to climate change' risk card).		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	5	5	4	4
Likelihood Inherent	5	5	5	5
Inherent Score	25	25	20	20
Impact Residual	3	3	3	3
Likelihood Residual	5	5	4	4
Residual Score	15	15	12	12



Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk
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Specific Actions Required			
	Title	Date for completion	Status
1	New Carbon Plan published	30/04/2027	In Progress
2	Decarbonisation of Council owned buildings (funding dependent)	29/03/2030	In Progress
3	Decarbonisation of the Council vehicle fleet (funding dependent)	01/04/2032	In Progress
4	Climate training roll out to priority cohorts (officers and members) to continue through 2026/2027	31/12/2026	In Progress
5	Levelling up Fund Decarb of Hexagon	31/03/2027	In Progress
6	Electric Buses delivery. 24 on the road. Remaining are on order (49 in total)	01/04/2027	In Progress
7	Bus depot to receive roof solar - Reading Community Energy Society	31/12/2026	In Progress
8	Central Library decommissions	01/04/2027	In Progress
9	Low Carbon Housing Plan to be published	01/04/2027	In Progress

10	Local Authority New Build completed to Zero Carbon Standard	31/12/2027	In Progress
11	Carbon offset fund to support retrofit (linked to Low Carbon Housing Action Point 8 above)	01/04/2027	In Progress
12	Minster Quarter - net zero compliant (Development agreement signed Oct 2025. Next milestone is Conditionality at 12 months)	30/10/2026	In Progress
13	Electric Taxis - first stage of project completion	TBC	In Progress
14	Retrofit programme (Warm Homes Grant)	01/04/2027	In Progress
15	Solar Together available to private households	01/04/2027	In Progress
16	Retrofit Advice service for Berkshire (Prosperity Board) to be implemented	31/12/2026	In Progress
17	Heat Network Zone (Berkshire). Expression of interest lodged. Clarifications have been received. Awaiting outcome.	01/04/2027	In Progress
18	LEVI project (Electric Vehicle (EV) charging) Contract and implementation >2500 EV charging points. (80% provided by target date) Private sector provider commenced construction.	02/04/2029	In Progress
19	Heat pump programme rollout (Programme to be determined). Social and private.	03/04/2028	Not started

Expected risk score after all actions are complete

**Predicted
Score**

9

Background Information

This risk relates primarily to the Borough-wide target of net zero by 2030 which the Council can influence but not control in its entirety (delivering the corporate net zero by 2030 target is a separate risk in the Directorate of Economic Growth and Neighbourhood Services (DEGNS) Directorate Risk Register). A major factor is the prevailing government policy and funding position which, as Reading's climate emergency declaration made clear, would need to change significantly to enable the 2030 target to be met. The 7th Carbon Budget Report released (February 2025) by the Committee for Climate Change sets out a balanced pathway to net zero by 2050 which indicates that net zero position would not be met until there is widespread uptake of key technologies. This would most likely go out beyond 2030 and so the risk of not meeting net zero by 2030 remains high albeit a new climate emergency strategy focusses on continuing decarbonisation efforts beyond 2030. Failure to deliver the Council's net zero commitments will ultimately contribute to catastrophic climate change impacts although the 'contribution' of greenhouse gas emissions from Reading will ultimately be indistinguishable from that of other jurisdictions.

Existing Controls in Place

Action is broken down in relation to 'cause' categories listed above as follows:

1. Lack of clear policies and plans in place to deliver:

- Reading Borough Council (RBC) worked with partners to develop the Reading Climate Emergency Strategy 2025-2030, which includes action plans for all key policy areas. It was adopted by the Council's Strategic Environment, Planning & Transport (SEPT) Committee November 2025). Implementation is underway and includes delivery under 6 main themes and a number of cross cutting themes. Theme Co-leads are nominated from Council and non-Council respectively (Council co-leads not yet all confirmed @Q1 2026/7) and meet quarterly to assess progress against the action plan. Following a successful 'Reading Leaders' Summit on Climate' on 22nd March 2024 and a 'Year of Climate Engagement', the new strategy was issued for consultation in 2025 and adopted at SEPT committee in November. The strategy does not contain sufficient actions to meet the objectives set out in the strategy, but the action plan is iterative and will be reviewed and 'ratchetted' as the five-year strategy is delivered.
- Reading Borough Council produces its own Corporate Carbon Plan to set out its pathway to net zero and action required (adopted by Strategic Environment, Planning & Transport Committee November 2020). This policy has now expired, and a new policy is being developed. Data is currently being processed for the Council's GHG report which will determine how close to the target position of 85% reduction on 2008/9 baseline will be delivered. The 2024/25 data shows that the Council was well above the target showing 73.4% rather than 84%. The 2025/6 figures are expected to show greater than 75% reduction but likely to fall well short of the 85% target.
- Annual Reports on progress with both the Climate Strategy and Carbon Plan are presented to Strategic Environment, Planning & Transport (SEPT) Committee on the anniversary of their publication. In place and the latest Annual Reports were published November 2025.

- A mandatory section of Committee Reports requires report authors to assess the environmental and climate impacts of decisions, using a climate impact assessment tool and accompanying guidance where appropriate. This is in place with periodic audit of compliance completed Q4 2022-2023 and remedial action underway. Similar mechanism included in Budget Bids from 2023.

2. Insufficient investment of Council resources in delivery:

- The Council's capital programme includes significant investment designed to directly or indirectly support net zero goals, including investment in public transport, energy efficient housing, sustainable waste management practices, and carbon reduction measures in the Council's own buildings and fleet. However, these capital funds (principally the low carbon capital programme and the solar programme have faced stalled delivery due to uncertainty with buildings fleets. The fleet replacement programme has also stalled due to issues with new electric vehicles and pressures on services. Going forward these issues will increase the risk of failing to delivery on these targets and increase exposure to this risk. Efforts have also been made to secure external grants to support installation of low carbon measures (e.g. successful applications to Thames Valley Berkshire Local Enterprise Partnership (TVB LEP) for Civic Offices decarbonisation, and to Public Sector Decarbonisation Scheme (PSDS) for Hexagon decarbonisation). Grant has also been secured for social and public housing albeit there was a relatively low settlement for Reading due to a lack of match funding offered. The PSDS was revoked in the last spending review, meaning less available funding.
- While the Council's revenue budgets for dedicated work on climate change are modest in isolation, efforts are being made to ensure that climate action is embedded in all services and service plans through provision of support such as guidance and training for officers. A programme of Carbon Literacy training for senior officers and elected members is now underway with over 100 managers trained.

3. Engagement of partners and residents:

- Emissions from the Council's direct operations represent just 1.2% of the total for Reading, and it can influence an estimated 33% of Borough emissions overall. Securing ownership of climate action from organisations, businesses and residents is therefore vital. Some of these partners come together in the Reading Climate Change Partnership (RCCP) which is hosted by the Council. The Council is working with partners to build ownership of key actions via recently published Climate Emergency Strategy 2025-2030. Although events like the Climate Festival indicate good participation and publicity for climate action, the partnership remains significantly underfunded with only one part time member of staff. In addition, the commitments by organisations other than the Council remain weak.

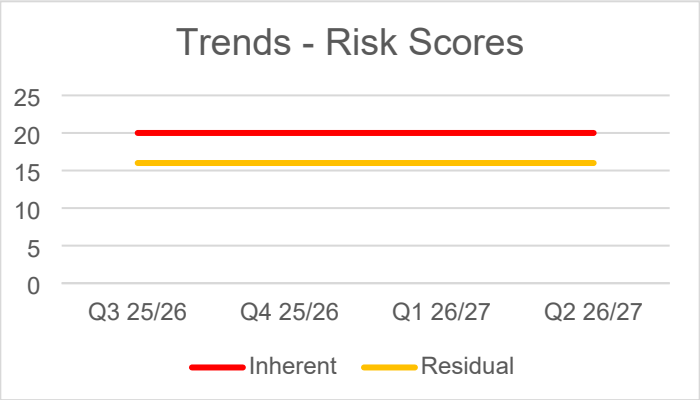
4. Inadequate government funding and policy support for delivery

- While Government policy is aligned to net zero, the national target of 2050 remains less ambitious than the local target of 2030 albeit the new government has now implemented a policy objective for clean electricity for 2030 (95% clean power by 2030). Some key Government policies have also been diluted or target dates delayed (such as the Zero Emission Vehicles mandate) though some of these have been reinstated since the General Election. Even so, some policies are not fully aligned, and while Government has made significant funding available it is not yet of the scale required to support net zero by 2030. Furthermore, most funding streams are extremely competitive and/or over-subscribed. The Council therefore works through representative bodies to lobby for more generous financial support and a more ambitious policy framework to enable net zero.
- The annual progress report on the Reading Climate Change Strategy in November 2025 highlights that while progress was being made with Borough-wide emissions reduction (which have been cut by 57% by 2023 since 2005, the 12th largest reduction out of almost 400 UK local authorities), the pace of the reduction needs to increase significantly to achieve 'net zero'. Some of the Borough-wide action needed to achieve net zero is beyond the Council's control, but the wider community understandably looks to the Council to lead by example. In this regard, the Council has been broadly on track to meet its own corporate Carbon Plan target of an 85% reduction in emissions by 2025 (en-route to net zero by 2030) - achieving a 73.4% cut since 2008/2009 but the most recent report shows a decrease of only 0.7% on the previous year and is essentially a plateauing of emissions over the past three years. Further investment will be needed to meet the net zero target and without this the gap between target and actual will widen. Monitoring and reporting on an annual basis is in place.
- RBC emissions for 2023 were published in June 2025 and showed a 57% reduction on the 2005 baseline.
- An internal audit of the Council's climate action programme was concluded in February 2022 giving 'reasonable assurance' - this made a number of recommendations to improve accountability for delivery of the Council's net zero commitments which are in the process of being implemented, including:
- Clear identification of responsible teams/officers for actions in the Reading Climate Emergency Strategy where Reading Borough Council (RBC) is listed as a delivery partner, with these actions being better reflected in the Service Plans of relevant services - this work was completed in September 2022 and guidance was issued to Assistant Directors' on how to reflect climate action in Service Plans from 2023-2024 - this has been updated and re-issued for the 2024-2025 Service Plans.
- Clearer articulation of timescales and accountability for various actions in the corporate Carbon Plan - this was completed in November 2022 and, again, guidance has been issued to relevant Assistant Directors on reflecting these actions in Service Plans from 2024-2025

- Improved support and training for officers and services to embed climate action in their work - a climate module is included in staff induction, guidance on climate assessment in Committee Reports has been produced, and sessions on climate have been included in Team Talk and Senior Leadership Group meetings. A more comprehensive 'Carbon Literacy' training offer for members and managers is underway. See 'Specific Actions'
- Reading's Climate Emergency Declaration made clear that additional powers and resources would be needed from central government to enable delivery of 'net zero by 2030' - to date, these have not been forthcoming to the extent required and this remains a significant risk to delivery of the Council's commitments, with the other risk being lack of embedding in service provision and budget.
- Further developments from the government have made some resources available through retrofit for which RBC have just joined the Portsmouth led Consortium, offering some 2250 retrofits per annum across 31 Local Authorities in the South. For Reading, this represents approximately 0.1% of the housing stock, which is a tiny fraction of the amount required. £0.5m Grant has also been secured for social and public housing albeit there was a relatively low settlement for Reading due to a lack of match funding available.
- The Local Electric Vehicle Infrastructure (LEVI) funding for public electric vehicle charging and the Boiler Upgrade Scheme which enables boilers to be replaced with heat pumps are important priorities for net zero. Public Sector Decarbonisation funding has now been withdrawn. The Council still has many buildings that need decarbonising.
- A bid to invest in decarbonisation and improving the condition of the Town Hall was submitted, but decarbonisation works were rejected.
- Published climate emergency strategy with partners 25-30
- Climate emergency communication campaign implemented
- Reading Bus Depot Electric Vehicles Delivered. Green Heat Network Fund application submitted 1st May 2026 - £17.2m to support heat network development, heat on for 2030.
- Complete Heat Network detailed project development & apply for Green Heat Network Fund - completed application made May 1st 26 – Completed action – August 2026

Risk Title	Strategic Risk: Failure to adapt to the impacts of climate change (Climate adaptation)	Register: Strategic	Residual Score
		Risk Owner: Ben Burfoot	
Cause	Inadequate planning and preparedness and long-term planning to adapt to the impacts of climate change.		16
Potential Impact	Climate change impacts (hotter drier summers, warmer wetter winters, and more extreme weather events) have a range of negative social, economic and environmental consequences, up to and including loss of life, as well as amplifying other risks (e.g. to public health, economic security, service continuity, infrastructure and supply chains). Action to adapt can reduce impacts, though the likelihood of such impacts occurring remains high, and generally rising in the coming decades, in the context of global warming which is 'baked in' as a result of historic emissions.		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	5	5	5	5
Likelihood Inherent	4	4	4	4
Inherent Score	20	20	20	20
Impact Residual	4	4	4	4
Likelihood Residual	4	4	4	4
Residual Score	16	16	16	16



Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk
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Specific Actions Required			
	Title	Date for completion	Status
1	Business continuity plans to take account of climate impacts and changes to working practices which may be needed to protect staff and service users. New proposal for Publish Health elements will partially address this risk - pending approval.	31/03/2027	In Progress
2	Continue to roll-out Carbon Literacy training to priority cohorts of senior officers and members throughout 2025/2026	31/12/2026	In Progress
3	Incorporate adaptation measures into the Town Centre and Public Realm Strategies	30/10/2026	In Progress
4	Incorporation of Adaptation Framework within Service Plans	31/03/2027	In Progress
5	Open the Carbon Literacy training to all staff throughout 2026	31/12/2026	In Progress

Expected risk score after all actions are complete

Predicted Score	16
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Background Information

Key climate impacts for which the Council needs to prepare are:

Flood Risk: The Council is responsible for surface water flooding and produced a Local Flood Risk Management Strategy in 2015 (Review commenced October 2024 - awaiting final report August 2025)

Heatwave risk: Various local agencies, including the Council and National Health Service (NHS), participate in the Berkshire Heatwave Plan and England Heatwave Plan.

Extreme weather events: The Council has a variety of roles as infrastructure owner, service provider, community leader and first responder which may involve it taking some level of responsibility prior to/during/after extreme weather events. 2024 was the warmest year on record.

The Council has (as of Q3 2024) implemented adaptation framework and this work highlighted the need to integrate adaptation planning into service planning. There currently are not the resources to drive this work through so the risk won't effectively be mitigated.

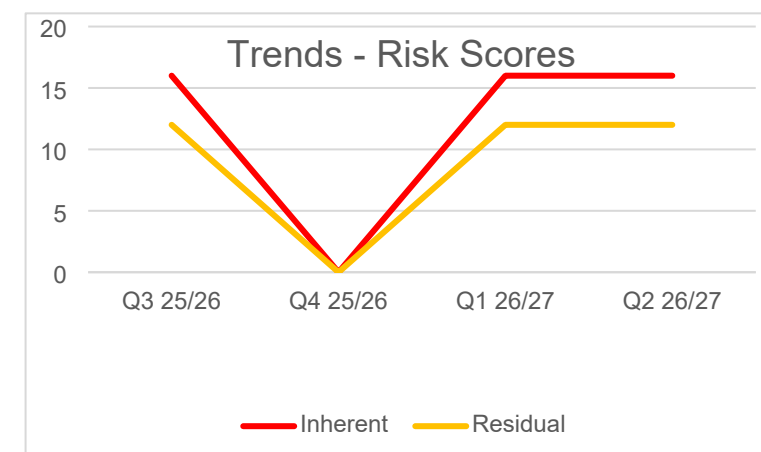
Existing Controls in Place

- Page 72
- Flood Risk: The Council is responsible for surface water flooding and produced a Local Flood Risk Management Strategy in 2015. Action has been taken in all but one of 6 'hotspots' identified and plans for works at the remaining site (Stone Street) have been approved. Flash flooding from extreme rainfall events is likely to be an increasing but unpredictable risk. The Environment Agency is responsible for fluvial flooding, and we are working with the Agency to address our main fluvial flood risks from the Thames, though the Agency's decision not to proceed with the Reading & Caversham Flood Alleviation Scheme raises questions about how to address the inherent flood risk which remains. The floods of winter 2023/2024, which tested the Council's emergency preparedness, highlighted the sort of events which are likely to become more frequent and more extreme as a result of climate change and a 'lessons learnt' exercise has been conducted. Statutory responsibility: Lead Local Flood Authority responsibility sits with Environment and Commercial Services (Sam Shean). Procedures in place: Emergency Planning Officer will open rest centres if major flooding occurs due to extreme rainfall under direction taken from Thames Valley Police Command. A sandbag policy is in place.
 - Heatwave risk: Various local agencies, including the Council and National Health Service (NHS), participate in the Berkshire Heatwave Plan and England Heatwave Plan. A 'Heat Health Planning Advice' alert was introduced in 2023 and the Council has played its part in responding to these alerts. Heatwave plans were tested in the 2022 heatwaves during which there were a significant number of excess deaths. As the severity and frequency of hot weather events increases, however, more action will be needed to protect vulnerable people and infrastructure.
 - Adverse Weather and Health Plan: This new plan was launched by UK Health Security Agency (UKHSA) in 2023 and creates new responsibilities for Local Authorities and others in responding to adverse weather events which may impact on public health. Reading Public Health and Emergency Planning are working on this activity.
 - Extreme weather events: Service business continuity plans are in place to help prepare for such events, but it will be important to ensure that these reflect the changing risk profile associated with climate change and extreme weather.
 - Climate impact assessment in decision-making: A protocol for climate impact assessment in Committee reports is now in place and being used by report authors - this includes tests to ensure that decisions are taking account of key climate impacts.
 - Planning policy and new development: The Reading Local Plan includes policies on climate change adaptation (CC3) and flood risk (EN18) designed to ensure that new development is resilient to climate impacts. The Local Plan monitoring process should enable assessment of how well these policies are being applied, and the Local Plan review provides an opportunity to revisit policies which may support resilience to climate impacts. See 'Specific Actions'.
 - 3rd National Adaptation Plan (NAP 3): Was published in July 2023 and provides an updated view of the key climate related risks and vulnerabilities facing the UK at national level (<https://www.gov.uk/government/publications/third-national-adaptation-programme-nap3#:~:text=The%20NAP3%20sets%20out%20the,under%20the%20Adaptation%20Reporting%20Power>). It also emphasises the need for Local government to ensure that local services are resilient to local climate impacts. We are expecting further clarification on what is expected by Local Government in terms of Resilience Planning.

- A programme of accredited Carbon Literacy training is being rolled out to priority cohorts of senior officers and members to help embed awareness of climate risk and response across the organisation
- A Climate Change Adaptation Framework has been adopted. It sets out how services need to adapt to a change in climate.
- A number of strategies including the public realm and town centre strategies incorporate adaptation measures. For example, recognising the need to enable mobility of water resources in the urban environment for through sustainable urban drainage and through the provision of planting to encourage shade and reduction of flood risk factors. Engagement has taken place with utility companies, namely Scottish and Southern Electricity Networks (SSEN) and Thames Water regarding the incorporation of adaptation planning measures into their functions.
- The Council adopted a Climate Adaptation Framework at Strategic Environment, Planning & Transport (SEPT) committee on the 20th of November 2024. This now needs to be embedded in the Council's services, focussing first on the highest risks identified to establish targeted actions which services can embed into their service plans.
- Ensured the Local Plan review updates adaptation policies where required. November 2024
- Completed the corporate climate change adaptation framework for the Council. November 2024
- Submitted local plan review update (net zero and heat networks). April 2025.
- Worked with partners to launch and deliver the Reading Climate Emergency Strategy Action Plan

Risk Title	Strategic Risk: Failure to safeguard vulnerable adults	Register: Strategic	Residual Score
		Risk Owner: Jo Purser	
Cause	Delay in screening safeguarding concerns and completion of Section 42 enquiries, resulting in people waiting for a significant period without appropriate risk assessment or action taken.		12
Potential Impact	Harm, injury or death of person(s) to whom adult social care has a duty Potential of legal claim for negligence, corporate manslaughter Reputational damage Media coverage		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	4	-	4	4
Likelihood Inherent	4	-	4	4
Inherent Score	16	0	16	16
Impact Residual	4	-	4	4
Likelihood Residual	3	-	3	3
Residual Score	12	0	12	12



Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk
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Specific Actions Required			
	Title	Date for completion	Status
1	Gather feedback from people with lived experience to ensure services are shaped to meet the needs of the community.	31/12/2026	In Progress

Expected risk score after all actions are complete

Deaths and serious incidents relating to abuse or neglect are reported to the Executive Director who raises as appropriate with the Chief Executive, Lead Member and Leader. They are also reported to Readings Safeguarding Adult Partnerships Board (RSAPB) which Reading Borough Council is the lead agency under the requirements of the Care Act 2014. The Safeguarding Review Panel (SAR Review Panel) which is a subcommittee of the Board considers all such cases in order to determine where a Safeguarding Adult Review (SAR) is required and reports its findings to the Board. All agencies represented on the Board have a duty of co-operation under the Care Act to cooperate with any such review and to consider and act on the learning from reviews to improve practice and take mitigating action to ensure such failures to safeguard are reduced and lessons are learnt. Safeguarding Adults Review's are published by the Board and reported onto the Care Quality Commission (CQC) who regulate Adult Social Care Statutory (ASC) Services whether provided directly by the Council or commissioned from external agencies.

This card was separated from a joint Risk Card with Children's Safeguarding in June 2024 to provider greater accuracy about each services ability to manage the risk.

The risk of likelihood has reduced due to concerns raised being screened within 48 hours, this enables immediate actions to be taken where necessary and make enquiries to identify risks and consider safety measures. August 2024.

Existing Controls in Place

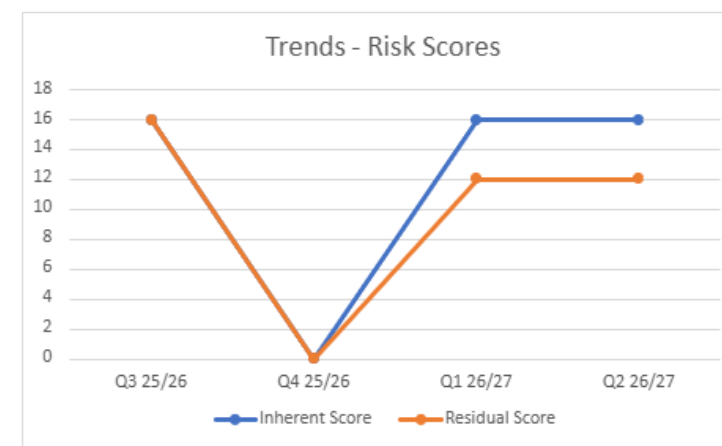
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- All Directorate staff and relevant other Officers receive mandatory training to assess safeguarding risks. Staff and Managers have regular refresher training which is mandatory and these are reported on completion to the 'Workforce Board' and Directorate Leadership Team (DLT) on a quarterly basis.
 - Supervision policy has been improved to ensure that staff receive 1-1 supervision from their managers where safeguarding is discussed and practice support is available. Ongoing support is provided through the Safeguarding Adults Team.
 - Open safeguarding episodes are reviewed and reported weekly to the Deputy Executive Director and monthly through Working with People Board, Managers in the teams have oversight and support from senior managers.
 - RBC follows the local policies and procedures, as set out by Readings Safeguarding Adults Partnership Board (RSAPB).
 - All referrals received are screened, risk assessed and prioritisation decisions made. Process for this is well embedded.
 - All learning from Safeguarding Adults Reviews (SAR's) is used to improve practice across Adult Social Care and multi-agency partners. As new reviews / cases occur the Principal Social Worker (PSW's) is responsible for implementing appropriate processes and sharing information across the service.
 - Inspection findings from the Care Quality Commission (CQC) are acted on in services provided directly by the Council or by external Providers where services are commissioned and/or supported. Procedures and staffing are in place to manage situations as they arise. Monitoring of providers occurs through Commissioning arrangements, to ensure that identified improvements occur.
 - Directorate of Communities and Adult Social Care (DCASC) provides safeguarding and quality oversight of care settings and where Serious Concerns (SC) are identified. Providers are held to account for improvements required and quality assures care quality through the contractual relationships which are commissioned. Process in place.
 - Pan Berkshire Policies and Procedures agreed and in place
 - Effective relationships embedded with key partners and forums
 - Management and supervision of staff in place across the service.
 - Quality Assurance Framework in place

Risk Title	Strategic Risk: Directorate of Childrens Services - Lack of local special educational needs and disabilities (SEND) placement to meet current and future	Register: Strategic	Residual Score
		Risk Owner: Brian Grady	

	levels of demand. Insufficient provision impacts on the outcomes for children, the Dedicated Schools Grant (DSG) and High Needs Block (HNB) deficit.		
Risk	Poor outcomes for children and failure to deliver a balanced budget position on the High Needs Block of the Dedicated Schools Grant as a result of increasing numbers of children with special educational needs and lack of local special provision.		12
Cause	Risk that the needs of children with SEND cannot be met in Reading -and/or 'Out of Borough' placements will be required, leading to costs exceeding budget and poorer outcomes for the children in question.		
Potential Impact	Risk that the needs of children with SEND cannot be met in Reading and/or Out of Borough placements will be required, leading to costs exceeding budget and poorer outcomes for the children in question. Risk that the deficit on the High Needs Block continues to increase and puts at risk the financial stability of the council.		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	4	-	4	4
Likelihood Inherent	4	-	4	4
Inherent Score	16	0	16	16
Impact Residual	4	-	4	4
Likelihood Residual	4	-	3	3
Residual Score	16	0	12	12



Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk
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Specific Actions Required			
	Title	Date for completion	Status
1	New special school provision of up to 244 places to be available	01/09/2027	In Progress
2	Additionally resourced provision places in the secondary phase	31/10/2026	In Progress

Expected risk score after all actions are complete

Predicted Score	9
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The Local Authority (LA) has a statutory responsibility to provide sufficient school places for pupils, including those with Special Educational Needs and Disabilities (SEND). Brighter Futures for Children works in partnership with Reading Borough Council (RBC) and other stakeholders to discharge this duty. There is a national and local shortage of resources and placements for children within SEND, in addition to an increase in demand for support and services. Following a steady increase in the number of Educational Health and Care Plan's (EHCP) since 2018, there has been a sharper increase in EHCP's in 2022/2023, which has been at a higher rate than the increase in the population of children and young people, meaning that a higher proportion of pupils now have an EHCP. Following the period of the pandemic more children and young people are being identified as having SEND, including in the early years, particularly increased levels of speech, language and communication needs and social and emotional mental health needs. There has also been an increase in children with autism. Collectively these needs have resulted in the increase in EHCP's, the number of which rose at a higher rate in the last year than previous years.

Demand for EHCPs is rising. As of November 2023, there were 1959 Children and Young People (CYP) aged 0-25 with EHCPs for whom RBC is responsible. This represents an increase in EHCPs of 12% since January 2023. If EHCP numbers had continued to rise at the 22/23 rate, we anticipated there being 2194 EHCP plans by September 2024. As of November 2024, there are 1972 children with an EHCP; a stabilising in terms of percentage increase, but with a greater proportion of EHCPs requiring additional funding.

From September 2024, projections have confirmed that Reading needs 1184 places for CYP with EHCPs outside of mainstream settings. From September 2024, all proposed Additionally Resourced Provisions (ARPs) opened, and Hamilton school increased its intake to 64 children, resulting in a total of 800 places available for children in ARPs (408) and Maintained Special Schools (MSS) (392). New all-through Independent Non-Maintained Special Schools (INMSS) provision has been explored, with a possible 140 places in total for which Reading children given priority from September 2024.

This means that there are 940 places available in INMSS/ARP/MSS for Reading children, but a need of 1184 places, leaving a shortfall of 244 places.

Participation in the Department of Education (DfE) Delivering Better Value programme established a future demand and financial forecast based on data from 2020 to 2023. This identified an unmitigated forecast of financial pressure, which, if not mitigated, would lead to an accrued budget pressure of £97,598,000 by 2027/28. The pressures are being driven through the significant increase in Education health and Care Plans from April 2022, and the increased demand pressures leading to more INMSS places being used, in the absence of other more cost effective school places being available. Planned mitigations reduce the projected budget pressure to £50,000,000 by 2030. Further special school places are needed to reduce the budget pressure further.

Planned Additionally Resourced Provision Places have been delivered for the 25/26 academic year. As of July 2026, building work is progressing well on the identified two school sites for the key action, new special school provision. However, the risk rating remains unchanged due to the ongoing financial pressures.

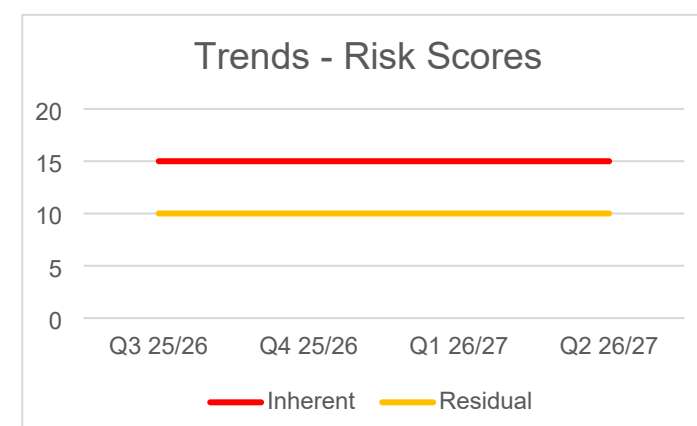
Existing Controls in Place

- The local area SEND Strategy 2022-2027 sets out partnership actions to identify and respond to needs of children with SEND at the earliest opportunity and in the most efficient way and develop the appropriate range of provision to meet need. Joint partnership steering group for the strategy is overseeing action plan and monitoring progress
- New free special school opened in Wokingham September 2023, providing 75 places for Wokingham and Reading children, as a joint partnership between Reading and Wokingham Councils. 17 places have been secured for Reading children as part of the phased opening.
- An additional 90 places have been secured from local schools to deliver Additionally Resourced Provision from September 2023.
- Further places in Additionally Resourced Provision (ARP) from April and September 2024 have been delivered
- Two independent special school providers have established additional local provision, which is helping meet immediate need for places for children with Special Educational Needs and Disabilities. New SEND advisory and support service commenced January 2024.
- Strategic Asset Review completed, identifying opportunities for special schools on community school sites to meet the needed 244 projected places.
- Transition to adulthood planning and post 16 placements for children with SEND through closer working with Adult Social Care. SEND Strategy Steering Group (from April 2024)
- 'High needs block' deficit management plan being implemented; including EHCP reviews and demand management actions - High Needs Block Review Meeting. Executive Director and Chief Finance Officer attend these monthly meetings to monitor spend.
- 10 more local specialist school places for children with SEND (Social, Emotional & Mental Health) through improved local provision - SEND Transformation Group
- Options for special school delivery secured, and work with schools underway overseen by the SEND Transformation Group and Corporate Management Team (CMT)
- Procurement of architects to confirm programme viability for four shortlisted options. November 2024
- Reviewed transition plans for top 50 children in high-cost placement, including those transitioning to adult services. November 2024

- Consideration of options for new special school provision presented to ACE Committee in January 2025
- 40 more 'Additionally Resourced Provision' places in North and East Planning Area. June 2025

Risk Title	Strategic Risk: Failure to fulfil our obligations under the PREVENT Duty	Register: Strategic	Residual Score
		Risk Owner: Jackie Yates/ Zoe Hanim	
Cause	The terrorist threat we are currently facing is multifaceted with a changing and diverse landscape particularly driven by social media, highlighted by the disorder after the Southport incident on 29 July 2024 and Manchester Synagogue incident October 2025. Limited resources. Further incidents impacting on the Jewish community in the Golders Green area of London. National threat level raised to severe on 1 May 2026 as a result.		10
Potential Impact	Reading suffered a terrorist attack in June 2020 with the loss of three lives. Since 2020, (as of October 2025) agencies and law enforcement have disrupted 20 late-stage plots. Since 2017 there have been 18 domestic terror attacks. There was the recent attack in October 2025 which took place at a Manchester synagogue where two people died. With further incidents in Golders Green in spring 2026. These tragic attacks have caused deaths and casualties among people going about their daily lives as well as impacting on the whole community. A terrorist attack in the UK by a self-initiated terrorist (S-IT) is likely and could relate to either Extreme Right-Wing Terrorism or Islamist Terrorism. Low-sophistication methodologies, such as use of bladed weapons or vehicles, remain the most likely method of attack across all ideologies.		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	5	5	5	5
Likelihood Inherent	3	3	3	3
Inherent Score	15	15	15	15
Impact Residual	5	5	5	5
Likelihood Residual	2	2	2	2
Residual Score	10	10	10	10
Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk			



Specific Actions Required			
	Title	Date for completion	Status
1	Raise awareness across organisations and communities about the increasing threat from extremist and fascination with violence influence on social media and gaming platforms	31/07/2027	In Progress
2	Promote awareness of the Prevent and Channel process to professionals, the voluntary sector and business community to safeguard young and vulnerable individuals	31/07/2027	In Progress
3	Promote connected communities by strengthening cohesion and building resilience	31/07/2027	In Progress
4	Monitor community tensions to understand and mitigate risks to vulnerable groups and the wider community	31/07/2027	In Progress
5	Ensure the local Reading Channel Panel is an effective and knowledgeable working partnership in managing individuals referred for support	31/07/2027	In Progress
6	Partners deliver annual training to ensure staff have the knowledge and capabilities to understand their role in identifying and supporting individuals susceptible to radicalisation	31/07/2027	In Progress

Expected risk score after all actions are complete

Predicted Score	10
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Background Information

The Prevent Programme is one of 4 strands of the Government's Counter-Terrorism Strategy- Contest (the others being Pursue, Protect, Prepare) and is therefore one element of the government's approach to reduce the risk of terrorism in the area.

A Counter Terrorism South East Local Profile (CTLP) produced each March, is used to inform the local action plan and updates are reported to the Prevent Management Group Quarterly by the Counter Terrorism police team. The CTLP released in March 2026 has highlighted that Thames Valley and the South-East region continues to face a persistent threat from both IT and ERWT, National issues and international conflict continue to have local ramifications as communities react to unfolding events, There is evidence of an elevated sense of fear among Jewish communities as well as groups vulnerable to extremism highlighted in questionnaire returns included: young people (especially males and those with neurodiversity or mental health issues), vulnerable adults, those socially isolated (e.g. those 'NEET' or home-schooled), asylum seekers and unaccompanied asylum-seeking children (UASC).

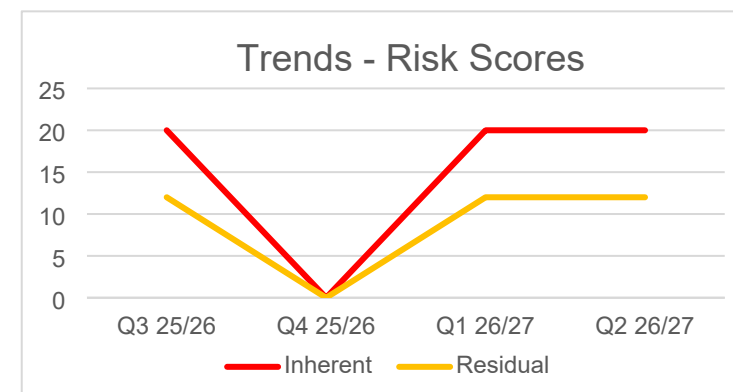
Existing Controls in Place

A Prevent action plan is developed each year approved by the Prevent Management Group in July and signed off by the Community Safety Partnership each September. This is informed by the CTLP and local risk assessment. The plan is designed around meeting the seven benchmarks we are expected to deliver against in line with the Prevent Duty statutory guidance. A key component is training, ensuring that front-line staff are trained in Prevent. As of April 2026 85%, of Council staff had taken the mandatory course. They should understand Prevent is about early intervention to support vulnerable people who might be at risk of radicalisation and understand the referral pathway. In addition, a communications and engagement plan should be in place to raise awareness. Key activities include ensuring we provide information about Prevent on our website. We also provide information about online safety as being radicalised online is a key risk. We run social media campaigns to tie in with Hate Crime Awareness week each October and on-line safety week each February. For the last two years there has been a young people's summit for young people and practitioners looking at issues that concern them informed by an annual survey. With the rising threat level national and local concerns there may be following incidents such as the Southport attack, a new community leaders email network has been established in 2026 to enable a two-way dialogue when incidents occur. A community leaders' event with the theme of Keeping Safe will take place on 9th September 2026. The aim is to engage our communities, understanding more about local concerns as well as providing briefings on Prevent and Protect. The Prevent Duty's key requirement is to ensure there is an effective channel panel in place to provide support to vulnerable people referred to Prevent. Panel members are offered training including a development day in September 2025 and further training planned for autumn 2026 on support plans.

Risk Title	Strategic Risk: Failure to mitigate risks or manage issues, associated with health & safety, appropriately	Register: Strategic	Residual Score
		Risk Owner: Louise Duffield	
Cause	Ineffective health and safety policies, structures or culture.		12
Potential Impact	Risks include unsafe working practices, lack of robust processes and required procedures, inadequate reviews of Health and Safety risks to required timescales. Resulting in elevated risks of harm to staff, and civil and criminal litigation being taken against the Council.		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	5		5	5
Likelihood Inherent	4		4	4
Inherent Score	20	0	20	20
Impact Residual	4		4	4
Likelihood Residual	3		3	3
Residual Score	12	0	12	12

Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk
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Specific Actions Required			
	Title	Date for completion	Status
1	Completion of Directorate H&S Action Plans (2025-2028)	31/03/2028	In Progress
2	High risk work equipment inspection and maintenance is carried out by competent individuals	31/12/2026	In Progress
3	Outcome of Internal Audit findings to be implemented	31/10/2026	In Progress
4	Compliance audits and fire risk assessments: Where actions for improvement have been identified evidence is provided to demonstrate that the action has been completed.	31/03/2027	In Progress
5	Mandatory and job specific H&S training is completed	31/12/2026	In Progress
6	Suitable health surveillance is undertaken with appropriate controls put in place.	31/12/2026	In Progress

Expected risk score after all actions are complete

Predicted Score	9
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Background Information

Areas of historic weakness had been found in risk assessments, safe operating procedures, training, records and local management's monitoring of activities. One incident resulted in an intervention from the Health & Safety Executive who identified breaches in legislation including failing to plan and risk assess activities.

Q3 2025/26 Wider range of controls in place across the Council.

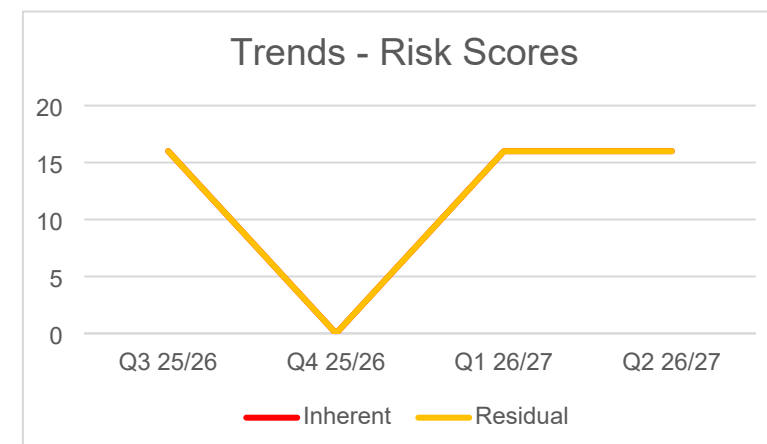
Existing Controls in Place

Existing controls in place:

- Priority changes are being implemented and a full review of the health and safety model across the council has occurred.
- Health & Safety (H&S) Policy and Codes of Practice in place and updated as legislation, guidance and best practice dictate.
- Regular Building Compliance meetings to review process and systems.
- Health and Safety Boards (Committees) at Directorate and Corporate Level meeting every quarter. Unions present. Monitoring of health and safety data occurs at these meetings.
- Corporate health and safety team in place and compliance teams within Property Services and Housing Property Services.
- Audit process and programme in place which focusses actions on higher risk service areas. Programmed Audits being completed.
- H&S Training programmes in place across the council. (Corporate and high-risk service areas)
- Automated workflows within Directorate Action Logs to ensure actions are completed. Progress monitored by Health and Safety Boards.
- Risk assessments monitored at H&S Boards (quarterly) and CMT (monthly).
- Zero Tolerance Policy is in place. Action Plan implemented. Revised banning process for the most serious offenders being developed. (July 2025)
- Core health and safety training now has a mandatory refresh every two years. Programme for next 12 months launched. (August 2025)
- SharePoint site set up for storage and tracking of risk assessments, self-audits and Directorate Health & Safety Board's Action Logs (June 2025).
- Internal Audit are currently auditing H&S governance across the council completed

Risk Title	Strategic Risk: Failure to safeguard vulnerable children	Register: Strategic	Residual Score
		Risk Owner: Nabeel Chaudhry	
Cause	High level of risk to a child, including unforeseen risk, inadequate risk assessment and management, lack of or poor safeguarding response, failure to provide adequate health and safety measures.		16
Potential Impact	Harm, injury or death of person(s) to whom Children's Social Care has a duty Children experience serious harm and negative long term impacts Potential of legal claim for negligence, corporate manslaughter Reputational damage Media coverage		

Risk Scores				
Risk Type	Q3 25/26	Q4 25/26	Q1 26/27	Q2 26/27
Impact Inherent	4	-	4	4
Likelihood Inherent	4	-	4	4
Inherent Score	16	0	16	16
Impact Residual	4	-	4	4
Likelihood Residual	4	-	4	4
Residual Score	16	0	16	16
Risk Status	Treat the risk - Agreeing to continue to implement further controls to change the nature of the risk			



Specific Actions Required			
	Title	Date for completion	Status
1	Complete transition to the Reading Safeguarding Children Partnership, including governance, escalation routes and adoption of safeguarding procedures.	31/10/2026	In Progress
2	Deliver an improvement plan to manage performance, demand and caseload reduction, with monthly trajectories and reporting to Children's Services Improvement Board	31/03/2027	In Progress
3	Demonstrate sustained improvement in the timeliness and quality of Child in Need and Child Protection practice through monthly performance monitoring and independent audit.	31/12/2026	In Progress

Predicted Score	9
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Expected risk score after all actions are complete

Reading Borough Council's role is to safeguard vulnerable children and protect and support children who have experienced neglect, abuse, exploitation or harm outside the home. Children's Services continues to experience increasing demand and complexity. A significant proportion of the workforce comprises newly qualified and overseas social workers, requiring enhanced supervision, support and management oversight. The number of children subject to Child Protection Plans is high, and practitioners continue to manage high and complex caseloads.

During 2025/26, concerns remained about the timeliness and quality of practice for children in need and children requiring protection. Consequently, the residual risk score remained elevated while improvement measures were implemented, and evidence of sustained impact was developed.

Following the March 2025 Joint Targeted Area Inspection into the multi-agency response to domestic abuse affecting children under seven, a Priority Action was issued to the partnership. Single- and multi-agency rapid improvement plans were introduced immediately. Although progress has been made, improvements must be fully embedded and supported by sustained evidence before the risk score can be reduced.

Serious incidents involving harm, injury or death are referred to the Berkshire West Safeguarding Children Partnership. Where appropriate, Children's Services submits a Serious Incident Notification to Ofsted. A Rapid Review then determines whether a Child Safeguarding Practice Review or local learning review is required. Findings and actions are shared across the partnership to strengthen practice and reduce the risk of recurrence.

The Service in 2026 remains on an improvement footing under the support of a DfE Improvement Advisor and a locally commissioned and independently chaired Improvement Board. Challenges in respect of the number of children open to the service, compared to statistical neighbours and national comparators remains high, but focused action and controls are in place to proactively support these children differently and reduce Social Worker caseloads.

Existing Controls in Place

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- Safeguarding practice is governed by statutory requirements, independently inspected by Ofsted and supported by local policies, procedures and practice standards.
- Partnership arrangements and scrutiny
- Children's Services operates in accordance with the procedures of the Berkshire West Safeguarding Children Partnership (BWSCP) and relevant local practice guidance. From October 2026, these arrangements will transition to the new Reading Safeguarding Children Partnership, which will initially adopt the existing local guidance.
- Following the March 2025 Joint Targeted Area Inspection, single- and multi-agency improvement plans were established. Progress is overseen through regular partnership meetings, supported by the Department for Education Improvement Adviser. The independently chaired Children's Services Improvement Board provides additional scrutiny and challenge.

Children's Services reports progress to the Department for Education and is subject to periodic Ofsted monitoring visits. The Improvement Plan brings together related improvement activity and enables senior leaders to oversee dependencies, delivery and impact. Quality assurance and management oversight:

- A refreshed Performance Framework and Quality Assurance Programme provide structured oversight through performance meetings, audits, dip-sampling and thematic reviews. External auditors provide additional scrutiny, identify learning and assess improvements in practice.
- Supervision compliance and quality are monitored through performance reporting and audit. Managers have received supervision workshops and mentoring from senior managers. The Foundations in Practice programme supports social workers and managers to strengthen practice, decision-making and supervision.
- Quarterly learning reviews bring together findings from audits, complaints, serious incidents and safeguarding reviews. Learning is shared across Children's Services and partner agencies, with actions tracked to improve practice and reduce recurrence. The Need-to-Know process ensures that senior managers are promptly alerted to significant risks concerning individual children and receive assurance about mitigating action.

Front-door and contextual safeguarding controls:

- All referrals are screened, risk-assessed and prioritised through the Children's Single Point of Access. Threshold decisions are subject to audit and dip-sampling to test consistency and quality. Multi-agency safeguarding arrangements provide oversight of partnership performance and ensure that agencies are held to account for meeting children's needs.
- The contextual safeguarding pathway and Reconnect service provide targeted support to children at risk of exploitation, serious violence, criminality or other harm outside the home. Children's Services works with Thames Valley Police, health partners, Community Safety and relevant partnership groups to coordinate responses to extra-familial harm.

Workforce competence and safeguarding awareness:

- Safeguarding training is mandatory for all employees on appointment and through regular refresher training. Completion is monitored and reported quarterly to the Directorate Management Team. Practice development, management oversight and workforce support remain priorities due to the proportion of newly qualified and overseas social workers.

Service-specific assurance:

- The April 2024 inspection of local authority children's services rated the service as Requires Improvement, with Good judgements for children looked after and care leavers. Improvement activity has subsequently been aligned following the Joint Targeted Area Inspection findings.
- The fostering service was rated Good in July 2024.
- The Youth Justice Service improvement plan continues to be overseen by the local partnership Youth Justice Management Board, with progress recognised by the National Youth Justice Board who have stepped down their oversight as a result.
- Commissioned services, foster carers and children's homes are monitored through commissioning arrangements and Independent Reviewing Officers. Identified concerns and required improvements are escalated and tracked.

Early intervention and demand management:

- The Edge of Care Service supports children to remain at home, or return home, where it is safe to do so, reducing escalation and the need for care. The refreshed Early Help Strategy and Families First Partnership Programme are being delivered through the One Reading Partnership and Family Hubs.
- Improvement activity within the Together for Families service focuses on the timeliness and quality of practice, reducing the number of children allocated to individual practitioners and supporting children through earlier and more effective intervention.

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Audit and Governance Committee

24 September 2026



Reading
Borough Council
Working better with you

Title	Treasury Management Review Quarter 1 2026/27
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Darren Carter, Director of Finance
Report author	Anna Barefoot, Capital and Treasury Lead
Lead Councillor	Councillor McEwan, Lead Councillor for Corporate Services and Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	1. That the Committee notes the content of the Treasury Management Review Quarter 1 report for 2026/27.

1. Executive Summary

- 1.1. The Council adopted a Treasury Management Strategy and an Annual Investment Strategy for 2026/27 at its meeting on 16th February 2026.
- 1.2. The purpose of this report is to update Members on the activity of the Treasury Management function during the first quarter of 2026/27 for the period 1st April 2026 to 30th June 2026.
- 1.3. The Bank of England held the base interest rate at 3.75% in the meeting on 30th April, and again on 18th June 2026.
- 1.4. Outside of the reporting period, the rate was held at 3.75% on 30th July 2026.
- 1.5. The Council remains significantly under borrowed against its Capital Financing Requirement and is continuing to follow the approved borrowing strategy of deferring any potential long-term borrowing whilst interest rates remain at current levels and is instead utilising short or temporary borrowing from the local authority market as required. No long-term loans (those over one year in duration) have been taken out during the year to date.
- 1.6. The Council is currently forecasting a adverse variance of £1.283m on investment income for the year. Additionally, there is a forecast positive variance of £1.083m on interest payable. These variances were reported to Policy Committee on 16th September 2026 as part of the [2026/27 Quarter 1 Performance and Monitoring Report](#).
- 1.7. The Council's Borrowing and Investment portfolios are attached as appendices 2 and 3 to the report.
- 1.8. The Council continues to operate within all of its treasury indicators, and none have been breached during the year to date.

2. Policy Context

- 2.1. The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly.
- 2.2. This report facilitates that process providing details of the Council's treasury management activity for the first quarter of 2026/27.

3. Interest Rates

Monetary Policy Committee (MPC) Meetings

- 3.1. The Bank of England's Monetary Policy Committee (MPC) voted to hold the base rate at 3.75% in both the 30th April meeting and again on 18th June 2026.
- 3.2. Outside of the reporting period, the rate was held at 3.75% on 30th July 2026.

Interest Rate Forecast

- 3.3. The Council has appointed MUFG Corporate Markets as its treasury management advisors and part of their service is to assist the Council to formulate a view on interest rate and Public Works Loan Board (PWLb) forecasts.
- 3.4. The most recent interest rate forecast, received on 3rd August 2026, set out a view that short term rates were expected to remain at the current level throughout this financial year and into the next. MUFG forecast a rate cut in the second half of 2027 with Bank Rate falling to a low of 3.25% by the start of 2028.

4. Treasury Management Strategy Statement and Annual Investment Strategy Update

- 4.1. The Treasury Management Strategy Statement (TMSS) for 2026/27 was approved by Council on 16th February 2026.
- 4.2. There are no policy changes proposed to the TMSS for 2026/27. This report sets out the Council's position compared to the TMSS considering budgetary changes already approved and revised in-year forecasts of capital expenditure.

5. The Council's Capital Position (Prudential Indicators)

Prudential Indicators for Capital Expenditure

- 5.1. The Council is required to ensure that all its capital expenditure, investments and borrowing decisions are prudent and sustainable. The prudential indicators for capital expenditure set out whether the Council is delivering within its approved budgets.
- 5.2. Tables 1 and 2 below show the Council's forecast capital expenditure compared to the Capital Programme agreed in February 2026 (Original Budget) and the Capital Programme as at Quarter 1 (Revised Budget) as approved by Policy Committee as part of the 2026/27 Quarter 1 Performance and Monitoring Report in September 2026.
- 5.3. The indicators show that the Council is forecasting a positive net variance against the approved Capital Programme budget of £(0.310)m for the General Fund.

Table 1. General Fund Capital Programme

General Fund	2026/27 Original Budget	2026/27 Revised Budget Q1	2026/27 Full Year Forecast (as at 30th June 2026)	Variance
	£m	£m	£m	£m
Community & Social Care Services	2.122	5.689	5.689	0.000
Children's Services	1.338	0.991	0.991	
Economic Growth & Neighbourhood Services	28.078	44.835	44.835	0.000
Economic Growth & Neighbourhood Services – Education Schemes	17.678	11.066	11.066	0.000
Resources	3.389	2.193	2.193	0.000
Corporate	3.600	2.314	2.004	0.310
Total General Fund	56.205	67.088	66.778	0.310

5.4. The indicators show that the Council is forecasting to spend to budget against the approved HRA Capital Programme budget of £61.756m.

Table 2. HRA Capital Programme

Housing Revenue Account	2026/27 Original Budget	2026/27 Revised Budget Q1	2026/27 Full Year Forecast (as at 30th June 2026)	Variance
	£m	£m	£m	£m
Housing Revenue Account	67.310	61.745	61.745	0.000
Total Housing Revenue Account	67.310	61.745	61.745	0.000

5.5. Further details on significant variances on individual capital schemes are reported to Policy Committee as part of the Quarterly Performance and Monitoring Reports.

Changes to the Financing of the Capital Programme

5.6. Tables 3 and 4 below identify the expected financing arrangements of the Council's capital expenditure plans. The Borrowing Requirement increases the underlying indebtedness of the Council by increasing the Capital Financing Requirement (CFR), although this will be reduced in part by revenue contributions for the repayment of debt (the Minimum Revenue Provision).

Table 3. Financing of the General Fund Capital Programme

General Fund	2026/27 Original Budget	2026/27 Revised Budget Q1	2026/27 Full Year Forecast (as at 30th June 2026)
	£m	£m	£m
Total Capital Expenditure	56.205	67.088	66.778
Financed by:			
Capital Receipts	(2.943)	(5.370)	(5.060)
Capital Grants and other Contributions	(30.214)	(36.068)	(36.068)
Direct Revenue Financing	(0.169)	(0.289)	(0.289)

Total Financing (excluding Borrowing)	(33.326)	(41.727)	(41.417)
Net Borrowing Requirement	22.879	25.361	25.361

Table 4. Financing of the HRA Capital Programme

Housing Revenue Account	2026/27 Original Budget	2026/27 Revised Budget Q1	2026/27 Full Year Forecast (as at 30th June 2026)
	£m	£m	£m
Total Capital Expenditure	67.310	61.745	61.745
Financed by:			
Capital Receipts	(8.207)	(1.661)	(1.661)
Capital Grants and other Contributions	(14.327)	(20.405)	(20.405)
Capital Reserves	(26.354)	(18.186)	(18.186)
Direct Revenue Financing	0.000	0.000	0.000
Total Financing (excluding Borrowing)	(48.888)	(40.252)	(40.252)
Net Borrowing Requirement	18.422	21.493	21.493

Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

- 5.7. Table 5 shows the Council's Operational Boundary and Authorised Limit as approved by Council on 16th February 2026. These prudential indicators cannot be amended without approval from full Council.

Table 5. Operational Boundary & Authorised Limit

	£m
Operational Boundary (approved 16 th February 2026)	696.301
Capital Financing Requirement Forecast (as at 30 th June 2026)	676.447
Authorised Limit (approved 16 th February 2026)	736.301
Actual Borrowing (as at 30 th June 2026)	523.500

- 5.8. Table 6 shows the Council's CFR, which is its total underlying indebtedness. Whilst the CFR forecast has increased from £676.301m to £676.447m, due to the revised expenditure and financing forecasts, it remains significantly below the Operational Boundary set by Council in February 2026, therefore, there is no requirement to seek approval to amend the Operational Boundary indicator

Table 6. Capital Financing Requirement and Actual Borrowing

	2026/27 Original Estimate	2026/27 Full Year Forecast (as at 30th June 2026)	2026/27 Actual Position (Q1)
	£m	£m	£m
Borrowing	558.298	515.000	523.500
Other Long-Term Liabilities	25.713	25.713	25.713
Total Debt	584.011	540.713	549.213
CFR – General Fund	397.775	391.318	391.318
CFR - HRA	278.526	285.219	285.219
CFR - Total	676.301	676.447	676.447
Over/(under) Borrowing	(92.290)	(135.734)	(127.234)

- 5.9. The Council's current level of external debt, including borrowing and other long-term liabilities, (as at 30th June 2026) is £523.500m, as set out in Table 6 above. The Council is significantly under borrowed compared to the CFR and is operating significantly within its Operational Boundary.

Limits to Borrowing Activity

- 5.10. Over the medium term, net borrowing (borrowings less investments) should only be for capital purposes. Gross external borrowing should not, except in the short term, exceed the total of the Council's CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy within the TMSS for borrowing in advance of need which will be adhered to if this proves prudent.
- 5.11. The Authorised Borrowing Limit is the expected maximum borrowing need with some headroom for unexpected movements. This is a statutory limit determined under section 3 (1) of the Local Government Act 2003 and sets the limit beyond which borrowing is prohibited without Member approval. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. Table 5 above sets out the Authorised Limit. The current level of external debt of £523.500 (as of 30th June 2026) is significantly below the Authorised Limit.

6. Borrowing

- 6.1. The Council's estimated Capital Financing Requirement (CFR) for 2026/27 as at 30th June 2026 is £676.447m. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing) to fund capital expenditure. The balance of external and internal borrowing is generally driven by market conditions.
- 6.2. Table 6 above shows that the Council has external borrowing (including prior year borrowing) of £523.500m and has utilised £127.234m of cash flow funds in lieu of borrowing. This is a prudent and cost-effective approach in the current economic climate but will require ongoing monitoring in respect of the Council's cashflow requirements, long-term borrowing requirement and interest rate increases.
- 6.3. Due to the overall cashflow position and the underlying need to borrow for capital purposes (the Capital Financing Requirement), new external short-term borrowing totalled £146.000m over the quarter at an average rate of 4.19%. Loans totalling £141.000m have been repaid during this period giving a total net increase in borrowing of £5.000m.
- 6.4. Additional borrowing of £98.000m has been taken outside of this reporting at an average rate of 4.39%. £60.000m of which is due to be repaid within Q2, with the remaining £38.000m to be repaid in 2027/28.
- 6.5. The Council's Borrowing Portfolio is set out at Appendix 2.

7. Debt Rescheduling

- 7.1. No debt rescheduling (restructuring the terms of any existing loans) took place during Quarter 1 of 2026/27.

8. Compliance with Treasury and Prudential Limits

- 8.1. During the quarter ended 30th June 2026, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2026/27. The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with these indicators.
- 8.2. All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

9. Annual Investment Strategy

- 9.1. The Treasury Management Strategy Statement (TMSS) for 2026/27, which includes the Annual Investment Strategy, was approved by Council on 16th February 2026. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital.
- Liquidity.
- Yield.

- 9.2. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seek out value available in periods up to 12 months with high credit rated financial institutions, using the MUFG Corporate Markets suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

Creditworthiness

- 9.3. There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

Investment Counterparty Criteria

- 9.4. The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Investment Balances

- 9.5. The average level of funds available for investment purposes during the year to 30th June 2026 was £34.064m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and Capital Programme expenditure. These funds have earned an average rate of 3.82% The comparable performance indicator is the 7 days backward looking Sterling Overnight Index Average (SONIA) un compounded rate, which was 3.73%.
- 9.6. The current level of treasury investments as of 30th June 2026 total £39.411m and are detailed in Appendix 3.
- 9.7. The treasury investments include £15.000m invested in the CCLA Property Fund which is a long-term investment and has received an income of £0.181m over the three-month period to 30th June 2026. The total income return on the fund is 4.85%.
- 9.8. The Council's budgeted General Fund investment return for 2026/27 was £2.465m; the forecast General Fund interest received from investments as of 30th June 2026 was £1.182m, a £1.283m negative variance compared to budget. This budget includes interest in respect of the loans to the Council's wholly owned companies, which are non-treasury investments and are therefore shown separately throughout this report.
- 9.9. The position on interest income must be compared with external interest costs payable. The forecast external interest costs as of 30th June 2026 are £9.500m against a budget of £10.583m; a £1.083m positive variance against the General Fund budget. The net General Fund position on interest receivable/payable is therefore a net negative variance of £0.200m. These variances were reported to Policy Committee on 16th September 2026 as part of the [2026/27 Quarter 1 Performance and Monitoring Report](#).

Approved Limits

- 9.10. Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30th June 2026.
- 9.11. There is no policy changes required to the TMSS. This report sets out the Council's position compared to the TMSS considering the updated economic position, budgetary changes already approved and revised in-year forecasts of capital expenditure.
- 9.12. A full list of investments held as of 30th June 2026 is set out in Appendix 3.

10. Contribution to Strategic Aims

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

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

11. Environmental and Climate Implications

- 11.1. The Council's Treasury Management Strategy sets out that 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).

- 11.2. As part of the review carried out in 2022/23 and approved as part of the Annual Investment Strategy for 2025/26, the Council will only invest in countries deemed as "Free" as per the Freedom House Global Freedom rating system.

- 11.3. The Council has provided loans totalling £1.712m to Reading Transport Limited to specifically fund improvements to their existing fleet of buses in respect of hybrid fuel conversions which produce lower emissions.

12. Community Engagement

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

13. Equality Implications

- 13.1. None have been identified as arising directly from this report.

14. Other Relevant Considerations

- 14.1. There are none.

15. Legal Implications

- 15.1. None have been identified as arising directly from this report.

16. Financial Implications

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

17. Timetable for Implementation

- 17.1. Not applicable.

18. Background Papers

- 18.1. There are none.

Appendices

- 1. MUFG Corporate Markets Economics Review of Quarter One**
- 2. Borrowing Portfolio as at 30th June 2026**
- 3. Investment Portfolio as at 30th June 2026**
- 4. Approved Countries for Investments as at 30th June 2026**

Appendix 1 – MUFG Corporate Markets Economics Review of Quarter One

The first quarter of 2026/27 (April to June) saw:

- The first sign that the economy is starting to falter with a 0.1% month on month (m/m) fall in real Gross Domestic Product (GDP) in April
- The 3 month year on year (myy) rate of average earnings growth excluding bonuses stagnate at 3.4% in April
- Consumer price Index (CPI) inflation stuck at 2.8% in May, with a rise in core CPI inflation from 2.5% to 2.6%
- The Bank of England leave interest rates unchanged at 3.75% as the economy remains weak
- The 10-year gilt yield fluctuate between 5.18% and 4.69%, ending the quarter at 4.76%

The economy performed well in the early stages of the energy shock, with GDP rising by a strong 0.6% quarter on quarter (q/q) between January and March. But that will likely be the high point of the year. Indeed, the 0.1% m/m fall in real GDP in April was the first decline since August 2025 and brought the first signs that the economy is starting to weaken.

Services output contracted by 0.2% m/m in April and activity fell in eight of the 14 services sub-sectors, suggesting the sector is bearing the brunt of the Iran war fallout. Consumer-facing services recorded the biggest monthly fall in output since May 2025 as households cut back on non-energy spending.

Despite a weak headline number, digging deeper there were some signs of strength. Manufacturing output rose by 0.4% m/m but that was probably in part due to a temporary prop from precautionary stock building. Looking ahead, despite the announced ceasefire of the conflict in the Middle East, Capital Economics expect elevated prices to erode the real spending power of households and businesses, leaving growth to stagnate in Q2 and Q3 this year.

Public sector net borrowing of £23.3bn in May was above the Office for Budget Responsibility's (OBR's) forecast of £17.7bn and £5.4bn above May's figure last year. The weak performance in May was mainly due to the strength of government spending, as the rise in Retail Prices Index inflation in March meant debt interest payments were £4.1bn higher than in May 2025, £3.3bn higher than the OBR anticipated in March and the highest in any May on record. Tax receipts of £85.5bn were also below OBR predictions.

The weak performance in May has come before the full impact from the energy price shock hits. The combination of further energy price support, higher inflation and the weakening economy may cause borrowing to rise from 4.2% of GDP in 2025/2026 to 4.4% in 2026/2027, above the OBR's March forecast of 3.6%

The first quarter of 2026 saw significant weakening of the labour market. While the latest PAYE employment figure for May saw a 2,000 rise, that barely offset the big 53,000 drop in April and meant employment was still 64,000 (0.2%) lower than before the start of the Iran war and 0.4% lower than a year ago. Moreover, the number of job vacancies on the single-month measure fell for the fourth month in a row in May and the claimant count saw the largest monthly rise since July 2024.

In addition to some signs of stabilisation in the labour market figures, the recent easing in pay growth appears to have stalled. Despite some further easing in the private sector pay below the 3.25% that the Bank of England considers consistent with CPI inflation falling to target, the 3myy growth rate of average earnings stayed at 4.4% in April.

Like wage growth, CPI inflation held steady in May at 2.8%. There wasn't much support to inflation from energy effects. The 0.3% m/m fall in fuel prices was smaller than the 1.6% m/m drop last May and meant fuel inflation rose only a bit from 23.0% to 24.6%. After rising to 129.6%, heating oil inflation eased to 95.6%. And the 13.5% rise in the Ofgem utility price cap, which will add 0.6 percentage points (ppts) to CPI inflation, doesn't take effect until 1st July. With food & drink inflation easing to its lowest rate since late 2024, higher energy costs do not seem to be boosting other items of the CPI just yet.

The delayed rise in utility prices and the lagged indirect energy effect will lift CPI inflation over the next nine months, perhaps to around 3.6%. Even so, the weak labour market and soft economic backdrop will prevent second-round effects, allowing inflation to fall to 2.0% next year.

There were two monetary policy committee (MPC) meetings in Q2 2026 where Bank rate was yet again left unchanged at 3.75%. Even so, the tone in recent meetings has been increasingly hawkish, with two MPC members voting for a rate hike in June compared to just one in April. While energy prices may be falling, the MPC won't want to unwind some of the tightening in financial conditions priced into the markets. And while there is quite a difference between this energy shock and the one following the Russia-Ukraine war in 2022, the Bank of England will want to steer clear of allegations of taking too long to act. Nevertheless, we suspect a weak labour market, and soft activity will keep rates at 3.75% this year, with cuts thereafter leaving Bank rate at 3.5% by the end of next year and 3.25% by the spring of 2028.

April to June brought more volatility for 10-year Gilt yields. After ending March at 4.92%, the 10-year Gilt shot up to 5.18% in mid-May, its highest level since 2008. While that largely reflects the surge in energy prices, sticky domestic inflation concerns and a rising UK political risk premium also put some upward pressure on the yield at the margin.

Since developments in the US-Iran conflict had led to a fall in oil and gas prices. The 10-year Gilt yield has generally traced that move, falling back to 4.7% in June. This rally in Gilts has also been supported by the Bank of England keeping rates on hold and some reassurance on the fiscal outlook from the replacement of Starmer's leadership with Burnham's. Indeed, while financial markets had been pricing in around four policy rate hikes over the next year or so, they are now pricing in just one rate hike over the coming year. While the full inflationary impact of the war in Iran is yet to be felt, we still think a weaker labour market and subdued growth will prevent second-round effects.

Appendix 2 – Borrowing Portfolio as at 30th June 2026

Class	Type	Start / Purchase Date	Maturity Date	Counterparty	Profile	Rate	Principal O/S (£)
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	15/09/11	25/03/31	PWLB	EIP	3.3500%	2,500,000.00
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%	15,000,000.00
Loan	Fixed	28/10/25	28/10/26	PWLB	Maturity	4.0600%	50,000,000.00
Loan	Fixed	17/04/26	19/04/27	PWLB	Maturity	4.4600%	25,000,000.00
Loan	Fixed	19/06/26	21/06/27	PWLB	Maturity	4.4400%	25,000,000.00
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
Fixed Total						3.4689%	448,500,000.00

Loan	Temporary Borrowing - Fixed	07/04/26	07/07/26	London Borough of Redbridge	Maturity	4.1500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	10/04/26	02/07/26	Middlesbrough Council	Maturity	4.0500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	30/04/26	30/07/26	Liverpool City Region Combined Authority	Maturity	4.0500%	10,000,000.00
Loan	Temporary Borrowing - Fixed	27/04/26	27/07/26	West Yorkshire Combined Authority	Maturity	4.0500%	15,000,000.00
Loan	Temporary Borrowing - Fixed	22/04/26	22/07/26	Gwent Police and Crime Commissioner	Maturity	4.0500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	29/04/26	28/09/26	Armagh City Banbridge and Craigavon Borough Council	Maturity	4.1500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	14/05/26	17/08/26	Tendring District Council	Maturity	4.1500%	5,000,000.00
Loan	Temporary Borrowing - Fixed	08/05/26	21/08/26	London Treasury - Liquidity Fund	Maturity	4.1500%	20,000,000.00
Temporary Borrowing - Fixed Total						4.1000%	70,000,000.00
Loan	LOBO Vanilla	06/12/05	06/12/55	Barclays Bank plc	Maturity	3.9900%	5,000,000.00
LOBO Vanilla Total						3.9900%	5,000,000.00
Loan Total						3.5582%	523,500,000.00

Appendix 3 - Investment Portfolio as at 30th June 2026

Class	Type	Start / Purchase Date	Maturity Date	Original Maturity Date	Counterparty	Rate	Principal O/S (£)
Treasury Investments							
Deposit	Current Account	N/A	N/A		Lloyds Bank Plc	1.25%	1,311,488.24
Deposit	MMF	N/A	N/A		Royal London Sterling Extra Yield A Inc	3.82%	900,000.00
Deposit	MMF	N/A	N/A		SLI Sterling Liquidity/CI 2	3.83%	2,200,000.00
Deposit	MMF	N/A	N/A		Federated Prime Rate Sterling Liquidity 4	3.87%	20,000,000.00
Deposit	VNAV Fund	31/03/15	N/A		CCLA Local Authorities Property Fund	4.70%	15,000,000.00
Treasury Investments Total						4.10%	39,411,488.24
Non-Treasury Investments							
Deposit	Fixed	16/04/2019	24/03/2029	N/A	Homes for Reading Ltd	3.75%	2,199,999.00
Deposit	Fixed	30/04/2019	01/07/2027	30/04/2029	Reading Transport Ltd	5.00%	1,523,529.83
Deposit	Fixed	15/08/2019	01/01/2029	30/07/2029	Reading Transport Ltd	5.00%	500,000.00
Deposit	Fixed	08/04/2018	01/04/2029	01/07/2023	Reading Transport Ltd	5.00%	490,297.04
Deposit	Fixed	03/06/2018	01/07/2029	01/07/2023	Reading Transport Ltd	5.00%	206,749.85
Deposit	Fixed	29/07/2018	01/07/2029	01/07/2023	Reading Transport Ltd	5.00%	164,084.05
Deposit	Fixed	20/01/2020	01/07/2029	01/01/2024	Reading Transport Ltd	5.00%	150,785.28
Deposit	Fixed	21/08/2020	01/07/2028	01/10/2024	Reading Transport Ltd	5.00%	700,000.00
Non-Treasury Investments Total						4.54%	5,935,445.05
Total Investments							45,346,933.29

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

Appendix 4 - Approved Countries for Investments as at 31st December 2025

Based on lowest available rating

AAA

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

AA+

- Canada
- Finland
- U.S.A.

AA-

- Belgium
- France
- U.K.

Audit and Governance Committee

24 September 2026



Reading
Borough Council
Working better with you

Title	Information Governance Update
Purpose of the report	To note the report for information
Report status	Public report
Executive Director/ Statutory Officer Commissioning Report	Louise Duffield, Executive Director of Resources
Report author	Nayana George, Information Rights Services Manager Anrul Ullah, Interim Director Digital & IT
Lead Councillor	Cllr Ruth McEwan, Lead Councillor for Corporate Services and Resources
Council priority	Not applicable, but still requires a decision
Recommendations	The Committee is asked to: 1. Note the progress to date and future actions outlined in this report 2. Identify matters of interest for future reports

1. Executive summary

- 1.1. This report provides an update on the ongoing work to monitor and continuously improve the Council's policies, systems and processes around Information Governance.

2. Policy context

- 2.1. 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
- 2.2. 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. Data is playing an increasing role in designing, delivering and transforming public

services to improve outcomes for customers and drive efficiencies within current financial constraints.

2.3. The Local Government Association describe the value of data to public services as facilitating:

- The design of services around user needs
- The engagement and empowerment of citizens to build their communities
- Efficiencies and public service transformation
- Economic and social growth
- Greater transparency and accountability

2.4. Effective information governance is a key requirement for the Council which has duties to be both open and transparent whilst at the same time protecting the confidential information it holds about people and businesses.

3. Subject Access Requests Q1 & Q2 (1st April 2026 to 7th August 2026)

3.1. Across the Council (excluding Children's Services) a total of 68 cases were received in this reporting period (Q1 & Q2 of 2026/27). In September 2025 we reported to this committee that 81 cases were received in Q1 and Q2 up to 15th September 2025.

3.2. Of the 68 cases, 12 were closed as invalid requests and 2 cases have been closed as service requests. Of the remaining received in this reporting period, 11 have been completed and 33 remain outstanding. 10 of the outstanding cases are on hold awaiting receipt of identification and/or consent from the customer.

3.3. We report on Children's Services requests separately to capture the data for the Annual Complaints Report and any Ofsted inspections. Ofsted are interested in data relating to children and young people. These are predominantly:

- request from parents of children open to services;
- directly from young people who are currently in care;
- or adults who were in care when they were children.

3.4. A total of 60 cases were received for Children's Services in this reporting period (Q1 & Q2 of 2026/27). In September 2025 we reported to this committee that 57 cases were received in Q1 and Q2 up to 15th September 2025.

3.5. 12 cases have been closed as invalid requests and 0 have been closed as service requests. Of the remaining 48 cases 4 have been completed and 31 remain outstanding. 10 of the outstanding cases are currently on hold waiting identification verification and/or consent to be provided and 4 further case are on hold awaiting further information/clarification of the request from the customer.

3.6. Subject Access Requests (SARs) require careful review to ensure that whilst disclosing information to the individual, the Council does not breach data protection requirements or release confidential information. Appropriate redaction is therefore a critical stage of the SARs process, and the Council has been working to utilise software to support staff to complete this efficiently and effectively.

3.7. We reported to the committee in April 2026 that Officers were developing the specification for the procurement of redaction software and undertaking soft market testing, including demonstrations from several new suppliers. This work

is being support jointly by the Information Governance Team, the Procurement Team and the Digital & IT Service.

- 3.8. We have identified a preferred supplier through a framework and progressing the procurement exercise with a view to making a direct award by October 2026.
- 3.9. Over the last 3 years there has been a significant increase in the volume of SARs received. At the same time, the use of AI to draft requests for SARS have added to the complexity of these cases. Data subjects are more aware of their rights to access their information and using AI generated emails they challenge the responses sent. These factors have led to a backlog in SARs processing. The table below provides a summary of the position as of 30th June 2026.

	2020/21		2021/22		2022/23		2023/24		2024/25		2025/26		2026/27	
	RBC	BfC	RBC	BfC	RBC	BfC	RBC	BfC	RBC	BfC	RBC	DoCS	RBC	DoCS
No. received	35	64	44	38	46	59	80	75	145	58	203	128	18	19
No. outstanding	0	0	0	0	0	0	1	1	4	6	18	33	8	6
No. on hold (Requires further info)	0	0	0	0	0	1	0	0	0	0	1	0	0	1
No. on hold (No consent / ID)	0	0	0	0	0	0	0	0	0	0	1	0	2	5
No. Completed	35	64	44	38	45	54	68	62	50	24	40	36	3	3
No. Declined (Invalid request ¹)	0	0	0	0	1	4	11	12	89	28	116	56	5	4
No. Declined (Service request)	0	0	0	0	0	0	0	0	1	0	27	3	0	0

4. Freedom of Information (FOI) requests

- 4.1. In accordance with the Information Commissioners Office (ICO) guidelines, we are monitoring and reporting the number of cases responded to vs number of cases responded to in timescale.
- 4.2. The table below shows the total number of FOI's received in Q1 of 2026/27, split by each Directorate.

¹¹ Invalid request: requests that have been submitted without ID or Proof of Address, no response to requests to provide, 6 week time limit passed (as per ICO Guidelines)

Directorate	Total Number Received Q1 26/27
Children's Services & Education	53
Communities, Adult Social Care & Housing	43
Environment, Growth & Neighbourhood Services	218
Resources	91
Total	405

- 4.3. The table below shows the total number of FOI's responded to within timescales in Q1 of 2026/27 which is 77.6%.

Directorate	Total Number responded to in timescale Q1 26/27
Children's Services & Education	29
Communities, Adult Social Care & Housing	26
Environment, Growth & Neighbourhood Services	176
Resources	71
Total	302 (77.6%)

- 4.4. In September 2025 we reported that a total of 312 FOI requests were received in Q1 and 310 of these were responded to in timescales whereas in 2026/27 Q1 the Council received a total of 405 requests and 302 of these were responded to in timescales which is 77.6%. Whilst response rates have dropped, we must recognise that a total of 93 extra requests or 29% were received. We are also seeing that requests generated using AI are being received regularly which are complex and lengthy, often with multiple questions per request. And these require responses from multiple teams across the organisation. System generated email reminders are being sent to Responders at key intervals to encourage timely responses. Reports outlining Overdue and Upcoming requested are provided to Executive Directors and Directors to provide an overview within service areas on a weekly basis. Executive Directors and Directors also have direct access to the system to monitor more frequently and access any detailed information required to support a response.
- 4.5. During this reporting period there were 10 requests for Internal Review of Freedom of Information responses. 6 were completed with the Council's original response upheld and 2 were completed with additional/amended information and 2 are open still at review stage.

Improvement Actions

- 4.6. Following the commissioning of the Change Delivery Team to undertake a comprehensive review of the following processes: Complaints, Freedom of Information (FOI) Requests, and Subject Access Requests (SAR) we have an action plan for the service to work with colleagues in Customer Services to strengthen how the organisation responds to issues raised on behalf of residents, ensure resources are deployed effectively, and promote a more efficient and consistent approach across all enquiry types.
- 4.7. Where customers use the webform to make their request it significantly reduces the processing time as the information is fed directly into the system, rather than being copied into the system by Officers. As well as providing more capacity for Officers to work with Responders to complete timely responses, this also reduces the risk of errors. We will, therefore, continue to promote the webform as the most effective way to submit requests. Further we will be reviewing the webform so as to make sure we understand clearly and concisely the matters being raised.
- 4.8. Case allocation emails are automatically generated by the case management system to support responders to monitor requests and meet deadlines. Feedback has identified that these are not always easy to manage, particular for services with higher case volumes. Whilst improvements have therefore been made to make these easier to view and read for Responders and Approving Managers, further improvements to the system are being considered following feedback from the organisation.
- 4.9. A key method of reducing repeat demand within FOIs is to ensure that information is easily accessible for customers. Where information is already published and easy to find it removes the need for customers to submit an FOI. Officers have established an FOI Publication Log to support this work, which ensured customers to self-serve and review the log before submitting a new FOI request.
- 4.10. Council wide training is being planned from October 2026 onwards to improve consistency and raise standards by improving understanding of the process, requirements and responsibilities.

5. Data Transparency

- 5.1. The Data Transparency web pages are up to date for Contracts costing over £5,000 with data for Q1 and Q2 2026 is published.
- 5.2. Expenditure over £500 for Q1 as of 2026/27 is published.
- 5.3. The Pay Policy Statement and Trade Union faciality time will be updated once this information has been prepared and been approved via Personnel Committee.

6. Information Governance Board

- 6.1. The Information Governance Board meets monthly and reviews Cyber Security Incidents and possible breaches of the Data Protection Act which may need to be reported to the Information Commissioners Office (ICO).
- 6.2. As part of good information governance, it is essential that the Council has a culture where staff are encouraged to report any data related incidents swiftly.

This is supported and reinforced by mandatory annual training, which is updated each year to incorporate learning and themes from the previous year.

- 6.3. There were 49 data related incidents reported to the Information Governance Team in Q1. This was around average as for the previous two Q3 and Q4 where there was a combined total of 105 reports logged with IG Team. Q1 and Q2 of 2025/26 94 incidents were reported.
- 6.4. None of breaches met the criteria for notifying the ICO.
- 6.5. The main theme from data breaches has been identified as misdirection of emails and postal communications as a result of human error, rather than any systemic or governance failures.
- 6.6. All breaches are discussed at the Information Governance Board and where subsequent actions are identified these are monitored by the Board. Actions have included specific training and improvement action plans for services.
- 6.7. Regular internal communications messaging is used to encourage checking that the correct recipients and their addresses (email and postal) are correct before sending. The ICO's Preventative Measures Leaflets are sent out following a breach. A copy of any ICO Decision Notices, along with their recommendations, are provided to relevant Service Managers and staff.

7. Information Management Strategy

- 7.1. The Information Management Strategy and Action Plan was presented and signed off by the Policy Committee in March 2022. This sets out the Council's approach to information management and governance.
- 7.2. The Action Plan from this has since been adapted to align to the ICO's template. This allows for better tracking and reporting of actions completed.
- 7.3. The Action Plan is supported by a team of Data Stewards operating at both service at corporate levels across the organisation. They are also responsible for promoting good data management.
- 7.4. The Information Governance Team has successfully recruited two new members of staff. This will allow capacity to support the Data Stewards.
- 7.5. The Information Governance Team Data Stewards site on SharePoint and the Intranet provides access to guidance, templates and processes that Data Stewards require to complete work outlined in the Action Plan and to support their teams and colleagues.
- 7.6. Further work to update the external website to share information and ensure transparency about how the Council work to the Data Protection Act will be completed as capacity in the team has now increased.
- 7.7. The Data Use and Access Act 2025 (DUAA)
The DUAA is a new Act of Parliament that updates some laws about digital information matters. One significant change that affected Reading Borough Council is that we now have a process in place for processing Complaints specifically around Data Protection, this was from 19th June 2026.
- 7.8. The Complaints process is published on the Council's website, and we are currently responding to a number of complaints about data protection matters. A summary of these will be made available to this committee at the April 2027 meeting.

8. Training

- 8.1. Cyber Security and Information Governance (GDPR) training is a mandatory requirement within the Council.
- 8.2. The training is available to all staff and councillors through Learning Pool, the Council's e-learning package.
- 8.3. Completion rates of these two training courses are monitored regularly by senior managers and HR and Organisational Development Service. This enables managers to take appropriate action to encourage their staff to complete the training. Ultimately, where training is not completed access to system can be reduced or removed to protect the Council.
- 8.4. The figures will be available at the April 2027 committee meeting as the next round of refresher training is currently being undertaken and we expect this to be completed by the end of October 2026.
- 8.5. The Information Governance Team will continue to provide bespoke advice, training and support for colleagues. This includes for those without access to IT systems.

9. Cyber Security Programme

- 9.1. The Audit & Governance Committee requested an update regarding the cyber security programme, in recognition of the seriousness with which this matter is considered within the Strategic Risk Register.
- 9.2. It is important to recognise that cyber security is a significant risk for all organisations, and not just the Council. The high-risk rating should not, therefore, be seen as an indication that the Council is failing to take the necessary actions to protect itself.
- 9.3. The following section provides an update on some of the risks that we are facing and the actions being taken.

Cyber incidents

- 9.4. The Council has seen an increase in malicious emails originating from legitimate supplier accounts that have been compromised by threat actors. This reinforces the importance of supply chain security and the Council's approach to third-party assurance, whereby suppliers are required to evidence compliance with recognised cyber security standards and good practice as part of procurement and contract management processes.
- 9.5. The Council's cyber security controls continue to prevent the vast majority of malicious activity from reaching users. 80% of all inbound email traffic was identified as unwanted or malicious and automatically blocked by the Council's security systems before delivery.
- 9.6. During the reporting period, additional measures have been introduced to strengthen the Council's cyber resilience. These include a password assurance exercise to identify weak credentials, enhanced controls restricting access from overseas locations, and ongoing development of a Secure Access Service Edge (SASE) solution to further protect Council services and data.
- 9.7. These controls have already demonstrated their effectiveness. With two attempted account compromise incidents were successfully contained after users responded to phishing emails. The attackers were prevented from

accessing Council systems due to existing security controls, and the affected accounts were immediately secured.

- 9.8. The cyber threat to local government remains significant, with councils continuing to be targeted by phishing, credential theft, ransomware and other malicious activity. The Council will therefore continue to invest in cyber security controls, staff awareness, independent security testing, and continuous monitoring to maintain an appropriate level of protection.
- 9.9. At the meeting in April 2026, the Committee received data regarding incoming emails that had been blocked as part of the Council's cyber security. There was a peak in February 2025, and further details were requested.
- 9.10. The volume of spam and suspicious emails received by the organisation is inherently variable and influenced by a range of external factors, including changes in attacker activity, the emergence of new phishing campaigns, global cybersecurity events, and the effectiveness of upstream email filtering services. As a result, email threat volumes can fluctuate significantly over time and should not be expected to follow a consistent pattern.

Month	Quantity of inbound emails automatically blocked	% of all inbound emails
May 2025	4,405,655	86.00%
June 2025	3,688,091	83.20%
July 2025	3,605,594	82.70%
August 2025	3,610,978	84.50%
September 2025	3,562,605	82.10%
October 2025	3,511,244	81.40%
November 2025	3,572,952	82.80%
December 2025	3,396,004	83.30%
January 2026	3,464,976	82.00%
February 2026	3,173,249	81.50%
March 2026	3,670,857	81.80%
April 2026	3,472,057	82.30%
May 2026	3,399,931	82.40%
June 2026	3,800,443	82.10%

Security Updates

- 9.11. The Service has recently conducted a password cracking exercise on all staff to uncover any weak passwords. Staff whose passwords have been compromised during this exercise have been contacted and forced to change their password to adhere to our security standards.
- 9.12. Will be commissioning an external Penetration Test in the next month for security assurance.

10. Contribution to strategic aims

- 10.1. The purpose of Information Governance is cross-cutting and relevant to all Services of the Council and to all of our public facing services which collect and retain data about the public.

11. Environmental and climate implications

- 11.1. There are no implications in relation to this report.

12. Equality Implications

- 12.1. All citizens have rights to information. There is no evidence that any section of the community is disadvantaged in accessing those rights under the current service provision.

13. Legal implications

- 13.1. How the Council collects, uses, stores, shares and destroys personal data is governed by the Data Protection Act.
- 13.2. The Council also has to comply with the Freedom of Information Act, the Environmental Information Regulations and the Access to Information Act in relation to its records. Compliance is monitored by the Information Commissioner who has wide ranging powers including the ability to impose considerable financial penalties for breaches of the Data Protection Act.
- 13.3. Effective governance, policies and practices are essential to minimising the risk of data protection breaches and to help ensure the appropriate handling of information requests. Failure to do so could result in regulatory action being taken against the Council.

14. Financial implications

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

15. Background papers

- 15.1. There are none.

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