



WOKINGHAM BOROUGH COUNCIL

An Extraordinary Meeting of the **COMMUNITY AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE** will be held in David Hicks 1 - Civic Offices **MONDAY 11 FEBRUARY 2019 AT 7.00 PM**

Heather Thwaites

Heather Thwaites
Interim Chief Executive
Published on 1 February 2019

The role of Overview and Scrutiny is to provide independent “critical friend” challenge and to work with the Council’s Executive and other public service providers for the benefit of the public. The Committee considers submissions from a range of sources and reaches conclusions based on the weight of evidence – not on party political grounds.

This meeting may be filmed for inclusion on the Council’s website.

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WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

MEMBERSHIP OF THE COMMUNITY AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

Councillors

Guy Grandison (Chairman)	Mike Haines (Vice-Chairman)	Rachel Burgess
Clive Jones	Dianne King	David Sleight
Bill Soane	Shahid Younis	

Substitutes

Andy Croy	Carl Doran	Graham Howe
Malcolm Richards	Rachelle Shepherd-DuBey	

ITEM NO.	WARD	SUBJECT	PAGE NO.
45.		APOLOGIES To receive any apologies for absence.	
46.		DECLARATION OF INTEREST To receive any declarations of interest.	
47.		PUBLIC QUESTION TIME To answer any public questions A period of 30 minutes will be allowed for members of the public to ask questions submitted under notice. The Council welcomes questions from members of the public about the work of this committee. Subject to meeting certain timescales, questions can relate to general issues concerned with the work of the Committee or an item which is on the Agenda for this meeting. For full details of the procedure for submitting questions please contact the Democratic Services Section on the numbers given below or go to www.wokingham.gov.uk/publicquestions	
48.		MEMBER QUESTION TIME To answer any member questions.	
49.	None Specific	BUDGET SCRUTINY BRIEFING To receive a briefing on effective scrutiny of local government finances and budget proposals.	5 - 148
50.	None Specific	REVENUE AND CAPITAL MONITORING To consider the quarterly revenue and capital monitoring reports.	149 - 176
51.	None Specific	IMPACT OF PLANNED RAIL CHANGES (COUNCILLOR SLEIGHT REPORT)	177 - 192

To consider a report on the impact of planned rail changes from Councillor Sleight and the Officer responses to the report.

- | | | | |
|------------|---------------|--|----------------------|
| 52. | Norreys | COPPID BEECH PARK AND RIDE
To consider a report on the proposed Coppid Beech Park and Ride and its associated business plan. | 193 -
242 |
| 53. | None Specific | WORK PROGRAMME 2018/19
To consider the Committee's work programme for 2018-19 and to prioritise items for future meetings. | 243 -
248 |

Any other items which the Chairman decides are urgent

A Supplementary Agenda will be issued by the Chief Executive if there are any other items to consider under this heading

CONTACT OFFICER

Callum Wernham
Tel
Email
Postal Address

Democratic & Electoral Services Specialist
0118 974 6059
democratic.services@wokingham.gov.uk
Shute End, Wokingham, RG40 1BN

TITLE	Budget Scrutiny Briefing
FOR CONSIDERATION BY	Community and Corporate Overview and Scrutiny Committee on 11 February 2019
WARD	None Specific;
DIRECTOR	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Effective budget scrutiny can assist the Council in identifying areas of concern within its finances. The Committee can make recommendations to the Executive to help develop an effective budget policy. Overview and Scrutiny is one of the checks and balances that the Council has at its disposal in order ensure that the policies and plans that the Council pass are suitable and effective for the Borough's residents.

RECOMMENDATION

That the Committee:

- 1) note the Local Government Association (LGA) briefing notes and the verbal presentation given on the evening;
- 2) outline specific areas within budget scrutiny where further briefings or training would be useful;
- 3) consider a timeline for the scrutiny review of the development of the 2020/21 budget.

SUMMARY OF REPORT

The report contains two LGA Councillor workbooks that assist Members to deliver effective budget scrutiny of Local Authority finances. The 2018/19 MTFP is also attached as a practical example of a Local Government financial plan. Members will receive a briefing on the Council's budget setting process as a precursor to a scrutiny review of the 2020/21 budget.

Background

The Committee's terms of reference include the monitoring and review of the Council's revenue and capital budget. Members suggested that the Committee take a more active role in the overview and scrutiny of the 2020/21 budget setting process during the next municipal year. Members of the Committee had asked for training and briefing sessions to be organised to allow the Committee to be able to probe and question areas of concern within future budget setting proposals.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	N/A	N/A
Next Financial Year (Year 2)	N/A	N/A	N/A
Following Financial Year (Year 3)	N/A	N/A	N/A

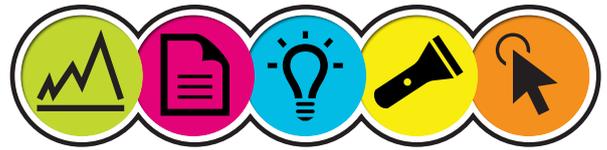
Other financial information relevant to the Recommendation/Decision
N/A

Cross-Council Implications
N/A

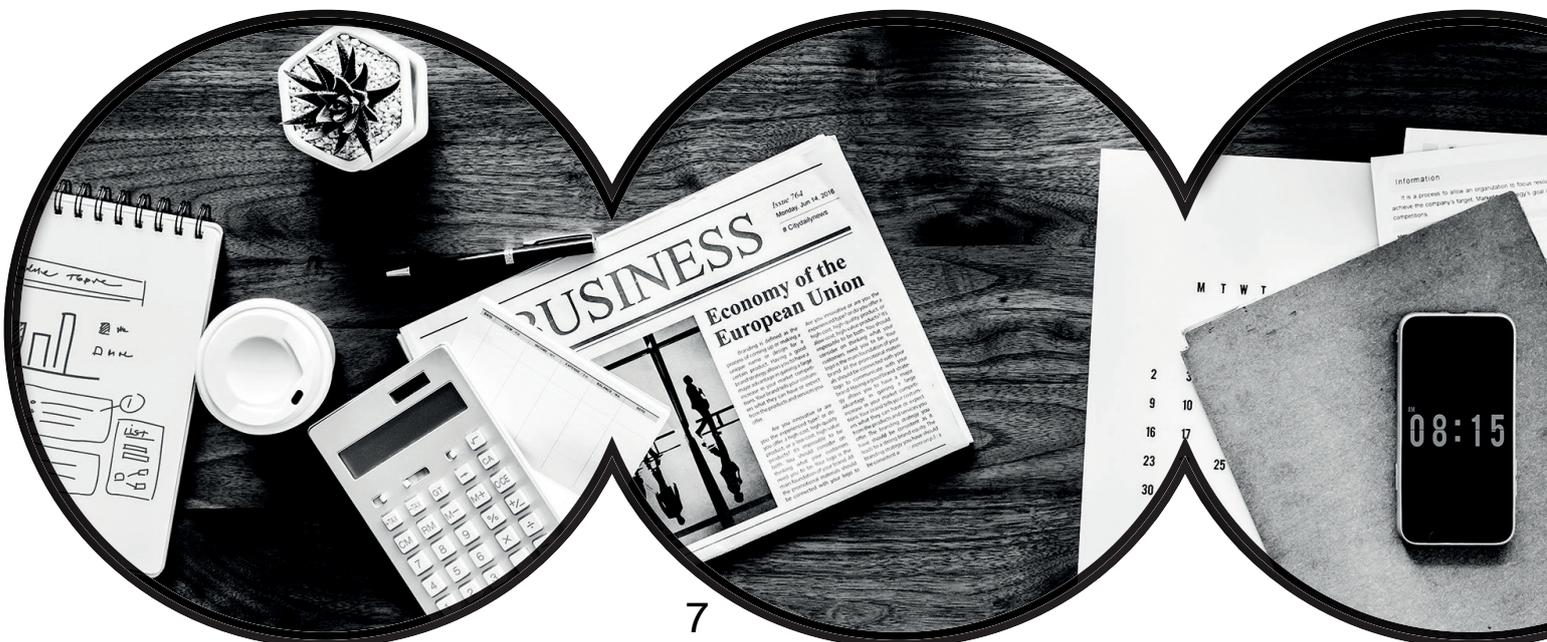
Reasons for considering the report in Part 2
N/A

List of Background Papers
N/A

Contact Callum Wernham	Service Governance
Telephone No Tel: 0118 974 6059	Email callum.wernham@wokingham.gov.uk



A councillor's workbook on local government finance



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Introduction

This Local Government Association (LGA) workbook has been designed as a distance learning aid for local councillors. It is intended to provide councillors with insight and assistance and develop key understanding and skills which will help you be most effective in your role. Some of the content may be most of use to more newly elected councillors, but nonetheless the subject we are dealing with is a challenging one and so it should be of use to more experienced councillors as well by way of a refresher.

The workbook considers the way local councils receive their funding and highlights both the legal and best practice requirements in managing the council's financial affairs. If you serve in the scrutiny function, you may also like to use the LGA's 'Councillor's workbook on scrutiny of finance', which builds upon and complements this workbook.

The workbook can be used as a standalone learning tool, but, along the way, the various sections suggest that you obtain and review key financial documents from your council. All of these documents are publically available and so will be easily downloadable from your council's website.

You do not need to complete it all in one session and you may prefer to work at your own pace. However, it is suggested that you complete the sections in the order in which they are written, as the latter sections build upon the knowledge you have gained in previous sections. It is also hoped that you can 'dip in' to any section for a refresher at any time in the future as well.

In working through the material contained in this workbook you will encounter a number of features designed to help you relate the issues under discussion to your Council or real-life in general. These features are represented by the symbols shown below:



Guidance – this is used to indicate guidance, research, quotations, explanations and definitions that you may find helpful.



Challenges – these are questions or queries raised in the text which ask you to reflect on your role or approach – in essence, they are designed to be thought-provokers.



Case studies – these are 'pen pictures' of approaches used by councils elsewhere.



Hints and tips – a selection of good practices that you may find useful.



Useful links – these are signposts to sources of further information that may help with principles, processes, methods and approaches.

A list of useful additional information and support is also set out in the Appendix to the workbook.

Finally, you will note that some terminology used in this workbook is in **bold type**. This means that the term is more fully defined in the **glossary of terms** at the back of the workbook.

The context

The importance of local government finance

Every council requires money to finance the resources it needs to provide local public services. Therefore, every councillor should take an interest in the way their council is funded and the financial decisions that the council takes.

Legislation is clear that every councillor is responsible for the financial control and decision making at their council. The Local Government Act 1972 (Sec 151) states that “every local authority shall make arrangements for the proper administration of their financial affairs...” and the Local Government Act 2000 requires Full Council to approve the council’s budget and council tax demand. However, it is recognised that councillors may well not be financial experts and so legislation also requires that every council has a named ‘Responsible Financial Officer’.

The responsible financial officer

Whilst section 151 of the Local Government Act 1972 makes clear that the council is responsible for the overall financial administration of the council, a key way in discharging this function is the requirement that councils “secure that one of their officers has responsibility for the administration of those affairs”. Section 113 of the Local Government Finance Act goes further and requires that this officer is a qualified member of one of the accountancy institutes (such as, but not exclusively, The Chartered Institute of Public Finance and Accountancy, CIPFA). Therefore, every council designates a specific officer as their responsible financial officer, also known as the council’s ‘**Section**

151 officer’. This person is usually the head of the council’s finance function and is central in providing:

- effective financial advice to councillors and officers
- organising and maintaining a sound system of financial governance and control
- ensuring that the council follows all of its legal duties in financial matters.

Preparing and approving a budget

A sound budget is essential to ensure effective financial control in any organisation and the preparation of the annual budget is a key activity at every council. Budgets and financial plans will be considered more fully later in the workbook, but the central financial issue at most councils is that there are limits and constraints on most of the sources of funding open to local councils. This makes finance the key constraint on the council’s ability to provide more and better services.

Every council must have a balanced and robust budget for the forthcoming financial year and also a ‘**medium term financial strategy (MTFS)**’ which is also known as a Medium Term Financial Plan (MTFP). This projects forward likely income and expenditure over at least three years. The MTFS ought to be consistent with the council’s work plans and strategies, particularly the corporate plan. Due to income constraints and the pressure on service expenditure through increased demand and inflation, many councils find that their MTFS estimates that projected expenditure will be higher than projected income. This is known as a **budget gap**.

Whilst such budget gaps are common in years two-three of the MTFs, the requirement to approve a balanced and robust budget for the immediate forthcoming year means that efforts need to be made to ensure that any such budget gap is closed. This is achieved by making attempts to reduce expenditure and/or increase income. Clearly councillors will be concerned with any potential effect that these financial decisions have on service delivery.

Current developments in local government finance

The detailed finance rules and regulations for local councils are complex and ever-changing. However, over the past few years, there has been a significant change in the overall approach to local government funding. These key changes are outlined below.

Prior to 2010 – councils operated in a highly centralised national funding system. As such, a large percentage of the council overall funding was determined by central government through a complex central grant system. This grant system attempted to model a council's spending need through a set of formulae designed to determine the relative need of one council when compared with others. Grant funding was then provided to councils on the basis of their relative need.

This centralised system had advantages and disadvantages: the key advantage was the attempt to move money around the country to ensure that councils who were less able to raise income locally received the funding they required to maintain essential public services. The main disadvantage was that, as a result, there was limited financial incentive for councils to develop and grow their local economy, as the consequent financial benefit did not always stay locally.

Since 2010 – Government has sought to make the local government funding system more locally based, phasing out general government grant altogether. Whilst there still is a formula approach to distributing money around the country on the basis of need, more additional funding is being retained locally. For example, from increases in rates collected from new

businesses. The process of localisation is set to continue over the next few years.

One of the key implications of this change in government policy is that local decisions affecting the local economy now have important implications on council income. Therefore, the policy objectives and decision making of the local council plays a far more significant role in the council's ability to raise income than before.

The councillor's role

Value for money

What is the councillor's role in all of this? Put simply, it is to consider the council's finance and funding as a central part of all decision making and to ensure that the council provides value for money, or best value, in all of its services.

There is unlikely to be sufficient money to do everything the council would wish to provide due to its budget gap. Therefore, councillors need to consider their priorities and objectives and ensure that these drive the budget process. In addition, it is essential that councils consider how efficient it is in providing services and obtaining the appropriate service outcome for all its services.



Hints and tips

An important aspect of considering value for money is to make comparisons with other councils. The LGA provides an online tool where council performance can be compared with others. This can be accessed at <http://vfm.lginform.local.gov.uk/>



Challenge 1

Find out who the Section 151 officer is at your council. Consider how s/he fulfils their statutory responsibilities in terms of securing effective financial administration and control.

Obtain a copy of your council's MTFS and look to see if there is a 'budget gap'. How has your council closed such budget gaps in past years? How are councillors involved in this process?

How can councillors monitor whether the council provides best value?

Take a look at the LGA's performance tool – how is your council doing when compared with others?

Key concepts

The difference between 'revenue' and 'capital' finance

Local councils, together with all public bodies, receive separate funding for their revenue and capital spending and their financial systems must be able to separate the income and expenditure on revenue activities from the income and expenditure on capital activities. The distinction between revenue and capital spending is much stronger in terms of the sources of council finance than you might ordinarily expect to find in say the accounts of a business or other organisation.

Revenue – this is the council's day-to-day expenditure and includes salaries and wages, running costs such as fuel, utility bills and service contract payments. As a rule of thumb, if the expenditure is consumed in less than a year, then it is revenue. The council funds revenue expenditure through revenue income sources such as the council tax and charging users for the services they use.

Capital – if the council spends money on improving the council's assets, then this is capital expenditure. This would include purchasing new assets, such as land and buildings, but also refurbishing and improving existing ones. Capital expenditure is funded through capital income sources such as capital receipts and borrowing.

Councils need to ensure, and also demonstrate, that they are complying with these rules by making sure that there is a clear separation between capital and revenue in all of its financial activities.

Grey areas

Usually, it is clear whether a transaction is revenue or capital, but there are some grey areas. These include:

- **Maintenance and repairs v refurbishment.** The key concept here is that if the expenditure does NOT make the asset last longer, increase the sale value of the asset or make it more useful to the user, it is revenue expenditure. For example, repainting windows would be revenue expenditure whereas replacing the frame with UPVC would be capital expenditure.
- **Staff costs** such as architects. Staff costs are almost always revenue expenditure, but where the staff cost is directly related to a capital project, such as an architect or quantity surveyor, these costs can be added to the capital expenditure on the project. Note that this is sometimes very tricky and so your Section 151 officer will need to provide clear advice here.
- **Income:** any regular income derived from a capital asset, for example rent or service charges is revenue income. The proceeds of sale of an asset is capital income. For example, car parking income is revenue, whereas selling the actual car park site would yield capital income (known as a capital receipt).

As a general rule, councils are not allowed to use capital income to fund **revenue** expenditure (though they can use revenue income for capital expenditure). For example, a council could fund the purchase of land using revenue income such as council tax, but it would be illegal to sell land and use the sale proceeds to fund an officer's salary.

Recently, the distinction between revenue and capital has been muddled somewhat by the Government allowing councils to use capital income to fund 'the revenue costs of transformation projects'.

Guidance has been given to Section 151 officers on what can be counted as a transformation project, but broadly speaking, if the project is likely to save revenue costs in future years then any up-front costs (eg redundancy costs) can be funded from capital income if the council chooses to do so.

There may be other areas where there could be a 'blurring' between capital and revenue expenditure. For example with office equipment. As such equipment is likely to last for more than one year, equipment purchases could be capital expenditure, but the sheer volume of such purchases would make the accounting system unwieldy if every item was classified as capital. Therefore, most councils operate a local **de-minimis** level where equipment purchases below a cut-off amount are treated as a consumable item as so charged to the revenue budget. The cut off amount is subject to local agreement, but a de-minimis level of £5-10,000 for a district council and £25-30,000 for a county or unitary council would be typical.

Capital and revenue are different but linked

Whilst they must be accounted for separately, there are clear practical links between revenue and capital income and expenditure. For example:

- building a new leisure centre (capital expenditure) will also lead to staff and running costs (revenue expenditure) but also income through user charges (revenue income).
- investing in energy efficient boilers etc. (capital expenditure) may lead to ongoing savings on utility bills (revenue expenditure)
- purchasing an office block (capital expenditure) in order to provide office space for local business start-ups will yield rental income (revenue expenditure).

Therefore, councillors should concentrate on the 'whole-life' costs and income when considering budgets and financial plans.

'Ring-fenced' funding

Every council has a **general fund** from which most services are funded. However, there are restrictions where the council must ensure that certain income is only spent in specific service areas. This is known as '**ring-fenced**' funding. There are three main activities that are ring-fenced through legislation and/or government funding rules. These are:

The Housing Revenue Account

The Local Government Finance and Housing Act 1989 requires councils who own housing that they rent out to tenants to separate all of the financial activities relating to the council acting as landlord into a ring-fenced account known as the **Housing Revenue Account** (the HRA). Due to the ring-fence, it is illegal for the council to subsidise any general fund activity from its HRA and vice versa.

The ring-fence causes a practical issue, however, as the council's housing department is likely to provide a wide range of housing related services that cannot be charged to the HRA (eg services for the homeless). To comply with legislation, careful estimates of the amount of money spent on general fund housing services and HRA services must be made, with the actual sums allocated to the correct account in the council's financial ledgers.

School budgets

The Education Act 1988 established a system of individual school budgets, with local accountability for such expenditure resting on school governing bodies. Whilst many councils provide wider services for children and young people, the ring-fence around schools' expenditure requires that the council must ensure that funding specifically provided for schools is spent only on this service area.

Academy and free schools are funded directly from central government and so do not form part of the council's finances. Though, councils may provide services to such schools, such as payroll and other HR services through an agreed service contract.

Public health

Since 2013, local councils have received a government grant that must be spent on providing a range of public health services, such as interventions to tackle teenage pregnancy, child obesity, sexually transmitted infections and substance misuse. The **specific government grant** is must be spent on the service areas specified in the 'grant rules' and, as such, is ring-fenced funding.

The adult social care precept

For 2016/17, Government allowed local councils with responsibility for providing adult social care (ie metropolitan, unitary and county councils) to add an additional ring-fenced precept onto the council tax. Initially this was set at two per cent but was increased the following year to make the annual increase up to three per cent in any given year, but no more than six per cent over the three years 2017/18 to 2019/20. Any such precept must be separately identified on the council tax bill sent to residents.

Other locally 'ring-fenced' budgets

Whilst the term 'ring-fenced' comes from legislation, some councils also use the term more widely to restrict certain funding to a local agreed service area. For example, a council could agree to allow a council-run arts centre to reinvest the income it generates from fee-paying arts activities in the centre's future. Thus, it has 'ring-fenced' this income to be used in a particular area. This is not a legal requirement but, where used, will form part of the council's agreed local budgets etc.



Hints and tips

Councils sometimes have their own internal jargon and you may also find ring-fenced finance described as 'earmarked', 'specific' or 'restricted'.



Activity 2

Which of the following transactions are revenue and which are capital?

The answers can be found on page 31 of the workbook.

1. Filling in a small pot-hole in a council car park? Revenue/capital

2. Re-surfacing the entire car park? Revenue/capital

3. The annual cost of the council's refuse collection contractor, who operates the service under a seven-year contract? Revenue/capital

4. Adding webcasting equipment to the council chamber costing £50,000? Revenue/capital

5. Redundancy costs of officers as part of a re-structuring programme? Revenue/capital



Hints and tips

When you are reviewing any service plan, think whether the costs and income related to the scheme are capital or revenue, as the council will budget differently for these two types of expenditure.



Case study – invest to save

Nottingham City Council will invest a further £3 million on solar energy projects in order to save the council money and make the city greener. The capital investment will be made over the next five years to put solar panels on the roofs of council properties and builds upon previous investments in energy generation. The aim of the investment is to try to generate as much of the council's energy needs itself rather than buy it from the market. The council estimates that it has made revenue savings in its energy bill of £90,000 per annum and it hopes to save even more in the future, as well as meet the city's target of 20 per cent renewable energy consumption by 2020.

Financial planning and budgeting

This section considers how a local council plans its finance and agrees its annual budget.

There is a significant amount of legislation around local authority financial planning and budgeting. This is outlined below.

- The Local Government Act 2000 states that it is the responsibility of the full council, on the recommendation of the executive (or the elected mayor) to approve the budget and related council tax demand.
- The Local Government Act 2003, section 25 requires the council's **Section 151 officer** to report to the council on the robustness of the estimates made and the adequacy of the proposed financial reserves assumed in the budget calculations.
- The Local Government Finance Act 1988, section 114 requires the **Section 151 officer**

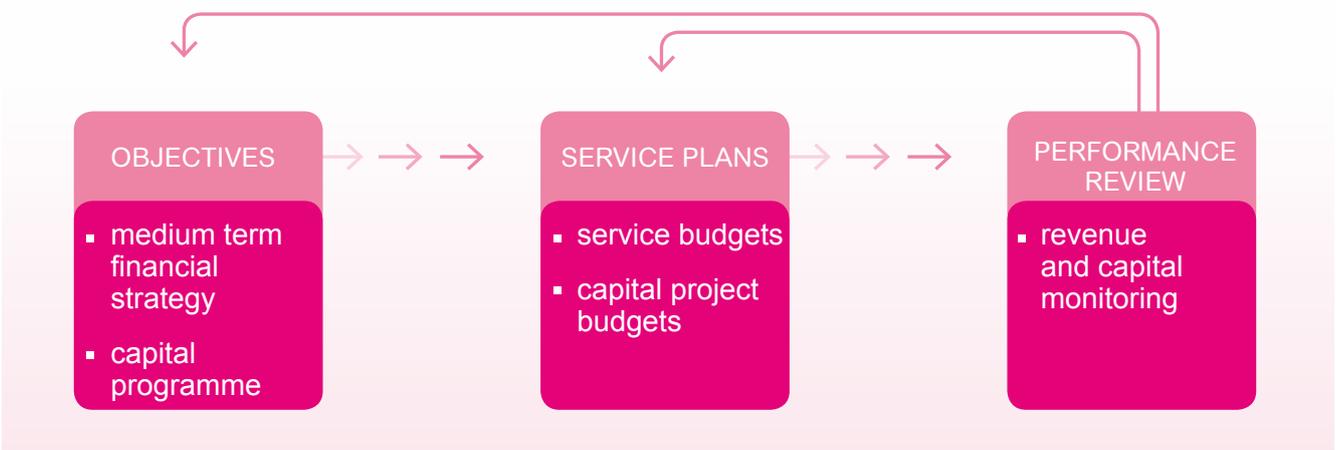
to report to all of the authority's councillors if there is or is likely to be unlawful expenditure or an unbalanced budget. The council must meet within 21 days to consider the report and during that period the authority is prohibited from entering into new arrangements that will cause money to be spent.

- Failure to set a legal budget may lead to intervention from the Secretary of State under section 15 of the Local Government Act 1999.

Notwithstanding the legislative requirement to set a budget, financial plans are important because they act as a financial expression of the council's policies and instruct officers on the areas they should attribute spend.

The budget setting process

A typical council budget setting process is illustrated below:



The three stages in the above chart are discussed further overleaf.

However, finance should not be the driver at the council and it is important that all financial decision-making is policy-driven.

Stage one: medium term financial planning

Every council will have a Medium Term Financial Strategy covering estimated revenue income and expenditure over at least three forward years. It will also have a similar plan for likely capital income and expenditure, known as the Capital Programme. These are important financial documents and are updated and approved annual by elected members.

Stage two: annual service budgets, capital project budgets

The budget for the forthcoming year (year one of the MTFS) will then be considered in more detail, leading to the setting and approval of detailed income and expenditure budgets on a service-by-service basis. The capital budget for the year will be made up of budgets for the capital projects scheduled for the forthcoming year. Again, it is essential that the budget is set in accordance with the service plans and objectives for the forthcoming year.

Stage three: monitoring spending against the budget

Once the year has started, actual spending and income will be monitored against the approved budget. This is primarily undertaken monthly by officers designated as the budget holder (usually the head of service), with elected members receiving reports highlighting specific issues or concerns on a regular, usually quarterly, basis.

Timetables and deadlines

The Local Government Act 1992 requires the councils that **billing authorities** complete and approve their budgets and set a council tax before 11 March immediately prior to the start of the financial year on 1 April. The deadline for **precepting authorities** is 1 March.

The budget and council tax must be approved by full council prior to the start of the new financial year (1 April). However, this is the end of a very detailed budget setting process that progresses throughout the year at the council. Whilst every council is slightly different, the illustration below gives a rough timetable of how the council reviews and approves its budget:

How a council reviews and approves its budget



The roles and responsibilities of councillors

Every councillor has a role to play in the budget setting process. Those serving on the executive have a responsibility to consider their service portfolio in the light of its budget position. Councillors serving on overview and scrutiny also have an important role in regularly reviewing the council's finances and in considering the proposed annual budget. In addition, every councillor will be concerned to ensure that services are delivered effectively in their local ward.

Most councils have formal processes to consult on its budget with residents, local businesses, partner organisations and service users, with the results taken into account when setting the budget.



Hints and tips

When councillors review actual spending and income against the approved budget, it is easy to focus on over-spending as it is 'bad news' and overlook under-spending as it is 'good news'. However, always try to understand such variations in spending by considering why and how these have occurred.

For example, an over-spend might have occurred due to an exceptional demand for a statutory service (still bad news in the sense that money needs to be found to cover the amount, but maybe now more understandable). An under-spend may simply be due to the council not delivering the service for which the money was intended to be spent. Is this always good news?



Challenge 3

Obtain your council's latest MTFS capital programme and annual budget report and consider:

- What are the key messages?
- How clear is the link between the council's agreed objectives and plans and the budgets set?
- What assumptions have been made in estimating future spending and income?
- How has the budget taken the results of public consultation into account?
- How can you as a councillor become more involved in the budget setting process?



Case study – effective budget consultation

The London Borough of Redbridge and the LGA has developed an online simulator that encourages members of the public to consider where council budget cuts should fall, where efficiencies might be made and where income might be generated. It starts with the premise that the available budget is overspent and identifies the council tax adjustment that would notionally be required to meet all demands in the budget. The council enters into the simulator the various detailed elements of the budget and other information such as the maximum council tax increase that would be acceptable. Users can then adjust elements of spending and income to balance the budget.

For further details, see www.local.gov.uk/sites/default/files/documents/youchoose-budget-consulta-520.pdf

The sources of revenue funding

This section will consider in more detail the key sources of funding available to a local council to fund its revenue expenditure. Every source of income will have constraints stopping the council simply increasing the amount of income to fund services. Many of these are legislative constraints, but also council income sources can be subject the law of demand – as the price rises, demand tends to fall. Consequently, a price rise can yield less overall income if it results in a drop-in service use.

The Housing Revenue Account

The main sources of income in the Housing Revenue Account is housing rents, which is subject to overall government control. Councils will also levy service charges on tenants, for example on the cost of shared heating systems. Such service charges are determined on a cost-recovery basis.

The general fund

The following sections consider the main sources of revenue income in the general fund.

Council tax

Council tax was introduced in 1993 by the Local Government Finance Act 1992 and replaced the Community Charge (also known as the 'Poll Tax'). The tax is based on the value of domestic properties, in eight valuation bands. Various discounts are required by law, for example there is a 25 per cent discount for domestic properties with sole occupants. Councils are also required to provide discounts to vulnerable retired people

on a means tested basis. **Billing authorities** also have a local policy that provides council tax discounts to vulnerable people of working age, again on a means tested basis.

The key benefit of the council tax as a system of raising money is that it is very difficult to evade, as houses tend to move far less than people. Thus, it is comparatively easy to bill and has a very high collection rate of 97 per cent or above in most council areas.

How is the council tax calculated?

Every domestic property is valued by the Valuation Office Agency and placed in one of the eight valuation bands, based on its value as at 1 April 1991 (houses built after this date have their value as at April 1991 estimated at the time of their first sale). The amount of council tax paid varies according to the valuation band as follows:

Band	Value at 1 April 1991	Ratio	Ratio as a percentage
A	Up to £40,000	6/9	67%
B	£40,001 - £52,000	7/9	78%
C	£52,001 - £68,000	8/9	89%
D	£68,001 - £88,000	9/9	100%
E	£88,001 - £120,000	11/9	122%
F	£120,001 - £160,000	13/9	144%
G	£160,001 - £320,000	15/9	167%
H	£320,001 and above	18/9	200%

Council tax is usually expressed as 'Band D equivalent'. The average council tax for each council area differs for Band D depending on the number of properties in each band. Properties in Bands A-C pay less than the standard council tax and those in Bands E-H pay more.

Originally, central Government planned to conduct regular revaluations of the council tax bands to make sure that they kept pace with house inflation. Such revaluations proved to be politically difficult and so there has been only one in Wales (April 2005) and one in Scotland (April 2017). There has never been a revaluation in England.

As new homes are built, each is valued for council tax purposes at 1991 prices and added to the council's **council tax base**. Every year, councils review their council tax base and consider whether they need to increase the level of council tax to fund their spending plans. This is an important part of the budget process as it is illegal for councils to raise additional council tax through supplementary bills part way through the year.

Increases in council tax always are of public interest and so successive governments have sought to limit the size of any annual increase in council tax that can be agreed by the council. The current system of control was introduced by the Localism Act 2011 and requires the council to win a simple majority in a local referendum for any proposed council tax increase that is considered excessive by central government. The government announces as part of the **local government settlement** the percentage increase that it considers excessive and, therefore, would trigger a referendum. For 2018/19 this is three per cent or £5 for district councils, whichever is the higher. Parish and town councils are currently not affected by this restriction and can raise their council tax **precept** by as much as they wish.

In recent years, central government has also allowed councils with adult social care responsibilities to raise additional council tax that is **ring-fenced** to the provision of adult social care services.

How is the council tax billed?

To ensure that residents only receive one council tax bill, every local area has one council that acts as the billing authority, with all of the other councils in the local area being precepting authorities. Each precepting authority notifies the relevant billing authority of their decisions on council tax and the billing authority prepares one bill covering every council's tax. In two tier areas the billing authority is the District Council.

Each billing authority operates a collection fund that accounts for all the council tax payments as they are received from residents and then the funding is distributed to the relevant precepting authorities on the basis of the demand made at budget time.

In a single tier area, the metropolitan or unitary council acts as the billing authority. In a two-tier area, the district or borough council acts as the billing authority.

Precepting authorities include: county councils, police and fire authorities, parish and town councils and combined authorities.

The New Homes Bonus

Building new homes leads to an increase in the **council tax base** and so enables the council to raise more funding for services. In addition to increased council tax, central government currently gives a financial incentive to councils that build new homes with an additional amount of government grant, known as the New Homes Bonus.

The grant has been given since 2011 and originally provided councils with grant equivalent to the council tax on each and every new property for six forward years. Recently, however, the government have made the bonus less generous and, for 2018/19, the new homes bonus will only be paid for four years and only for the number of homes built above a national baseline of 0.4 per cent of the total local housing stock. In two-tier areas, the district council receives 80 per cent of the New Homes Bonus and the county council receives the remaining 20 per cent. The rationale for this 80:20 split is that since district is the planning authority it is the council that needs to be incentivised to agree new housing.

Business rates

Local councils levy a business rate on every business premises in their area. The amount of the charge is based on:

The **Rateable Value** of the business premise (set nationally by the Valuation Office Agency on the estimated rental value of the premises)

Multiplied by

A **Business Rate Multiplier** (of x pence in the £)

Billing authorities raise the rates bill and collect the income, but do not retain the money themselves. The way in which business rates income is shared between councils has been subject to change over the years and is currently a live issue of debate.

The key problem is one of 'fairness'. Individual councils have vastly different business communities and so have varying abilities to raise income from business rates. However, a significant amount of local government expenditure provides services to local people rather than local businesses (for example on social care) and it may not always be seen as 'fair' to enable local councils simply to determine, raise and spend business rates locally.

Prior to 1990	Councils were free to set the business rate multiplier locally.
1990-2012	Government set the business rate multiplier nationally. Rates income was pooled nationally and re-distributed to councils via the government grant system.
After 2012	<ul style="list-style-type: none">• A 'hybrid' system where the business rate multiplier is still set nationally, but the total income is shared 50:50 between national and local government.• A system of 'top-ups' and 'tariffs' linked to the grant system to attempt to distribute funds based on need.• A proportion (but not all) of the increased business rate income due to expansion in the business sector retained locally. Safety nets to protect councils who see business closures.• Problem: provides some local incentive for economic growth, but via a highly complex formula driven system.
The future?	The government is currently piloting a new system where local councils will retain 75% of any growth in business rates locally. The intention is to move to a revised system by 2020, but it is currently too early to tell exactly what this new system will look like

Further detail of the current system

Local shares of business rates

The total business rate levied in any local area is shared 50:50 between central and local government. However, the 50 per cent local share is then distributed between the billing and some of the precepting authorities depending on the structure of the government in the local area. Shares are distributed as follows:

In unitary and metropolitan areas	<ul style="list-style-type: none"> • 50% to central government • 49% to the local council • 1% to the fire authority
In London	<ul style="list-style-type: none"> • 50% to central government • 30% to the London borough • 20% to the Greater London Authority
In two-tier areas	<ul style="list-style-type: none"> • 50% to central government • 40% to the district council • 9% to the county council • 1% to the fire authority which is usually part of the payment to the county council

Police and crime commissioners and parish councils do not receive business rates funding.



Case study Epsom and Ewell District Council

In 201/18, 40 per cent of the council's business rate income was approx. £9.76 million. However, the council pays a 'tariff' to central government of approx. £8.43 million, leaving the council with £1.33million of income.



Case study Oldham Metropolitan Borough Council

In 2016/17, 49 per cent of the council's business rate income was approx. £29.06million. However, the council receives a 'top-up' from central government of approx. £30.24million, leaving the council with approx. £59.3million of income.

Business rates and risk

From 1992–2012, the national system meant that any local changes due to business closures or successful business rates appeals were dealt with at national level. Under the current system, any appeal that is successful has a local impact on the council's funding levels. To offset some of this risk, some councils have joined together, usually in county areas, and formed voluntary business rates pools, which aim to spread such risk over a larger number of individual councils.

Government grants

During the 20th century increasingly it was found that the costs of services provided by local authorities exceeded the revenues raised from local taxes. Accordingly government gradually increased the funding provided from treasury sources. Since 2010 this process has reversed. Local government receives two types of government grant income:

Revenue Support Grant (RSG): this is a general grant calculated on the basis of the spending need at the individual council. The grant can be spent on any service according to the objectives and priorities of the local council.

There are two factors that affect the size of such grants:

- **The total amount of funding the government wishes to provide to all local councils in total**

Since 2010 the government has significantly reduced this sum and the intended policy aim is to completely remove RSG from 2020. Since 2010, government has reduced the level of grant income provided to local councils as part of government austerity and some councils will receive zero or negative RSG during the 2019/2020 financial year. The exact nature of arrangements after that point are yet to be finalised.

- **The relative size and distribution of the total grant sum between councils**

This is always a controversial area and requires government to 'model' spending need in a local area and then consider whether there is a gap between local sources of funding and this spending need, the gap being the grant sum paid. Most governments have sought to model funding requirements using local factors such as population size, relative deprivation and urban v rural location. Recent approaches have also taken into consideration the councils total income requirement when calculating RSG. Therefore, councils with a high council tax base receive less government grant due to their increased ability to raise money locally.

Whilst RSG will be a thing of the past soon, the current system of business rates top-ups and tariffs is also based on this method of distributing funds between councils and so the way these formulae operate is still of importance to local councils. The current government has recently launched a Fair Funding Review designed to review the current allocation system and attempt to make the system more transparent and 'fair'. The Fair Funding review concerns itself with the distribution between councils as opposed to the total amount of

funding for all councils. For the 2010/21 financial year a new distribution system is currently being considered.

Specific grants

Central government also provides additional grant funding to local councils but they restrict the use of such grants to specifically defined service areas. For example, public health grant, which must be spent on providing a range of local public health services defined by government. The same is the case with 'Dedicated Schools Grant' which can only be spent on providing schools

The key issue here is that local councils are not fully in control of determining how local need can be met as there are national rules over the use of such funds. Accordingly, since 2010, the government has generally moved away from providing specific grants as part of a drive to a more local approach. The Department for Education being an exception to this.

Fees and charges for service use

Councils provide a range of statutory services and the law usually determines whether a council should make a charge for service use, and, if so, how much can be charged. For example:

- The Libraries and Museums Act 1964 restricts the council from making a charge for a book lending service, but allows councils to make charges for other services, for example CD/ DVD lending and room hire.
- The Town and County Planning Regulations 2012 set out the actual charges that every council should levy for various types of planning application.
- The Care Act 2014 enables councils to require people who receive adult care services to contribute to the cost of the service they receive. The level of contribution is determined by a financial assessment of the individual's financial means.

Section 93 of the Local Government Act 2003 enables councils to charge users for discretionary services, including car parking, leisure and cultural activities. Where levied charges should not be higher than necessary

to cover the total cost of providing the service. Councils can make profits from charging for discretionary services but only if they provide them through an arm's length company.

Over recent years, councils have become more focussed on service charges and most now have regular policy discussions over whether or not to charge for services. This is usually undertaken as part of the overall budget making process.

In setting fees and charges, councils should not only consider the total cost of the service and whether any subsidy from general funds such as council tax is justified but also the effect of any charge on service use. For example, should a service such as pest control be provided without charge (or at a nominal fee) to encourage the public to report infestation? Should the council consider accessibility to vulnerable groups when they set charges? Should the council discourage long term parking in city centre car parks by levying high fees for long stays?

offences such as dog fouling, fly tipping and littering. Government controls the maximum that can be charged for such penalties and also must demonstrate that it uses the income to fund a defined range of activities. For example, dog control offences have a penalty of between £50 to £80, with the proceeds restricted to provide litter, dog control, graffiti and fly-posting services.

Other sources of income

Other potential income sources available to councils include:

- **Returns and interest from investments**
Councils may invest any surplus cash in interest bearing investments. Any such interest and other financial return can be used by the council to finance revenue expenditure. However councils may not borrow to invest in this way.
- **Commercial income** Many local councils are using the extended flexibilities of the Localism Act 2011 to offer a variety of service through commercial arrangements with external bodies. Whilst such arrangements may not have the explicit aim of generating income for the council, returns in the form of profit or dividend income from local authority companies or other trading activities can be added to the overall revenue budget. From 2018/19 councils will be required to produce an annual investment strategy; this may just be a sub section of the MTFS however.
- **Fixed Penalty Notices** These can be issued by local councils for a variety of environmental



Challenge 4

If you have been working through this workbook, you should already have obtained a copy of your council's MTFS and annual budget. You will need a copy of them to complete this challenge. As you work through this section, find the level of income your council raises from each of the sources mentioned and consider the local constraints on each.

- What (if any) council tax increase did your council agree last year? What was its reasoning behind this decision?
- How much New Homes Bonus has the council received over the past three years? How does your council spend the money? Is it added into the overall budget or spent on certain one-off items?
- How much income from business rates does your council receive? How is it affected by the top-ups and tariffs system?
- Is your council part of a business rates pool? Why is it, or isn't it part of such a pool?
- How does your council decide on which service to charge for? Are there any services that your council might charge for but currently chooses to offer without charge? Why?
- Advanced challenge – try to plot a chart showing the amounts of each type of income over the past five years. What do you notice about the pattern and trend?

The sources of capital funding

This section provides an overview of potential sources of capital income for local councils. You will recall that capital income is largely restricted to funding capital expenditure, such as the provision and refurbishment of assets. From 2018/19 councils will be required to produce an annual capital strategy, approved by full council. It is likely this will be done alongside the budget and associated papers.

Key capital funding sources are outlined below.

Capital receipts are the proceeds of sale that are generated when a council sells an asset, such as land or buildings. The amount of capital receipts the council can generate will depend on the assets that the council are willing to sell and the buoyancy of the market for such assets. A key consideration when selling council assets is the revenue income and expenditure forgone. For example, if a council decides to sell a block of industrial units, it will gain a capital receipt but forgo any rental income that would be paid by tenants.

Rules are somewhat different in the Housing Revenue Account, where capital receipts generated under Right To Buy legislation are subject to control by central government. Many councils have an agreement to utilise these capital receipts locally to part-fund new social and affordable housing, but, if the council is unable to use such receipts over an agreed timescale, they are returned to central government.

Government grants are available to local councils for certain kinds of capital expenditure, usually either transport or school related expenditure. In most cases, grants will fund or part-fund the initial building or acquisition of the asset but provides no funding on ongoing

revenue expenditure such as maintenance and running costs.

Borrowing Since 2003, local councils have been able to borrow to fund capital expenditure. According to CIPFA's Prudential Code, all council long term borrowing must be both 'affordable' and 'prudent'. Therefore, the council must be confident that it is able to pay back both the interest and principal of any borrowing through its revenue budget. Whilst new borrowing will enable the council to construct useful assets, it will also lead to an increased 'call' on revenue budgets for many years into the future and so, through a rigorous process of project appraisal and budgeting, the council determines that it is not over-stretching itself financially.

The overall amount of new borrowing councils can enter into in the Housing Revenue Account is currently capped by central government.

Use of reserves given the low level of return available through investment income, many councils are looking to use their reserves in a more creative manner to maximise value for money. Councils may use funding from their reserve accounts to spend on capital. Many councils no longer do this to a great extent because of the pressure that has been placed on revenue budgets in recent years.

Planning gain most councils require private developers to contribute to the overall public realm as part of larger construction projects. There are two main ways of doing this:

- **Section 106 agreements:** The Planning and Land Act 1992 (sec 106) enables councils to negotiate with developers to either directly provide affordable housing and public realm, or to provide monies to the council so that they can provide whatever has been agreed.

- **The Community Infrastructure Levy:** this is a tariff-based charging scheme that provides funding for more general infrastructure improvements. It is a voluntary scheme and the council must have any proposed CIL scheme inspected and approved.



Challenge 5

Obtain a copy of your council's latest Capital Programme (the budget for capital expenditure and income) and Capital Strategy (from 2018/19 onwards) From this you will be able to see the various capital schemes that your council plans to provide and how the overall programme is intended to be funded.

Advanced challenge – try to track the various levels of expenditure and funding over the past five years – what do you notice?

Provisions, reserves and balances

A budget is a financial plan and like all plans it can go wrong. Councils therefore need to consider the financial impact of risk and they also need to think about their future needs. Accounting rules and regulations require all organisations to act prudently in setting aside funding where there is an expectation of the need to spend in the future. Accordingly, local councils will set aside funding over three broad areas:

Reserves

Councils create reserves as a means of building up funds to meet known future liabilities. These are sometimes reported in a series of locally agreed specific or **earmarked reserves** and may include sums to cover potential damage to council assets (sometimes known as **self-insurance**), un-spent budgets carried forward by the service or reserves to enable the council to accumulate funding for large projects in the future, for example a transformation reserve. Each reserve comes with a different level of risk. It is important to understand risk and risk appetite before spending

These reserves are restricted by local agreement to fund certain types of expenditure but can be reconsidered or released if the council's future plans and priorities change.

Balances

The above are specifically allocated to pay for future liabilities. However, every council will also wish to ensure that it has a 'working balance' to act as a final contingency for unanticipated fluctuations in their spending and income.

The Local Government Act 2003 requires a council to ensure that it has a minimum level of reserves and balances and requires that the Section 151 officer reports that they are satisfied that the annual budget about to be agreed does indeed leave the council with at least the agreed minimum reserve. Legislation does not define how much this minimum level should be, instead, the Section 151 officer will estimate the elements of risk in the council's finances and then recommend a minimum level of reserves to council as part of the annual budget setting process.

Confusingly, some councils refer to balances as reserves, general reserves or un-allocated reserves.

Why have reserves?

There are no legal or best practice guidelines on how much councils should hold in reserves and will depend on the local circumstances of the individual council. The only legal requirement is that the council must define and attempt to ensure that it holds an agreed minimum level of reserves as discussed above. When added together, most councils have total reserves in excess of the agreed minimum level.

In times of austerity, it is tempting for a council to run down its reserves to maintain day-to-day spending. However, this is, at best, short sighted and, at worst, disastrous! Reserves can only be spent once and so can never be the answer to long-term funding problems. However, reserves can be used to buy the council time to consider how best to make efficiency savings and can also be used to 'smooth' any uneven pattern in the need to make savings.

Treasury management

The various reserves held by the council are invested in order to make a return that itself can be spent on providing public services. All investments carry risk and the more risk that is taken in an investment the more return is possible. However, the likelihood of losing all or part of the principal sum invested increases. Councils are investing public money and so it is essential that councils consider the security of such investments ahead of the return that might potentially be made. The Treasury Management Strategy, agreed annual by full council, considers the overall approach taken by the council when managing its cash, investment and borrowing activities. It will provide parameters on the types of investment the council will consider and whether any new borrowing is anticipated over the forthcoming few years.

The council's finance function will include specialist officers who look after the council's treasury management activities. There are three elements of such activity:

- monitoring the council's cash flow and bank accounts – like every organisation, making sure that the banks statement is regularly reconciled to the council's accounts system is a basis requirement of financial control
- making detailed investment decisions on behalf of the council, in accordance with the principles agreed by the council in its annual Treasury Management Strategy
- making detailed borrowing decisions, again in accordance with the Treasury Management Strategy.

As well as the annual strategy, treasury management activities will be reported to council at least in a mid-year update and an annual report after the year end. In practice, many councils provide quarterly reports on such activities.



Challenge 6

Find out what reserves your council holds and the purpose of each of these reserves. Most annual budget reports will detail such information, but there is also a note in your published annual accounts that will detail reserve levels at the year end. What do you notice in what you find?

Governance and audit

Governance is about how councils ensure that they are doing the right things, in the right way, for the right people, in an accountable manner. As such, financial control forms an important aspect of the overall governance framework at every council.

Every elected member is responsible for making sure that the council is effectively governed. Councils deal with public money and so it is essential that there are well constructed and documented systems and procedures to ensure that the council not only acts as a good steward but also exhibits the values and culture required to foster good governance. Such values are summed up in the 'seven principles of public life' (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) set out by Lord Nolan in 1995¹.

It is best practice for councils to have an Audit Committee (or an equivalent committee) that is made up of councillors, and sometimes independent non-councillors, to consider governance issues in detail. This committee is an important aspect of the governance framework at the council as it sets the tone from the top and will have the power to make recommendations to full council, the executive or to whomever it considers best placed to deal with the committee's concerns. The Audit Committee (or equivalent) is likely to deal with the following issues:

- ensuring the council has a comprehensive set of procedures and rules, such as financial regulations
- discussing the work of internal and external audit, and other inspection agencies as appropriate

- risk management policies and procedures
- reviewing, and in some councils approving, the annual financial statements
- reviewing the annual governance statement.

If an audit committee is not established its functions must be carried out by full council.

Section 3 of the Accounts and Audit Regulations (2016) requires that the council 'must ensure that it has a sound system of **internal control**'. This system should ensure that the financial and operational management is effective, including the management of risk. The regulations make the council's **responsible financial officer** responsible for ensuring that there are effective accounting recording and control systems are in place. Such controls are documented in the council's Financial Regulations, which form part of the council's overall constitution.

The Accounts and Audit Regulations also require that the council conducts a review of the effectiveness of its system of **internal control** each financial year and prepares an **annual governance statement** that summarises the governance arrangements present at the council, concludes on the effectiveness of such arrangements and includes an action plan for any improvement that is necessary. This statement is signed by the leader of the council and the chief executive officer as a sign of its importance.

The annual financial statements

Every council, by law, must prepare, have audited and then publish a set of annual financial statements. The format of these financial statements is informed by CIPFA's Code of

¹ First Report of the Committee on Standards in Public Life (1995) p.14

Practice on Local Authority Accounting in the UK to ensure that they are similar across all councils.

The audited financial statements must be approved by elected members as they represent the main document that demonstrates to the public how public money has been allocated to services over the year. However, they tend to be long and technical documents and are a challenging read! However, the financial statements include a narrative report provides a useful overview of the council's finances for the past year and into the future in an accessible style and should be essential reading for all councillors!

Audit

The Accounts and Audit Regulations 2016, require councils to have two types of audit, internal and external audit. Their role is outlined below.

Internal audit

Internal audit provides assurance to councillors and officers that the council's various internal control processes and procedures operate in an effective and efficient manner. They fulfil this role by preparing a risk-based audit plan that carries out independent reviews of the council's activities.

Whilst an effective internal audit function is essential, the way such a service is provided is determined by the council. Some councils have their own internal audit department, some use internal audit partnerships and others use private audit companies. Whichever approach is used, the work of internal audit is important as it operates 'on the ground' providing detailed support and challenge directly to officers about their detailed governance arrangements.

Internal audit findings and recommendations will be reported in detail to the officers who are responsible for managing the section of the council under review. Internal audit will also summarise their work in regular, usually quarterly, reports to the audit committee.

External audit

External audit's responsibilities are set out in the Local Audit and Accountability Act 2014. Broadly speaking, these responsibilities are:

- to provide an opinion on whether the council's Annual Financial Statements provide a true and fair view of the council's finances

- to provide an opinion on whether the council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources
- to give electors the opportunity to raise questions about the council's accounts and consider and decide upon objections received in relation to the accounts
- to apply to the court for a declaration that an item in the accounts is contrary to the law.

In order to undertake their work, external auditors will need to satisfy themselves that the council's governance and internal control systems are sound. Therefore, they will review the work of internal audit and seek to place reliance on the conclusions made. This avoids duplication of audit effort.

Senior representatives of external audit will regularly attend the council's audit committee and share their audit plans and approach as well as their findings and recommendations as set out in the annual audit letter.



Challenge 7

- Obtain the latest annual financial statements and read the narrative report. What are your conclusions? Make a resolution to read this narrative report every year from now on!
- Obtain the latest annual governance statement (which is published as part of the annual financial statements). What governance issues have been highlighted?
- Obtain your council's latest external audit letter. What assurance does it give you that the council's financial affairs are well governed?

Further information and support

Further reading

English Local Government Finance: Issues and options Research paper 14/43 (September 2014) House of Commons Library. This paper provides a useful survey of the changing nature of local government funding over the past few years.

Useful websites

The LGA website is an invaluable source of help and advice for all those in local government.
www.local.gov.uk

From the home page, one of the topics deals specifically with finance and business rates and provides a wealth of information, publication and case studies.

The website of the Chartered Institute of Public Finance and Accountancy is a useful source of more detailed financial discussion and guidance.
www.cipfa.org

The Local Government Information Unit provides various publications and training seminars on various aspects of local government finance.
www.lgiu.org.uk

Further training

The LGA finance leaders seminar is a two-day event for councillors who have specific responsibility for finance, whether as a council leader, portfolio holder or chair of an audit or scrutiny committee. The event is usually held three times in the autumn. Details can be found on the LGA website.

Glossary of terms

Annual Governance Statement an annual report prepared, approved and published with the financial statements that reviews the council's overall governance arrangements.

Best Value the legal duty introduced in the Local Government Act 1999 that requires councils to make arrangements to continuously improve the way in which its functions are exercised and to have regard to a combination of economy, efficiency and effectiveness.

Billing authority a local council that directly bills council tax and business rates in its local area.

Budget gap where the estimates expenditure is higher than the estimated income in a budget or other financial plan, there is said to be a 'budget gap'.

Budget outturn the actual income or expenditure compared to the budgeted sum at the end of the financial year. This is usually reported to councillors soon after the close of the financial year in the 'outturn report'.

Business rateable value the annual assumed rental value of a business property.

Business rate multiplier the annual amount established by central government used in the calculation of the business rates bill. This amount is multiplied by the businesses rateable value to derive the size of the business rates bill for the year.

Business rates pools an agreement between neighbouring councils to add together combine their business rates activities in a pool. This is designed to maximise the ability for councils to retain business rates locally.

Capital receipts the proceeds of sale from the disposal of assets such as land and buildings.

Council tax base the total amount of council tax due to the council. This is calculated by multiplying the number of domestic properties in each of the 8 council tax bands and then adding the resultant figures together. The tax base can be increased by building new homes as well as by increasing the council tax demand itself.

De-minimis literally means 'too small'. Councils will usually set a de-minimis level where small value assets (usually equipment) are treated as revenue expenditure rather than capital expenditure.

Discretionary services a range of services that councils provide which they are not required to provide by law.

Earmarked reserves an amount of money that has been set aside to be spent on a defined activity or manner at some point in the future. Also known as specific reserves.

General fund the council's main account detailing its expenditure and income on services, except those arising from the provision of housing accommodation directly by the council.

Housing Revenue Account (HRA) a separate account to the General Fund, which includes the expenditure and income arising from the provision of housing accommodation directly by the council.

Internal borrowing where a council decides to use its reserves to finance expenditure rather than borrow externally.

Internal control a system of rules, systems and procedures intended to make sure that the council's financial activities are well managed.

Local government settlement the annual announcement by Government of the amount of grant funding to be provided for the forthcoming year. The provisional settlement is usually announced in mid-December, with a final settlement confirmed in mid to late January.

Medium Term Financial Strategy (MTFS) a budget estimating income and expenditure at a high level over at least three forward financial years.

Narrative report an element of the council's annual financial statements providing an overview of the council's finances and financial provision in an accessible format.

Precept the amount which a local authority which cannot bill the council tax directly requires to be collected on its behalf by the relevant billing authority.

Prudential borrowing/The Prudential Code the CIPFA Code of Practice that regulates local council capital spending and financing. Requires all borrowing to be both affordable and prudent.

Responsible financial officer the proper name for the 'Section 151 officer'. Every council, by law will designate an individual officer as having legal responsibility over providing effective financial management and advice across the council. The post holder must be a qualified member of one of the main accountancy bodies in the UK.

Revenue Support Grant the main grant paid to councils by central government. The amount of this grant has been severely reduced since 2010.

Section 151 officer another name for the responsible financial officer. Derived from the fact that section 151 of the Local Government Act 1972 requires there to be such an officer at every council.

Self-insurance the process used by many councils to use a specific reserve to set aside money to repair or replace any damage that occurs where there is no external insurance policy to cover the loss.

Specific Government Grant money provided by central government to local government where there are specific requirements for councils to spend the money on certain defined activities.

Statutory services services which councils must provide by law.

Responsible financial officer a senior officer who is legally responsible for the overall administration of the council's financial systems, controls and procedures. Also known as the 'Section 151 officer'

Ring-fenced funding, budgets etc income and expenditure budgeted and spent on certain defined activities and cannot be used elsewhere.

Answers to challenge 2

Which of the following transactions are revenue and which are capital?

1. Filling in a small pot-hole in a council car park? **This is repairs and so is revenue.**
2. Re-surfacing the entire car park? **This improves the asset and so is capital expenditure.**
3. The annual cost of the council's refuse collection contractor, who operates the service under a seven-year contract? **It is the subject of the expenditure not the length of the contract that is crucial here. Refuse collection is an on-going regular service and so is revenue expenditure.**
4. Adding webcasting equipment to the council chamber costing £50,000? **This is likely to be capital expenditure as the cost is almost certainly above the council's de-minimis limit.**
5. Redundancy costs of officers as part of a re-structuring programme? **Whilst redundancy costs are staff related and so revenue expenditure, if the re-structure is agreed to be a transformation project then the council may use its capital resources for this if it wishes.**



Local Government Association

18 Smith Square
London SW1P 3HZ

Telephone 020 7664 3000

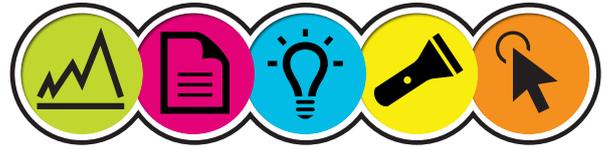
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Email info@local.gov.uk

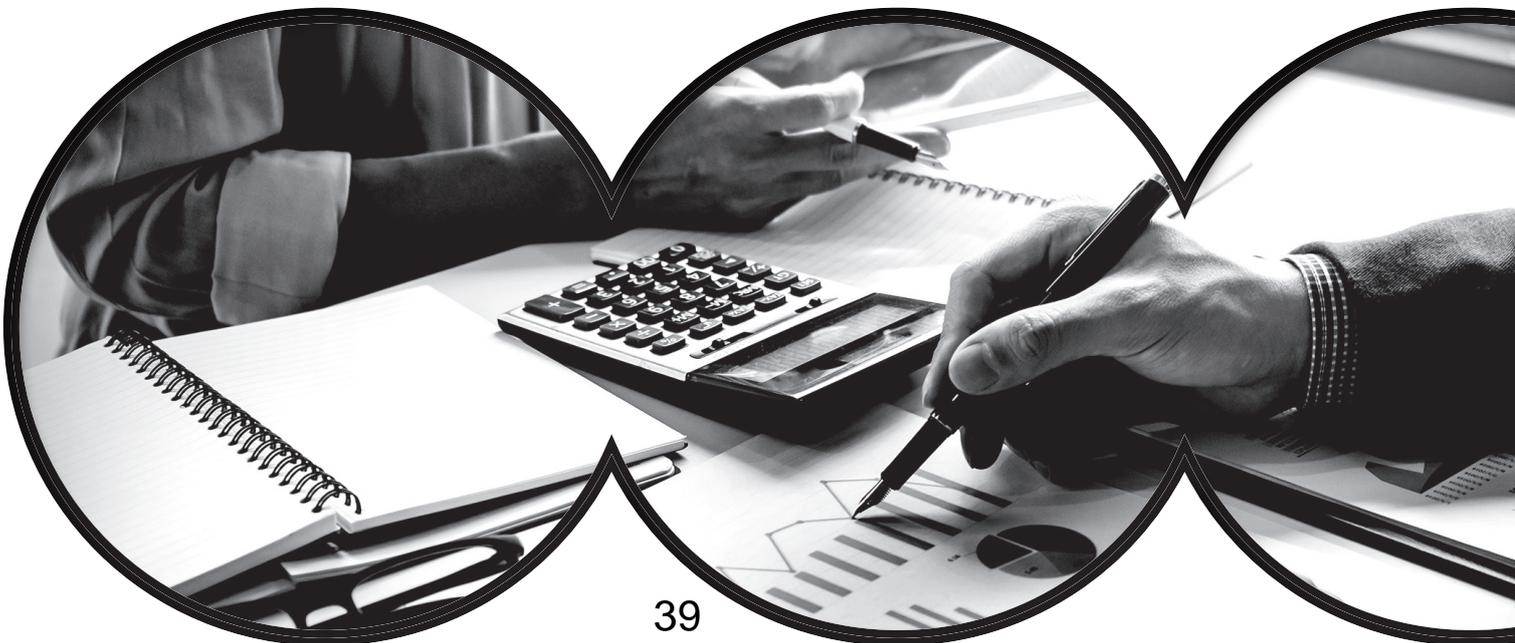
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A councillor's workbook on scrutiny of finance



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Introduction

This Local Government Association (LGA) workbook has been designed as a distance learning aid for local councillors. It is intended to provide councillors with insight and assistance and develop the key skills which will help you to be most effective in your role. Some of the content may be of most use to more newly elected councillors, but nonetheless if you have been a councillor for some time, the workbook should serve as a useful reminder of some skills, approaches and tactics that make up the key features of financial scrutiny. If you fall into the latter category the workbook should serve as a useful reminder. It may even challenge you to reconsider how you have approached aspects of the role to date. This workbook will provide you with an understanding of the principles and practicalities of scrutinising the financial affairs of your council.

The workbook offers few firm rules for councillors as it is recognised that each individual must decide how best to approach their role in relation to financial scrutiny. This will be influenced by the type of area you represent, any specialist roles you have taken on and the nature of the financial management arrangements in your council.

The workbook can be used as a standalone learning aid or alongside other material you may cover such as training courses, e-learning modules or sessions within your own council. As such, the workbook should serve more as a direction marker rather than a road map.

You do not need to complete it all in one session and may prefer to work through the material at your own pace. In working through the material contained in this workbook you will encounter a number of features designed to help you think about your role in scrutiny of finance.

These features are represented by the symbols shown below:



Guidance – this is used to indicate research, quotations, explanations and definitions that you may find helpful.



Challenges – these are questions or queries raised in the text which ask you to reflect on your role or approach – in essence, they are designed to be thought-provokers.



Case studies – these are ‘pen pictures’ of approaches used by other people or organisations.



Hints and tips – these represent a selection of good practices which you may find useful.



Useful links – these are signposts to sources of further information and support, outside the workbook, which may help with principles, processes, methods and approaches.

The importance of financial scrutiny

Financial scrutiny is the term used to describe the process of applying overview and scrutiny (O&S) to the financial management arrangements of a council:

- **Overview** – a proactive policy development and review process. In effect, gathering and using evidence to consider whether the financial plans and strategies of the council are sound and have taken into consideration all relevant factors.
- **Scrutiny** – a reactive challenge to decision-making, budgeting, service delivery or performance issues. In effect, using evidence to hold the council to account for its expenditure or to investigate pertinent financial concerns.

For simplicity, the shorthand term scrutiny is used throughout this workbook to describe both the overview and scrutiny element.

The legal framework for financial scrutiny

The Local Government Act 2000 states that it is the responsibility of the full council, on the recommendation of the executive, to approve the budget and related council tax demand. The Act makes it clear that the role of scrutiny in the financial process is to hold the executive to account and to ensure that its decisions are in the best interests of the community. Some scrutiny of budget setting and other financial planning processes is therefore essential.

The Local Government Act 2003 provides the central legislation surrounding a council's financial planning and budgeting arrangements. Sections 28 and 29 of the Act require members to be involved in budget monitoring throughout the year, although it is not specified whether this is primarily an executive or scrutiny function.

The council's financial affairs – who's interested?



Challenge 1

Write down who you think might wish to know about the financial affairs of your council and why:

Who has to know?

Why?

Who might need to know?

Why?

Who might want to know?

Why?

The councillor's role: scrutiny of finance

As a councillor, you have an essential role to play in understanding and scrutinising your council's use of public money. The sums of money involved can often be sizeable and the task can be one of the most challenging elements of the wider scrutiny function.

There are many stakeholders who have a vested interest in the financial affairs of your council, including central government, partner agencies, local public auditors and the various communities you serve. All of these look to you to act with a degree of financial stewardship to help ensure that your council spends its money wisely. This, therefore, is a key task of financial scrutiny.

Why financial scrutiny is important

From a council perspective, there are many good reasons for undertaking financial scrutiny. For example, to:

- reality check budgets and financial plans prior to their approval
- ensure that there are clear links between budget setting and strategic/operational plans
- assess the value for money provided by local public services or provided by council grant funding programmes
- research and learn best practice in other local authorities
- investigate matters in the public interest or address financial issues raised by constituents or community groups
- oversee how the council is pooling its resources with partner agencies to tackle jointly agreed priorities
- identify evidenced based options for reducing costs, generating income or introducing new models of delivery
- challenge how resources are allocated and used and examining their impact
- provide an additional and transparent challenge to the executive's management of the council's finances.



Challenge 2 – financial scrutiny in your council

Write down some examples of financial scrutiny in your council. Using the information available to you (members' library, internet/intranet site, committee papers), identify what happened as a result of each scrutiny activity, ie

a) no evidence of action by the executive/council

b) some recommendations accepted by the executive/council, or

c) most or all recommendations accepted by the executive/council.

Having completed the activity, what lessons can you draw from the council's choice of financial scrutiny work?

Being a good financial scrutineer does not require you to be a financial expert. But it does require you to ask questions and challenge when you are not clear about how the council is spending its money and how it is ensuring that there are sufficient financial resources to fund its current and future plans. Similarly, don't be put off by the columns of detailed figures you may be presented with as a member. The same principle applies – if the key messages are not clear to you, ask your cabinet members or financial officers to explain what the information is supposed to tell you. Good financial scrutiny will require you to develop a reasonable knowledge of the council's financial standing, but it will require you to ask pertinent questions even more.



Guidance

“Understanding local government finance is not just about understanding where the money comes from, but also about understanding how we can make this money work for the local community and meet local needs.”

Scrutiny of the council's financial affairs

The constitution of your council will make it clear who has the principal responsibility for monitoring important aspects of the organisation's financial health: from issues of budget monitoring and financial probity to long term financial planning and fiscal stability. In most cases, it is not usually an effective use of scrutiny time to duplicate these roles if they are being carried out in a clear, transparent and effective way.

That said, there are some important scrutiny tasks in this area that can add value. For example:

- Reviewing draft financial plans (eg the medium term financial plan) to challenge the forecasts, affordability, risks, clarity and feasibility of what is proposed. In particular, how any financial plans will affect other important corporate or service plans? It is also a good idea not to review these plans only once per year. Scrutiny can follow the budget reporting cycle of the executive/cabinet.
- Monitoring some internal and external audit reports or the council's risk registers to identify areas where further, more detailed, scrutiny may be beneficial in improving financial systems, reporting processes, resource allocation or resource prioritisation.
- Responding to requests from the public for greater clarity on the council's finances and spending plans, eg reviewing the financial plans and financial reports made available to the public, to ensure that they are sufficiently clear and understandable.
- Carrying out periodic 'post implementation reviews' of large revenue or capital projects to determine whether these were delivered on time and within budget, achieved their stated aims and delivered the outcomes and value for money anticipated.

- Challenging decisions relating to new service commitments, investments and previously un-budgeted demands.
- Scrutinising the financial implications of greater partnership working, eg how partnerships are financially managed, the impact of pooled budgets on the council's spending, the financial rationale for entering into partnerships and what impact, if any, spending is having in cross-cutting policy areas.
- Keeping a regular 'watching brief' on important matters affecting general resource management, eg improvements in procurement or programme/project management.



Guidance

"Members need to get an understanding of how the spending matches against policies, and so must get to grips with the numbers. Don't be mesmerised by the big numbers – as councillors you are here to deliver on programme – you don't need to be a financial expert but understanding the figures is a useful skill for members to have."



Case study

Bristol City Council's Overview and Scrutiny Management Board reviewed how scrutiny was working to find new and better ways of working. Eleven priority topics were identified and each piece of scrutiny would be conducted in the way that was considered most appropriate for the topic. One of the priority areas identified was the council's medium term financial plan (MTFP). Due to the importance of this work, it was agreed that a scrutiny commission would meet regularly to carry out this ongoing scrutiny.

"For any large organisation a clear financial strategy is essential. The work which is being undertaken will ensure a robust and rigorous framework for the MTFP, which will be reviewed on an annual basis.

It will improve transparency and ensure that all officers, residents, interested parties and members can have a single view of council finances".

Councillor Graham Morris, Chair of the Resources Scrutiny Commission



Hints and tips

Scrutiny checklist – financial planning

- Has the council got an MTFP?
- How well is it integrated with other corporate strategies and plans in the council?
- How is the MTFP used in the annual budget setting process?
- How is the MTFP monitored on an on-going basis by members?

Budget setting and monitoring – the importance of scrutiny

Just as the budget process in your council is carried out on a cyclical basis throughout the financial year, budget scrutiny must also be carried out on a rolling programme. This work can involve:

- Challenging how the budget has been constructed before it is agreed and before the level of council tax has been set. In particular, probing any assumptions that lie behind the executive's budget strategy, ie is the approach incremental or is it starting from a base budget, what are the main savings proposals, how will any growth be funded, are the financial implications of proposals from departments or committees built into the overall budget and has an appropriate level of reserves been set?
- Carrying out budget monitoring activity, for example in areas where expenditure against budget looks to be well above or below forecasts and where growth/savings targets and revised forecasts are involved. As a scrutiny chair with responsibility for financial scrutiny, a relationship with the chief finance officer and relevant executive member is essential.
- Undertaking some evaluation of performance and value for money.
- Maintaining a 'big picture' view of the financial pressures affecting the council and continuously challenging how these might impact on existing budgets and budget setting in subsequent years.

An important area for members to constantly bear in mind is the format and content of any budget monitoring information. Many councils now use summary information, exception reporting or 'traffic light' style indicators to cut down on detailed financial information and to provide 'early warnings' of potential problems. If this type of information is not available or could be improved to enable better scrutiny, members could suggest it to their executive/ cabinet and/or officer colleagues to make such information available.



Scrutiny checklist – questions to ask during budget setting

- Do the proposed spending plans fit with the council's overall aims, objectives and priorities?
- Is it clear how outcomes/outputs will be measured?
- What opportunities are there to generate income for the council? (eg from fees, charges etc)?
- Have targets been established? Are these targets acceptable and how will they be monitored by members?
- Has the budget been reviewed thoroughly by members and set in accordance with the medium term financial plan?
- How well does the budget link with expected service demand?



Scrutiny checklist – questions to ask during budget monitoring

- Did expenditure meet (or help to meet) the performance objectives set by members?
- Are officers aware of the reasons for any under or overspends?
- What impact do under/overspends have on the achievement of the council's plans and policies?
- Has this impact been taken into account for next years' budget and future budgets?
- Have revenue generation targets been reached?
- What are the risks if they are not? How will these be monitored and addressed?



Challenge 3 – budget scrutiny: getting the full picture

Imagine you are scrutinising the budget performance of a service in your council.

You are presented with the following scenario:

a) performance in the particular service area looks to have fallen short of a key corporate target, and

b) expenditure in the service area concerned is below budget.

Are the two indicators linked in any way? Why?

The simple answer to the question posed is 'they might be'. But without further questioning and analysis it would be difficult to draw any conclusions. Analysis of basic budget information and performance indicators can help to flag up areas of concern and matters that need to be further investigated but only further scrutiny can give you a more complete picture of performance.

Scrutinising performance, efficiency and value for money

Scrutiny can play a major role in improving performance, delivering efficiencies and demonstrating value for money. In examining these issues, members might have questions on the following:

- **Inputs** – the resources used in delivering a service, eg the financial and staffing costs of delivering a housing benefits service each year. In value for money terms, a service that operates to minimise the inputs required is described as economic in its use of resources.
- **Processes** – the approach that an organisation takes in using its available financial and staffing resources to deliver a customer service, eg the method of processing housing benefits claims. In value for money terms, a service which makes best use of the inputs it has available in delivering high quality processes is described as efficient in its use of resources.
- **Outputs** – the services that are delivered as a result of the inputs and processes of the council, eg the number of customers receiving their housing benefits payments as planned each month.
- **Outcomes** – the improvements in the quality of life experienced by those in the community as a result of the outputs delivered by the council, eg the reduction in poverty resulting from the efficient delivery of housing benefits payments to those in need.

In value for money terms, a service which delivers a high volume of quality outputs and/or outcomes is described as effective in its use of resources.

Planning and structuring financial scrutiny work

Most councils use a variety of approaches in carrying out financial scrutiny. This can include:

- specific financial and budget scrutiny activity as part of the regular work of standing scrutiny committees
- budget scrutiny panels which ‘shadow’ the financial monitoring work carried out by executive members
- service scrutiny panels which take the lead in scrutinising all aspects of individual service performance, including departmental budget performance and value for money issues
- time limited ‘task and finish’ groups which can investigate a particular financial issue or look in more depth at the scope for efficiency savings or value for money improvements.

Whatever structural arrangements are adopted, financial scrutiny work should be programmed and planned as efficiently as all other elements of the scrutiny function and will rely on three essential ingredients:

- robust and effective work planning which is owned and driven by members
- the development of an effective culture of scrutiny, based on consensual politics, robust challenge and accountability (as opposed to party politics, opposition and blame) (see text box)
- a reliance on evidence and reasoned judgement rather than opinions and speculation.



Financial scrutiny – characteristics of an effective culture of scrutiny

New scrutiny culture:

- inquisitorial
- questioning
- cross-examination
- probing the ‘heart of the matter’
- dialogue and debate
- variety of views
- holding to account

As with other scrutiny work, good information is needed for members to form opinions and draw conclusions. In financial scrutiny it is likely that quantitative evidence will be the main source of information, ie numerical data or information that can be converted into numbers, eg financial accounts, budget reports, performance indicators or analyses of user or population statistics. This can provide answers to the essential questions of 'how many?', 'how much?', 'how often?' and 'at what cost?'

However, in budget monitoring and value for money reviews, the importance of qualitative evidence should not be overlooked in helping members to understand the processes and procedures that lie behind any analysis of costs and performance. Much of this can be gathered through the effective questioning of expert witnesses and other relevant stakeholders as illustrated below:



Effective questioning during financial scrutiny

Positive practice

- **Free narratives and open questions** – asking an open question and allowing the respondent to give a free narrative of the situation from their perspective, eg “What are your thoughts regarding the cost overrun...?”
- **Probing** – using a range of techniques to elicit information and deepen understanding:
- **Challenging** – “What exactly did this cost?”
- **Encouraging** – “That is a significant underspend!” (with a pause for a further response).
- **Acknowledging/repeating** – “You said that no overspend was predicted in this area, can you explain more about how these conclusions were reached?”

- **Probing for details** – “Did you do anything else to make savings?”
- **Direct questions** – “How do other authorities manage to stay within budget?”
- **Showing understanding** – “I see” (allowing time for the respondent to elaborate).

Unhelpful practice

- **Double bind questions** – impossible to answer without incrimination,
- **Biased question** – which have an inbuilt bias, eg “What do you think about the problems that the lack of budget is causing?”
- **Leading questions** – which unfairly lead the respondent to a particular answer, eg “I think the financial controls are poor – what do you think?”
- **Terminating statements** – which prevent the respondent from answering, and implicitly assume that the person agrees with the point raised, eg “I could ask you what cost controls were in place, but your earlier comments have already confirmed that you believe no financial control was evident”
- **Tag questions** – which are small additions to the end of a statement in order to prompt a response, eg “This is the best course of action, isn't it?”
- **By focusing on good information** – gathering techniques and making best use of a range of questioning approaches, those involved in financial scrutiny should be able to form sound judgements, conclusions and recommendations.

Overcoming the challenges of financial scrutiny

In earlier sections of this workbook we hinted at some of the inherent challenges presented by financial scrutiny. This includes the fact that it is often seen as a technical pursuit and can be viewed as overly 'political', highlighting financial shortcomings at both a corporate and service level and potentially bringing scrutiny members into conflict with executive members and/or officers.

Many of these problems can be overcome by building an effective culture of scrutiny (see text box on page 10) and by considering the following good practice tips:

- be positive and seek to enhance and influence, not criticise or undermine
- challenge the jargon, technical language and acronyms. If you can't understand the information presented, it is likely that others won't be able to either
- concentrate on adding value, rather than opposing for its own sake
- be clear about the value of different roles at different times, eg challenging the budget setting process at a time when it can make a difference rather than attacking it after the event.
- focus on the big picture – don't scrutinise the budget or financial plans in isolation and don't demand unnecessary detail
- challenge issues of integration within the planning process, eg how the longer term capital strategy is aligned with the annual budgeting process and medium term financial plan.

In overall terms, remember that while financial scrutiny should be critical, it should also be constructive: scrutiny is often deemed the 'critical friend'.

A final word – summary

Financial scrutiny is an important element of the overall scrutiny armoury. If council services are to be run economically, efficiently and effectively, they must make best use of the scarce resources allocated to them. This requires sensible financial planning, transparent processes for resource allocation, robust fiscal controls and strong budgetary and performance monitoring. In all of these areas, financial scrutiny can add value in challenging how councils make best use of the public money they receive.



Challenge 4 – where do you go from here?

Look back over the material contained in earlier sections of this workbook and consider the following:

a) What key action points can you identify to improve your contribution to financial scrutiny, ie what three or four things might you start doing, keep doing or stop doing?

b) Have you identified any gaps in your knowledge or shortcomings in your personal skills? If so, please set these out below and identify how any further training or development might help you, eg further reading/research, attending courses, coaching, mentoring, work shadowing etc.

Appendix

Sources of further information

Printed publications

LGA Councillors' Guide

www.local.gov.uk

The LGA website has many pages discussing community leadership and a number of publications, a series of case studies, the Knowledge Hub, and development programmes for councillors and council officers.

For more information please go to www.local.gov.uk/our-support/highlighting-political-leadership

Useful websites

The LGA website is an invaluable source of help and advice for all those in local government. www.local.gov.uk

Leadership Essentials: Effective Scrutiny

The LGA delivers a two day programme for new or aspiring scrutiny chairs or task-and-finish group review lead members covering:

- leading and managing a scrutiny review
- chairing scrutiny meetings in all their forms
- increasing participation by members and the public
- ensuring impact of scrutiny recommendations.

Drawing on experts in their field, the programme offers the opportunity to focus in depth on the hot topics that are currently most relevant to your work, whether that is children's safeguarding, welfare reform, changes in health services or pressure on budgets driving major changes in how services are delivered or commissioned.

For further details on how to apply and dates: <https://www.local.gov.uk/our-support/highlighting-political-leadership/leadership-essentials>

The Centre for Public Scrutiny website has extensive resources for scrutiny: publications, events, a library of review reports and a discussion forum.

www.cfps.org.uk

The website of the Chartered Institute of Public Finance and Accountancy

www.cipfa.org.uk

Local Government Information Unit (LGIU)

The Local Government Information Unit website gives information on publications and other scrutiny work.

www.lgiu.org.uk



Local Government Association

18 Smith Square
London SW1P 3HZ

Telephone 020 7664 3000

Fax 020 7664 3030

Email info@local.gov.uk

www.local.gov.uk

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**WOKINGHAM
BOROUGH COUNCIL**

Medium Term Financial Plan 2018/2019

**(Including Revenue Budget Forecast & Capital Budget
Forecast to 2020/21)**

WOKINGHAM BOROUGH COUNCIL MEDIUM TERM FINANCIAL PLAN

(Revenue Budget Forecast & Capital Budget Forecast to 2020/21)

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CHIEF FINANCE OFFICER'S STATUTORY REPORT

1. Introduction

The Local Government Act 2003 requires the Chief Finance Officer (CFO) to report to Members, when setting the level of council tax, on the robustness of the budget presented and adequacy of reserves. The report below provides a strategic overview of the council's financial position as a context before making specific considerations on the 2018/19 budget.

2. Strategic Overview

Government's Autumn Budget November 2017

The Government declared that the UK economy has shown its resilience, although the Office for Budget Responsibility (OBR) expects to see slower gross domestic product growth over the forecast period. The UK economy is forecast to grow by 1.5% in 2017, and then grow at a slightly slower rate in the next three years before picking up in 2021 and 2022. Departmental spending plans were set out in the budget, with the DCLG Local Government spending reducing from £6.7bn in 2017/18 to £4.8bn in 2018/19.

The national living wage will increase to £7.83 per hour (from £7.50) from April 2018. The housing infrastructure fund will be extended from £2.3bn to £2.7bn to help provide new homes in high demand regions. £2.0bn has been confirmed to provide at least 25,000 new affordable homes. An additional £1.7bn will help provide extra investment in local transport connections as part of the transforming cities fund.

The autumn budget provides the context for the local government funding settlement and illustrates that the financial climate is expected to remain extremely challenging for the foreseeable future.

Other financial notifications

From previously announced government statements, the 1% cumulative annual reduction in council dwelling rent will continue for two more years in April 2018 and April 2019.

Local Government Finance Settlement (LGFS) December 2017

Due to years of local government funding driven by a formula biased toward deprivation factors (as opposed to recognising the basic cost of providing services) and grant reductions calculated on the amount received in previous years, Wokingham Borough Council goes into the 2018/19 settlement as the lowest funded unitary authority (per head of population) in the country. This also means that, because of such poor funding settlements in the past, more of Wokingham's local services are funded by its council taxpayers than any other unitary authority. It is important to emphasise that while some unitary authorities benefit from around 70% of their service costs funded by Government, the corresponding figure is just 12% in the case of Wokingham, and is set out later in the report.

Wokingham has been hit the hardest because Wokingham's council taxpayers already pay for most of its local authority services (as previously illustrated). This is the third year of the current

four year funding settlement. The settlement seeks to impose a triple taxation effect on Wokingham residents. Firstly they have been required to pay the largest contribution to local services as a result of previous poor settlements, then their significant contribution is used as a basis on which to calculate their penalty (grant reduction) and lastly, a high local taxation levy is assumed each year of the settlement (council tax at inflation plus a 2% adult social care precept) in order to maximise the penalty calculation. Although this punitive approach has been applied to all local authorities, it has a significantly disproportional effect on Wokingham's council taxpayers who have, through previous poor settlements, been required to make the highest percentage contribution to their local services.

Wokingham's situation is further compounded by the way the new homes bonus (NHB) has been included within the grant cut calculation. We have endeavoured to embrace the intention of the NHB since its introduction and play our part in both regeneration and taking a responsible approach in meeting housing demand. This means that our NHB has been used primarily in the past on regeneration related activities. Previously NHB provided the council with resources to plough back into services and regeneration, as was the stated intention of the scheme on its inception. Now that our housing supply projects are underway and delivering on their intention, our NHB should be increasing. Under the current four year settlement, NHB funding has been cut, despite the significant new homes being built in the borough. This is a consequence of the Government's cut to NHB funding. Furthermore the NHB is included with the council's core spending power calculation, which indicates it should be used on core council services and therefore not available specifically for regeneration activity.

Over the next three years, the indicative grant cuts assume the council increases council tax by inflation and an additional adult social care (ASC) precept of 2% each year. If the council does not apply both these levies, it compounds what already looks like an unmanageable savings target created by such severe reductions on an already meagre grant allocation. As a result, our residents will inevitably be charged more and more each year, whilst experiencing the service cuts needed to 'balance the books'. The council has the opportunity to increase the adult social care precept by up to 6% over the three years 2017/18, 2018/19 and 2019/20. An increase of 3% was taken in 2017/18, leaving an increase of 3% to be shared across 2018/19 and 2019/20.

The ASC precept, although initially seen as a helpful introduction, becomes problematic for Wokingham. The precept is assumed to be taken at 2% every year in the settlement calculation and as such, contributes to the size of the grant cut (as previously explained). The council is required to spend this money on adult social care only, and so this restricts the council's ability to allocate its own spending internally which is needed to justify the precept.

In recent years the government has capped council tax increases to 2%, excluding the adult social care precept. For 2018/19 this cap was increased to 3%. Although this increases flexibility, this only partially goes to cover increasing inflation costs and reducing grant levels, with central government assuming in their analysis of our spending pressures a 3% council tax increase.

Additionally the transitional grant which had been received by Wokingham in each of the previous two years has been cut entirely.

Wokingham, along with its Berkshire neighbours bid to be part of a 100% business rates retention pilot for 2018/19. This bid was accepted, and will result in an additional £500k being received by the local authority for 2018/19, and an estimated £25m further funding being

allocated to the Berkshire LEP (Local Enterprise Partnership) for infrastructure investment in line with the business case reported to Executive on 30/11/2017.

A further important feature of the LGFS is that the settlement expires in 2019/20. A new funding methodology will be created for Local Government, together with Business Rate retention (now reduced from 100% to 75%). The Government refer to the design of this methodology as the 'Fairer Funding Review'. Wokingham will be making representations throughout this review which will be based on two key funding issues: the Council's Council Tax income should not be taken into account when grant determinations are made (as this creates the effect of double taxation) and Wokingham should not be penalised for performing well and thereby scoring poorly on indicators that enhance perceived need.

Negative Revenue Support Grant (RSG)

The council continues to oppose the concept of negative RSG, which is forecast at £7.14m in 2019/20. Negative RSG has the effect of distributing council taxpayers' money out of the borough and creates an unviable financial platform for 2020 when business rates are 'returned' to local authorities. Wokingham would start off this new regime without any RSG and less than £7m of its £60m+ business rates. In the provisional Local Government Finance Settlement announcement in December, the Government committed to a review of Negative RSG in 2019/20 with the intention of arriving at fair and affordable funding options. This work will take place in the Spring and it is important this Council makes representations where it can to influence outcomes in a way that protects the interests of Wokingham's Council Taxpayers.

Adult Social Care (ASC)

The Government's continued aim is that by 2020 health and social care will be integrated across England, with joined up services between social care providers and hospitals, and that it should feel like a single service for patients.

The adult social care precept puts the council at a perverse financial disadvantage. It is assumed to be levied at 2% every year by the Government as a way of justifying the highest possible grant cut. The resulting grant and subsequent budget shortfall can only be addressed by cuts to non ASC services (or it will lose its ability to levy the precept). This significantly compounds the pressure on the council's non adult social care service areas.

Regeneration and strategic developments

The council is continuing the development of Wokingham town centre to ensure that it remains an attractive location for businesses, and for people to visit for shopping and recreation. In addition, the four strategic development locations (SDLs) which the council has identified are driving the process of generating new housing and employment opportunities. The budget submission, contained in the medium term financial plan (MTFP), will again identify considerable investment in these areas.

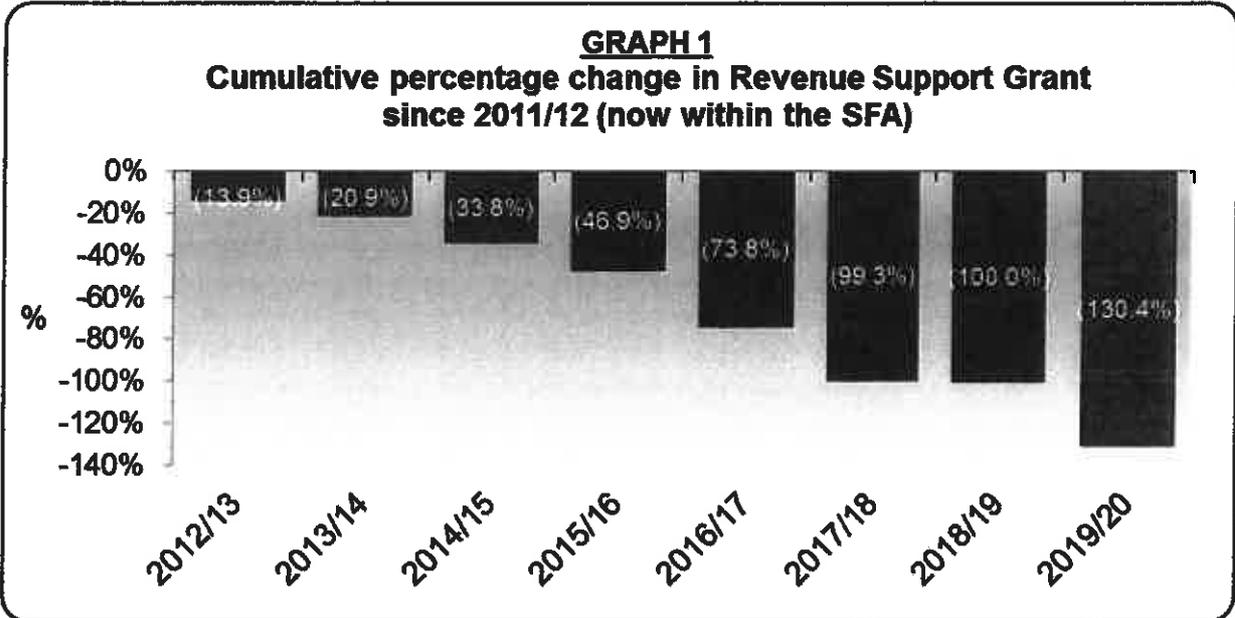
3. Analysis of Reductions in Government Funding

The percentage changes in Government Funding since 2010/11 are shown below. Following the December 2010 Local Government Finance Settlement, Wokingham suffered a reduction in RSG for the first time in 2011/12 of 14.3%, which was followed by reductions cumulatively

as shown in the graph below. In 2018/19 all of the grant will have gone completely, yet by 2019/20 the grant will be cut still further as authorities are required to pay back grant through 'negative RSG'.

RSG was previously the significant unringfenced grant that supported the council's ongoing revenue expenditure. From 2013/14 it has been incorporated within the settlement funding assessment (SFA) which also includes the estimate of retained business rates income. The 100% reduction for Wokingham is significantly higher than the Berkshire average reduction of 63.9%, and the average for all unitary authorities.

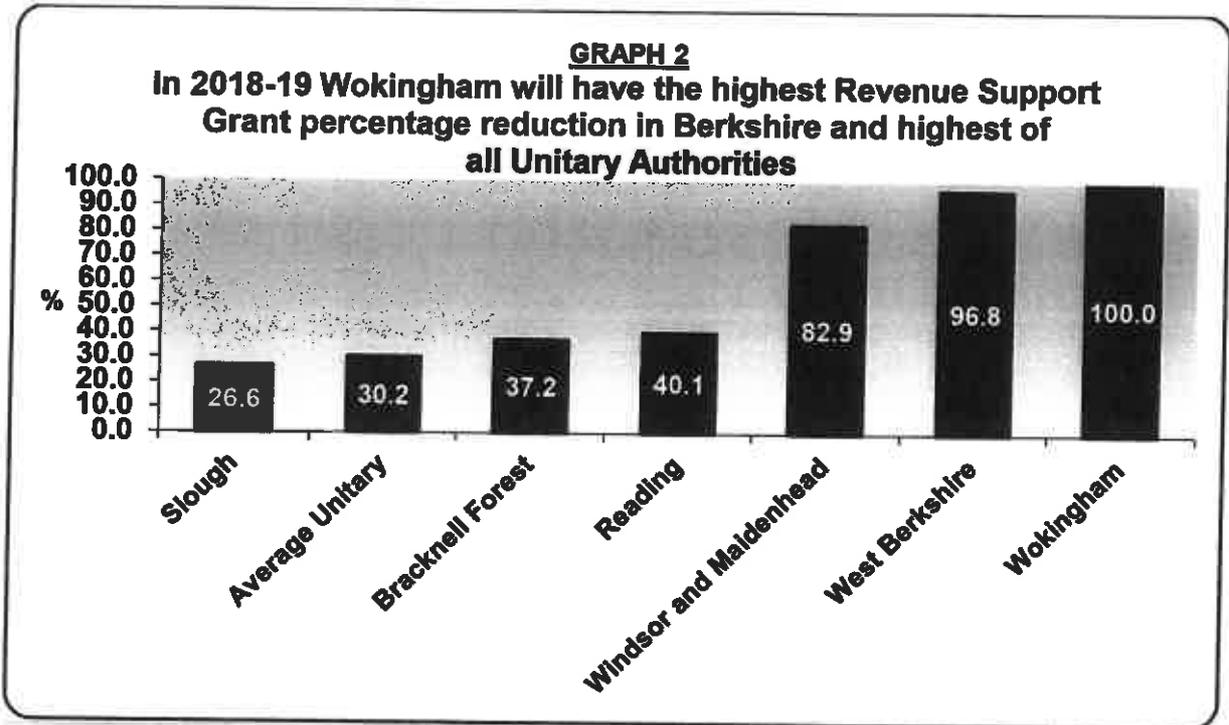
The graph below shows the cumulative reductions in grant for Wokingham.



The reductions in Government grants highlighted above have had a major impact on the council's finances and budgets since 2010/11. The Council's net expenditure budget has been reduced each year since 2010/11 as shown in the table below, which indicates that the net expenditure budget has been reduced by £35.9m (34%) between 2010/11 and 2018/19.

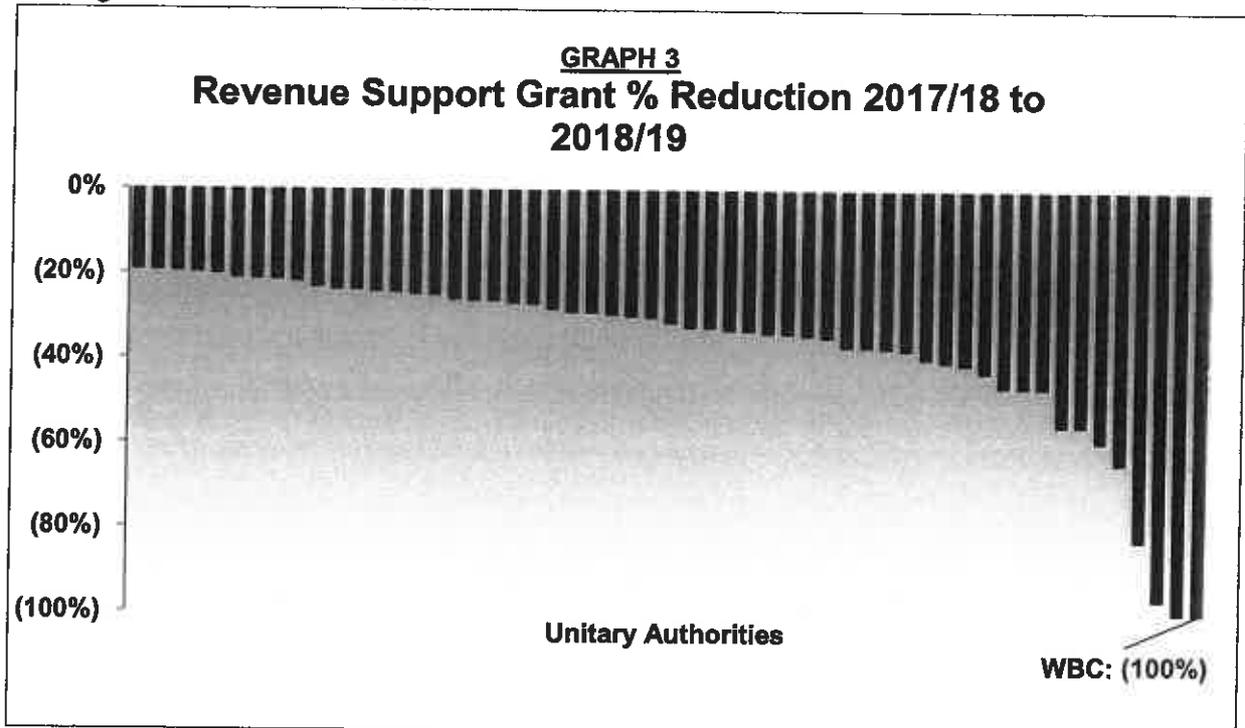
	£m
WBC 2018/19 net expenditure budget	113.4
Less Rolled in Grants from services to Formula Grant	(12.5)
Less discount re inflation since 2010/11 (based on CPI)	(21.5)
Less discount re growth in council tax base since 2010/11	(10.1)
Net expenditure budget 2018/19 discounted to 2010/11 prices	69.3
2010/11 net expenditure budget	105.2
Reduction in expenditure since 2010/11	£35.9m (34%)

This further graph, below, compares the 2018/19 RSG reductions across Berkshire councils, and the average for all unitaries. Despite already being the lowest funded unitary authority prior to the 2018/19 settlement, incredibly Wokingham managed to suffer the highest percentage reduction in RSG of all Berkshire and unitary authorities in the country, at 100%.

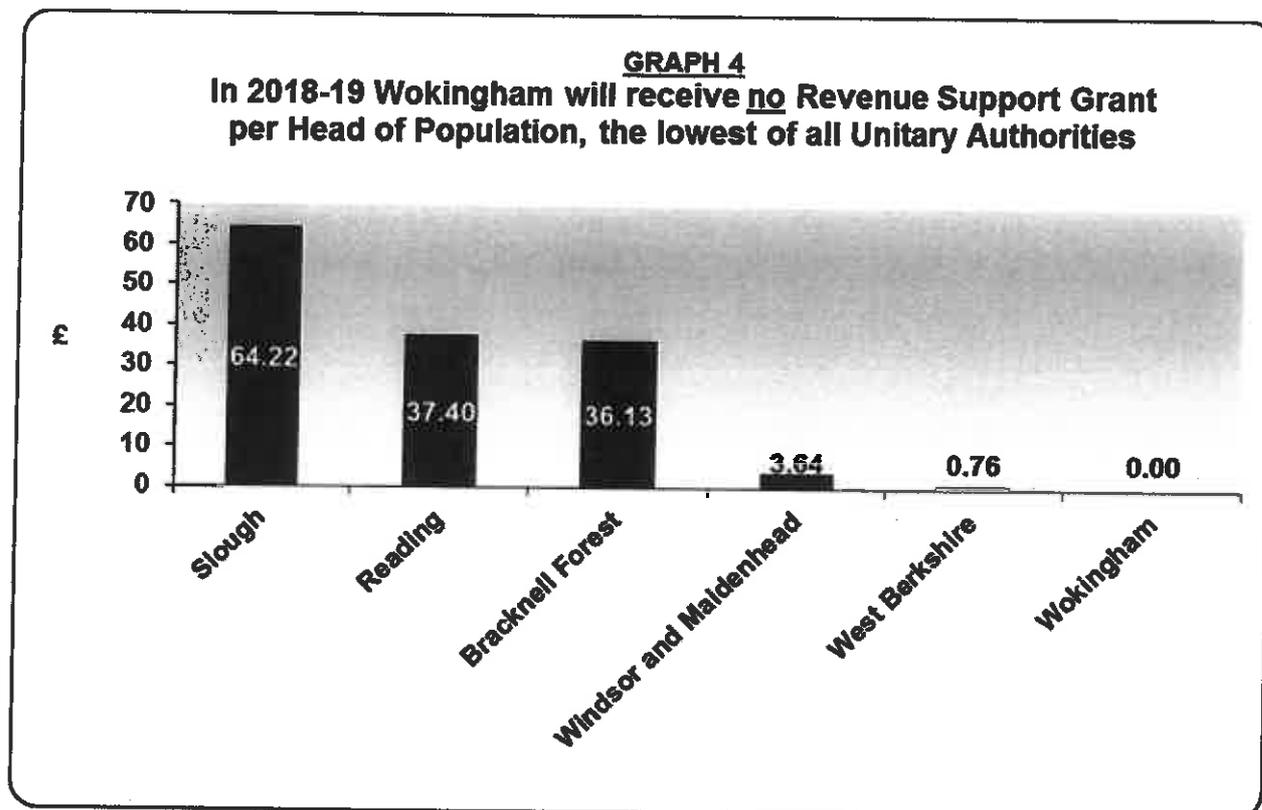


NOTE: This and following RSG graphs do not take into account the passporting of RSG through business rates for authorities in 100% retention pilots, which artificially suggests some authorities have no RSG

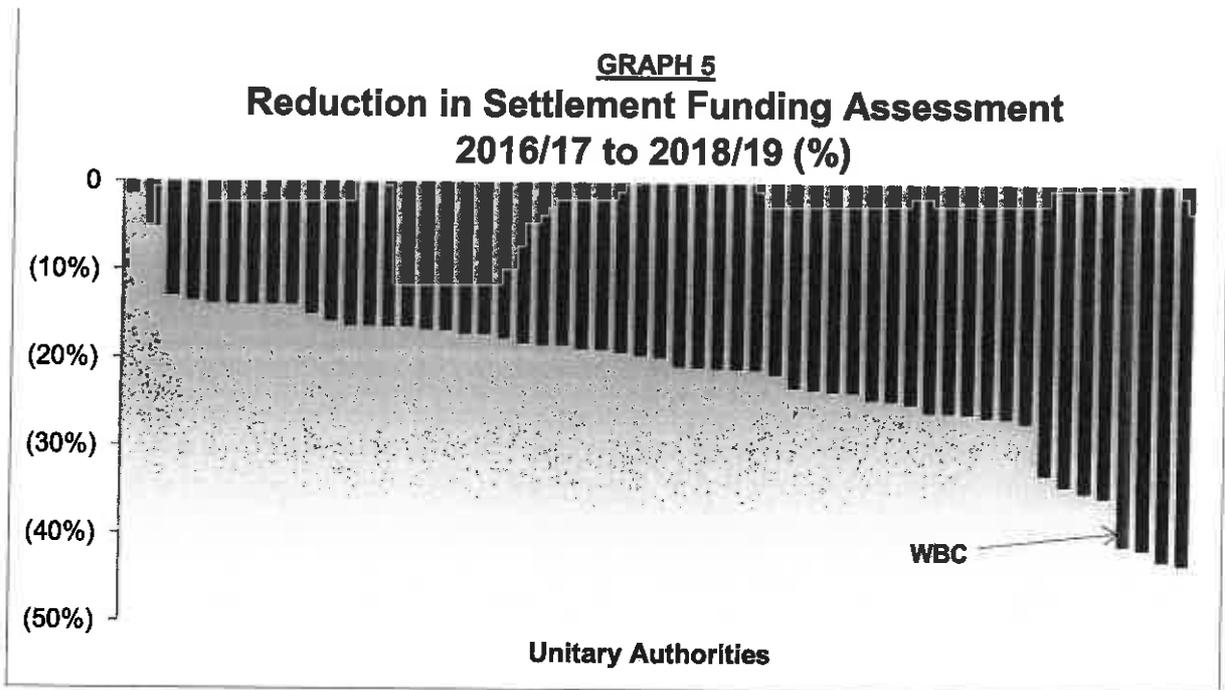
The Council now receives no RSG. The graph below shows Wokingham's revenue support grant reduction compared to all other unitary authorities. This highlights what an extreme case Wokingham is in the settlement.



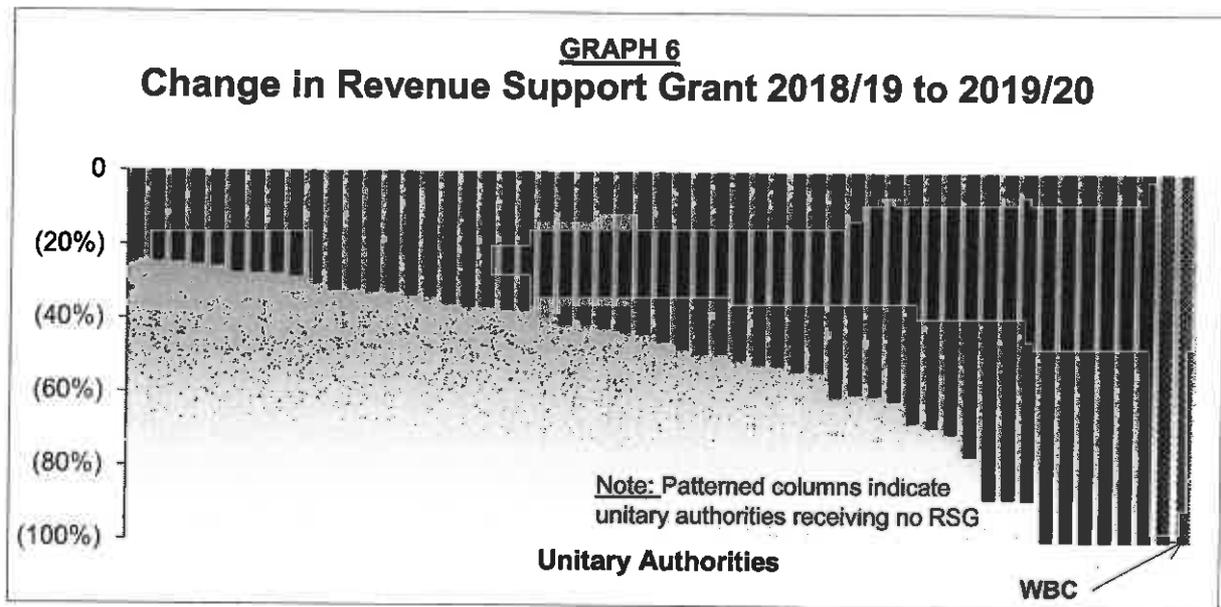
The graph below calculates the RSG for 2018/19 on a per head basis to enable a like for like comparison. The Wokingham figure is £0 per head, as it receives no RSG. It reveals a huge change from historic years, with Wokingham now receiving no RSG for local services.



The above reductions are also reflected in respect of settlement funding assessment (SFA), which comprises retained business rates and RSG. Comparing 2016/17 to 2018/19, Wokingham do not have the largest reduction of all unitary authorities, although it is the fourth worst at 41%, compared to the 43% reduction for Rutland Council. This is because for 2018/19, the government capped its reduction in order not to give a negative RSG grant. Effectively, Wokingham's budget couldn't get cut any further without giving a negative grant, so the reduction was capped at 41%.



The graph below shows the change in RSG from 2018/19 to 2019/20 and again shows that Wokingham has the largest reduction of all unitaries. This confirms that for 2018/19, Wokingham sees a 100% reduction in its RSG, receiving no grant in 2018/19.

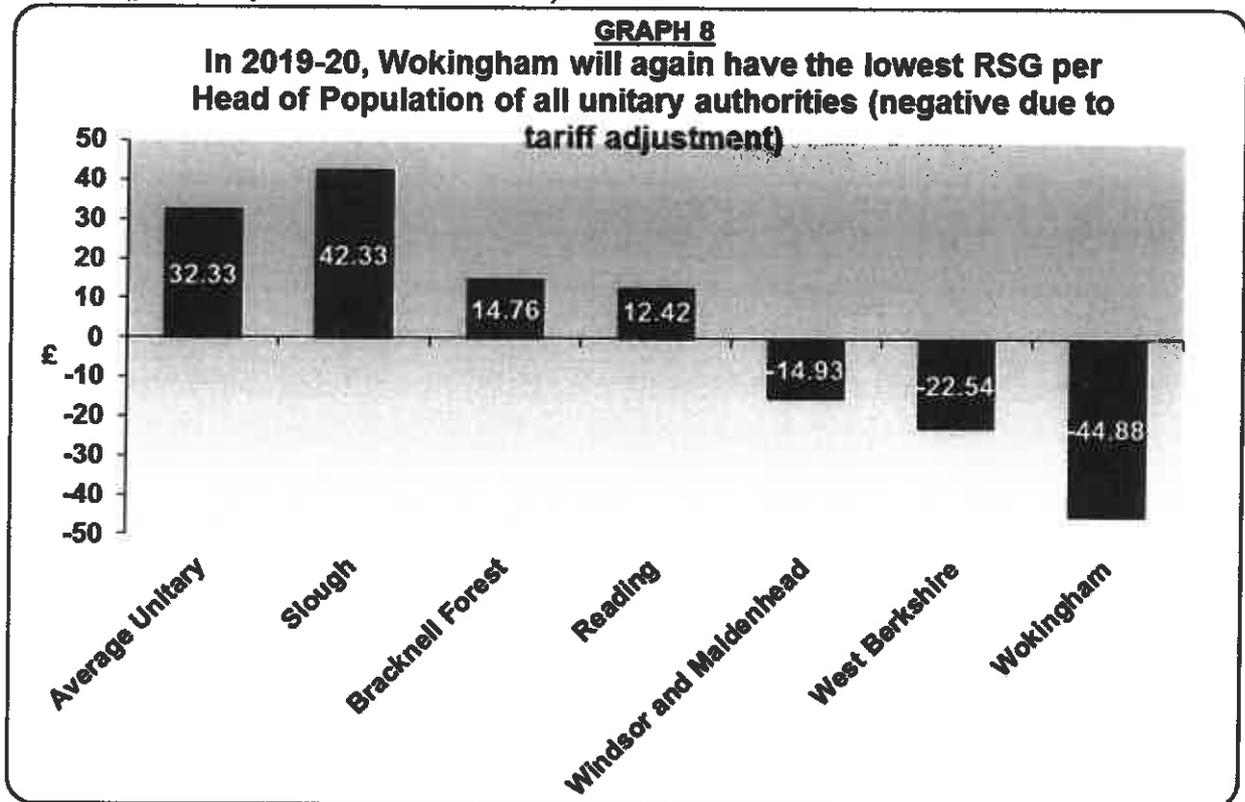


When looking at the four year horizon of the Settlement, the picture is bleak for Wokingham. For 2018/19 Wokingham's RSG is £0. A negative RSG is introduced in 2019/20 when all the RSG has been removed. This negative RSG is enacted through a 'special' increase to the business rates tariff, which increases by £7.1m in 2019/20. As a result, by 2019/20 Wokingham expects to retain less than £7m of the £60m+ business rates we collect. The settlement funding assessment (made up of both RSG and retained business rates) also shows Wokingham suffers more than any other unitary authority in the country. So, when looking at Wokingham's settlement from a RSG or SFA perspective we fare worst over the both the short term (2018/19) and the medium term (2019/20). Remember, these cuts are on top of our position going into this settlement; already the lowest funded authority per head of population. The

graph below confirms that Wokingham will suffer the biggest reduction in Government support from 2017/18 to 2019/20 of all unitaries:



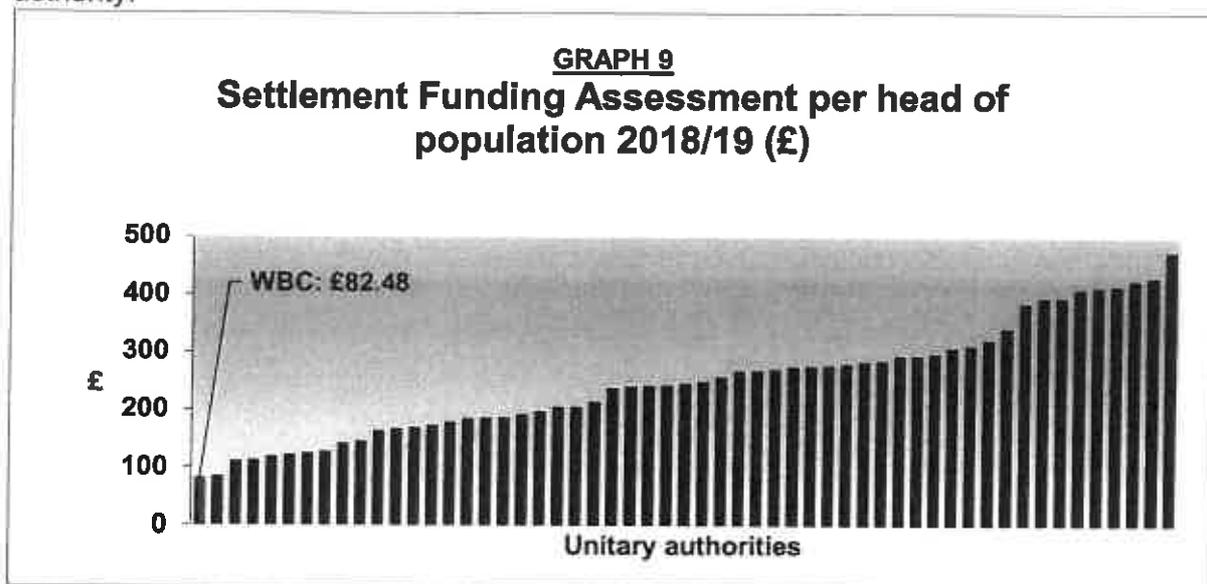
The graph below shows the specific impact by 2019/20 on a per head basis of the reductions in RSG (previously called Formula Grant).



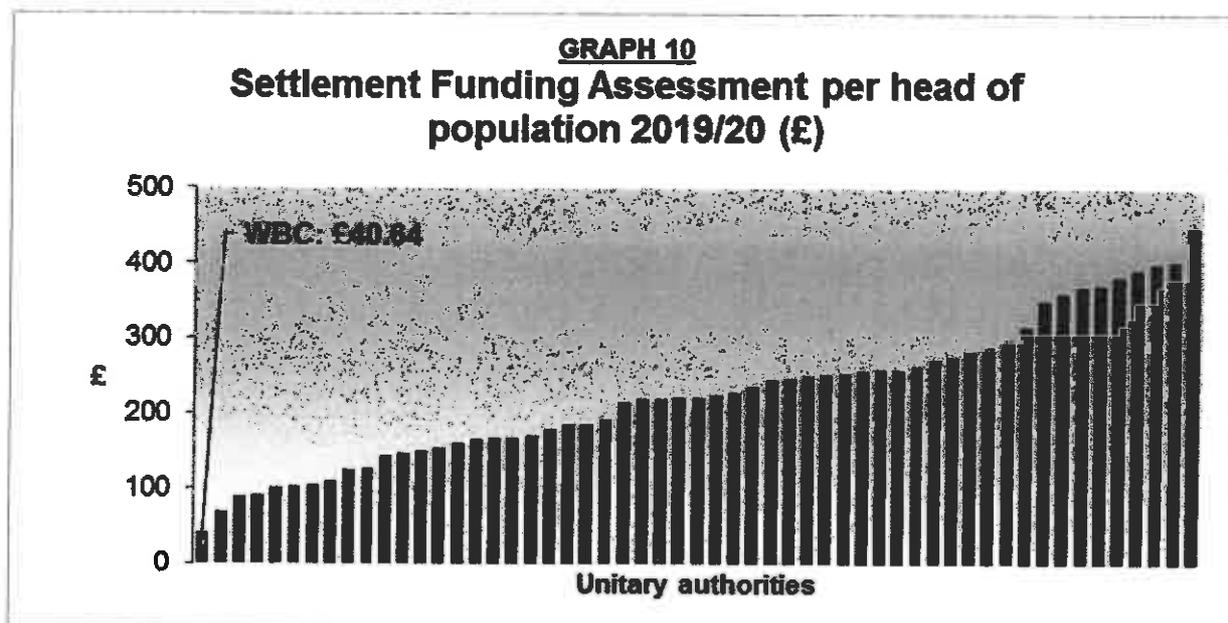
Settlement Funding Assessment (SFA)

Wokingham's total SFA will be £13.6m in 2018/19, compared to £19.1m in 2016/17, a reduction of 28.6%, or £5.5m.

The graph below shows the position for 2018/19 and confirms that Wokingham remains the lowest funded, well below the unitary average, and less than 18% of the highest funded unitary authority:

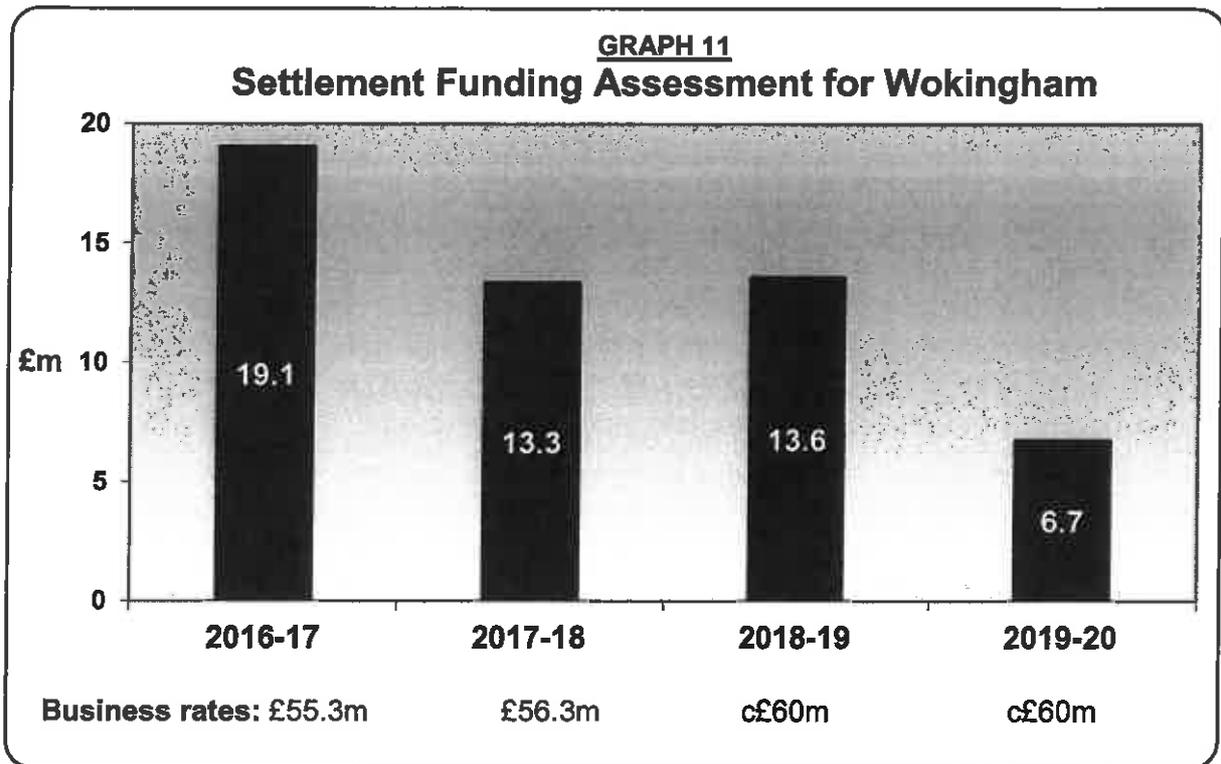


The graph below shows the position for 2019/20 and confirms that Wokingham remains the lowest funded, well below the unitary average, and less than 10% of the highest funded unitary authority. It also shows a dramatic reduction in funding compared to 2018/19.

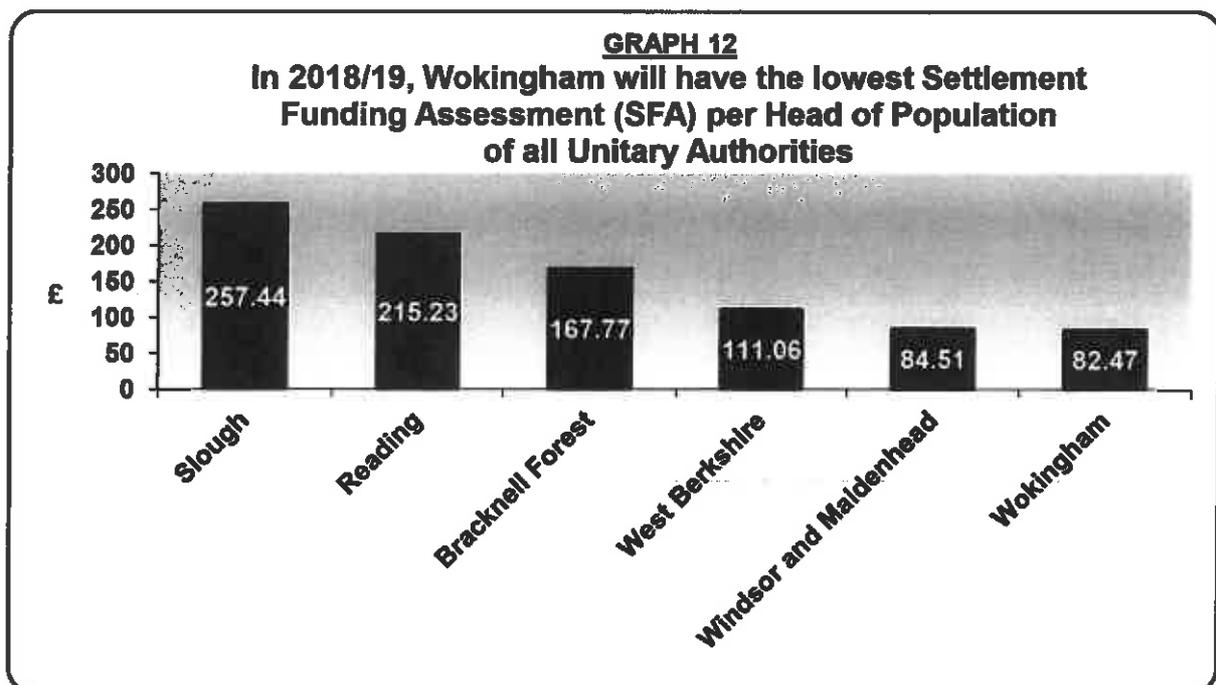


The graph below shows the settlement funding assessment for Wokingham over time. The slight increase in 2018/19 is a result of inflationary increases in business rates, and our

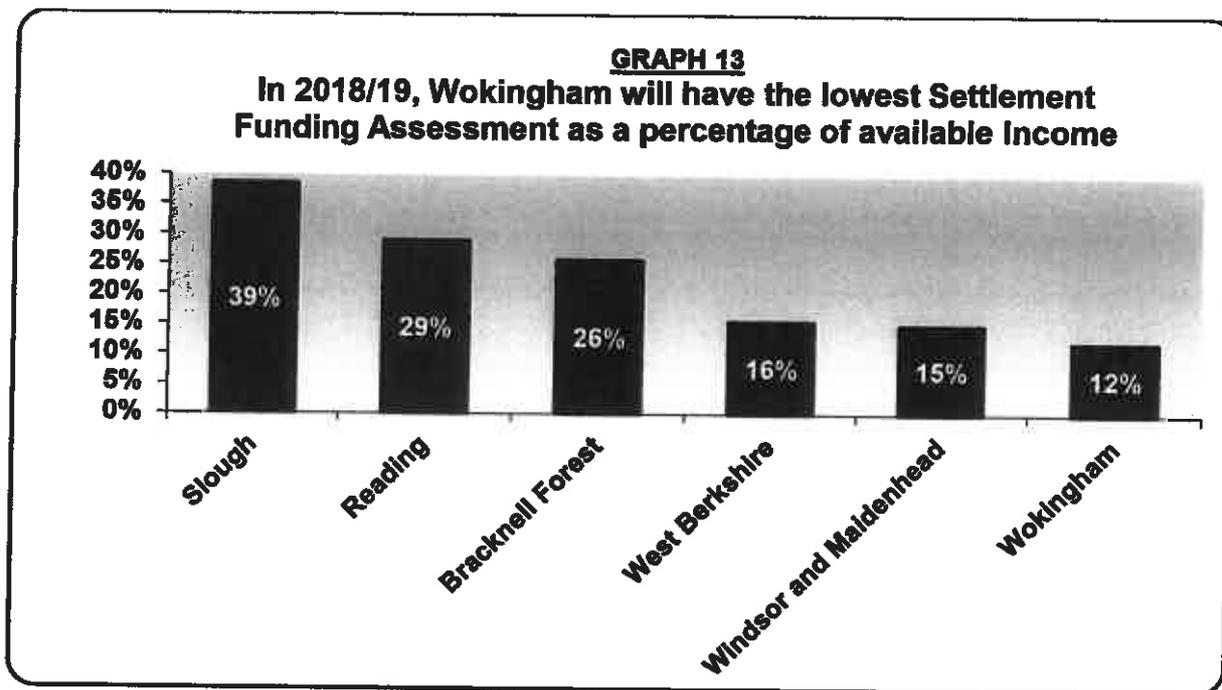
relatively low cash level reduction in revenue support grant, as negative RSG was not implemented for 2018/19. This decision has not continued for 2019/20, with the settlement including a tariff adjustment in 2019/20, implementing the negative RSG. The cumulative changes from £19.1m in 2016/17 to £7.0m in 2019/20 represent a 64% reduction.



The graph below shows the settlement funding assessment on a per head of population basis for each Berkshire council. Wokingham will receive the SFA per head of £82.47, which is significantly lower than the unitary authorities average. It is also less than half the funding of three of the Berkshire authorities.



Wokingham's settlement funding assessment income is only 12% of its 2018/19 total available income (known as spending power). This is less than a third of one Berkshire council (39%), and lower than all other unitary authorities. The practical implication for Wokingham is that it must fund a higher proportion of the council's expenditure through council tax than any other unitary authority, and therefore increases/decreases in council tax have a greater proportional impact on services.

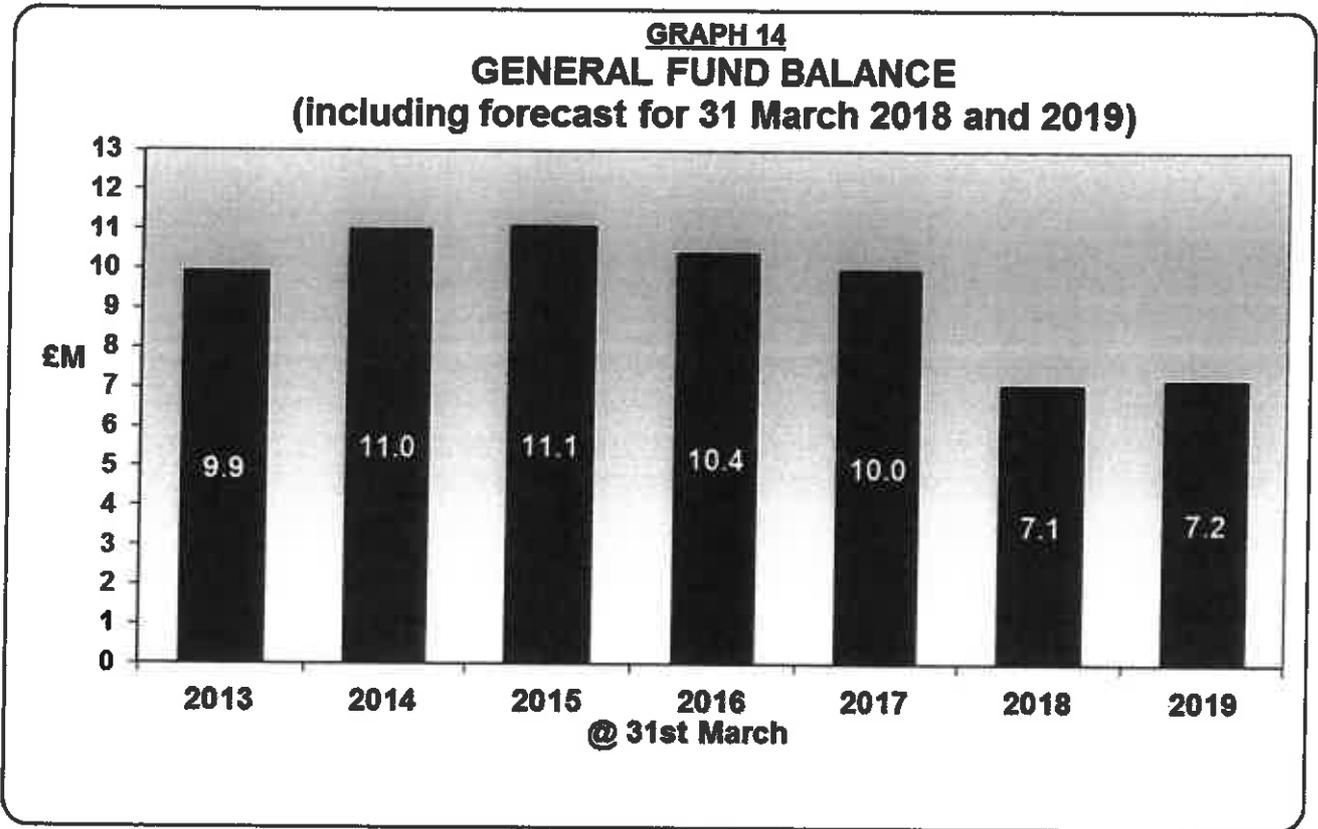


In 2018/19, Wokingham will receive the lowest percentage of SFA grant as a share of its total income, of any unitary authority. Wokingham will receive 12%, compared to some unitary councils for which government grants will fund over 70%, and an average of 32%. As a result, the percentage of expenditure met by Wokingham council tax payers is the highest of any unitary authority.

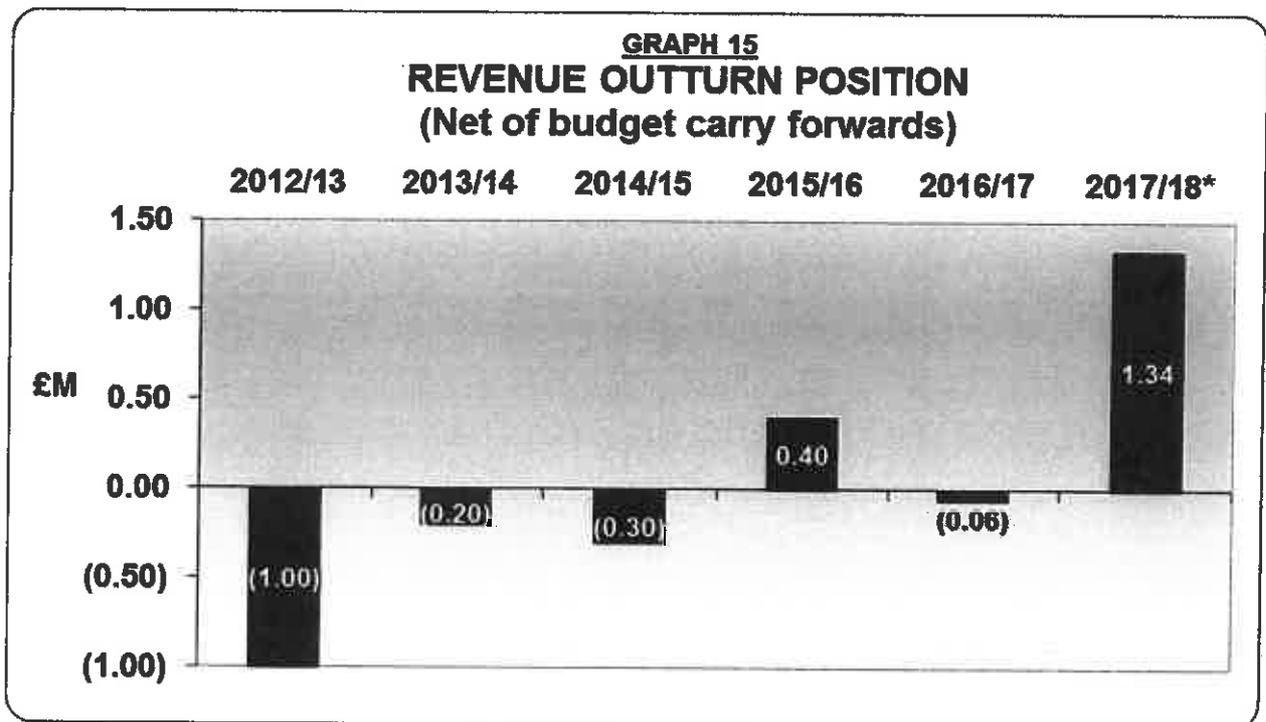
4. General fund balances (GFB)

The GFB is required as a contingency to meet unforeseen spending requirements and to provide stability in medium term financial planning (e.g. by using balances to contain growth in future years). The level of balances is informed by a budget risk analysis. This approach was introduced in 2003/04 when the council agreed the policy on GFBs. The budget risk analysis is included in the annual medium term financial plan. The graph below shows actual GFBs at 31 March 2017 and a forecast for 31 March 2018 and 31 March 2019. The expected reduction for 31 March 2018 is as a result of the latest supplementary estimates and projected overspend.

The risks facing the council's finances have increased significantly, they include the implication of future years of austerity; further grant reductions; additional service pressures; substantial regeneration programmes requiring forward funding of interest costs on SDL schemes; risks around business rate receipts, and the level of retained business rates.



A further consideration in setting a prudent level of GFBs and setting a safe budget is the underlying trend of under/over spending against the budget set at the beginning of the year (see below).



*This includes supplementary estimates, one off budgets which mask the underlying pressure.

It is important that the council ensures that sufficient budget is approved to deliver the agreed levels of service to avoid base budget deficiencies (inadequate budgets).

The forecast budget variance in 2017/18 currently shows an overspend of £1.337m compared to the budget approved in February 2017, based on December monitoring, as well as the inclusion of supplementary estimates and carry forward requests. It should be recognised that within the overall position there are significant underlying cost pressures within the 2017/18 budget including, for example, pressures on adult care placements; this will need to be considered within the 2018/19 budget submission.

5. Other balances

The council holds other balances in addition to the general fund balance. These should be reviewed as part of the budget submission and in the context of their benefit and opportunity cost.

6. Council tax

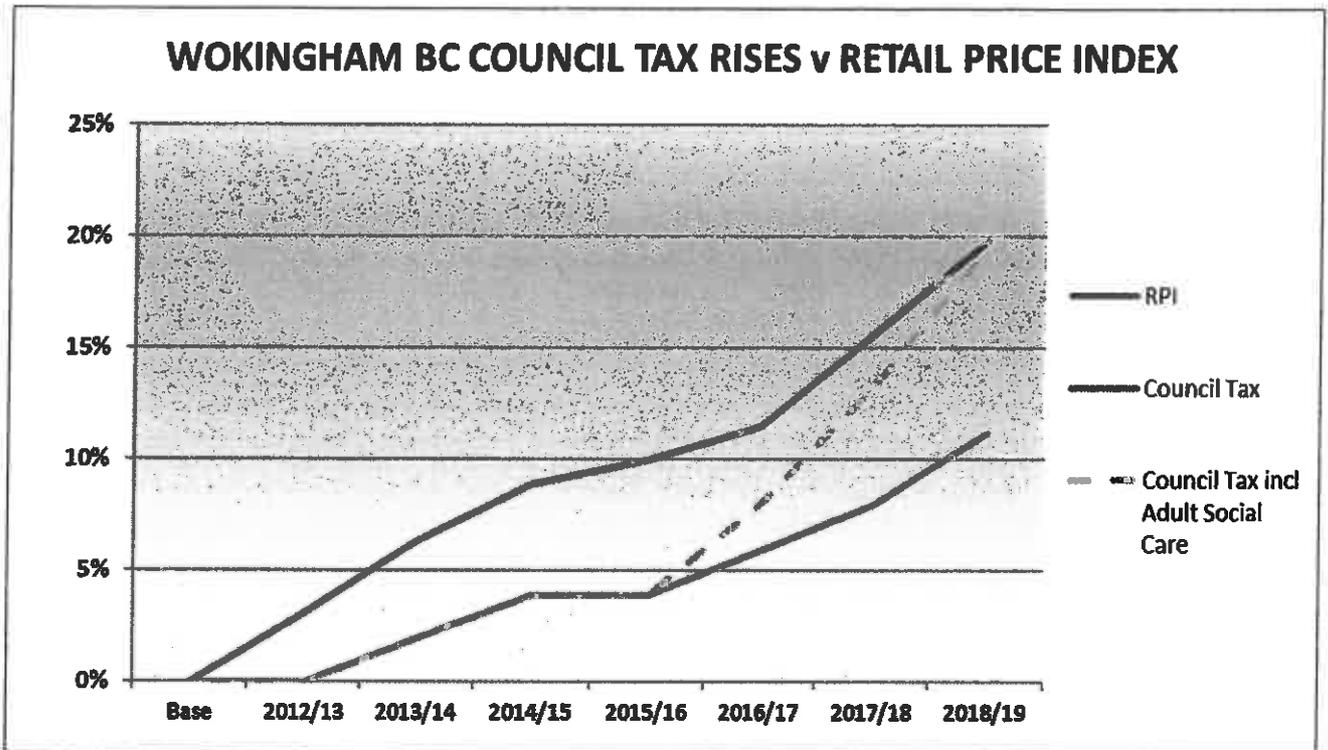
Funding is fixed by the Government and therefore increases in service funding affects the level of council tax that must be levied. This is a major area of tension in every budget setting year; the increase in council tax versus the quality and level of service delivery. This is a particularly difficult tension in the context of public affordability (e.g. those on a fixed income) and also because a high proportion of the council's services are statutory with escalating costs driven by increasing client needs and numbers.

The expenditure pressures for council tax increases above inflation are similar each year: client increases (particularly in social care); increase in statutory requirements (e.g. recycling, standards of care); unavoidable expenditure increases above inflation (e.g. maintenance contracts, social care contracts and land fill tax) and pressures to improve services from both the public and the Government. Across recent years Wokingham has often succeeded in keeping council tax increases in line with or below inflation (achieving a freeze in 2012/13 and 2015/16) as shown in the table below. From 2016/17 to 2018/19 the increases exceeded the inflation level, but this is due to the government's calculations which assume both inflationary increases and an additional adult social care increase to council tax. Recent changes in council tax can be seen in the table below.

Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
RPI (May figures)	3.1%	3.1%	2.4%	1.0%	1.4%	3.7%	3.3%*
Wokingham BC Council tax (core element)	0.0%	1.9%	1.9%	0.0%	1.9%	1.9%	2.99%
Wokingham BC Council tax (Adult social care)	n/a	n/a	n/a	n/a	2.0%	3.0%	2.5%

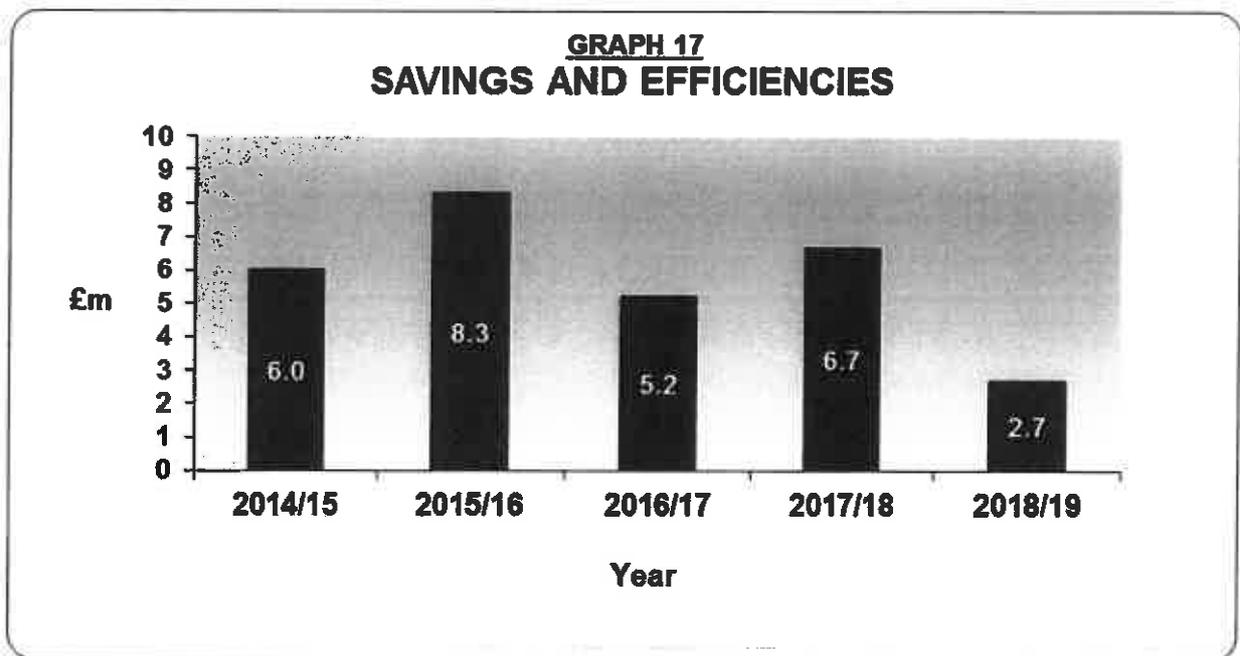
* OBR November 2017 forecast of 2018 RPI

Taken across a longer time period, as can be seen in the graph below, cumulatively council tax increases have been kept below inflation. This is a reflection of the council's continuing pursuit of efficiencies and value for money, particularly relevant in the context of it being the lowest grant funded unitary authority per head of population, and the adult social care precept.



Savings

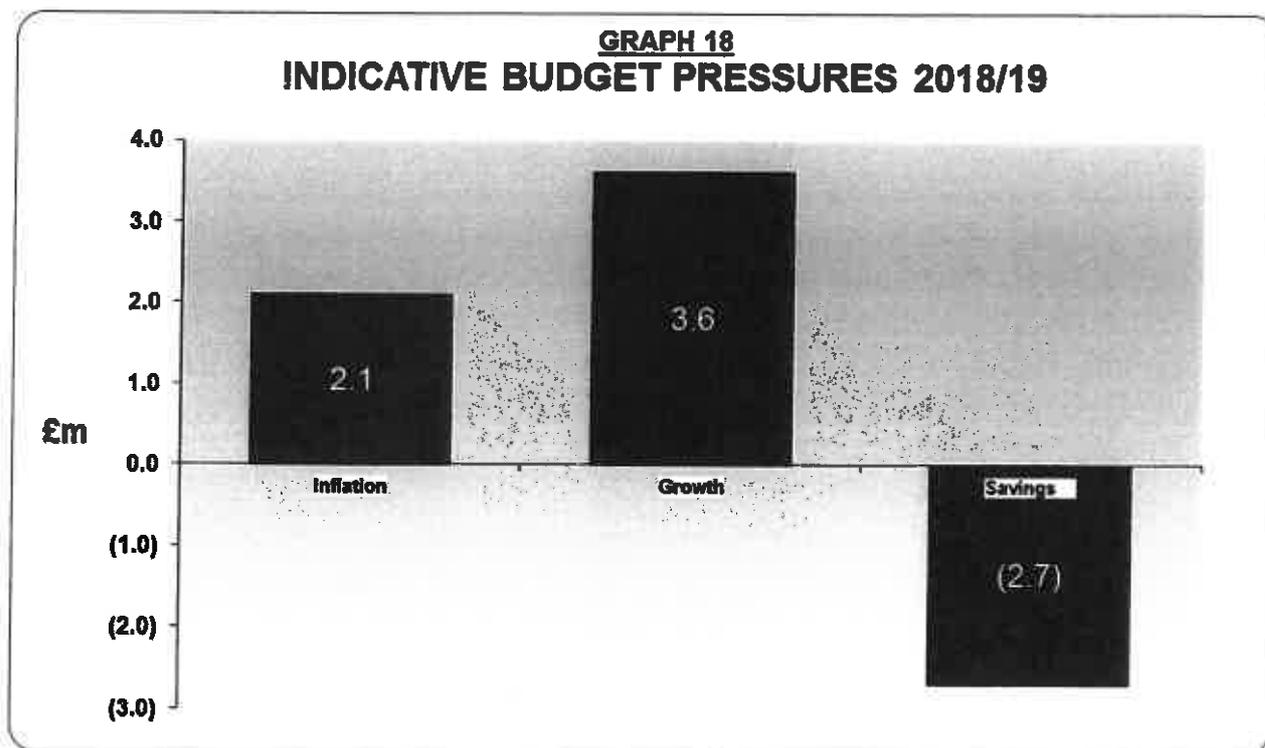
The total savings and efficiencies that have been identified in setting the council tax in previous years are shown below. It equates to around £30m over the five years. Savings are used to fund growth, inflation and reductions in Government grants.



The savings shown above reflect the savings made for each financial year.

7. Budget pressures

An overview of the 2018/19 budget pressures is shown below. The detail of the full and updated set of budget movements will be contained in the Summary of Budget Movements (SoBM) section of the medium term financial plan (MTFP).



The growth is largely driven by adults' care services including demographic pressures, government changes and increases in complex cases. The growth is also driven by highways maintenance, drainage, and traffic management.

8. Revenue resources outlook and risks 2018/19 and beyond

The financial future remains very challenging and the council will experience pressure on its resources in a way it has not had to endure previously. Under the council's budget management protocol Members are required to agree budgets based on the best estimate for the agreed level of service.

A budget risk analysis will be undertaken for 2018/19 and is detailed in the MTFP. This identifies budgets where there remains a risk of overspending, given the best estimate is included in the budget submission. The budget risk analysis is used as a guide to determine the level of GFB required.

Given the growing unavoidable expenditure pressures to meet the council's statutory responsibilities, coupled with significant reductions in overall Government Grants, the budget will inevitably contain a degree of risk. A reasonable measure of caution is included to mitigate some of the risks. However, there are considerable unknowns at this stage and the council will need to keep a close watching brief on developments.

The capital resources outlook and risks are covered below. The major issues that may impact on future revenue resources are:

21st Century Council

The 21st century council programme changes the shape, structure and operating model of the organisation. It will improve availability of and access to council services through digital channels, deliver swifter resolution of issues and queries, give a greater focus to problem solving and customer responsiveness and produce a leaner, more efficient council costing significantly less to run. The implementation of the programme is continuing with phase one completed, and phase two underway. The programme is expected to save £4m every financial year once fully implemented. The detail of these plans is a significant area of work across the council and delivery of these plans is key to achieving a balanced budget.

Statutory costs of care

Care needs are based on a national threshold, with demand strong across adult services. In addition, Children's Services also have budget pressures in 2017/18 for agency care staffing, home to school transport and virtual schools budgets. The increase in the living wage to £7.83 in 2018/19 from £7.50 in 2017/18 will put additional pressure on care providers as they seek to retain staff. The impact of the ruling that employees should be paid at least the minimum wage for "sleep-ins" has also impacted providers. These pressures will need to be considered along with other budget pressures in the 2018/19 budget and beyond.

Demand led budgets

Further to the pressures identified under the Care Act there are additional statutory services pressures, which are notoriously difficult to control. Although best efforts have been made to accurately forecast budget requirements and contain escalating demand through prevention, there will always be a considerable degree of uncertainty. In the context of reductions to public health funding and the costs of council tax support this uncertainty is compounded in the current economic climate alongside increasing service needs, and cost increases as a result of the living wage. These, together with "sleep-ins" pressures mean care providers are likely to be operating at even tighter margins leading to the risk that they could enter financial difficulties and possibly even provider failure. These risks will need to be managed as part of the 2018/19 budget and beyond.

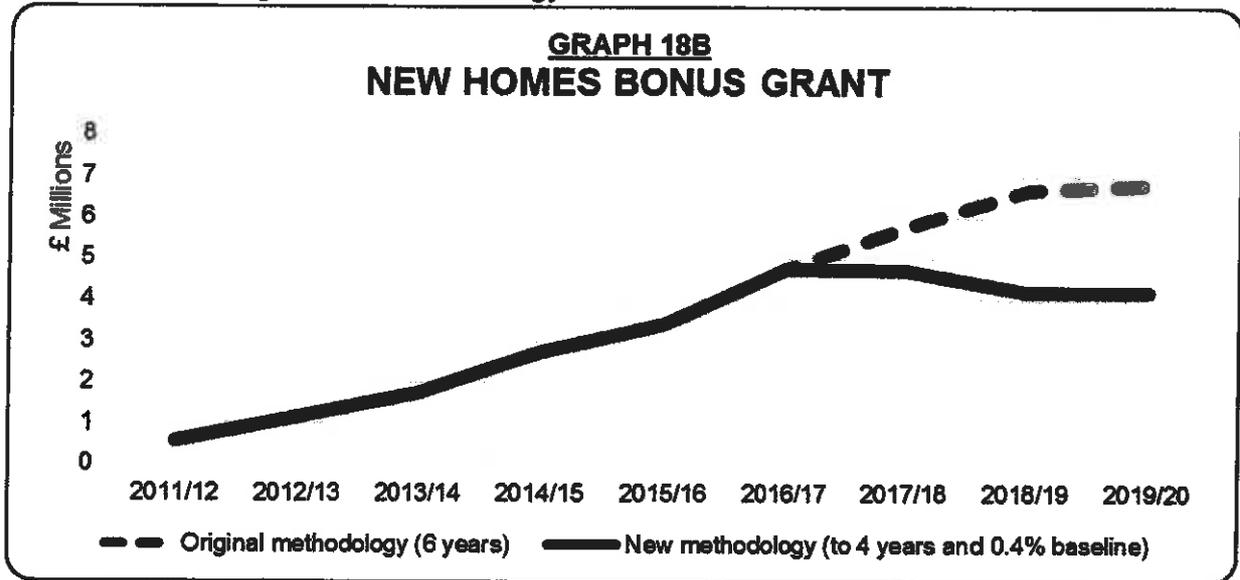
Funding the Council's ambitions for regeneration

The council is at a stage of significant investment in its strategic development locations (SDLs) and town centre regeneration (TCR) ambitions. This requires significant up front funding pending the receipt of developer contributions of income from commercial assets. As such the council must meet the initial capital costs of investment which generates a sizeable funding pressure on the council's revenue account.

New Homes Bonus (NHB)

The Autumn Statement 2015 proposed changes to the NHB which make the scheme less attractive for Wokingham by reducing the length of payments from six years to four. The council is now set to receive £4.2m in NHB in 2018/19, down from £4.7m NHB in 2017/18. This grant should have increased to fund the authority for the significant amount of house building which

has taken place in the borough. The government have reduced the national amount of NHB grant, and therefore the amount Wokingham receives has reduced. It is now based on four years of new house builds, compared to six years in 2016/17, as well as not rewarding authorities for the first portion of growth they enable. Furthermore the NHB has been included in the council's core spending power calculation. These developments appear to fundamentally undermine the initial intention behind the NHB scheme: to incentivise housing growth and reinvest in regeneration. Although the council's previous approach has been to use NHB to fund special items, most notably for regeneration, the sustainability of such an approach has been brought into question due to its impact on the funding of essential council services. The graph below shows the new homes bonus grant over the years including the impact of the changes to the methodology.



Impact of the economic environment

Services directly related to meeting the needs of those suffering from the impacts of economic uncertainty will need to continue to meet the increased level of demand.

Following strong UK economic growth in 2016, growth in 2017 has been weaker with quarterly growth at just 0.3%, meaning that growth in the first half of 2017 was the slowest since 2012. This has largely been caused by the sharp increase in inflation, caused by the devaluation of sterling after the referendum, increasing the cost of imports. As a result, on the second of November, the official bank rate was lifted from 0.25% to 0.5%, the first increase since July 2007. The monetary policy committee also expect the bank rate to increase twice more in the next three years to reach 1% by 2020.

Economic forecasting remains difficult with so many external influences weighing on the UK. The overall longer run trend is for Public Works Loan Board (PWLB) rates to rise, albeit gently. The November inflation report included an increase in the peak forecast for inflation from 3.0% to 3.2% very soon, with a slow decrease in the inflation rate to just over the 2% target in three years' time. In the budget on November 22, the Government began to implement its revised target of achieving a budget surplus by 2025.

Sustainability

The council faces potential new and increasing penalties or taxes from the Government if it does not meet certain targets in the future. Most notable areas are around waste landfill, with landfill tax increasing year on year and more waste generated through an increased number of dwellings.

Localisation of business rates, business rates revaluation and council tax

From 2013/14 the localisation of business rates began with a 50% share for local authorities. From 2013/14 onwards local authorities have been able to share part of any growth in business rates, which is an incentive to encourage growth. However, councils will also have to bear a share of any shortfall on business rates, due to closures of premises, successful appeals against valuations of which many are still outstanding from the 2010 revaluation, as well as the impact of the new 2017 valuations, bad debts and other factors. These factors significantly add to the council's financial risk profile. In addition the council now directly meets the cost of council tax support and will bear the risk of economic conditions giving rise to an increase in claims.

2017/18 was the first year based on updated business rate valuations. Despite increases in the value of properties in Wokingham, the council will not be rewarded for these, as increases are distributed across the country. The new valuation list delivers more risk to the authority as all the properties can again challenge their business rates bill which may require the authority to pay large amounts of business rate income.

Previous Government announcements make clear an intention to return all business rates to local authority control in 2020, but the aim now is for authorities to retain 75% of business rates from 2020/21. The government invited local authorities to pilot 100% business rates retention from 2018/19, and was successful in its application, resulting in an estimated £500k funding to the authority in 2018/19. Although this sounds extremely attractive, the impact is not as substantial as it appears. At this stage Wokingham is expected to keep less than £7m of the £60m+ collected from business rates.

9. Capital

Capital strategy

A 10 year capital strategy has been developed with the aims of realising the council's vision, raising the quality of life of residents and improving medium to long term planning.

To finance the capital strategy, an approach to funding has been taken that: optimises assets; seeks flexible use of future Section 106 contributions and Community Infrastructure Levy; and attracts new funding sources where available (particularly through the bidding for Government grants).

Under the prudential code, all authorities are able to borrow as much as they require to fund their capital programme provided it is affordable, prudent and sustainable. The financing costs of any new borrowing falls directly upon the council tax payer. The annual revenue cost of new borrowing is approximately 7% of the sum borrowed (4% principal and 3% interest).

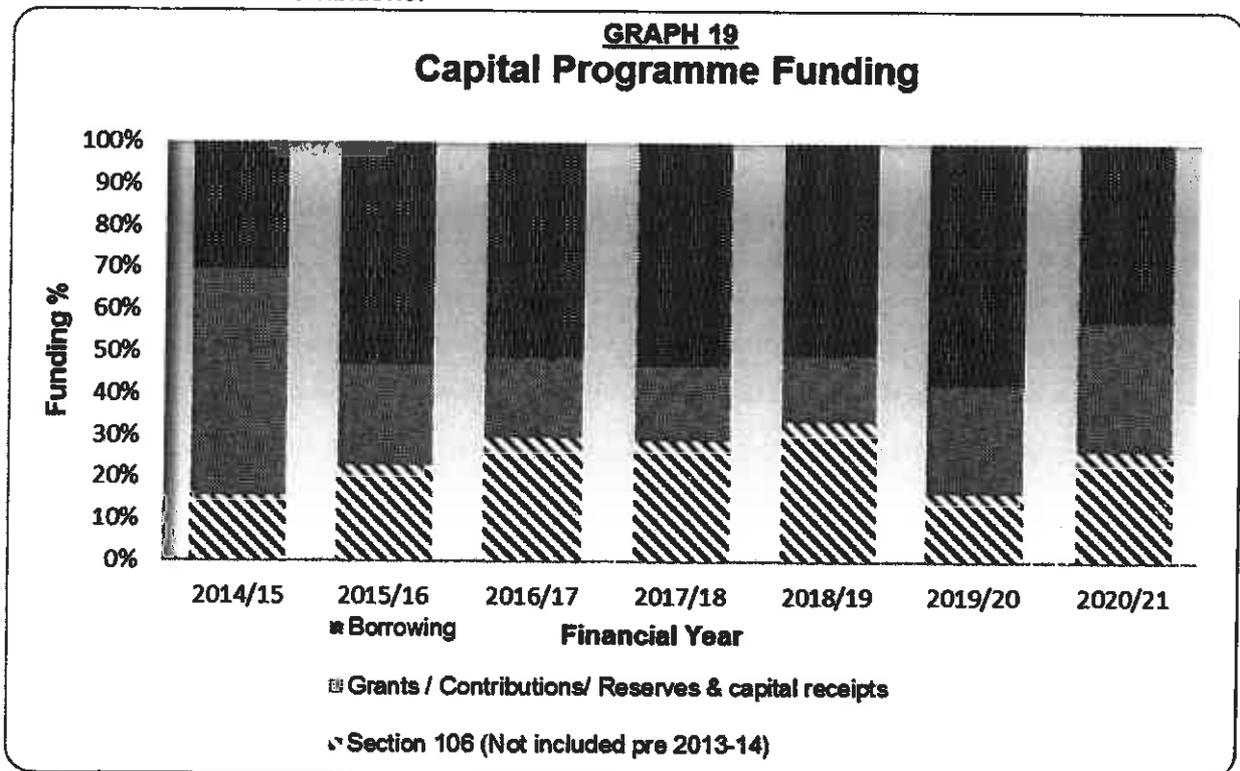
Capital programme

The first three years of the capital vision is effectively the capital programme. This has been developed following an assessment against key council priorities, including a value for money and risk analysis.

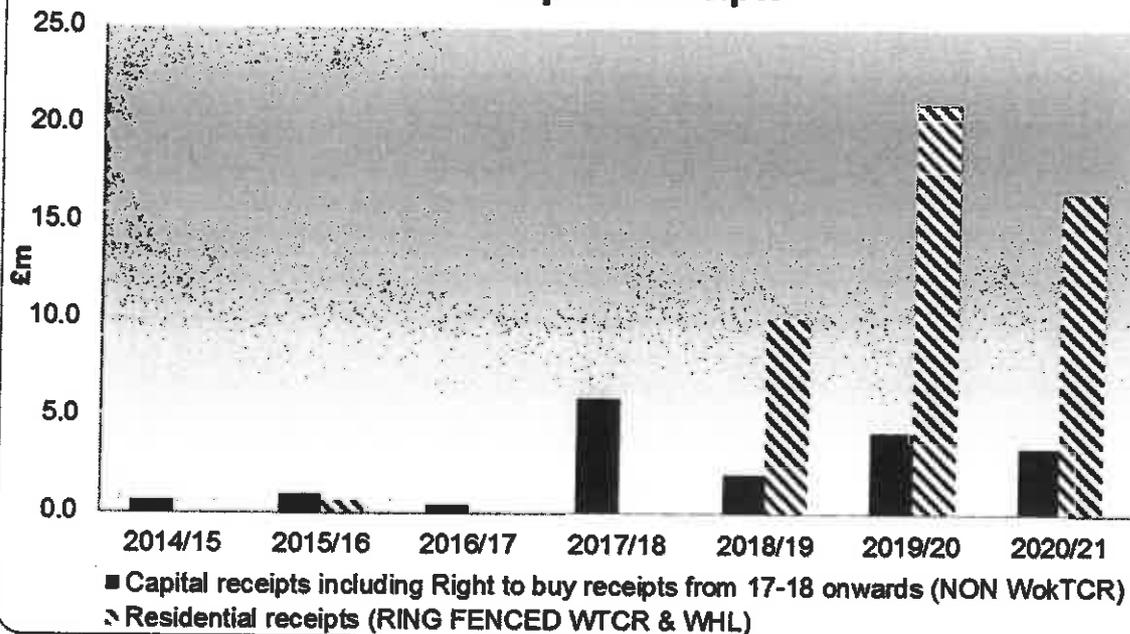
The capital programme over the next three years will include existing asset investment (predominantly school buildings and infrastructure assets) and schemes that seek to deliver the council's vision.

The capital programme is funded from a variety of sources: capital receipts, borrowing, grants and other contributions. The relative reliance on each funding source is set out below and shows a greater dependency on developer contributions as the council embarks on its ambition to develop its four strategic development locations.

The two graphs below show the funding for the standard capital programme and include the resourcing for the Wokingham town centre regeneration (WTCR), strategic development locations (SDLs) and Wokingham Housing Ltd (WHL) investments. The capital programme funding is expected to increase considerably over the period of the MTFP in order to fund the council's investment ambitions.



**GRAPH 20
Capital Receipts**



Note: Receipts for the current and future years are estimates

The significant amount of capital receipts forecast from 2017/18 onwards is due to forecast receipts from sale of houses arising from the Wokingham town centre regeneration.

Capital resources and borrowing outlook

There are some significant developments in the council's capital programme.

Town centre regeneration

The Wokingham Town Centre Regeneration programme is progressing well and remains one of the council's key investment priorities. January 2017 saw work start on the second Phase of Peach Place including a new public square, retail and leisure units, town houses and key worker apartments (working in conjunction with Wokingham Housing Limited) with the development due to open for Christmas 2018. The main contractor for Elms Field is currently being procured and work is expected to start on site in March 2018. Phase 1 of the Carnival scheme, a new 529 space car park and ground floor leisure unit, opened in June 2017. Consent was granted in November 2017 for Phase 2 of the Carnival Scheme which will include a brand new leisure facility, library and apartments. Work is expected to start on Carnival Phase 2 in early 2020 and complete late 2021. It is essential that build costs and forecast capital receipts are closely monitored as small variations could have a significant impact on capital resources.

Capital receipts and contributions

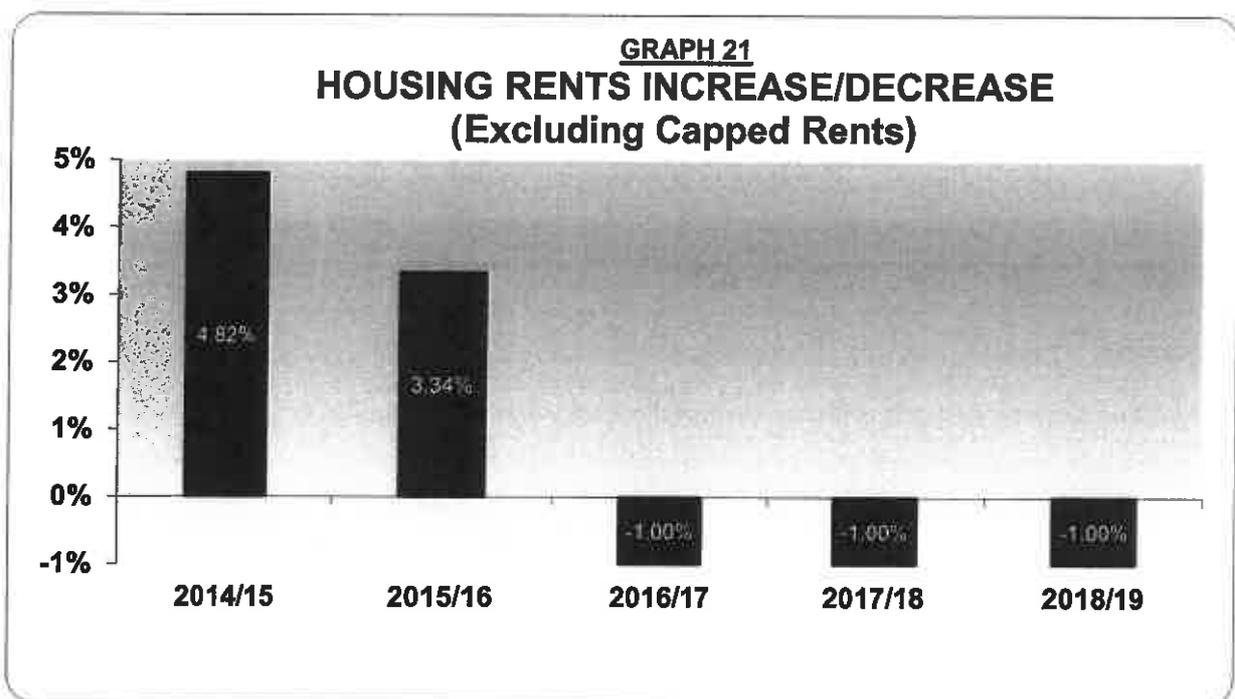
Significant costs relating to the development of SDLs are in respect of building major roads and schools. Developer contributions through S106 contributions or Community Infrastructure Levy are key to funding these and minimising the burden on general council capital resources. Given the size of the investment required the timing of the capital receipts becomes important as the capital financing costs of any timing lag falls on the general fund. The capital ambition

of the organisation is high, and future years of the programme show a rising deficit of funding available against in investment ambition. This will be bridged through a combination of maximising resources, modifying and prioritising schemes.

10. Housing Revenue Account (HRA)

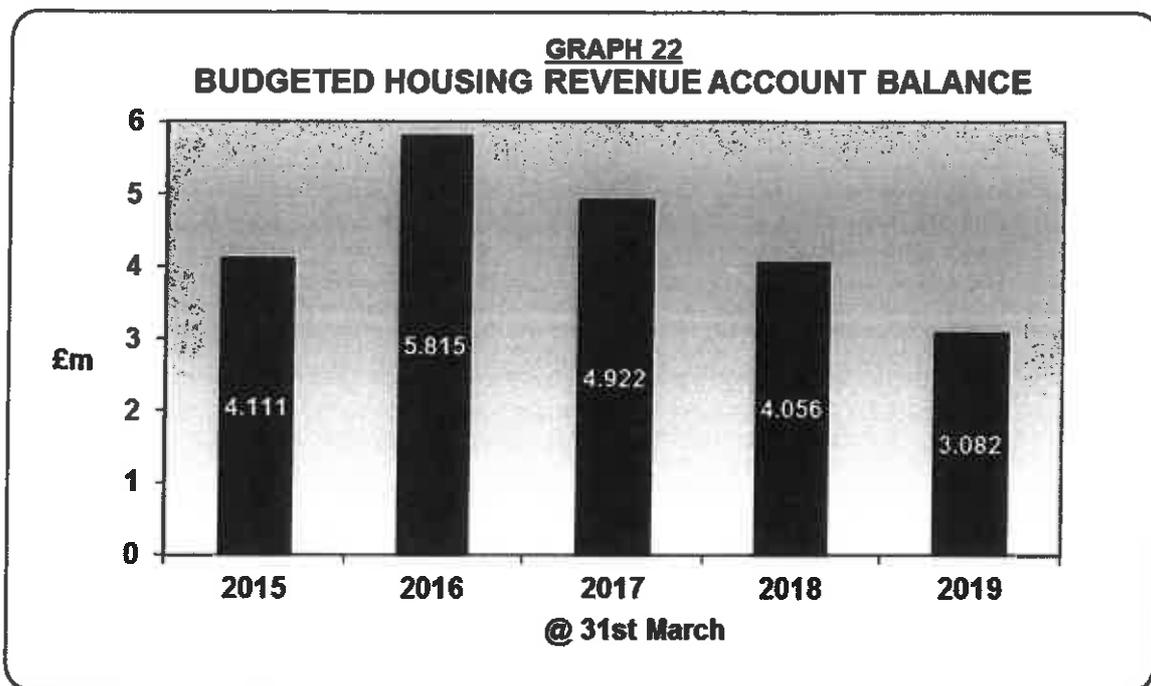
The HRA is a ring-fenced account and as such has no impact on the level of council tax. The money spent maintaining the council's housing stock (valued at approximately £195m) and providing a service to council tenants is mainly funded by housing rents paid by council tenants. Gross expenditure on the HRA is in the region of £16.5m and is predominately in the areas of repairs and maintenance, capital financing, investment in capital works, and management. Housing rents are required to be adjusted annually in accordance with Government guidelines.

Under the Localism Act the council took control of its housing rental income thus enabling more effective planning for the long term management of these key assets. In return Wokingham took on its share of the £28bn national housing debt as part of the self-financing settlement. Although the council took on significant debt to do this, the scheme was designed to be beneficial to the council and its tenants in the longer term both with regard to retaining income and generating capacity to invest in the housing stock.



However, in line with the Government's 2016 budget, housing rents must be reduced by 1% each year on a cumulative basis for the four years from 2016/17 to 2019/20. The real terms reduction in the HRA forecast rental income will be greater than 1% annually as HRA rents were based on increasing them as part of the convergence policy whenever new tenancies were commenced; the Government policy no longer permits a convergence policy of increasing rents when tenancies are re-let.

The HRA requires a balance in the same way as the General Fund. A risk analysis is also undertaken on HRA budgets to inform a prudent level of balance.



The chart above shows actual HRA balances from previous years and a forecast for 31 March 2018 and 2019. The estimated balance at 31 March 2018 will be used to fund capital expenditure in 2018/19 and later years, and fund the loss of rental income due to the 1% rent reduction.

11. Schools

The Dedicated Schools Grant (DSG)

The council receives DSG annually and it must be used in support of the schools budget as defined in the Early Years and Schools Finance (England) Regulations 2013. The purpose of the schools budget is defined in legislation as the provision of primary and secondary education.

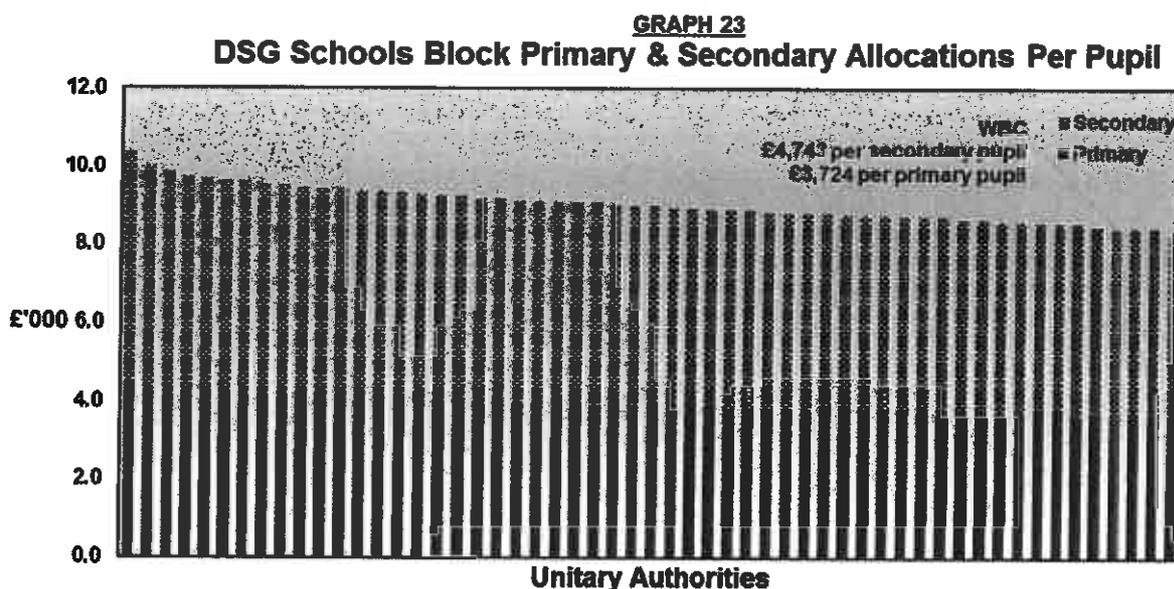
The amount of DSG the council has received in previous years for maintained schools and academies is shown below. The amount for 2018/19 was notified to the authority by the Department for Education (DfE) in December 2017. However, a proportion of this amount is in respect of free schools and must be paid to them. The estimated allocation available to the council for 2018/19 is £116.24m, compared to £113.81m in 2017/18. The increase to 2018/19 is accounted for by increased funding due to the DfE now having two unit costs, one for primary and one for secondary, instead of one. The DfE has now created a centrally retained schools block for the council to carry out its statutory duties which includes an element of the old education support grant.

Following release of the School Grant figures by the Department for Education (DfE) in December, it has been confirmed that Wokingham has received an increase of 2.3% in its 2018-19 budget allocation, equating to an additional £2.2m to support schools and education in the borough. While the national funding formula set by the DfE now incorporates different unit costs for primary and secondary places, the additional funding equates to an uplift on average unit costs of 2.3% for the 23,437 pupils educated at schools within the borough.

The estimated per pupil figure used to calculate DSG for 2018/19 is £3,724 for the Primary unit cost (PUF) and £4,743 for the Secondary unit cost (SUF) compared to £4,152 for both units in 2017/18.

The Early Year funding for 0 to 5 year old children in nursery provision in Wokingham has also increased from £9.3m last year to £11.1m in 2018-19, an increase of 19%. Much of this growth will support the 30 hour free entitlement for working parents that was introduced in September 2017.

While this represents good news for the borough, Wokingham remains the 4th lowest funded unitary authority in the country (based on secondary unit cost as set and calculated by the DFE) and this will continue to bring challenges for the future.

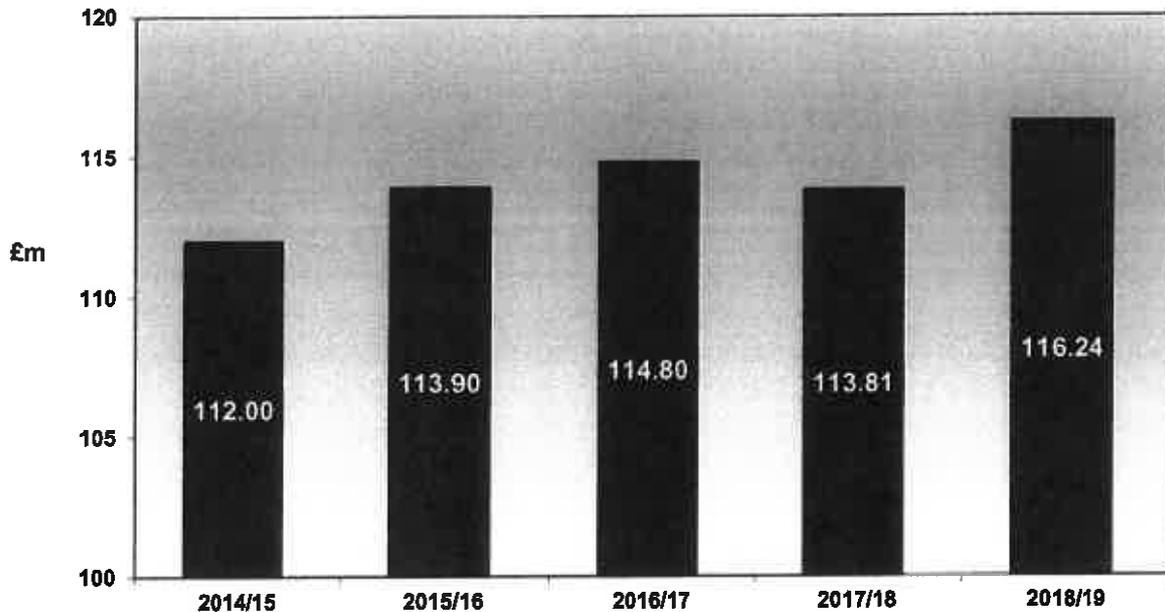


DSG and the national funding formula

The Government's long term intention has been to move school funding to a national funding formula. The over-arching objective is to have a simpler, transparent and more equitable approach to funding pupils irrespective of where they live in the country. The implications for Wokingham schools is that a number of them may lose out as there is less ability for the council to target funding to the most vulnerable schools and pupils. This will have the effect of compounding the financial challenge already being faced by schools across the borough resulting in an increased need for effective school financial management in order to help them manage their finances.

In summary, the DSG changes mean that schools' block money is much more aligned to pupil numbers but there is no growth mechanism in the High Needs Block (HNB) and schools have less ability to incorporate fixed budget allocations. Schools with falling pupil numbers will therefore be more affected than others. Furthermore there are growing SEN pressures on the overall budget which may reduce the money available for allocation. For the 2018/19 and 2019/20 financial years, schools will continue to be funded through the local authority funding formula. From 2020/21, the Government proposes to introduce the National Fair Funding formula.

**GRAPH 24
DEDICATED SCHOOLS GRANT RECEIVED AND
FORECAST**



12. Local Authority Trading Companies

Optalis Ltd

Optalis provides care and support services to older people and adults with a disability. The objective of Optalis is to provide a sustainable social care service that is known for its quality and commitment to service delivery. Optalis expanded significantly during 2017/18 through a merger with the Royal Borough of Windsor and Maidenhead.

Wokingham Housing Companies

The housing companies are now delivering a range of high quality affordable and market housing schemes for the residents of Wokingham Borough. Work is well underway, with some developments having gone live, others being completed, and others in the development pipeline for future years. The financial implications of the housing companies' business plans will be included in the MTFP. Significant investment has been included in the Capital Programme with two major developments, at Phoenix and Fosters now nearing completion. The cost of borrowing will be funded by the company. The company has a detailed business plan and the financial impact of this is incorporated into the council's MTFP.

Graham Ebers

Deputy Chief Executive &
Director of Corporate Services
(and Chief Financial Officer)

13. Glossary

Abbreviation	Description
ASC	Adult social care
CIL	Community infrastructure levy
ESG	Education services grant
GFB	General fund balances
HNB	High needs block
HRA	Housing revenue account
LEP	Local enterprise partnerships
LGFS	Local government finance settlement
MTFP	Medium term financial plan
NDR	Non-domestic (business) rates
NHB	New homes bonus
PWLB	Public works loan board
RSG	Revenue support grant
S106	Section 106
SEN	Special education needs
SFA	Settlement funding assessment
SDL	Strategic development locations
SoBM	Summary of budget movements
WTCR	Wokingham town centre regeneration
WHL	Wokingham Housing Limited

Reserves and Balances

The council keeps a number of reserves in the balance sheet. Of these, some are required to be held for statutory reasons, some to comply with proper accounting practice and others have been set up voluntarily to earmark resources for future spending plans. The reserves are reviewed bi-annually for continued relevance and adequacy as part of the budget setting process and closedown.

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
General Fund Reserves:					
General Fund (Statutory)	Resource available to meet future running costs for non-housing services	<ul style="list-style-type: none"> Policy based on a combination of financial risks and Audit Commission guidance as follows: Min 5% of net expend (excluding Dedicated Schools Grant) – this equates to £5.4m Risk assessments of budgets To enable stability in longer term financial planning Current recommended level of balances is TBC 	2017 £10.0m 2018 £7.1m 2019 £7.2m 2020 £7.9m 2021 £8.4m	Provides: <ul style="list-style-type: none"> General contingency for unavoidable or unforeseen expenditure Stability for longer term planning Interest on Balances helps to reduce costs to the taxpayer: Interest on Balances @ 0.5% = £50k Funds deductibles / excesses in order to minimise premiums Provides the Supply Teacher Scheme Helps maintain current rates charged to schools Interest earned builds up the reserves 	<ul style="list-style-type: none"> Could be used to fund one off General Fund expenditure which would result in loss of interest £5k per £1m Could be used instead of borrowing @ 3.5% = £35k per £1m but loss of interest of £5k per £1m Excess funds could be used to fund one off General Fund expenditure
Insurance Fund (Earmarked Reserve)	This is used to fund part of each insurance claim, up to losses of £900k in a year	<ul style="list-style-type: none"> Needs to be at a level where provision could sustain claims in excess of current claims history May have to meet claims incurred but not yet reported 	2017 £2.1m 2018 £1.9m 2019 £1.6m 2020 £1.3m 2021 £1.3m		

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Renewals Funds (Earmarked Reserves)	These are reserves held in order to finance the renewal or maintenance of specific items of equipment or furnishings.	<ul style="list-style-type: none"> Contributions to the reserve are made on the basis of the anticipated replacement cost of the items over their expected life 	2017 £0.4m 2018 £0.4m 2019 £0.4m 2020 £0.4m 2021 £0.4m	<ul style="list-style-type: none"> Reduces pressure on maintenance budgets Interest is accrued on the reserves at 0.5% = £2k which helps to reduce costs 	<ul style="list-style-type: none"> Could be used for alternative maintenance or other revenue expenditure
Waste PFI Equalisation Fund (Earmarked Reserve)	The reserve is held to even out the cost of the waste PFI contract over the life of the contract	The level of the balance and contributions to the reserve are set out in the PFI financial model and reviewed annually as part of the budget setting process	2017 £3.0m 2018 £2.3m 2019 £1.5m 2020 £2.2m 2021 £2.2m	<ul style="list-style-type: none"> Reserve was in deficit during the early years of the contract and returned to a surplus in 2012/13 Provides stability of budgets in the medium to long-term 	<ul style="list-style-type: none"> A reserve in deficit cannot be used for other purposes, it will be offset by General Fund Reserves
∞ ∞ Interest and pension Equalisation Fund (Earmarked Reserve)	This fund reflects that investments may vary. Includes funds to cover any potential losses in investments and smooth pension fund contributions.	<ul style="list-style-type: none"> To build up reserve based on favourable investment returns over budget Contributions from the reserves will be used to fund Wokingham Town Centre Regeneration (WTCR) until cash flow becomes positive Smooth pension fund contributions 	2017 £4.8m 2018 £5.2m 2019 £4.2m 2020 £3.4m 2021 £2.7m	<ul style="list-style-type: none"> Equals out market fluctuations in income due to volatile interest rates Interest is accrued on the reserves at 0.5% = £24k which helps to reduce costs Equalises WTCR scheme costs 	<ul style="list-style-type: none"> Could be used to support revenue expenditure
Commuted Sums (Earmarked Reserve)	These are amounts received from developers for the maintenance of open spaces and includes Community Infrastructure Levy (CIL) fees from 2015/16 onwards.	<ul style="list-style-type: none"> There is no policy on the level of balances due to the nature of developer works and CIL agreements All contracts are unique to each developer and will vary depending on the nature of the particular project and may be subject to planning permissions etc. 	2017 £2.7m 2018 £2.7m 2019 £2.7m 2020 £2.7m 2021 £2.7m	<ul style="list-style-type: none"> Used to maintain parks and open spaces so avoiding service spend Interest to be used in a specified and agreed manner 	<ul style="list-style-type: none"> Money cannot be used for other purposes

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
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Capital Reserves:

Usable Capital Receipts (Excluding right to buy) (Statutory)	<ul style="list-style-type: none"> Proceeds of fixed asset sales and repayments of other loans/grants available to meet future capital requirements and to act as a contingency 	<ul style="list-style-type: none"> The current policy is to ensure that balances are sufficient to cover the first year of the capital programme (including urgent health & safety issues that may arise during the year) 	2017 £2.7m 2018 £0.4m 2019 £0.1m 2020 £0.7m 2021 £0.0m	<ul style="list-style-type: none"> To finance future capital schemes This provides stability for longer term planning Interest on balances @ 0.5% helps to reduce costs to the taxpayer. 	<ul style="list-style-type: none"> Could be used instead of borrowing @ 3.5%, but loss of interest
Usable Capital Receipts (Right to buy element)	<ul style="list-style-type: none"> The council's share of HRA sale receipts are ring fenced for One for One Replacement 	<ul style="list-style-type: none"> Housing sales receipts must be used for social housing within the Borough 	2017 £0.8m 2018 £1.7m 2019 £1.1m 2020 £0.0m 2021 £0.0m	<ul style="list-style-type: none"> Government's commitment to ensure that the receipts on every additional home sold under the Right to Buy are used to fund its replacement 	<ul style="list-style-type: none"> Will be used to help fund the HRA reinvestment in new homes for affordable rent

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
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Other Capital Contributions:

Developer contributions, Community Infrastructure Levy (CIL) and Revenue to Capital Contributions

- Money received from developers as part of their development obligations and CIL fees from 2015/16 onwards.
- A time lag exists between receipt and design/delivery of schemes.

- There is no policy on the level of balances due to the nature of the contributions
- Where possible contributions should be used to fund schemes identified within the 3-year capital programme / 10-year capital vision
- All contracts are unique to each developer and will vary depending on the nature of the particular project and may be subject to planning permissions etc.
- Balances may increase due to restrictions on how contributions may be spent, and matching these to schemes within the capital programme

2017 £23.8m
2018 £28.3m
2019 £33.7m
2020 £39.4m
2021 £28.5m

- Interest on Contributions helps to reduce costs to the taxpayer: Interest on Balances @ 0.5% = £119k

- Monies can only be used for purposes specified in the agreement
- Contributions might be time restricted therefore if not utilised may need to be repaid to the developer

Ring Fenced Reserves:

Housing Revenue Account (HRA) (Statutory)

Resources available to meet future running costs for council houses

- Local Government and Housing Act 1989 section 76 (3) forbids a year end deficit on the HRA
- Balance is determined by level of risk associated with the budget
- Min 5% of gross expenditure
- Current recommended minimum level of reserves is £0.9m

2017 £4.9m
2018 £4.2m
2019 £3.0m
2020 £1.8m
2021 £1.9m

- Provides general contingency for unavoidable or unforeseen expenditure or fall in income
- Stability for longer term planning and for meeting the decent homes standard
- Interest on Balances helps to reduce costs: Interest on Balances @ 0.5% = £24k

- Could be used to fund HRA Capital expenditure to help meet decent homes standard which would result in loss of interest £5k per £1m
- Could be used to fund HRA debt repayment

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Major Repairs Reserve (Statutory)	This records the unspent balance of HRA Capital projects	<ul style="list-style-type: none"> Use of Capital to meet Decent Homes Standard Redevelopment and regeneration of the council's housing stock 	2017 £3.6m 2018 £0.9m 2019 £0.0m 2020 £0.0m 2021 £0.0m	<ul style="list-style-type: none"> Provides capital to invest in stock to meet the government's Decent Homes Standard policy Provides general contingency for unavoidable or unseen expenditure 	<ul style="list-style-type: none"> Will be used to fund HRA capital expenditure to help meet decent homes standard
Specific School Reserves (ISB) (Earmarked Reserves)	To resource expenditure directly delegated to schools	<ul style="list-style-type: none"> The estimates are based on the existing number of schools and do assume any further transfers to academies, which would impact upon these estimates. 	2017 £2.8m 2018 £1.7m 2019 £1.5m 2020 £1.3m 2021 £1.1m	<ul style="list-style-type: none"> Provides general contingency for unavoidable or unseen expenditure Offset any deficit balance in DSG reserve Interest on Balances helps to reduce costs: Interest on Balances @ 0.5% = £14k 	<ul style="list-style-type: none"> School reserves are ring fenced to schools
Central Costs (Dedicated Schools Grant) (Earmarked Reserves)	To resource expenditure not directly delegated to schools	<ul style="list-style-type: none"> Risk assessments of budgets suggests £0.3m minimum To enable stability in longer term financial planning To improve education standards 	2017 £1.4m 2018 £0.9m 2019 £0.8m 2020 £0.8m 2021 £0.8m	<ul style="list-style-type: none"> Provides general contingency for unavoidable or unseen expenditure 	<ul style="list-style-type: none"> DSG is ring fenced

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
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Other Earmarked Reserves

These reserves are held for specific accounting reasons

- The funds in these reserves are ring fenced funds that cannot be used for other purposes

2017 £7.4m
 2018 £7.4m
 2019 £7.4m
 2020 £7.0m
 2021 £7.0m

Reserves include:

- Housing Association reserve
- Challenge of business rates
- Energy contract reserve
- Building Control trading account reserves

- Interest on these reserves at 0.5% would be £37k which helps to reduce costs

GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2018/19

The service totals below **exclude** the allocation of internal charges (e.g. office accommodation & finance) and depreciation charges.

	2017/18 Estimate £	2017/18 Local Tax Rate £	2018/19 Estimate £	2018/19 Local Tax Rate £
Chief Executive	(1,393,800)	(20.67)	312,780	4.55
Corporate Services	24,523,260	363.67	22,131,670	322.29
Customer and Locality Services	26,005,310	385.64	26,414,720	384.67
People Services	62,900,390	932.78	64,581,000	940.47
Total Net Expenditure	112,035,160	1,661.42	113,440,170	1,651.98
Appropriation to / (from) Balances	1,253,354	18.59	3,687,581	53.70
Borough Council Requirement	113,288,514	1,680.01	117,127,751	1,705.68
Income:				
Government Support / Business Rates	(14,098,453)	(209.07)	(13,763,096)	(200.43)
Transitional Grant	(2,104,069)	(31.20)	0	0.00
New Homes Bonus	(4,725,796)	(70.08)	(4,200,549)	(61.17)
Council Tax Collection Fund Surplus	(700,000)	(10.38)	(700,000)	(10.19)
Council Tax for Borough Council Purposes	91,660,197	1,359.27	98,464,106	1,433.89
General Fund Balance Estimates				
Brought Forward	10,036,119		7,071,880	
In year variation	(2,964,239)		160,000	
Carried Forward	7,071,880		7,231,880	
Local Tax Base	67,433.4		68,669.1	

The local tax Band D rate of £1,433.89 is a 2.99% increase in council tax and a 2.5% increase which forms the Adult Social Care precept.

GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2018/19

The service totals below **include** the allocation of internal charges (e.g. office accommodation & finance) and depreciation charges.

	2017/18 Estimate £	2017/18 Local Tax Rate £	2018/19 Estimate £	2018/19 Local Tax Rate £
Chief Executive	2,022,930	30.00	4,741,168	69.04
Corporate Services	11,696,010	173.45	10,602,327	154.40
Customer and Locality Services	36,753,230	545.03	36,221,630	527.48
People Services	78,998,840	1,171.51	78,221,075	1,139.10
Depreciation Charges	(17,435,850)	(258.56)	(16,346,030)	(238.04)
Total Net Expenditure	112,035,160	1,661.42	113,440,170	1,651.98
Appropriation to / (from) Balances	1,253,354	18.59	3,687,581	53.70
Borough Council Requirement	113,288,514	1,680.01	117,127,751	1,705.68
Income:				
Government Support / Business Rates	(14,098,453)	(209.07)	(13,763,096)	(200.43)
Transitional Grant	(2,104,069)	(31.20)	0	0.00
New Homes Bonus	(4,725,796)	(70.08)	(4,200,549)	(61.17)
Council Tax Collection Fund Surplus	(700,000)	(10.38)	(700,000)	(10.19)
Council Tax for Borough Council Purposes	91,660,197	1,359.27	98,464,106	1,433.89
General Fund Balance Estimates				
Brought Forward	10,036,119		7,071,880	
In year variation	(2,964,239)		160,000	
Carried Forward	7,071,880		7,231,880	
Local Tax Base	67,433.4		68,669.1	

GRAND SUMMARY - FORECAST BUDGETS 2019/21

This takes into account budget pressures identified to deliver the Council's Vision. Work will be on-going to contain growth and increase service efficiencies where possible.

The service totals below exclude the allocation of internal charges (e.g. office accommodation & finance) and depreciation charges.

	2019/20	2019/20	2020/21	2020/21
	Estimate	Local Tax	Estimate	Local Tax
	£	Rate	£	Rate
Chief Executive	(2,357,220)	(34.33)	(2,957,220)	(43.06)
Corporate Services	22,049,670	321.10	21,500,670	313.11
Customer and Locality Services	26,105,720	380.17	25,930,720	377.62
People Services	65,565,000	954.80	66,953,000	975.01
Total Net Expenditure	111,363,170	1,621.74	111,427,170	1,622.67

The above figures are based on the bids detailed in the MTFP. Figures will be revised during the budget setting process for 2019/20 and 2020/21.

GRAND SUMMARY - GENERAL FUND "PROFIT AND LOSS"

This table presents the budget in a format more congruent with a private sector format.

	2017/18 Estimate £m	2018/19 Estimate £m
Council tax	(91.7)	(98.5)
Government support	(14.1)	(13.8)
Transitional funding	(2.1)	0.0
Strategic assets rental income	(2.1)	(2.2)
Leisure management income	(1.8)	(2.0)
WHL income	(0.6)	(0.7)
Grants and other income	(68.0)	(62.8)
Total income	(180.3)	(179.9)
Chief Executive	6.9	7.5
Children's Services / People's Services	35.8	98.2
Environment / Customer & Locality Services	46.0	47.1
Finance & Resources / Corporate Services	19.8	36.4
Health & Wellbeing	88.0	0.0
Less: depreciation	(17.4)	(13.0)
Total expenditure	179.1	176.3
Appropriation (to)/from balances	(1.3)	(3.7)

SERVICE OUTPUTS – KEY FACTS AND FIGURES

Chief Executive

Strategic Property & Commercial Assets

- Development of strategic regeneration briefs in consultation with local stakeholders;
- Development of high level and detailed regeneration schemes in response to strategic briefs;
- Co-ordinate and manage the physical delivery of phased regeneration plans for key projects;
- Monitor national and local property market and identify investment opportunities in relation to regeneration agenda;
- Assess and advise on potential benefits/risks of investment opportunities and approaches recognising the balance of both financial and social gain;
- Effective management of the existing property portfolio in a targeted manner to support longer term regeneration aspirations;
- Undertake, through negotiation or Compulsory Purchase Orders, all necessary site assembly to deliver phased development programmes;
- Co-ordinate and manage appropriate funding for delivery of regeneration schemes;
- Engagement and communicate with local communities to support regeneration;
- Liaison and communication with stakeholders to support the ongoing process of regeneration;
- Support services in the development of the policy and strategy infrastructure documents necessary for successful delivery of regeneration projects;
- Completed and opened a new 529 space multi-storey car park to the public;
- Wokingham Superbowl, ground floor leisure unit, opened in November 2017 by American Amusements Ltd;
- Work has commenced at Peach Place to create a new public square, shops, restaurants, town houses and key worker apartments – expected completed Dec 2018,
- Planning consent of Carnival Pool Phase 2 has been secured (proposals include a new larger leisure centre, library, commercial space and apartments).

People Services

Children

- Fewer children, who have received social work support from us in the past, are requiring our services for a second time;
- Eight Incredible Years Parenting Programmes have been delivered to date. In Wokingham borough, to assist and support children with reducing their aggression and behavioural problems and to increase social competence at home and at school. Over 200 children have received support through these programmes (over 50 of whom are aged under 5) and around 100 parents have attended;
- Children entering care are placed within 20 miles of their family home, within the borough wherever possible;
- Children becoming subject to a Child Protection Plan (CPP) for a second or subsequent time ever in their life reduced from nearly 33% in 2016/17 to 16% for the year to date;
- Success in recruiting foster carers has resulted in 97% of children and young people coming into care being placed locally so far in 2017/18;
- We had the 4th lowest rate of first time young offending in the South East in 2016/17;
- At any one time, on average we support around 100 children who are subject to a Child Protection Plan;
- Wokingham Borough Council is a Corporate Parent for 100 Children in Care;
- Recruitment of 10 in-house Foster Carers;
- Supported 50 Care Leavers between the ages of 19-21;
- Between December 16 and December 17, Short Breaks Services provision of 529 overnight stays, support & activities including 4,968 hours Day Care, 2,791 hours Saturday Club and 374 hours outreach;
- Over 8,300 children aged under 4 are registered at the six Children's Centres within the Ambleside and Brambles Children's Centre reach area hubs, which is around 82% of the borough's under 5 population;
- Over 76% of children aged between 0-5 years are assessed as having a Good Level of Development within Wokingham borough compared to national average of 71%;
- Linked with primary schools where there is a foundation stage unit, and 73 Early Years settings to deliver services around getting children ready for school and supporting, monitoring and tracking the targeted 2-year funding entitled families;
- At any one time 600 children and their families are supported through; open assessment, Early Help, Child Protection, Child In Need and Looked After Children plans;
- In the last 12 months, we have supported over 800 adults and over 1,000 children in gaining positive outcomes such as Early Years Foundation Stage and Ready for School;
- 75 parents who have children aged under 5 have accessed Incredible Years and Triple P Parenting Courses during the period September 2016 to August 2017; courses facilitated by the Children's Centre teams;
- A total of 79 young and teenage parents have been supported in the area;
- 346 parents took part in our children's centres annual service consultation last year;
- Approximately 6,900 contacts screened in the last 12 months;
- Worked with 240 young people at risk of offending;
- As of Quarter 3 2017/18 11 young people are in structured treatment for substance misuse and a further 17 young people are receiving unstructured and/or recovery support;
- Work is ongoing to support young people and the outreach support is being further developed to include drop-in support for young people.

Education

- 26,315 pupils educated in 69 Wokingham borough schools (includes maintained schools, Pupil Referral Units and academies, excludes independent and non-maintained schools);
- 1 nursery school, 54 primary schools, 10 secondary, 2 special and 2 Pupil Referral Units;
- Funded through the Dedicated Schools Grant, the School Admissions Team is responsible for validating and processing all school applications (including entry to primary, infant to junior and primary to secondary transfers as well as in-year applications and any appeals). The team adheres to strict deadlines, documented within governance of the School Admissions Code;
- 4 senior officers trained to present cases for Local Authority at Admission Appeals; which are becoming more complex and time consuming as demand for school places continues to rise;
- The Corporate Transport Unit plan and support the day-to-day management of home to school transport for 1,246 primary, secondary and SEN students;
- Provision in excess of 859,000 free school meals during 2016/17 academic year;
- Provision of 860 statements or Education Health and Care Plans maintained by Wokingham Borough Council (as of December 2017) with 610 of these being in Wokingham schools (maintained, free, academies, early years settings included, as of December 2017);
- Provide the latest information, support and guidance to parents and early years providers within Wokingham borough. Support includes managing transitions, complete moderation of our reception classes and guidance around free entitlement;
- Offer up to 30 hours free entitlement for working parents for 3 and 4 year olds and for eligible 2 year olds;
- In 2017, we allocated 2,155 primary places to children starting school in reception and allocated 575 infant to junior transfer places;
- We allocated 1,945 secondary transfer places for children starting secondary school in year 7;
- We processed around 1,555 in-year applications within 20 days (both primary and secondary)
- Around 170 courses provided to teachers during inset days in 2017 calendar year;
- 1,084 Governor training sessions delivered in 2017;
- Over 240 schools admission appeals received;
- Over 13,500 email enquiries answered by the School Admissions Team (mostly within 48 hours);
- 92% of children currently attend a "good" or "outstanding" Wokingham school;
- In 2017, Wokingham pupils outperformed all other authorities in the South East for achievement of a 9-4 grade in Maths and English;
- 2,678 children, aged between 2 and 4 years, attend our 126 Early Years settings;
- Which include 17 school-maintained nurseries, 71 private voluntary & independent nurseries (PVI) and 38 childminders;
- Over 30% of 3 and 4 year olds, attending our Early Years settings, are eligible and taking up their 30 hours free extended entitlement;
- Around 100 transport routes and contracts to access mainstream and SEN schools within the borough;
- Around 50 transport routes and contracts for 90 SEN students to access Special Needs Schools outside of Wokingham borough;
- Over 0.5 million students transported to and from school annually;
- All schools in the corporate schools meals catering contract issued with new light equipment (cutlery, crockery, saucepans etc.);
- 12 school meals kitchens had major improvements or were redecorated;
- 30 schools issued with replacement catering equipment (such as dishwashers, freezers, ovens).

Adults

- Referrals for assessment have increased over the last 2 years, with Occupational Therapy referrals increasing by over 300%;
- Fewer adults waiting over 28 days for Occupational Therapy or Social Work assessment (reducing from 31% in 16/17 to 6% in 17/18);
- In fact waiting lists have reduced significantly with the longest waits for non-urgent assessments at a maximum of 3 weeks (down from 3 months earlier in 2017);
- Residential and nursing placements have reduced and are within our target amount set of less than 11 per month;
- Since Apr 2016, 16 families have a member who has returned to continuous employment and 10 families have achieved significant and sustained progress thanks to the services we have provided through the national troubled families programme;
- More of our older people are being supported to stay in their own homes;
- Older people admitted to hospital are experiencing fewer discharge delays;
- We are the 10th best local authority in the country for success in achieving employment for adults we support with a learning disability;
- We have 3 “step down” beds, which are used for customers being discharged from hospital who are unable to go home directly from hospital. Usage of this resource is high and results in very positive Reablement outcomes for customers enabling them to return home or move into an Extra Care Facility instead of residential care;
- This year, we introduced a first response/triage role to help provide a more responsive therapy service working to avoid hospital admission, delayed transfer of care and respond quickly to customers in crisis as well as ensuring appropriate direction of referrals to reduce waiting times;
- 90% of people (in 2016/17) using our services say they make them feel safe and secure (an increase from 78.8% in 2015/16);
- The number of people admitted to residential and nursing care homes has reduced;
- Deprivation of Liberty Safeguards (DOLS) – our DOLS waiting list has been reduced by more than 50% this year (from 196 to current position of 83) which is really positive given this a national problem;
- Around 4,900 contacts from new customers in year;
- Number of new people assessed in year – 500;
- Number of people reviewed in year – 1,300;
- Number of people receiving long term services – 1,500;
- Number of carers who have had assessment or review – 600;
- Permanent admissions to residential and nursing homes – 72;
- 79% have as much control over their daily life as they want or who have adequate control over daily life;
- 66% are extremely or very satisfied with the care and support services they receive;
- 79% find it very easy or fairly easy to find information about services;
- 70% feel as safe as they want;
- 90% say that those services have made them feel safe and secure;
- Our commissioned service has 152 adults in structured treatment for substance misuse and a further 19 adults in unstructured/recovery support.

Integrated Mental Health

- We maintain sufficient Approved Mental Health Practitioners (AMHP) in order to fulfil statutory functions relating to Mental Health Act, Care and Mental Capacity Act;
- Carry out assessments under the Care Act, allocate personal budgets and arrange care packages. This includes ensuring that NHS funding is accessed to support people;
- Safeguarding of vulnerable adults with mental health needs;
- Deprivation of Liberty Safeguarding and BIA assessments;
- Keeping waiting times all within targets;
- Managing inpatients to reduce delayed transfers of care;
- Recruitment and retention is good providing stable teams with low turnover;
- Wokingham CMHT are setting up a Recovery College for vulnerable adults and carers. This is an educational model, which is developed and delivered through co-production. Courses are focused on recovery, wellness and hope and living beyond mental illness. The model supports other organisations to be recovery focused and contribute to the network of support available to assist people using the college to develop and sustain their recovery reducing future reliance on statutory services;
- The Older People's service continues to deliver the carers education courses for people with dementia, teaching carers how to manage it the disorder. This is a Berkshire wide delivered service, which provides a well-developed handbook for carers with essential resources. Additional carers' services provided for young people with dementia;
- The Wokingham Community Mental Health Team (CMHT) is rated good and the Older Persons Mental Health Service is rated outstanding by the Care Quality Commission (CQC);
- Both services are currently undergoing a process to be accredited with the Royal College of Psychiatry, a national benchmark;
- The AMHPs in the team carry out statutory duties. This part of the system has become increasingly stretched. In the last 3 months, 46 MHA assessments have been carried out. Each MHA assessment takes 5-7 hours. Between April 2016 and March 2017, there were 44 community treatment orders, 420 x S136 and 48 x S135 were in place in the same period with an increase of 48% in S135. The activity is increasing with the introduction of the Police and Crime Act in December 2017;
- In 2016/17, 247 tribunals and 156 manager's reviews were carried out requiring reports and attendance by AMHPs. This was up 34% on the previous year;
- Increase in AMHP activity in the last 12 months – Q1 55%, Q2 50%, Q3 24.5%, Q4 38%;
- There has been a significant increase in CAMHS transitions to CMHT in the last 12 months. Historically transitions have been 2-3 per year. In the last 12 months, there have been 9 transitions to CMHT. A high proportion come via CAMHS tier 4 placements out of area and are eligible for S117 funding. These placements can be high cost as the young people have complex presentations;
- Caseload for the Older Adults Mental Health Service is 975 with 398 new referrals in the last 12 months;
- CMHT carries a caseload of 450 and received 246 new referrals in the last 12 months all who were screened as appropriate by Common Point of Entry.

Locality & Customer Services

Customer & Localities

- Running five key programmes of community development in existing communities to promote self-reliance and develop capacity;
- The management of engagement activity around the SDLs including the four Community Forums – running at least 16 community forums per year;
- The co-ordination of the council's relationship with Parish and Town Councils across the borough – four Clerks Forums per annum, four Borough Parish Working Groups;
- We have loaned over 750,000 items from our ten libraries during 2017 with around 470,000 visits to our libraries;
- Handled approximately 142,000 telephone calls in 2017;
- Dealt with over 26,000 email requests in 2017;
- During 2017, we liaised with over 37,000 visitors to Shute End reception;
- Handled nearly 9,000 web chats during 2017;
- Handled 98 complaints in 2017 (based on total incoming stage 1 complaints and Early Resolution) and around 980 Freedom of Information enquiries;
- Processed and issued over 2,000 disabled parking badges;
- Dealt with nearly 150 school admission appeals;
- Dealt with 50 home birth registrations, nearly 400 death registrations and around 340 marriage registrations;
- We dealt with over 2,000 official Land Charges searches and over 2,100 personal searches.

Delivery & Infrastructure

- Continuing joint working to progress Reading University's Science Park;
- Development and co-ordination of Infrastructure Delivery Plans and negotiations to secure acceptable development proposals for each of the four SDLs;
- Effective monitoring of the progress of developments, particularly in the SDL areas, to ensure the prompt payment of s106 monies due and the timely provision of infrastructure provided on site by the developer;
- The negotiation of both hard and soft community facilities in the SDLs including buildings, sport, leisure and open space and voluntary and community development support to ensure the social fabric supports the community;
- Worked with over 1,400 children on environmental education activities;
- Offered a comprehensive outdoor education programme including climbing, water sports, open water swimming, and team building exercises;
- Developed mass participation events such as triathlon, open water swims and cyclo-cross;
- Worked with volunteers who committed over 2,000 days' worth of support in our Country Parks;
- Our Countryside Services manage and maintain around 380 hectares of countryside sites that include;
 - 217 hectares of Country Parks,
 - over 100 hectares of nature reserves,
 - 59 hectares of Suitable Alternative Natural Greenspaces.
- Management of 6 sites for fishing across the borough;
- Management of 100 children's play areas;
- Opened our first Greenway in California Country Park providing safe traffic free routes for pedestrians, cyclists and horse riders;
- Delivering the transport infrastructure associated with the strategic development locations.

Place

- Determination of over 3,600 applications during 2017; which includes 2,250 planning applications as well as other applications including prior approvals, pre-application service and other consultations;
- Investigation of over 700 potential breaches of planning control;
- Promotion and defence of the council's policies at 93 planning appeals decisions received in 2017 of which (74%) were dismissed;
- 14 enforcement notices served during 2017 as a result of investigations;
- Around 600 fly tips collected each year (a cost of around £35k);
- 3.4 million refuse and recycling collections in 2016/17;
- Approximately 29,000 tonnes recycled;
- Disposing of approximately 74,500 tonnes of household waste, of which less than 10% is sent to landfill;
- Over 3,000 tonnes of recycling collected at our 39 recycling sites and over 5,000 tonnes of recycling taken by Wokingham residents to the Household Waste & Recycling Centres (HWRCs) at Small mead and Longshot Lane;
- 6,500 tonnes of green waste collected from kerbside recycling and over 5,000 tonnes taken to HWRCs;
- Around 5,000 new black boxes delivered to our residents across Wokingham borough;
- Approximately 29,000 tonnes of blue bag waste collected (an average of 112 tonnes per day);
- Over 1 million visits to our Re3 areas and the two HWRCs;
- Managing the two re3 Household Waste Recycling Centres with re3 partners;
- Advising on waste strategy and waste legislation;
- Over 13,500 streetlights replaced with new lanterns across Wokingham borough;
- Maintaining all street lights, illuminated signs, feeder pillars and other similar equipment;
- Cleansing over 700 km of highway, including footways and cycle paths;
- Processing 55,000 notices for works on the highway to ensure co-ordinated works;
- Inspecting and maintaining over 720km of highway and associated footways;
- Management of the A329M motorway;
- Routine maintenance of nearly 30,000 gullies and over 300km of highway drainage pipework;
- Issuing over 7,000 works orders for routine highway repairs and approximately 700 highway notices;
- Management of two cemeteries – Shinfield and St Sebastian's;
- Making safe over 3,150 potholes during 2017;
- Permanent repairs to carriageway surfaces including over 1,000 patch repairs, over 350 permanent reinstatements and over 92 overlays;
- Cycle training provided to over 1,400 children (aged 10-14 years) at our Wokingham schools; fully funded by Department for Transport grant;
- Learn to Ride cycle training sessions provide to over 120 younger children and over 100 children trained on Bikeability Balance courses in our infant schools. Bikeability Fix courses offered at Primary Schools on bike maintenance;
- Road safety shows seen by around 7,000 pupils at Primary and Pre-schools during spring and autumn terms;
- Scooter training provided by community wardens to over 700 year 1 pupils at primary schools;
- Around 15,000 adults and children attending My Journey community events such as Bike Bonanza, community fun days, Emergency Service days;
- Managing and maintaining the council's 15 pay & display and 10 other free off-street car parks;
- 2.4 million annual passenger journeys on all local buses within the borough. 600,000 annual concessionary pass holder journeys;
- Over 320,000 annual journeys on Council supported bus services;
- 14% increase in passenger journeys on local buses within the borough in the past 3 years.

Corporate services

Business Services

- Provide professional advice, guidance and support to ensure the organisation effectively and legally manages the health, wellbeing, productivity and effectiveness of a workforce of approx. 930;
- Coordinate the delivery of over 446 learning and development interventions (Classroom based events); this does not include the self-service E-learning;
- Act as 'competent person' in regards to Health and Safety which includes; undertaking over 32 independent audits, investigating an average of 28 significant health and safety incidents, and training around 324 people each year;
- Administer over 1,000 statutory or regulatory meetings relating to safeguarding children and young people;
- Act as Corporate Landlord for the Operational Estate of over 50 properties and oversee the management, utilisation, compliance and valuation of the council's property assets valued at £700m;
- Manage the commercial estate which generates rentals of £2.5m per annum;
- Active management of the council's energy (and other utilities) usage and costs, as well as those of our schools, currently £3m per annum;
- Provide legal advice, guidance and assurance across all matters to support officers and Members in the shared service partners and other public sector organisations;
- Conduct court room advocacy, including the defence of Judicial Reviews at the High Court;
- Support the governance of shared service organisations as well as acting as Deputy Monitoring Officer and Borough Solicitor for corporate legal issues;
- Process 1,008 applications through Dynamics per annum; (this does not include job applications through Jobs Go Public);
- Process 314 applications for 155 vacancies through Matrix per annum;
- Process 1,500 DBS applications, including schools staff;
- Support the governance of shared service organisations as well as acting as Deputy Monitoring Officer and Borough Solicitor for corporate legal issues;
- Co-ordinates budget setting and provides financial advice on a revenue account of £279m per annum gross, capital of £180 m per annum and Housing Revenue Account (HRA) of £16m per annum gross;
- Invests an average of £61.2m per annum and manages borrowing of £152m;
- Collects council tax of £112m from 66,000 properties, generating over 116,000 accounts annually;
- Collects business rates of £66m per annum from 4,000 properties, generating over 11,000 accounts annually;
- Collect council rents of £15m per annum from just under 2,600 tenants;
- Collect over £12m per annum on sundry debtor accounts;
- Administer housing benefit and council tax support;
- Through cashiers, process over 204,000 transactions per annum totalling just over £608m per annum;
- Conduct Fairer Charging Visits and financial assessments for customers in receipt of home based social care;
- Conduct welfare advice visits helping the most vulnerable claim additional welfare benefit income per annum;
- Make over 57,000 salary payments to staff each year to a value exceeding £64m (including schools);
- Make over 50,000 payments to suppliers and contractors each year which represents 75,000 invoices with a value exceeding £253m;
- Manage over 26,000 elderly and disabled Concessionary Bus Passes and reimburse operators over £920k per annum for journeys taken;

- Develop relationships with stakeholders and promotes awareness of IMT in order to understand service-related business pressures and priorities and to improve communication methods with services by improving self-sufficiency for staff;
- Support of the implementation of Information and Communication Technology (ICT) and information projects including the Technology Futures Programme and key business application improvements;
- Management of the ICT estate, 1,500 PC's and 147 servers;
- Facilitates internal business continuity planning;
- Manages the council's out of hours duty officer service;
- Liaises with local emergency service partners and neighbouring authorities.

Governance

➤ Audit & Investigation

- 2017/18 was a productive year for the Corporate Investigations element of the service with total potential financial savings identified of over £51,600. This was comprised of
 - Over £29,100 of actual overpayments that are potentially recoverable;
 - In addition, £22,400 of notional savings identified which are the value placed on the fraud by the "Fighting Fraud and Corruption Locally" publication issued by the CIPFA Counter Fraud Centre and "Protecting the Public Purse" and projected future savings.
- Internal Audit is a statutory function that delivers an independent, objective assurance and consultancy service to the Council that brings a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes;
- Investigations - a professional and independent investigation service into incidents of fraud, code of conduct breaches, whistleblowing allegations and other suspected irregularities;
- Risk Management supports the council in embedding and integrating proactive risk management;
- Corporate Governance – facilitates the production of the Annual Governance Statement thereby enabling the Council to meet its statutory requirements.

➤ Democratic & Electoral Services:

- During 2017 Democratic Services attended and serviced: 116 evening meetings, 29 daytime meetings, 30 Individual Executive Member decisions, 26 tender openings and 192 daytime appeals;
- 192 daytime appeals, which considered of 114 school admission; 2 exclusion reviews; 69 home to school transport; 4 licensing; and 3 taxi licensing;
- The number of secondary school admission appeals lodged has increased from 54 last year to 64 this year and the number of primary appeals has decreased from 186 to 142 which is in line with previous years;
- Electoral Services has responsibility for running the authority's annual elections, along with all other elections and referenda. In 2017 ran a snap General Parliamentary election and are now planning for local Borough and Parish elections;
- Electoral Services employs and trains hundreds of casual staff at election time and runs an annual canvas of all 65,000 properties in the boroughs;
- The service employs trains and manages approximately 25 personal canvassers;
- Moving forward with the new system of Individual Elector Registration during 2018/19. This still requires close working relationships with the Cabinet Office, Electoral Commission, Department for Works and Pensions, external printers, external software providers and Royal Mail as well as several directorates within the council.

Strategy & Commissioning

➤ Strategy & Commissioning

- Coordinating the Council Plan to ensure the Council is working to a common set of priorities and outcomes;
- Commissioning external services relating to People (adult & children's social care) and Place (housing, environment and leisure); which includes identifying resources, partnerships and funding, managing large scale procurements and ongoing strategic contracts and performance management to ensure specific commissioning outcomes are delivered;
- Representing the Council's interests on third party bodies, wholly or partially owned entities and with strategic partnerships;
- Supporting and coordinating bids for infrastructure funding to support the council's growth agenda;
- Co-ordination and management of the council's engagement with local businesses;
- Progression of the council's Local Plan documents;
- Delivering the objectives of the borough's Local Transport Plan (LTP4);
- Management & maintenance of sports facilities;
- The provision of high quality advice to Towns and Parishes to ensure that they are aware of the range of planning policy tools at their disposal and that any Neighbourhood Plan is progressed in accordance with strategic planning policies;
- Implementation of the new Economic Development Strategy for the council, linking into the LEP's Strategic Economic Plan and the Local Plan update;
- Overseeing delivery of City Deal at a local level;
- Supporting development and delivery of the Housing Strategy including negotiating appropriate affordable housing contributions through the s106 process.

➤ Procurement

- Develops and maintains the Council's Procurement & Contract Rules and Procedures, which forms part of the Council's Constitution;
- Training and development of Council staff around procurement and contract management rules, procedures and best practice;
- Provides proactive and reactive procurement and contracts support on £125m of supplier expenditure across the Council, per year;
- Provides procurement & contract management expertise through advisory, consultancy and hands-on operational procurement support to services;
- Drives facilitates and supports council-wide procurement cost savings;
- Procures and manages corporate contracts that deliver;
 - 1.62m school meals a year to children across 51 schools,
 - Cleaning services to 8 schools, 20 corporate sites and 2 Housing Team sites,
 - Commercial waste and recycling collection for 84 sites,
 - Temporary agency staffing solutions spending £4m.

➤ Housing

- 92% of tenants satisfied with planned works undertaken on their homes (Windows & Doors Programme);
- Over 1,600 gas safety checks conducted;
- 98% of all responsive repairs (over 4,400 repairs) completed on time;
- Manage and deliver all aspects of the council's landlord function for all council-owned social housing, including managing void properties, which includes:
 - 2,599 Council-owned housing,
 - 189 leasehold 'right to buy' premises,
 - 84 shared ownership properties,
 - 158 HRA void properties were re-let in 2016/17
 - 656 garages,

- Engaging in a cross Berkshire Strategic Housing Market Assessment and other related studies, and carrying out effective and timely monitoring to ensure the council continues to have a five year supply of deliverable housing land supply and sufficient employment floor space to support and sustain the local economy;
- Working with other Berkshire authorities to understand constraints and opportunities and to inform the distribution of final housing numbers that will be worked through individual Local Plans;
- Provide a Housing Officer service to all tenants and leaseholders including temporary accommodation provision and advice on legislative rights and responsibilities (e.g. succession, joint tenancies and tenure);
- Provide a Housing Officer Service to the newly built Wokingham Homes properties including the Fosters Extra Care Scheme;
- Provide a Tenancy Sustainment Service to vulnerable tenants;
- Provide a specialist response to Anti-Social Behaviour within social housing stock;
- Manage the council's 10 sheltered schemes across the Borough;
- The asset management team ensure the council's strategies; policies and action plans provide efficient and effective management in promoting, maintaining and preserving the council's housing stock, contributing to sustainable communities;
- To provide a fit for purpose property portfolio, within a value for money context and available resources;
- To manage the council's housing stock so that it continues to meet the Government's Decent Homes Standard (currently at 99%);
- Manage the portfolio to comply with current regulation to provide safe properties for both tenants and contractors;
- Provide an efficient void process;
- Undertake disabled adaptations to help tenants remain in their homes for as long as possible;
- Manage the contracts procured to deliver the repairs and maintenance function to the housing stock; two gypsy and traveller sites; mobile home sites and homeless accommodation;
- Manage the provision of Estates Services with the cleaning of communal blocks, management of housing land and estates; and,
- Respond to, manage and take enforcement action to unauthorised encampments on council land;
- Manage the housing register (waiting list) - currently around 1,700 live registered applicants, assess individual housing need, administer and input applications, update and renew applications and communicate with customers and stakeholders;
- Administer the priority schemes (Medical and Social Priority) so that urgent need is recognised and addressed;
- 974 brand new Housing Register applications were made during 2017;
- House applicants into council or housing association vacancies (including new-build developments and sheltered accommodation) – 371 housing allocations annually (financial year 2016/17), prioritise and nominate households to shared ownership vacancies;
- Respond to face-to-face and telephone enquiries and applications regarding homelessness, housing advice, housing register, allocations around 4000 per annum;
- Respond to a variety of telephone enquiries ranging from quick enquiries about how to apply through to situations where a private tenant has been illegally evicted;
- Investigate, decide and provide for statutory homeless applications (Housing Act 96 Part VII) – 203 applications were received, investigated and responded to during 2017 calendar year;
- Manage and deliver the homelessness prevention service using options such as the Deposit Loan Scheme and other creative and individual responses;
- Provide a statutory review service (Part VI and Part VII of the Housing Act 1996) and prepare County Court Appeal responses where homelessness decisions are challenged;
- Respond to the needs of rough sleepers and work in conjunction with local support agencies;
- Rough sleeper numbers have reduced from 13 (at the of 2016) to 10 (at the end of 2017).

SERVICE BUDGETS

CHIEF EXECUTIVE BUDGET 2018/21

REVENUE SERVICE BUDGETS 2018/19	Budget 2017/18 £'000	Budget 2018/19 £'000	Note
Chief Executive			
Chief Executive Office (inc Council Wide)	(963)	(557)	1
Town Centre Regeneration	21	25	
21 st Century Council Programme	(452)	970	2
<i>Internal Recharges & Depreciation Charges</i>	3,417	4,303	3
Total Chief Executive	2,023	4,741	

Explanation of Movement from 2017/18 to 2018/19

Note 1. Budget transfer to another department digital savings £140k, Budget transfer to another department procurement savings £120k, Budget transfer to another department historical budget £179k, Savings income from One Public Estate (£50k)

Note 2. Budget transfer from Procurement of Business Development £50k, 21st Century Programme budget adjustments for phase one from other departments £1,500k, Savings from the 21st Century Programme (£750k), Special Items for the 21st Century Programme £720k

Note 3. Internal recharges subject to further review after implementation of 21st Century phase 2.

CORPORATE SERVICES BUDGET 2018/21

REVENUE SERVICE BUDGETS 2018/19	Budget 2017/18 £'000	Budget 2018/19 £'000	Note
Corporate Services			
Business Services	23,159	19,955	1
Corporate Services	205	223	2
Governance & Improvement	2,208	1,698	3
Housing Needs & Benefits	(275)	(275)	
S&C People - Commissioning		806	4
S&C Place - Commissioning		734	5
<i>Internal Recharges & Depreciation Charges</i>	<i>(13,599)</i>	<i>(12,539)</i>	
Total Corporate Services	11,696	10,602	

Explanation of Movement from 2017/18 to 2018/19

Note 1. Special item (£2,315k), Budget transfer to another department 21st Century Programme (£748k), Budget transfer to another department of staff budgets £50k, Debt charge for LED (street lamp replacement program) £80k, Budget transfer to another department for digital saving (£140k), Budget transfer to another department for procurement saving (£120k), Saving from changes to concessionary fares scheme (£30k), Growth for credit card charges £90k

Note 2. Budget transfer to another department 21st Century Programme £90k, Wokingham Housing Group saving (£100k)

Note 3. Budget transfer to another department 21st Century Programme (£550k)

Note 4. Budget transfer from another department £800k

Note 5. Budget transfer from another department £730k

CUSTOMER AND LOCALITIES BUDGET 2018/21

REVENUE SERVICE BUDGETS 2018/19	Budget 2017/18 £'000	Budget 2018/19 £'000	Note
Customer and Localities			
Environment – Management Unit	433	350	1
Building Control	(87)	24	2
Community Services	15,918	16,571	3
Highways & Transportation	6,566	6,750	4
Development – Management & Enforcement	1,417	1,459	5
Development - Policy & Planning	905	535	6
Development – SDL	853	823	7
<i>Internal Recharges & Depreciation Charges</i>	<i>10,748</i>	<i>9,710</i>	
Customer and Localities	36,753	36,222	

Explanation of Movement from 2017/18 to 2018/19

Note 1. £82k budget transfers to another department

Note 2. Growth £75k to cover base budget deficiency, £36k cost attributable to planned optimisation of resource utilisation in the financial year

Note 3. Growth £45k in water recycling due to increase in property numbers, inflationary impact c£400k re contract renewal, other inflationary impacts £200k

Note 4. Expect upside of c£60k due to Inflationary impact of traffic signal maintenance, Highways street lightning contract, grounds maintenance and other costs attributable to expected uptake in road adoption

Note 5. Net impact £27k owing to special item relating to public protection services, expected savings and inflation impact

Note 6. (£370k) budget transfers to another department

Note 7. Savings expected from shared use of resources through cost capitalisation activities in the financial year

PEOPLE SERVICES BUDGET 2018/21

REVENUE SERVICE BUDGETS 2018/19	Budget 2017/18 £'000	Budget 2018/19 £'000	Note
People Services			
Adult Social Care - excl. Mental Health	40,210	41,845	1
Adult Social Care - Mental Health	2,603	2,708	2
Housing Needs and Benefits	535	466	3
Learning & Achievement	1,341	1,290	4
Public Health	(582)	(683)	5
Social Work & Early Intervention Services	13,837	14,205	6
Strategic Commissioning & Central Services	5,416	4,750	7
<i>Internal Recharges & Depreciation Charges</i>	15,639	13,640	
Total People Services	78,999	78,221	

Explanation of Movement from 2017/18 to 2018/19

Note 1. Growth £1,018k care package increase (volume and rates); £536k increase in demand through young people entering adult social care from children's services; £393k Deprivation of Liberty Safeguarding pressures; £370k use of extra care facilities to aid rehabilitation (Birches & Fosters)

Savings (£225k) further review and application for Continued Health Claims; (£200k) review value for money on high cost packages; (£149k) Health and Social Care integration

Special Items £150k Deprivation of Liberty Safeguarding pressures; £80k capacity to deliver value for money on high cost packages

Budget transfer to another department (£438k) 21st Century Programme

Note 2. Growth £80k increased homelessness within the borough; £14k care packages increase in volumes and rates

Special Items – £30k increased homelessness within the borough

Note 3. Growth £45k increased homelessness within the borough

Special Items £76k increased homelessness within the borough
2017/18 Special Item removal (£200k)

Note 4. Savings (£70k) Recommissioning of the leisure contract

Note 5. Savings (£130k) Recommissioning of the leisure contract

Note 6. Growth £249k Increase in in-house fostering; £175k increase in looked after children; £153k review of staying put allowances

Savings (£143k) reduction in residential care placements; (£74k) reduction in independent fostering agencies; (£25k) slower intake of unaccompanied asylum seeking children

Special Items £100k MASH Programme increase in service provision

Note 7. Budget transfer to another department (£698k) 21st Century Programme

Special Items £50k Project Manager Improvement and change programme

Note 8. The social care precept of £6.7m, an increase of £2.4m from 2017/18, will be used to fund the increase in budget for adult social care, comprising of the growth £2,411k, special items of £260k, contract inflation of £469k and pay related increases of £100k.

	£'000
Total Adult Social Care (including Mental Health) 2017/18	42,813
Remove 2017/18 one off special items	(711)
Remove 2018/19 savings	(574)
Remove impact of restructure and realignments	(215)
Total comparable Adult Social Care 2017/18	41,313
Growth	2,411
Special Items	260
Contract Inflation	469
Pay Related Increase	100
Total Adult Social Care 2018/19	44,553
Net movement on Adult Social Care	3,240

Summary of Budget Movements 2018/2019

	Chief Executive £'000	Corporate Services £'000	Customer Localities £'000	People Services £'000	Total £'000
2017/2018 Restructured Service Budget (excluding Capital & Internal recharges)	(1,394)	24,523	26,006	62,900	112,035
<u>Adjustments/Additions</u>					
Exclusive one off revenue items in 2017/2018 (Special items)	(998)	(2,315)	(255)	(1,253)	(4,821)
Inflation for both non-pay and pay	15	355	950	824	2,144
Superannuation - increase in employers' contribution across Council	7	(258)	89	162	0
Adjustments between services (e.g. budget reallocations inc.)	1,939	(9)	(914)	(1,015)	(0)
Total	963	(2,227)	(131)	(1,282)	(2,677)
<u>Funding to Maintain / Improve Services</u>					
ICT step change in contractual costs					
Inability to pass on credit card transaction fees to customers following new regulations		100			100
Berkshire record office - libraries		90			90
Bus service - meeting community needs			25		25
Highway drainage increased maintenance costs due to additional network length			31		31
Highway structures -major refurbishments/strengthening			15		15
Highways maintenance - carriageways and footways			10		10
Revenue implications of integrated transport capital scheme			39		39
Statutory building control service base budget deficiency			21		21
Street lighting energy and maintenance Growth			75		75
Waste and recycling - increase in property numbers and contract renewal			67		67
Winter service - increased maintenance costs due to additional network length			45		45
Care packages - increases in volumes and rates			10		10
Deprivation of Liberty Safeguarding Pressures				1,032	1,032
Increase in in-house fostering				393	393
Increase in looked after children				249	249
Increased homelessness within the borough				175	175
Review of staying put allowances				125	125
Transitional children - children entering adult social care - increase in demand				153	153
Use of extra care facilities to aid rehabilitation (Birches & Fosters)				536	536
Total	0	190	338	3,033	3,561

Summary of Budget Movements 2018/2019

	Chief Executive £'000	Corporate Services £'000	Customer Localities £'000	People Services £'000	Total £'000
Special Items 2018/2019					
21st century council implementation	1,320				1,320
Estimated resource requirement to deliver future savings	400				400
E-Procurement investment in software		12			12
Core Strategy			300		300
Minerals & Waste local plan preparation			100		100
Public Protection			50		50
Town centre parking - reduced spaces during Regeneration construction			70		70
Capacity to deliver value for money on high cost packages				80	80
Deprivation of Liberty Safeguarding Pressures				150	150
Increased homelessness within the borough				106	106
MASH Programme - Increase in service provision				100	100
Project Manager - Improvement and change programme				50	50
Total	1,720	12	520	486	2,738
Funded by the following Service Efficiencies					
21st century council - staff saving	(750)				(750)
New income generation commercial assets	(50)				(50)
One public estate	(50)				(50)
Business rates - increased base		(350)			(350)
Concessionary fares - changes to scheme		(30)			(30)
Wokingham Housing Group dividend		(100)			(100)
Grants to Town/Parishes phased out over 5 years			(20)		(20)
Highways and transport – service efficiencies			(50)		(50)
Public protection shared service			(55)		(55)
Street lighting energy and maintenance saving			(96)		(96)
Further review and application for Continued Health Claims				(225)	(225)
Health and social care integration				(149)	(149)
Recommissioning of the leisure contract				(200)	(200)
Reduction in independent fostering agencies				(74)	(74)
Reduction in residential care placements				(143)	(143)
Review value for money on high cost packages				(200)	(200)
Slower intake of unaccompanied asylum seeking children				(25)	(25)
Total	(850)	(480)	(221)	(1,016)	(2,567)

Summary of Budget Movements 2018/2019

	Chief Executive £'000	Corporate Services £'000	Customer Localities £'000	People Services £'000	Total £'000
Collection Fund adjustments					
Collection fund income for council tax discounts	0	0	0		0
Business rates - increased base	0	350	0		350
(excluding Capital & Internal recharges)	439	22,368	26,512	64,121	113,440
<i>Internal Recharges & Depreciation Charges</i>	4,302	(11,766)	9,710	14,100	16,346
Service Budget 2018/2019					
(including Capital & Internal recharges)	4,741	10,602	36,222	78,221	129,786

THREE YEAR BUDGET FORECAST

	2018/19 £'000	2019/20 £'000	2020/21 £'000
Growth			
Corporate Service			
ICT step change in contractual costs	100	100	100
Inability to pass on credit card transaction fees to customers following new regulations	90	90	90
Customer Localities			
Berkshire record office - libraries	25	25	25
Bus service - meeting community needs	31	53	53
Highway drainage increased maintenance costs due to additional network length	15	30	45
Highway structures -major refurbishments/strengthening	10	20	30
Highways maintenance - carriageways and footways	39	78	117
Revenue implications of integrated transport capital scheme	21	42	63
Statutory building control service base budget deficiency	75	75	75
Street lighting energy and maintenance Growth	67	67	67
Waste and recycling - increase in property numbers and contract renewal	45	572	1,072
Winter service - increased maintenance costs due to additional network length	10	20	30
People Services			
Care packages - increases in volumes and rates	1,032	1,891	2,628
Deprivation of Liberty Safeguarding Pressures	393	393	393
Increase in independent fostering agencies	0	60	126
Increase in in-house fostering	249	591	1,050
Increase in looked after children	175	350	350
Increase in unaccompanied asylum seeking children	0	77	164
Increased homelessness within the borough	125	125	125
Review of staying put allowances	153	209	209
Transitional children - children entering adult social care - increase in demand	536	1,156	1,156
Use of extra care facilities to aid rehabilitation (Birches & Fosters)	370	370	370
Total Growth	3,561	6,391	8,328
Savings			
Chief Executive			
21st century council - staff saving	(750)	(2,000)	(2,000)
New income generation commercial assets	(50)	(150)	(350)
One public estate	(50)	(50)	(50)
Corporate Service			
Business rates - increased base	(350)	(350)	(350)
Concessionary fares - changes to scheme	(30)	(30)	(30)
Wokingham housing group dividend	(100)	(200)	(400)
Customer Localities			
Countryside service increased income	0	(50)	(50)
Grants to Town/Parishes phased out over 5 years	(20)	(40)	(60)
Highways and transport – service efficiencies	(50)	(100)	(150)
Implementing self-service within libraries	0	(13)	(13)
Public protection shared service	(55)	(55)	(55)
Street lighting energy and maintenance saving	(96)	(96)	(96)
Waste and recycling contract	0	(500)	(1,000)
People Services			
Further review and application for Continued Health Claims	(225)	(425)	(425)
Health and social care integration	(149)	(261)	(261)
Recommissioning of the leisure contract	(200)	(200)	(200)
Reduction in independent fostering agencies	(74)	(74)	(74)
Reduction in residential care placements	(143)	(666)	(666)
Review value for money on high cost packages	(200)	(300)	(300)
Slower intake of unaccompanied asylum seeking children	(25)	(25)	(25)
Total Savings	(2,567)	(5,535)	(6,755)

THREE YEAR BUDGET FORECAST

	2018/19 £'000	2019/20 £'000	2020/21 £'000
Special Items			
Chief Executive			
21st century council implementation	1,320	0	0
Estimated resource requirement to deliver future savings	400	400	0
Corporate Service			
E-Procurement investment in software	12	0	0
Customer Localities			
Core Strategy	300	100	0
Minerals & Waste local plan preparation	100	100	0
Public Protection	50	0	0
Town centre parking - reduced spaces during Regeneration construction	70	0	0
People Services			
Capacity to deliver value for money on high cost packages	80	40	40
Deprivation of Liberty Safeguarding Pressures	150	0	0
Increased homelessness within the borough	106	106	106
MASH Programme - Increase in service provision	100	100	0
Project Manager - Improvement and change programme	50	0	0
Total Special Items	2,738	846	146

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2018/19 - TO INFORM THE LEVEL OF GENERAL FUND BALANCE

The budget submission is based on the best estimate of the expected expenditure for the agreed level of service, this variable and risk analysis identifies potential budget overspends. The potential overspends are not included in the budget submission but will inform the required level of balances.

Description	Best Case	Most Likely as per Budget	Worst Case	Relative Risk		
	£'000	£'000	£'000	Low £'000	Medium £'000	High £'000
People Services						
Additional residential placements for children	1,698	1,906	2,250			
Additional Independent Foster Agency placements	886	932	979	209	136	0
Dispersal of Unaccompanied Asylum Seeking Children	177	177	236	0	47	0
Failure to recruit to essential social worker or management posts with permanent staff resulting in higher cost agency	509	636	763	0	0	59
Permanence allowances - increased activity and/or eligibility for payments of allowances due to changes in benefit system including Special Guardianship Orders in line with changes in Government Agenda	431	454	477	0	32	95
Foster placement allowance scheme - increased number of children being placed	1,157	1,157	1,557	23	0	0
Joint legal team litigation, appeals (demand led service)	313	313	351	116	116	169
Emergency duty team (supporting children's and adults) (demand led service)	151	151	158	0	38	0
Direct payments increased activity and costs (demand led service)	256	284	312	0	7	0
Additional mainstream home to school transport packages	1,016	1,111	1,135	0	0	28
Additional special educational needs home to school transport packages	1,242	1,242	1,507	24	0	0
Learning disability - unknown high cost placements	7,270	7,270	8,380	0	133	133
Mental health - unknown high cost placements	990	990	1,130	600	360	150
Under people - increases above expected levels	3,280	3,280	3,750	60	40	40
National Living Wage in relation to sleep-ins	315	470	840	70	150	250
Transfers of ordinary residence	0	0	240	0	185	185
Risk of litigation / compensation against assessment outcomes (including Deprivation of Liberty Safeguarding)	0	0	500	0	240	0
Risk of market failure	0	0	500	200	200	100
	0	0	500	350	100	50
TOTAL People Services	19,690	20,374	25,065	1,651	1,782	1,259

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2018/19 - TO INFORM THE LEVEL OF GENERAL FUND BALANCE

The budget submission is based on the best estimate of the expected expenditure for the agreed level of service, this variable and risk analysis identifies potential budget overspends. The potential overspends are not included in the budget submission but will inform the required level of balances.

Description	Best Case	Most Likely as per Budget	Worst Case	Relative Risk		
	£'000	£'000	£'000	Low £'000	Medium £'000	High £'000
Customer & Locality Services						
S106 monitoring fees - under achievement of predicted income	(101)	(101)	(50)	0	11	40
Planning applications - under achievement of predicted fee income	(975)	(975)	(500)	175	150	150
Pre applications fees - under achievement of predicted fee income	(120)	(120)	(50)	20	20	30
Savings generated through the commencement of the Community Infrastructure Levy charge	(220)	(201)	(150)	10	25	16
Street lighting - energy cost increase	650	679	781	20	82	0
Emergency tree works in parks due to bad weather	0	0	10	5	5	0
Additional grounds maintenance works due to heavy and prolonged rainfall	544	544	574	10	10	10
New Roads and Street Works Act - decrease in recovered income due to less road works	(158)	(158)	(118)	0	40	0
Loss of permit income due to less road works	(200)	(200)	(175)	5	15	5
Loss of income from fishing season tickets (fish disease in fisheries)	(75)	(75)	0	75	0	0
Loss of income due to excessive weed algal growth prohibiting use of the Multi Activity Centre	(277)	(277)	(60)	150	67	0
Loss of countryside income due to poor weather or customer resistance	(350)	(350)	(150)	180	20	0
Failure of an embankment on the highway	0	0	600	500	100	0
Emergency maintenance (road traffic accidents; water bursts, etc.)	47	47	57	10	0	0
Highways (roads and footways) urgent repairs following flooding and freezing and disposal of Tar bound material	1,308	1,308	1,508	150	50	0
Highways (roads and footways) maintenance (bad weather)	200	206	273	0	67	0
Third party income (accident damage without ability to recover the costs)	(35)	0	21	15	6	0
County archives - shared agreement	142	142	162	0	10	10
Savings target for car parks weekend and evening charges	(195)	(195)	(133)	20	30	12
Fees relating to checking developer works – inability to secure full income	(258)	(258)	(142)	116	0	0
Loss of car parking income due to town centre regeneration - general disruption and contract negotiation	(1,181)	(1,181)	(1,111)	30	40	0
Trading income from Building control fees	(1,335)	(1,335)	(1,201)	29	80	25
Library overdue charges - risk of under achievement due to service improvements reducing risk of overdue items	(87)	(87)	(77)	0	5	5
TOTAL Customer & Locality Services	(2,676)	(2,587)	69	1,520	833	303

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2018/19 - TO INFORM THE LEVEL OF GENERAL FUND BALANCE

The budget submission is based on the best estimate of the expected expenditure for the agreed level of service, this variable and risk analysis identifies potential budget overspends. The potential overspends are not included in the budget submission but will inform the required level of balances.

Description	Best Case	Most Likely as per Budget	Worst Case	Relative Risk		
	£'000	£'000	£'000	Low £'000	Medium £'000	High £'000
Corporate Services						
Council-wide income growth target not realised (corporate traded services, energy, advertising & sponsorship)	(661)	(661)	(529)	99	33	0
Changes in local job market	0	0	100	0	100	0
Income target from property portfolio not realised	(2,300)	(2,300)	(1,700)	450	100	50
Costs due to legislation changes e.g. health and safety, fire, legionella etc.	0	0	150	100	30	20
Decrease in contribution to Shared Service by RBWM- Audit	(504)	(504)	(403)	101	0	0
Decrease in contribution to Shared Service by RBWM- Legal	(653)	(653)	(522)	100	31	0
Decrease in contribution to Shared Service by RBWM- Property	(606)	(606)	(485)	100	21	0
Increase in legal challenge and costs due to legislation changes, e.g. Care Act	0	0	500	300	150	50
Loss of data or sensitive information	0	0	120	70	40	10
Interest cost of borrowing budget - risk for SDL forward funding overspend	400	400	750	270	80	0
Major emergency within the community e.g. weather event / pandemic flu or major incident	0	0	10,000	8,000	1,500	500
TOTAL Corporate Services	(4,324)	(4,324)	7,981	9,590	2,085	630
Chief Executive						
Failure to achieve targeted procurement savings across the council	(211)	(211)	(169)	32	10	0
TOTAL Chief Executive	(211)	(211)	(169)	32	10	0
Total Variable - General fund	12,479	13,252	32,946	12,792	4,710	2,192

GENERAL FUND RESERVES – POLICY STATEMENT

1 Definition / Purpose

The accumulated surplus on the General Fund Revenue Account serves several purposes:

- (i) to provide a general contingency to cushion the impact of unexpected events or emergencies;
- (ii) to provide a working balance to help cushion the impact of uneven cash flows;
- (iii) to provide stability for longer term planning.

Additionally, interest earned on the balance contributes to financing the gap between local taxation and the net cost of services.

The balance as at the end of the most recent financial year and estimates of future balances are shown in the section on reserves and balances.

2 Policy (Criteria for Calculating Fund Requirement)

The budget assumes a best estimate of forecast outturn given all information available. General Fund balances are in addition to this.

There is no generally applicable minimum level of reserves, although, previous guidance from the Audit Commission suggested a crude measure as 5% of net expenditure (excluding the dedicated schools grant) as a minimum. For Wokingham Borough Council this criterion would fund council services for 18 days.

Good financial management practice requires a budget risk assessment to inform the level of reserves. Such a risk assessment is undertaken on an annual basis (as part of the budget setting process) and is detailed on the previous page. Although it should not be seen as an exact science, it provides an informed assessment of the level of risk inherent in the budgets (value and likelihood). The assessment of the budget contained in the MTFP for 2018/19 indicates that balances of at least £7m are required to provide for budget risks identified as high and medium. The recommended level of balances (below) is based on this.

In determining the budget strategy each year, Members may also wish to consider any additional sum needed for longer term planning purposes, taking into account the financial projections contained in the financial forecast.

3 Budget Risk Analysis

The following recommendation is made (based on the suggested policy): -

- £5.1m – absolute minimum (5% net budget)
- £7m to £20m – ideal level (High/Medium risks)
- £20m – upper limit (High/Medium/Low risks)

2017/18 Budget
£'000

2018/19 Budget
£'000

Income

General Fund

16,690	Fees and Charges	17,943
44,986	Specific Grants	41,907
2,091	Other Income	459
3,284	Internal Income	2,511

67,051

62,820

Dedicated Schools Grant

99,549	Specific Grants	89,424
261	Plus movements from reserves	0

99,809

89,424

Housing Revenue Account

15,608	Fees and Charges	15,018
1	Specific Grants	1
49	Other Income	49
871	Plus movements from reserves	1,044

16,530

16,112

183,390 Total Income

168,355

Expenditure

General Fund

6,909	Chief Executive	7,481
35,819	Children's Services / People's Services	98,250
46,010	Environment / Customer & Locality Services	47,055
19,778	Finance & Resources / Corporate Services	36,436
88,006	Health & Wellbeing	0

196,522

189,222

Dedicated Schools Grant

15,017	Central Schools Block	13,563
84,792	Individual Schools Block	75,861

99,809

89,424

Housing Revenue Account

16,530	Housing Revenue Account	16,112
--------	-------------------------	--------

16,530

16,112

312,861 Sub Total Expenditure

294,758

17,436 Less: depreciation 12,962

4,821 Less: special items 2,738

22,257

15,700

290,605 Total Expenditure

279,058

107,214 Net Expenditure

110,702

Notes

Movements between areas are described in detail in the summary of budget movements, service budgets, housing revenue account and dedicated schools budget.

The net expenditure differs from the grand summary due to the exclusion here of special items.

HOUSING REVENUE ACCOUNT BUDGET 2018/19

	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
INCOME				
Rents				
Dwelling Rents	(14,813)	(14,225)	(14,082)	(14,082)
Garage Rents	(220)	(228)	(223)	(224)
Commercial Rents	(2)	(2)	(2)	(2)
Total Rents	(15,035)	(14,454)	(14,307)	(14,308)
Fees & Charges				
Service Charges	(482)	(408)	(409)	(411)
Leasehold Charges	(58)	(123)	(123)	(123)
Other Charges for Services & Facilities	(48)	(48)	(48)	(49)
Interest on balances	(36)	(36)	(28)	(22)
Total Income	(15,659)	(15,068)	(14,915)	(14,913)
EXPENDITURE				
Housing Repairs	2,711	2,745	2,772	2,799
General Management	2,483	2,661	2,632	2,657
Sheltered Accommodation	647	555	561	568
Other Special Expenses	150	151	153	155
Depreciation	3,257	3,384	3,464	3,479
Revenue Contribution to Capital	1,833	1,447	1,798	0
Capital Finance Interest Charge	2,901	2,886	2,792	2,846
HRA Principal Repayments	2,548	2,284	1,998	2,236
Total Expenditure	16,530	16,112	16,170	14,739
Net Expenditure / (Income)	871	1,044	1,254	(173)
REVENUE ACCOUNT				
Balance at Beginning of Year	(4,922)	(4,058)	(3,014)	(1,760)
Transfer (to)/from earmarked reserve	871	1,044	1,254	(173)
Forecast over/(under) spend (Dec Monitoring)	(7)	0	0	0
Balances at End of Year	(4,058)	(3,014)	(1,760)	(1,932)

Note 1 The contribution from HRA to Major Repairs Reserve

Note 2. Variation is largely driven by the need to match fund (at 70%) right to buy receipts

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2018/19 - TO INFORM THE LEVEL OF THE HOUSING REVENUE ACCOUNT RESERVES

The budget submission is based on the best estimate of the expected expenditure for the agreed level of service, this variable and risk analysis identifies potential budget overspends. The potential overspends are not included in the budget submission and will inform the required level of balances.

Description	Key Variable			Worst Case Relative Risk		
	Best	Most Likely	Worst	Low £'000	Medium £'000	High £'000
	Case £'000	as per Budget £'000	Case £'000			
Corporate Services (Housing Revenue Account)						
Risk of contractor failure	1,810	1,810	1,960	75	75	0
Increased void costs of council properties to return to decent standard before re-let to tenants	480	480	700	0	100	120
Failure to deliver safe services to tenants, leaseholders, shared owners, site dwellers and licensees	0	0	300	100	100	100
Climate / natural disasters - impacts on properties	0	0	225	125	100	0
Increase in rent arrears as a result of the introduction of Universal Credit and other changes to the welfare system	0	0	200	100	50	50
Failure to meet requirements of Regulatory framework and standards for Social Housing	0	0	150	50	50	50
Disposals and reduction in stock	0	0	0	0	0	0
Impact of Housing and Planning Bill, disposal of assets levy	0	0	0	0	0	0
TOTAL Housing Revenue Account	2,290	2,290	3,535	450	475	320

HOUSING REVENUE ACCOUNT RESERVES - POLICY STATEMENT

1 Definition / Purpose

The accumulated surplus on the Housing Revenue Account (HRA) is retained to provide a general contingency in the event of unavoidable or unforeseen expenditure or a fall in income for the HRA.

The balance serves two additional purposes:-

- (i) Interest on the balance helps to reduce revenue costs;
- (ii) The balance provides stability for longer term planning and for meeting the decent homes standard.

	£m
Balance as at 31st March 2017	4.9
Estimated Balance 31st March 2018	4.1
Estimated Balance 31st March 2019	3.0
Estimated Balance 31st March 2020	1.8
Estimated Balance 31st March 2021	1.9

This excludes any capital balances.

2 Policy (Criteria for Calculating Fund Requirement)

The budget assumes a best estimate of forecast outturn given all information available. Housing Revenue Account balances are in addition to this.

Previous guidance from the Audit Commission is that 5% of gross expenditure is recommended as a minimum to hold in reserve which currently indicates a minimum level of £0.9m.

The HRA reserve will be reviewed on an annual basis to ensure that the current balance is above the minimum level as recommended by the guidelines.

Attention is drawn to the reducing level of reserves from £4.9m in 2016/17 to £1.9m in 2020/21. Officers are actively working to efficiently manage voids levels and effectively target expenditure, but it is noted that a policy decision on the use of retained right to buy or debt definancing is required in 2018/19.

The current surplus of reserves is required to cover the match funding needed to invest in the housing stock whilst utilising retained right to buy receipts.

3 Budget Risk Analysis

£0.8m - minimum (5% of gross expenditure)

£1.2m - Covers high/medium/low risks based on risk assessments

SCHOOLS BLOCK BUDGET - presented to Schools Forum 17 January 2018

It is a statutory requirement under section 251 of the Apprenticeships, Skills, Children and Learning Act 2009 to prepare and submit an education budget statement showing the major elements of expenditure and how these are met by grants.

	2017/18	2018/19	(Note 4) 2019/20	2020/21
	Budget	Budget	Budget	Budget
	£'000	£'000	£'000	£'000
INCOME				
Dedicated Schools Grant (Note 1)	(99,549)	(87,215)	(88,280)	(89,345)
Education Funding Agency specific grant	(3,258)	0	0	0
Pupil Premium	(2,628)	(2,209)	(2,209)	(2,209)
Total Income	(99,549)	(89,424)	(90,489)	(91,554)
EXPENDITURE				
Individual Schools Budget (ISB)	75,049	66,655	67,720	68,785
Expenditure for Education of Children under 5s in Private, voluntary/ independent settings	6,963	6,998	6,998	6,998
Pupil Premium allocated to schools	2,780	2,209	2,209	2,209
School-specific contingencies	340	107	107	107
Contingency for Growth	1,300	800	800	800
Early Years Contingency	229	229	229	229
Provision for pupils with SEN (including assigned resources)	2,517	2,459	2,459	2,459
Moderating Panels and balancing variance	358	187	187	187
NQT Induction	32	0	0	0
Provision for pupils with SEN, provision not included above	20	20	20	20
Support for Inclusion	507	401	401	401
Fees for pupils at independent special schools & abroad (Note 2)	6,119	6,442	6,442	6,442
Special Educational Needs Transport	230	230	230	230
Pupil Referral Units	470	470	470	470
Behaviour Support Services	321	269	269	269
Education out of school	710	638	638	638
Support to under-performing ethnic minority groups and bilingual learners	146	118	118	118
Insurance	598	453	453	453
School admissions	304	289	289	289
Licences/subscriptions	346	147	147	147
Miscellaneous	97	0	0	0
Servicing of schools forums	4	4	4	4
Staff costs - supply cover (not sickness)	369	299	299	299
Total Expenditure	99,809	89,424	90,489	91,554
NET EXPENDITURE / (INCOME)	261	0	0	0
Balance Brought Forward (Note 3)	(552)	(291)	(291)	(291)
Budgeted Net Expenditure / (Income)	261	0	0	0
Forecast in-year over / (under) spend	0	0	0	0
Balance Carried Forward	(291)	(291)	(291)	(291)

Note 1. The increase in 2017/18 reflects the uplift of the Early Years universal funding for extra 15 hours and uplift for additional hours from September 2017.

Note 2. Increase in expenditure resulted from pupil numbers growth and recategorisation of pupil needs and increase out of borough placements

Note 3. Any surplus or deficit balance at the end of each financial year can be carried forward into the following year.

Note 4. Figures for 2019/20 are based on current trend operations and the HARD National Funding Formula (NFF) is not factored. Though there is no indication for reduce grant funding, the implementation of HARD NFF will reallocate funding directly to schools.

CAPITAL PROGRAMME 2018/21 and Prudential Indicators

1 Process

The formulation of the Capital Programme has been based on the appraisal of capital bids in the context of Corporate Priorities, value for money and an assessment of risk. To enable effective prioritisation of the capital bids all schemes were divided into the following categories: -

Statutory: This is capital investment to keep assets fit for purpose in line with the authority's statutory obligations and includes planned capital maintenance and statutory compliance works.

Service Development: These are schemes that help meet our aspirations and priorities. They help improve service delivery through capital investment.

2 Capital Programme

An overview of the proposed programme over the next three years is shown below. It includes the detail of the Capital Programme allocation across categories and departments is contained in the schedules further on in this section of the Medium Term Financial Plan and can be found in the capital programme and strategy 2018/21.

	Year 1 2018/19 £'000	Year 2 2019/20 £'000	Year 3 2020/21 £'000
Service Unit			
Chief Executive	75,461	85,413	16,801
Corporate Services	36,645	21,646	21,607
Customer and Localities Services	47,215	72,760	63,770
People Services	20,656	26,988	45,583
Total	179,977	206,807	147,761

3 Capital Funding

The anticipated funding for the Capital Programme over the next 3 years is detailed in the 'Estimated Capital Resource Statement'. (This can be found latter in this document).

The proposed capital budget for 2018/19 is £179.98m. It is proposed that this be funded by a combination of grants (£11.29m), developer's contributions (£60.56m), capital receipts from sale of assets and reserves (£12.80m), borrowing (£91.23m) and the Housing Revenue Account contributing towards housing schemes (£4.1m).

4 Capital Vision

Capital Strategy

A 10 year capital strategy has been developed with the aims of realising the service ambitions of the council, raising the quality of life of residents and improving medium to long term planning. The capital strategy will be an essential component of the council's vision and long term direction of travel.

To finance the capital strategy a funding approach has been developed involving asset disposals, the flexible use of future developer contributions and the leveraging in of external funding where possible.

5 Prudential Indicators

The Prudential Code operates by the provision of prudential indicators which highlight particular aspects of capital expenditure planning. The purpose of the indicators is to provide a framework for decision making. It highlights through the prudential indicators the level of capital expenditure, the impact on borrowing and investment levels and the overall controls in place to ensure the activity remains affordable, prudent and sustainable.

The Prudential Indicators and limits for 2017/18 to 2020/21 are set as:

	2017/18 Revised	2018/19 Estimated	2019/20 Estimated	2020/21 Estimated
Capital Expenditure £'000	95,337	179,977	206,807	147,761
Capital Financing Requirement £'000	286,400	359,704	470,133	529,836
Authorised Limit for external debt £'000	286,400	450,100	587,600	667,350
Operational Boundary for external debt £'000	286,400	377,900	494,000	560,650
Ratio of financing costs to net revenue stream - non HRA	2.55%	4.40%	5.53%	5.54%
Ratio of financing costs to net revenue stream - HRA	3,375	5,153	7,186	7,207
Incremental impact of capital investment decisions on Band D Council Tax £,p	(1.79)	(2.08)	(3.12)	(3.37)

The Treasury Management Prudential Indicators are set as:

Interest Rate Exposures	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
Limits on fixed interest rates:				
· Debt only	180,000	228,,200	292,600	324,600
· Investments only	(80,000)	(80,000)	(80,000)	(80,000)
Total	100,000	148,200	212,600	244,600
Limits on variable interest rates				
· Debt only	40,000	40,000	40,000	40,000
· Investments only	(40,000)	(40,000)	(40,000)	(40,000)
Total	0	0	0	0

Maturity Structure of Fixed Interest Rate Borrowing

Maturity structure of fixed interest rate borrowing 2016/17 as at 31-03-2017

Under 12 months	3%
1 to 2 years	4%
3 to 5 years	9%
6 to 10 years	17%
10 years and above	66%

CAPITAL SERVICE BUDGETS

Scheme description	Service	Lead member	Year 1 2018/19	Year 2 2018/20	Year 3 2020/21	Total of scheme	Statutory / Service Development
		£'000	£'000	£'000	£'000	£'000	
H&W urgent maintenance & refurbishment The urgent maintenance/refurbishment of the Health and Wellbeing estate to retain the function and value of the asset and to meet and health and safety issues	People Services	RD	95	95	95	285	Statutory
Adult social care asset enhancement/new build Total			95	95	95	285	
Affordable housing future schemes (to be approved) Unallocated ring-fenced and flexible affordable housing commuted sums	Corporate Services	RD	0	8,579	11,340	19,919	Service Development
Affordable housing future schemes (to be approved) Total			0	8,579	11,340	19,919	
Gorse Ride Regeneration (Phase 1) Demolition and rebuild of Cockayne Court sheltered housing (and 7 other properties) into 40 x general needs affordable homes as first phase of larger regeneration project.	Corporate Services	RD	5,767	0	0	5,767	Service Development
Payment of commuted sum to WHL Affordable housing commuted sums payment to WHL for various schemes including: Groveland's Park (Jun' 16 Exec), Anson Walk (Jun' 16 Exec) etc.	Corporate Services	JMS	4,118	0	967	5,085	Service Development
Peach Place Key Worker Housing Purchase of long lease of 26 flats/houses by WHL in Peach Place for key/essential worker Intermediate rented accommodation	Corporate Services	RD	6,700	0	0	6,700	Service Development
Self-Build Project Delivery of Wheatshaf Close, Sindlesham site for circa 21 affordable self-build homes to meet new statutory duties	Corporate Services	RD	4,550	0	0	4,550	Service Development
Affordable housing initiatives Total			21,135	0	967	22,102	
Car park height barriers To install height barriers at WBC operated car parks to prevent incursion by large vehicles. This will help to prevent anti-social behaviour which has in the past led to the loss of parking spaces for residents, shoppers and businesses. In car parks which charges are levied such incursions have also led to a reduction in revenue for the Council.	Customer and Localities Services	KB	85	0	0	85	Service Development
Park and Ride Schemes Investment in park and ride schemes across the Borough	Customer and Localities Services	KB	2,450	900	1,214	4,564	Service Development
Car parking Total			2,535	900	1,214	4,649	
Borough Wide Non SDL Play Area Enhancement Project To renovate, refurbishment and replace existing play areas at various location across the Borough.	Customer and Localities Services	NJ	350	360	360	1,070	Service Development
California Country Park Destination Play Area Project To replace the existing ageing play area at California Country Park with a new more attractive bespoke natural style play area.	Customer and Localities Services	NJ	400	0	0	400	Service Development
Cantley Park Destination Play Area Project To replace the existing small play area at Cantley Park with a new more attractive and larger bespoke play area.	Customer and Localities Services	NJ	45	605	0	650	Service Development
Country Park Capital Investment Programme Investment in the Borough's country parks	Customer and Localities Services	NJ	550	0	0	550	Service Development
Wokingham Borough Pedestrian Network The provision of these crossing facilities will facilitate the full withdrawal of the SCP service.	Customer and Localities Services	KB	600	0	0	600	Statutory
Country parks & play areas Total			1,945	965	360	3,270	

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Scheme description	Service	Lead member	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Total of scheme	Statutory / Service Development
		£'000	£'000	£'000	£'000	£'000	
Shinfield SDL Community Centre To provide the agreed community facility within the SM4 Strategic Development Location - this project was approved by Exec in March 2016	Customer and Localities Services	DL	1,000	1,136	0	2,136	Service Development
Twyford Library To repair the existing Twyford Library building.	Customer and Localities Services	NJ	50	0	0	50	Service Development
		Cultural enhancement/new build Total	1,050	1,136	0	2,186	
Wokingham Borough Cycle Network Investment in current/future cycle networks in the Borough	Customer and Localities Services	KB	950	950	950	2,850	Statutory
		Cycle infrastructure improvement scheme Total	950	950	950	2,850	
Repayment of Forward Funding for New Secondary School Allocation of developers contributions to completed schemes which were forward funded	Corporate Services	MA	7,006	2,954	506	10,466	Service Development
		Developer contributions to forward funded schemes Total	7,006	2,954	506	10,466	
Enhancing Provision for Children & Young People with Disabilities Adaptations to properties to enable disabled children to be cared for in their home/respite care environment	People Services	MA	71	71	71	213	Statutory
		Enhancing Provision for Children & Young People with Disabilities Total	71	71	71	213	
Highway Drainage Schemes To arrest the overall degradation of the highway drainage network which suffers from 'silting up', breakages, tree root damage, inadequate size and increased loading	Customer and Localities Services	KB	190	190	190	570	Statutory
Highway Infrastructure Flood Alleviation Schemes To raise the level of various roads on the highway network to reduce the need for their closure during times of flooding	Customer and Localities Services	KB	900	900	0	1,800	Statutory
Southlake Dam Crest Reparation To mitigate the risk of a breach to the dam	Customer and Localities Services	NJ	9	0	0	9	Statutory
		Flood Alleviation / Drainage Total	1,099	1,090	190	2,379	
Byways To bring a number of rural routes up to a minimum standard of repair to make them suitable for vehicular use for the Borough's residents	Customer and Localities Services	KB	95	95	95	285	Statutory
Greenways A network of quiet commuting and leisure routes for pedestrians and cyclists	Customer and Localities Services	NJ	1,000	1,000	950	2,950	Service Development
Hyde End Road Footway Improvement Scheme The delivery of a new footway parallel to Hyde End Road but within land adjacent to the existing highways. Footway would be via land owned by UoR and provided through permissive rights	Customer and Localities Services	KB	225	0	0	225	Service Development
		Foot/bridal/cycle ways enhancements/new build Total	1,320	1,095	1,045	3,460	
Bridge Strengthening To maintain Wokingham Borough Council's bridges in such condition that they remain safe for highway users and available for use by traffic permitted to use them	Customer and Localities Services	KB	475	475	475	1,425	Statutory
Strengthening Approach Embankments to Bridges To repair major damage caused by deterioration, vehicle impact and where appropriate to meet the changing demands of users	Customer and Localities Services	KB	19	1,425	903	2,347	Statutory
		Highway Bridges Total	494	1,900	1,378	3,772	

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Scheme description	Service	Lead member	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Total of scheme	Statutory / Service Development
		£'000	£'000	£'000	£'000	£'000	
Highways Carriageways Structural Maintenance Resurfacing of carriageways to improve highway safety	Customer and Localities Services	KB	2,280	2,280	2,280	6,840	Statutory
Highways and Maintenance Total			2,280	2,280	2,280	6,840	
Highways Footway Structural Maintenance Programme Resurfacing of footways to improve their condition and increase surface water run-off thereby improving pedestrian safety	Customer and Localities Services	KB	95	95	95	285	Statutory
Highways Footway Structural Maintenance & improvement Total			95	95	95	285	
Connected care Integration of health and social care ICT systems	People Services	RD	95	95	95	285	Service Development
IT Network capability and resilience improvement Ensure that the council has an up to date and supportable network infrastructure.	Corporate Services	JMS	171	95	33	299	Service Development
Laptop Refresh This project refreshes the councils Laptop estate on a 4 year life cycle.	Corporate Services	JMS	0	0	333	333	Service Development
Maintaining an enhanced level of IT Infrastructure The continued development and upkeep of the Councils customer digital assets enhanced and created by the 21C Council programme	Chief Executive	JMS	300	300	300	900	Service Development
Network Hardware Replacement The Council's owned server hardware and network estate requires a rolling refresh programme to ensure a good and reliable service can be delivered.	Corporate Services	JMS	0	95	95	190	Service Development
IT Systems (including hardware/software) Total			566	585	856	2,007	
Bulmersh swimming pool/Leisure centre – (2nd year) The redevelopment of Bulmershe Leisure centre	People Services	NJ	4,664	0	0	4,664	Service Development
Carnival Pool Leisure Facilities Redevelopment The redevelopment of Carnival pool	People Services	NJ	0	0	10,000	10,000	Service Development
New pool at Arborfield A new stand alone 4 lane 25m swimming pool to be build as a dual-use facility	People Services	NJ	0	0	3,800	3,800	Service Development
Ryelsh Green Sports Hub Enhancement and additional facilities at the site	Customer and Localities Services	NJ	318	0	0	318	Service Development
Sports Provision Across the Borough Investment in the Borough's sport provision	Customer and Localities Services	NJ	0	40	3,445	3,485	Service Development
Leisure facilities Total			4,982	40	17,245	22,267	
Mandatory disabled facility grants Mandatory means tested grants for adapting the homes of people with disabilities to enable them to live independently at home	People Services	RD	806	806	806	2,418	Statutory
Mandatory Disabled Facility Grants Total			806	806	806	2,418	

Scheme description	Service	Lead member	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Total of scheme	Statutory / Service Development
		£'000	£'000	£'000	£'000	£'000	
California Crossroads Investment in future road building/enhancement across WBC road network (including new relief roads)	Customer and Localities Services	KB	335	5,412	0	5,747	Statutory
Denmark Street Environmental Improvements Improving the Wokingham town centre including a partnership scheme for market place with Wokingham town council	Customer and Localities Services	SM	1,425	0	0	1,425	Service Development
Integrated Transport Schemes Providing facilities to ensure that the public are safe on the Borough's roads	Customer and Localities Services	KB	380	380	380	1,140	Service Development
Land Acquisition for Major Road Schemes To enable construction of major road schemes throughout the borough	Customer and Localities Services	DL	10,690	4,000	0	14,690	Service Development
Nine Mile Ride Extension Investment in future road building/enhancement across WBC road network (including new relief roads)	Customer and Localities Services	KB	0	448	502	950	Service Development
Northern Relief Road (Bell foundry lane only) Investment in future road building/enhancement across WBC road network (including new relief roads)	Customer and Localities Services	DL	1,375	0	0	1,375	Service Development
Public Rights of Way Network Investment in all public rights of way and other non-motorised routes to support the needs of all types of users	Customer and Localities Services	NJ	200	737	737	1,674	Statutory
Public Transport Network Investment in an integrated and inclusive public transport network that provides a convenient, acceptable, reliable and affordable alternative to car travel	Customer and Localities Services	KB	0	0	0	0	Service Development
SCAPE - Road Infrastructure (dist. roads etc.) initial costs Investment in future road building/enhancement across WBC road network (including new relief roads)	Customer and Localities Services	DL	16,503	48,571	47,812	112,886	Service Development
Shinfield Eastern Relief Road Investment in future road building/enhancement across WBC road network (including new relief roads)	Customer and Localities Services	DL	2,994	1,211	2,312	6,517	Service Development
Traffic Signal Upgrade Programme To carry out urgent upgrades on old and obsolete equipment, also giving the opportunity of installing low energy equipment	Customer and Localities Services	KB	238	238	238	714	Statutory
Road & Highways infrastructure improvement scheme Total			34,140	60,997	51,981	147,118	
Road & Highways Infrastructure improvement scheme Total Improving safety/crash barriers on the highway to reduce the risk of injury to road users (A33 & A329M)	Customer and Localities Services	KB	713	713	713	2,139	Statutory
Safety / Crash Barriers Total			713	713	713	2,139	

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Scheme description	Service	Lead member	Year 1	Year 2	Year 3	Total of	Statutory / Service
		£'000	2018/19	2019/20	2020/21	scheme	Development
		£'000	£'000	£'000	£'000	£'000	
Basic Needs Primary Programme							
Extension/new build projects to provide additional places throughout the Borough to meet need	People Services	MA	3,122	1,641	5,715	10,478	Statutory
Basic Needs Secondary - Additional Places							
Extension/new build projects to provide additional places throughout the Borough to meet need	People Services	MA	0	0	368	368	Statutory
ICT Equipment for children in care							
To purchase/replace equipment that is provided to children in care in line with our children in care pledge	People Services	MA	19	19	19	57	Statutory
New Secondary School In South-West to Meet Demand Due to SDL and Other Developments							
Furniture and fittings for future years at Bohunt Wokingham	People Services	MA	550	350	216	1,116	Statutory
Primary strategy - Aborfield Primary school							
New build project to provide additional places throughout the Borough to meet need	People Services	MA	500	1,000	8,000	9,500	Statutory
Primary strategy - Highwood Primary school							
Extension project to provide additional places throughout the Borough to meet need	People Services	MA	475	0	0	475	Statutory
Primary strategy - Loddon Primary school							
Extension project to provide additional places throughout the Borough to meet need	People Services	MA	475	0	0	475	Statutory
Primary strategy - Montague Park							
Furniture and fittings for future years	People Services	MA	56	37	34	127	Statutory
Primary strategy- shinfield west FFE							
Furniture and fittings for future years	People Services	MA	44	44	44	132	Statutory
Primary strategy - Spencer's Wood Primary School							
New build project to provide additional places throughout the Borough to meet need	People Services	MA	650	4,046	3,546	8,242	Statutory
Primary strategy - Wheatfield Pri. Sch							
Furniture and fittings for future years	People Services	MA	27	22	22	71	Statutory
Primary strategy - Windmill Pri. Sch							
Furniture and fittings for future years	People Services	MA	27	27	22	76	Statutory
Primary strategy - East Park Farm							
Furniture and fittings for future years	People Services	MA	27	27	27	81	Statutory
Primary strategy - Matthews Green							
New build project to provide additional places throughout the Borough to meet need	People Services	MA	1,200	8,200	4,046	13,446	Statutory
School Kitchens							
To improve various school meals kitchens throughout the Borough including delivery of the universal free school meal programme	People Services	MA	95	95	95	285	Statutory
Schools Access							
To improve school facilities to enable full integration of pupils and adults with disabilities	People Services	MA	43	43	43	129	Statutory
Schools Devolved Formula							
Specific government grant to carry out capital works, controlled by schools	People Services	MA	375	375	375	1,125	Statutory

Scheme description	Service	Lead member	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Total of scheme	Statutory / Service Development
			£'000	£'000	£'000	£'000	
Schools Urgent Maintenance							
Urgent capital planned improvements and suitability issues	People Services	MA	599	599	599	1,797	Statutory
SEND Investment Programme 2017 to 2020							
The investment programme will enable children to receive the support they need in the borough. This will enable better outcomes for children with Education Health and Care Plans and better value for money placements locally (reducing the budgetary pressure on the High Needs DSG block)	People Services	MA	100	547	150	797	Statutory
Southfield School Expansion							
To assist in the transition from maintained school to the Northern House academy including to extend their curriculum offer to enable a broader range of WBC pupils to attend the school.	People Services	MA	356	0	0	356	Statutory
Schools Total			8,740	17,072	23,321	49,133	
Housing (Tenants Services)							
Investment in the council's housing stock (Inc. adaptations/estate improvements)	People Services	RD	4,100	4,100	4,100	12,300	Statutory
Purchase of council houses HRA							
To replace HRA housing stock using the 1 for 1 Right to Buy receipts	People Services	RD	1,800	4,000	3,200	9,000	Service Development
Social Housing Total			5,900	8,100	7,300	21,300	
Berkshire Record Office							
The council contribution to repair the county archive building	Customer and Localities Services	NJ	20	0	0	20	Service Development
Property Maintenance and Compliance							
The ongoing maintenance of the operational property estate to retain the function and value of the asset, while ensuring compliance with legislative and regulatory requirements e.g. asbestos and legionella.	Corporate Services	JMS	333	333	333	999	Service Development
Strategic Property and Commercial Assets							
To create investment property portfolio will be to provide a revenue income	Chief Executive	SM	45,000	55,000	0	100,000	Service Development
Support Services Energy Reduction Schemes							
Investment in energy reduction schemes through various mechanisms e.g. lighting, insulation and improvements; which is envisaged to deliver demonstrable energy bill savings	Chief Executive	NJ	214	257	257	728	Service Development
Commercial Portfolio - Improvement to WBC commercial properties							
To ensure commercial properties are suitable for letting	Chief Executive	SM	143	143	143	429	Service Development
Strategic asset enhancement/New build Total			45,710	55,733	733	102,176	
Central Contingency							
For allocation to Wokingham Borough Council schemes as required	Corporate Services	JMS	2,000	2,000	2,000	6,000	Service Development
Strategic Capital Reserve Total			2,000	2,000	2,000	6,000	
Day service provision for the physically disabled							
Feasibility into the provision of day services for adults with physical disability	People Services	RD	285	749	95	1,129	Statutory
Matthews Green Sch/Community Centre feasibility							
The construction of a new community centre within the new Matthews Green School	Customer and Localities Services	MA	157	0	0	157	Service Development
Strategic Development Total			442	749	95	1,286	
Street Lighting Column Structural Testing							
Annual testing to determine rate of deterioration of column structural stability	Customer and Localities Services	KB	19	19	19	57	Statutory
Street Lighting Asset Replacement & column testing Total			19	19	19	57	

Scheme description	Service	Lead member	Year 1 2018/19	Year 2 2019/20	Year 3 2020/21	Total of scheme	Statutory / Service Development
			£'000	£'000	£'000	£'000	
Town Centre Regeneration Carnival pool area redevelopment	Chief Executive	SM	258	7,073	15,073	22,404	Service Development
Town Centre Regeneration Elms field regeneration project	Chief Executive	SM	21,684	20,940	1,028	43,652	Service Development
Town Centre Regeneration Peach Place new development	Chief Executive	SM	3,148	1,700	0	4,848	Service Development
Town Centre Regeneration Purchase of Strategic Acquisition sites in relation to town centre regeneration	Chief Executive	SM	4,714	0	0	4,714	Service Development
Town Centre Regeneration Total			29,804	29,713	16,101	75,618	
Food waste collection To provide food waste containers for the start of the food waste collection in 2019	Customer and Localities Services	NJ	0	500	20	520	Service Development
Waste Scheme (Brown bags, recycling boxes etc) The purchase of brown bins, paper sacks and recycling boxes to enable the Borough to continue their waste/recycling scheme	Customer and Localities Services	NJ	80	80	80	240	Statutory
Waste Schemes Total			80	580	100	760	
Investment in Wokingham housing loan Loan to provide capital	Corporate Services	JMS	6,000	7,590	6,000	19,590	Service Development
Wokingham Housing Limited Total			6,000	7,590	6,000	19,590	
Wokingham Borough Council			179,977	206,807	147,761	534,545	

Lead member	Name	Responsibility
RD	Richard Dolinski	Adults' Services, Health, Wellbeing and Housing
JMS	Julian McGhee-Sumner	Finance, 21st Century Council, Internal Services and Human
KB	Kennith Baker	Highways and Transport
DL	David Lee	Deputy Leader and Strategic Highways and Planning
NJ	Norman Jorgensen	Environment, Sports, Environmental Health, Leisure
MA	Mark Ashwell	Children's Services
SM	Stuart Munro	Business and Economic Development and Regeneration

Note: The 2018/21 Capital Programme and strategy to be approved by Executive on the 22 February 2018. This report can be found on Wokingham Borough Council's Website at the following link:

<http://wokingham.modemgov.co.uk/ie/ListMeetings.aspx?Committeeld=129>

ESTIMATED CAPITAL RESOURCES STATEMENT

		Year 1 2018/19 £'000	Year 2 2019/20 £'000	Year 3 2020/21 £'000	Total of scheme
Proposed Capital Programme	Note	179,977	206,807	147,761	534,545
Borrowing (CIL forward funded)	1	(10,141)	(36,964)	(40,638)	(87,743)
Borrowing (MRP Borrowing)		(3,400)	(3,700)	(3,474)	(10,574)
Borrowing (Wokingham Housing Ltd)		(6,000)	(7,590)	(6,000)	(19,590)
Borrowing (Town Centre Regeneration)		(19,805)	(8,713)	0	(28,517)
Borrowing (Invest to Save)		(48,923)	(55,000)	(9,999)	(113,922)
Borrowing (S106 forward funded)	1	(2,963)	(7,936)	(3,260)	(14,159)
Borrowing Total		(91,232)	(119,903)	(63,372)	(274,506)
Ring Fenced / Non - Ring fenced Funding					
Better Care Fund Grant		(806)	(806)	(806)	(2,417) Ring fenced Funding
Basic Needs Additional Allocation		(2,855)	(4,095)	(3,245)	(10,195) Non - Ring fenced Funding
Special provision fund		(266)	(266)	(266)	(798) Ring fenced Funding
Devolved Formula Capital	2	(386)	(386)	(386)	(1,158) Ring fenced Funding
Local Transport IT Block Capital Grant		(734)	(734)	(734)	(2,202) Non - Ring fenced Funding
Highways Maintenance Funding		(2,136)	(2,136)	(2,136)	(6,408) Non - Ring fenced Funding
Pothole Fund		(203)	(203)	(203)	(609) Non - Ring fenced Funding
National Productivity Investment Fund		(537)	(537)	(537)	(1,611) Non - Ring fenced Funding
Major Roads Grant from DfT (2019-20)	3	0	(12,000)	(12,000)	(24,000) Ring fenced Funding
Capital Maintenance Grant		(1,799)	(1,619)	(1,457)	(4,875) Non - Ring fenced Funding
Thames Valley Berkshire Growth Deal		(1,991)	(900)	0	(2,891) Ring fenced Funding
Grant Total		(11,713)	(23,682)	(21,770)	(57,164)
Capital Receipts (Non Wokingham Town Centre Regeneration)		(150)	(150)	(150)	(450) Non - Ring fenced Funding
Wokingham Town Centre Regeneration Receipts	4	(10,000)	(21,000)	(16,500)	(47,500) Ring fenced Funding
Capital Receipts - Right To Buy Receipts	5	(1,800)	(4,000)	(3,200)	(9,000) Ring fenced Funding
Capital Receipts Total		(11,950)	(25,150)	(19,850)	(56,950)
Section 106	6	(53,924)	(31,259)	(32,295)	(117,478) Ring fenced Funding
Community Infrastructure Levy	6	(6,640)	(2,422)	(6,890)	(15,952) Non - Ring fenced Funding
Developer Contributions Total		(60,564)	(33,681)	(39,185)	(133,430)
Major Repairs Reserve		(4,100)	(4,100)	(4,100)	(12,300) Ring fenced Funding
Major Repairs Reserve Total		(4,100)	(4,100)	(4,100)	(12,300)
Capital Reserves		(850)	0	0	(850) Non - Ring fenced Funding
Capital Reserves Total		(850)	0	0	(850)
Wokingham Borough Council Capital Resources		(180,409)	(206,515)	(148,276)	(535,200)
In Year (Surplus) / Deficit		(431)	292	(515)	(654)
Cumulative (Surplus) / Deficit		(431)	(140)	(654)	

ESTIMATED CAPITAL RESOURCES STATEMENT

	Note	2018/19 £'000	2019/20 £'000	2020/21 £'000
Proposed capital programme		179,977	206,807	147,761
	Total Capital Programme	179,977	206,807	147,761
Borrowing		(91,232)	(119,903)	(63,372)
Ring fenced Funding		(73,273)	(74,716)	(69,553)
Non - Ring fenced Funding		(15,904)	(11,896)	(15,352)
	Total Funding	(180,409)	(206,515)	(148,276)
	In Year (Surplus) / Deficit	(431)	292	(515)
	Cumulative (Surplus) / Deficit	(431)	(140)	(654)
Movement on Capital Reserves				
Opening balance (including capital grants)		(2,700)	(431)	(140)
Estimate of capital receipts from sale of assets	4	(11,950)	(25,150)	(19,850)
Capital reserves/receipts used to fund capital programme		14,219	25,441	19,336
	Closing Balance	(431)	(140)	(654)

Notes

****All grants for 2018/19 onwards are estimates and could change****

Note 1. Developer contribution (S106/CIL) receipts used to fund financing costs for forward funded schemes

Note 2. Schools have discretion on how they can spend devolved capital

Note 3. Major Roads Grant from DfT (2019-20) may be withdrawn

Note 4. Capital receipts in 2018/19 relate to Wokingham town centre first phase of housing sales

Note 5. Right to buy receipts will need to be repaid to central government if additional funds are not made available

Note 6. Developer contribution (S106/CIL) receipts may not be achieved at estimated time scales (i.e. House building slows)

CAPITAL RESERVES – POLICY STATEMENT

1 Definition / Purpose

The capital programme can only be set if balanced with the council's available resources. Years two and three budgets are only provisionally set.

Any surplus resources will be held in the following:

- Capital receipts reserve
- Capital grants and contributions unapplied reserve

Both reserves will contribute to the financing of future capital schemes. Estimated balances on the capital receipts reserve are shown in the section on reserves and balances.

2 Criteria for Calculating Fund Requirement

When setting the capital budget the council looks at all funding resources. These are then allocated to the appropriate scheme where funding can only be spent on a particular scheme. The remaining funding is then allocated to form a balanced budget in year. This process is then carried out for the following years of the capital programme.

The capital strategy is taken to council to approve the capital programme and estimated resources.

Funding streams available to the council consists of:

- Capital grants
- Revenue and other third party contributions
- Developers contributions
- Capital receipts
- Borrowing

10-YEAR CAPITAL VISION

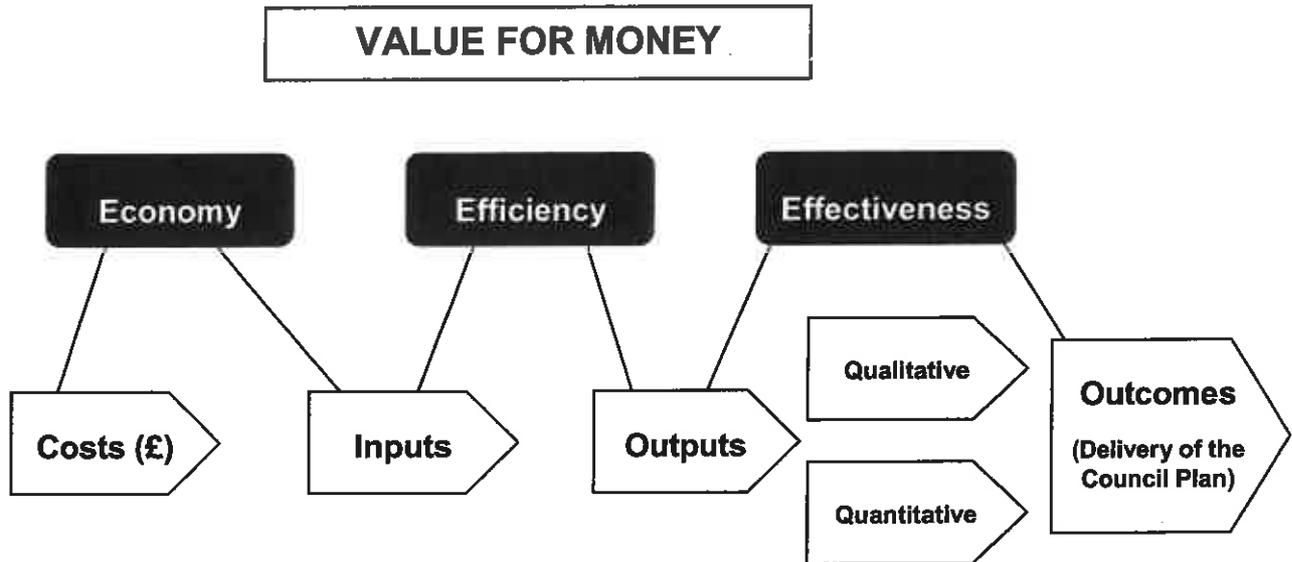
Asset Type	2018/19	2019/20	2020/21	2021/22	2022/23	2023/28	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult social care asset enhancement/new build	95	95	95	95	95	380	855
Affordable housing future schemes (to be approved)	0	8,579	11,340	8,867	9,160	36,568	74,514
Affordable housing initiatives	21,135	0	967	0	0	0	22,102
Car parking	2,535	900	1,214	0	0	0	4,649
Country parks & play areas	1,945	965	360	310	0	0	3,580
Cultural enhancement/new build	1,050	1,136	0	0	0	0	2,186
Cycle infrastructure improvement scheme	950	950	950	950	950	4,750	9,500
Developer contributions to forward funded schemes	7,006	2,954	506	7,889	10,617	64,210	93,182
Enhancing provision for children & young people with disabilities	71	71	71	71	71	284	639
Flood Alleviation / Drainage	1,099	1,090	190	190	190	950	3,709
Foot/bridal/cycle ways enhancements/new build	1,320	1,095	1,045	1,045	2,375	9,025	15,905
Highway bridges	494	1,900	1,378	1,378	494	1,976	7,620
Highways and maintenance	2,280	2,280	2,280	2,280	2,280	9,120	20,520
Highways footway structural maintenance & improvement	95	95	95	95	95	380	855
IT systems (including hardware/software)	566	585	856	490	490	2,165	5,152
Leisure facilities	4,982	40	17,245	5,985	0	0	28,252
Mandatory disabled facility grants	806	806	806	806	806	4,030	8,060
Road & highways infrastructure improvement scheme	34,140	60,997	51,981	17,503	3,187	3,340	171,148
Safety / crash barriers	713	713	713	713	713	2,139	5,704
Schools	8,740	17,072	23,321	7,421	2,267	17,209	76,030
Social housing	5,900	8,100	7,300	6,600	6,600	26,400	60,900
Strategic asset enhancement/New build	45,710	55,733	733	733	733	3,665	107,307
Strategic capital reserve	2,000	2,000	2,000	2,191	2,000	10,000	20,191
Strategic development	442	749	95	0	0	0	1,286
Street lighting asset replacement & column testing	19	19	19	19	19	95	190
Town centre regeneration	29,804	29,713	16,101	0	0	0	75,618
Waste schemes	80	580	100	80	80	400	1,320
Wokingham Housing Limited	6,000	7,590	6,000	6,000	6,000	30,000	61,590
Grand Total:	179,977	206,607	147,761	71,711	49,227	227,066	882,564

Note: The 10 year vision can found on asppendix D of the 2018/21 Capital Programme and strategy to be approved by Executive on the 22 Febuary 2018. This report can be found on Wokingham Borough Council's Website at the following link:

<http://wokingham.moderngov.co.uk/teListMeetings.aspx?Committeed=129>

VALUE FOR MONEY

Good value for money for the council is achieved by balancing low costs, high performance and successful outcomes. These three factors are referred to as the 3 Es: Economy, Efficiency and Effectiveness. Their relationship is illustrated below:



There have been significant ongoing cuts in public sector funding from central government. It is imperative that the council to ensure that resources are used as effectively as possible and that value for money (VfM) is embedded across the organisation. One of our underpinning principles is: Offer Excellent Value for your Council Tax - where we aim to maintain stable local taxation and provide value for money for our residents.

To demonstrate good financial management and VfM, the Council is ensuring that:

- Resources are directed to our key priorities;
- We operate the most appropriate form of service delivery (eg Traded Service, outsourced or in-house);
- We are innovative in service delivery; and,
- We continue to build up greater partnership working with the public, private and third sectors.

KEY ACTIVITY DATA

Unit Description	2018/19			2019/20			2020/21			Risk Indicator	
	Units	Ave Price £	Total £'000	Units	Ave Price £	Total £'000	Units	Ave Price	Total £'000		
Corporate Service											
Free Bus Pass	per pass	26,200	35	917	26,700	35	934	27,200	35	952	High
Investment Returns	% return	£75.2m	3.23%	2,400	£77.2m	3.57%	2,800	£75.2m	3.81%	2,900	High
Land Searches	per search	1,819	141	256	1,606	145	233	1,577	149	235	High
Customer & Locality Services											
Waste Disposal (based on 79,000 tonnes pa combined landfill and recycling and 1% growth per annum. Average price based on current year actuals plus increase in landfill tax at 2.27% year on year)	charge per tonne	79,000	135	10,665	79,800	138	11,012	81,000	141	11,421	Medium
Building Control - Plan check fee (Total Number of Submissions in year)	per application	2,962	439	1,300	2,962	439	1,300	2,962	439	1,300	Low
Building Control - Regularisation	per application	128		0	130		0	131		0	Low
Development Control - Planning Application Fees - Major	per application	64	9,601	614	52	9,231	480	52	9,231	480	High
Development Control - Planning Application Fees - Minor	per application	1,653	300	496	1,570	300	471	1,570	300	471	High
People Services											
Foster Placement Allowances Independent Foster Placements	weeks	791	896	709	859	895	769	949	880	835	High
Residential Care Placements	weeks	853	2,174	1,853	601	2,214	1,331	474	2,384	1,130	High
Schools Block - Dedicated Schools Grant											
Independent Special School Placements	per pupil	137	49,467	6,777	132	49,467	6,530	127	49,467	6,282	High

Note - Building Control units based on 3 way Shared Service

COUNCIL TAX BACKGROUND INFORMATION

1 Council Tax – Valuation Bands

Most dwellings are subject to the council tax. There is one bill per dwelling, whether it is a house, bungalow, flat, maisonette, mobile home or houseboat, and whether it is owned or rented.

Each dwelling has been allocated to one of eight bands according to its open market capital value at 1st April, 1991:

Valuation Band	Range of values
A	Up to and including £40,000
B	£ 40,001 - £ 52,000
C	£ 52,001 - £ 68,000
D	£ 68,001 - £ 88,000
E	£ 88,001 - £120,000
F	£120,001 - £160,000
G	£160,001 - £320,000
H	More than £320,000

The council tax bill states which band applies to a dwelling.

2 Council Tax – Exempt Dwellings

Some dwellings are exempt, including properties occupied only by students, and vacant properties which:

- Are owned by a charity (exempt for up to six months)
- Are left empty by someone who has gone into prison, or who has moved to receive personal care in a hospital or a home or elsewhere
- Are left empty by someone who has moved in order to provide personal care to another person
- Are left empty by students
- Are waiting for probate or letters of administration to be granted (for up to six months after)
- Have been repossessed
- Are the responsibility of a bankrupt's trustee
- Are empty because their occupation is forbidden by law
- Are waiting to be occupied by a minister of religion
- Occupied by visiting forces (reciprocal arrangement)
- Consists of an empty caravan pitch or boat mooring
- Are occupied only by persons under 18
- Consists of an unoccupied annex which may not be let separately
- Are occupied only by severely mentally impaired persons
- Consists of an annex that is occupied by a 'dependant relative'. A dependant relative is someone that is over 65 years of age or is severely mentally impaired or is substantially and permanently disabled.

Forces barracks and married quarters are also exempt, their occupants contribute to the cost of local services through a special arrangement.

3 Council Tax - Discounts

The full council tax bill assumes that there are two adults living in a dwelling. If only one adult lives in a dwelling (as their main home), the council tax bill is reduced by a quarter (25%). If a dwelling is no-one's main home, the bill can be reduced by between 0% - 50% depending on whether the property is furnished or not. Some of these discounts may be time limited.

People in the following groups do not count towards the number of adults resident in a dwelling:

- Full-time students, student nurses, apprentices and Youth Training trainees
- Patients resident in hospital
- People who are being looked after in care homes
- People who are severely mentally impaired
- People staying in certain hostels or night shelters
- 18 or 19 year olds who are still at school, and those who leave school after March for the months up to November
- Care Workers working for low pay, usually for charities
- People caring for someone with a disability who is not a spouse, partner, or child under 18
- Members of visiting forces and certain international institutions
- Members of religious communities (monks and nuns)
- People in prison (except those in prison for non-payment of council tax or a fine)
- Diplomats

Local discounts are in place for properties that are unfurnished, and for properties that require or are undergoing structural alterations or major repairs.

There is also a discount for annexes occupied by family members, but not dependent family members, who would qualify for an exemption (see exemptions).

4 Council Tax – People with Disabilities

If a taxpayer, or someone who lives with him/her (including children), need a room, or an extra bathroom or kitchen, or extra space in a property to meet special needs arising from a disability, he/she may be entitled to a reduced council tax bill. The bill may be reduced to that of a property in the band immediately below the band shown on the valuation list. These reductions ensure that disabled people do not pay more tax on account of space needed because of a disability. If a home is in Band A it will already be in the lowest council tax band. However, it may be reduced by a ninth of Band D.

5 Council Tax - Reduction

The national council tax benefit scheme was replaced with a local council tax support scheme from 1st April 2013. The new scheme ensures that people in receipt of income support, other state benefits or on low incomes have their bills reduced. It is a means tested reduction.

6 Council Tax – Premium

Properties that have been empty for more than two years will be charged a premium of 50% of the council tax for the property. This initiative is to help bring empty homes back into use.

7 Council Tax Base

This is the total number of properties in each band converted to the Band D equivalent figure. The numbers take account of the 25% discounts for single person occupancy, the discounts for unfurnished properties and second homes and reductions granted in respect of disabilities.

From this figure an adjustment is made:

- For estimated changes in the Tax Base which could arise for a variety of reasons, such as appeals, disability relief awarded, new properties and properties falling off the valuation list.
- For an allowance for non-collection of the tax.
- For the reductions in income receivable as a result of the Council tax support scheme.

The resulting figure is the Band D equivalent Tax base.

8 Council Tax Rate

The Band D Council Tax rate is calculated by dividing the net budget requirement by the Band D Tax base to give the Council Tax requirement for a Band D property.

The Tax rates applicable to the other Bands are calculated by using the following ratios to the Band D tax -

Band	Ratio
A	6/9
B	7/9
C	8/9
D	1
E	11/9
F	13/9
G	15/9
H	18/9

9 Precepts and Collection Fund Surplus / Deficit

Wokingham Borough Council also collects council tax on behalf of the Police and Crime Commissioner for Thames Valley, and the Royal Berkshire Fire and Rescue Authority. The precepts for 2017/18 and 2018/19 are set out below, however the Royal Berkshire Fire and Rescue Authority precept is not yet approved and could change; approval will take place on 27th February 2018.

Precept	2017/18 £	Band D £	2018/19 £	Band D £	Increase %
Police and Crime Commissioner for Thames Valley	11,482,559	170.28	12,517,004	182.28	7.05
Royal Berkshire Fire Authority	4,213,913	62.49	4,419,543	64.36	2.99

A calculation has to be made of the estimated surplus/deficit on the Council Tax Collection Fund at 31st March 2018. The calculation was made on the 15th January as required by the legislation. The surplus / deficit is required to be apportioned between the precepting authorities pro rata to the previous year's precept. As at the 31st March 2018 the collection fund expects to achieve a surplus of £819,872.43 therefore the distribution of the surplus between the precepting authorities is:-

Wokingham Borough Council – £700,000.00
 Police and Crime Commissioner for Thames Valley – £87,691.19
 Royal Berkshire Fire Authority - £32,181.24

PARISH PRECEPTS 2018/19

Some parish precepts are still provisional, subject to formal agreement.

If different figures are approved by the town and parish councils a revised version of this table will be circulated.

PARISH	TAX BASE	2017/18		TAX BASE	2018/19	
		PARISH PRECEPT £	COUNCIL TAX BAND D £		PARISH PRECEPT £	COUNCIL TAX BAND D £
Arborfield & Newland	1,263.40	95,150	75.31	1,272.40	100,231	78.77
Barkham	1,526.90	46,342	30.35	1,594.40	50,318	31.56
Charvil	1,409.30	40,715	28.89	1,409.70	47,070	33.39
Earley	11,755.90	812,780	69.14	11,842.50	859,700	72.59
Finchampstead	5,725.00	126,944	22.17	5,769.50	139,638	24.20
Remenham	321.90	23,150	71.92	320.00	24,076	75.24
Ruscombe	501.50	10,266	20.47	496.80	35,500	71.46
St. Nicholas Hurst	1,053.10	30,000	28.49	1,058.10	40,000	37.80
Shinfield	5,144.00	341,047	66.30	5,371.70	356,144	66.30
Spinning	808.30	35,568	44.00	815.30	36,280	44.50
Swallowfield	1,006.00	19,308	19.19	1,041.40	19,984	19.19
Twyford	2,994.50	77,921	26.02	3,004.90	81,645	27.17
Wargrave	2,098.30	168,345	80.23	2,110.30	175,660	83.24
Winnersh	3,897.10	110,521	28.36	4,011.30	113,760	28.36
Wokingham Town	14,685.20	766,961	52.23	15,052.50	809,335	53.77
Wokingham Without	3,109.90	145,543	46.80	3,179.50	163,673	51.48
Woodley	10,133.10	1,081,303	106.71	10,318.80	1,101,119	106.71
TOTAL	67,433.4	3,931,863	58.31	68,669.1	4,154,134	60.49

COUNCIL TAX BY BAND AND PARISH 2018/19

Band	A	B	C	D	E	F	G	H	% Change
	£	£	£	£	£	£	£	£	
Average Council Tax	1,160.690	1,354.140	1,547.590	1,741.030	2,127.920	2,514.810	2,901.720	3,482.060	5.5%
WBC plus average Parish	996.260	1,162.310	1,328.350	1,494.390	1,826.470	2,158.560	2,490.650	2,988.780	5.4%
Average Parish	40.330	47.060	53.780	60.500	73.940	87.390	100.830	121.000	3.8%
Police Authority	121.520	141.770	162.030	182.280	222.790	263.290	303.800	364.560	7.0%
Fire Authority	42.910	50.060	57.210	64.360	78.660	92.980	107.270	128.720	3.0%
Adult social care precept	65.170	76.040	86.900	97.760	119.480	141.210	162.930	195.520	2.5%*
Wokingham Borough Council excluding ASC precept	890.760	1,039.210	1,187.670	1,336.130	1,633.050	1,929.960	2,226.890	2,672.260	2.99%*
Wokingham Borough Council total	955.930	1,115.250	1,274.570	1,433.890	1,752.530	2,071.170	2,389.820	2,867.780	5.5%

*Percentage increases based on total 2017/18 council tax level, as per legislation

Band	A	B	C	D	E	F	G	H	% Change
Parish Precepts	£	£	£	£	£	£	£	£	
Arborfield & Newland	52.510	61.270	70.020	78.770	96.270	113.780	131.280	157.540	4.6%
Barkham	21.040	24.550	28.050	31.560	38.570	45.590	52.600	63.120	4.0%
Charvil	22.260	25.970	29.680	33.390	40.810	48.230	55.650	66.780	15.6%
Earley	48.390	56.460	64.520	72.590	88.720	104.850	120.980	145.180	5.0%
Finchampstead	16.130	18.820	21.510	24.200	29.580	34.960	40.330	48.400	9.1%
Remenham	50.160	58.520	66.880	75.240	91.960	108.680	125.400	150.480	4.6%
Ruscombe	47.640	55.580	63.520	71.460	87.340	103.220	119.100	142.920	249.1%
St. Nicholas Hurst	25.200	29.400	33.600	37.800	46.200	54.600	63.000	75.600	32.7%
Shinfield	44.200	51.570	58.930	66.300	81.030	95.770	110.500	132.600	0.0%
Sonning	29.670	34.610	39.560	44.500	54.390	64.280	74.170	89.000	1.1%
Swallowfield	12.790	14.930	17.060	19.190	23.450	27.720	31.980	38.380	0.0%
Twyford	18.110	21.130	24.150	27.170	33.210	39.250	45.280	54.340	4.4%
Wargrave	55.490	64.740	73.990	83.240	101.740	120.240	138.730	166.480	3.8%
Winnersh	18.910	22.060	25.210	28.360	34.660	40.960	47.270	56.720	2.5%
Wokingham Town	35.850	41.820	47.800	53.770	65.720	77.670	89.620	107.540	3.0%
Wokingham Without	34.320	40.040	45.760	51.480	62.920	74.360	85.800	102.960	10.0%
Woodley	71.140	83.000	94.850	106.710	130.420	154.140	177.850	213.420	0.0%

Band	A	B	C	D	E	F	G	H	% Change
Parish Precepts	£	£	£	£	£	£	£	£	
Band	A	B	C	D	E	F	G	H	
Parish Precepts	£	£							
Arborfield & Newland	1,172.870	1,368.350	1,563.830	1,759.300	2,150.250	2,541.200	2,932.170	3,518.600	5.5%
Barkham	1,141.400	1,331.630	1,521.860	1,712.090	2,092.550	2,473.010	2,853.490	3,424.180	5.5%
Charvil	1,142.620	1,333.050	1,523.490	1,713.920	2,094.790	2,475.650	2,856.540	3,427.840	5.7%
Earley	1,168.750	1,363.540	1,558.330	1,753.120	2,142.700	2,532.270	2,921.870	3,506.240	5.5%
Finchampstead	1,136.490	1,325.900	1,515.320	1,704.730	2,083.560	2,462.380	2,841.220	3,409.460	5.6%
Remenham	1,170.520	1,365.600	1,560.690	1,755.770	2,145.940	2,536.100	2,926.290	3,511.540	5.5%
Ruscombe	1,168.000	1,362.660	1,557.330	1,751.990	2,141.320	2,530.640	2,919.990	3,503.980	8.6%
St. Nicholas Hurst	1,145.560	1,336.480	1,527.410	1,718.330	2,100.180	2,482.020	2,863.890	3,436.660	6.0%
Shinfield	1,164.560	1,358.650	1,552.740	1,746.830	2,135.010	2,523.190	2,911.390	3,493.660	5.3%
Sonning	1,150.030	1,341.690	1,533.370	1,725.030	2,108.370	2,491.700	2,875.060	3,450.060	5.4%
Swallowfield	1,133.150	1,322.010	1,510.870	1,699.720	2,077.430	2,455.140	2,832.870	3,399.440	5.5%
Twyford	1,138.470	1,328.210	1,517.960	1,707.700	2,087.190	2,466.670	2,846.170	3,415.400	5.5%
Wargrave	1,175.850	1,371.820	1,567.800	1,763.770	2,155.720	2,547.660	2,939.620	3,527.540	5.5%
Winnersh	1,139.270	1,329.140	1,519.020	1,708.890	2,088.640	2,468.380	2,848.160	3,417.780	5.5%
Wokingham Town	1,156.210	1,348.900	1,541.610	1,734.300	2,119.700	2,505.090	2,890.510	3,468.600	5.5%
Wokingham Without	1,154.680	1,347.120	1,539.570	1,732.010	2,116.900	2,501.780	2,886.690	3,464.020	5.7%
Woodley	1,191.500	1,390.080	1,588.660	1,787.240	2,184.400	2,581.560	2,978.740	3,574.480	5.2%
Weighted Average	40.330	47.060	53.780	60.500	73.940	87.390	100.830	121.000	3.8%

BUDGET MANAGEMENT PROTOCOL

This protocol has been produced to clarify the roles and responsibilities of officers and members in budget management.

Roles & Responsibilities:

Budget Manager

The budget holder is the person identified as the responsible officer against a cost centre budget as recorded in the general financial ledger. He/she is responsible for:

- Agreeing annual resources statements for all budgets under their remit;
- Ensuring there is sufficient budget approved for the level of service agreed;
- Ensuring a budget monitoring system is in place to properly monitor and forecast service expenditure/income for the year;
- Keeping net expenditure within budget;
- Where expenditure cannot be kept within budget, securing additional resources prior to committing expenditure;
- Seeking value for money in commitment decisions; and,
- Keeping their manager and the relevant Finance Specialists informed of potential variations from budget and management action to rectify the situation.

Directors

Each Director is responsible for keeping within the overall budget total for their department and has authority to vire between budget heads as stated in the financial regulations. He/she is responsible for:

- Ensuring adequate budget is agreed for the service level agreed, for the department as a whole;
- Ensuring potential risks for which no budget provision has been made have been properly identified (or where budget may not be sufficient);
- Ensuring there is an adequate budget monitoring system in place across the department;
- Ensuring the necessary channels of communication within the department are in place to react to emerging budget pressures;
- Ensuring any necessary budget virements are approved;
- Ensuring the appropriate budget managers have been identified in the department and ensure that they have been adequately trained;
- Ensuring budget managers within the department are meeting their budget management responsibilities;
- Presenting department budgets to Corporate Leadership Team in the agreed format in accordance with the agreed timetable; and,
- Formulating and implementing an action plan to address any forecast overspends that cannot be contained within the department budget, as directed by Corporate Leadership Team or members.

Corporate Leadership Team

Corporate Leadership Team will monitor the overall council's budgetary position on a monthly basis (and quarterly to Executive). They are responsible for keeping within the overall Council budget. They are specifically responsible for:

- Ensuring reports are produced in the format agreed with members;
- Ensuring Directors are meeting their budget management responsibilities;
- Ensuring any necessary cross-service delivery unit virements are approved;
- Periodically reporting the monitoring report to Executive (this is currently agreed as quarterly); and,
- Ensuring supplementary estimate requests are sought where spending pressures cannot be contained within the overall budget.

Members

Members are responsible for approving sufficient budget for the service levels required and taking decisions to keep within or increase service budgets. More specific responsibilities are:

- Setting service delivery policy, standards and levels;
- Approving service budgets sufficient to meet the level of service required;
- Agreeing, with Corporate Leadership Team, the format of the overall budget monitoring information;
- Aligning member responsibility to service budgets;
- Agreeing the process by which the appropriate Members receive budget information;
- Receiving, considering and taking appropriate action on information received;
- Approving additional budget or approving the reduction in the service standard/level in the event of spending pressures that cannot be contained within existing budget; and,
- Taking into account the advice of the S151 Officer in respect of the adequacy of budgets and general fund balance.

S151 Officer (Chief Finance Officer)

This is the statutory finance post in the organisation. His/her responsibility is to ensure that budget management roles and responsibilities are clear; budget managers are properly supported and ensure that functions and controls are in place so that finances are kept under review on a regular basis. In addition, the S151 Officer will provide guidance to Members when formulating budgets on how prudent budgets are considered to be (including the level of reserves and balances).

BUDGET MANAGEMENT - ESSENTIAL PRACTICE FOR BUDGET MANAGERS

1) Ensure you are clear who is responsible for the budget / commitment decision (all budgets identified to one accountable person responsible for 2 to 7 below)

2) Ensure you know the budget you have for the year (track it to the financial system)

3) Ensure you know what you have committed to spend (continually update forecast for the year and beyond)

4) Ensure you know the financial impact of the commitment you are about to undertake (for the year and beyond)

5) Ensure you have considered Value for Money (VfM) in respect of this commitment (is this the most effective, efficient, economical way of delivering the service)

6) If insufficient budget – secure additional budget or cease commitment process

7) If you are the budget manager you are responsible for all of the above. Your relationship manager and finance specialist will play an essential role in this process and must be informed of all variations to budget.

Glossary of Terms

Adult Social Care (ASC) Precept

The Spending Review announced that for the rest of the current Parliament, local authorities responsible for adult social care ("ASC authorities") "will be given an additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care". This flexibility is being offered in recognition of demographic changes which are leading to growing demand for adult social care, and increased pressure on council budgets. Some flexibility has been added, allowing the increases to be up to 3% per year providing they do not exceed 6% over the three year period 2017/18 to 2019/20.

Apprenticeship Levy

This levy was included in the Autumn Statement 2015 and came into effect in April 2017 at a rate of 0.5% of employers pay to fund an expansion of apprenticeship schemes. It applies to all large employers (those with salary costs of over £3m pa, and 250+ employees) and is designed to fund 3 million apprenticeships in the life of the current parliament.

Autumn Statement

Each year the Government sets out in its Autumn Statement the overall strategy of the Government, including major changes to expenditure and taxation. It is a major determinant of the Local Government Financial Settlement (see below).

Business Rates Retention Scheme (BRRS)

As part of the Localism Act, the Government has devolved the responsibility and risks of the business rates system to local government with the intention to incentivize local areas to encourage development and thereby increase Non Domestic Rates (NDR) income. Local authorities are allowed to keep a share of any extra income above their estimated income. Councils are either 'tariff' or 'top-up' depending on the level of business rates in their area and 'tariff' councils pay some of their business rates to MHCLG (Wokingham is a tariff council) or receive some back.

Care Act 2014

The Care Act 2014 has introduced a minimum eligibility threshold across the country – a set of criteria that makes it clear when local authorities will have to provide support to people.

Community Infrastructure Levy (CIL)

A levy on commercial development and residential developments above a specific size. It must be paid before physical development starts and can be paid in stages. The Wokingham scheme started in April 2015 and income from major developments will form a significant contribution to funding the Council's capital programme. CIL also partially replaces Section 106 (See below).

Core Spending Power

This is a figure which the Government calculates and publishes for all local authorities in the Local Government financial Settlement. It is intended to represent the overall funding available for local authority services. The Spending Power calculations comprise an assumed council tax (Basically 2015/16 level plus 2% in 2016/17, and a further 2% for ASC) plus the Settlement Funding Assessment (which is the approved level of Revenue Support Grant and Business Rates Retained Income).

Council Tax Freeze Grant

A grant started under the last Government payable to local authorities which did not increase their council tax, and which was initially payable for several years. The latest freeze grant was for 2015/16. In the 2016/17 Settlement, the freeze grant for 2015/16 was rolled in to RSG.

Dedicated Schools Grant (DSG)

DSG is a specific ring fenced grant which must be used in support of the Schools Budget as defined in the early Years and Schools Finance (England) Regulations 2013. The purpose of the Schools Budget is the provision of primary and secondary education.

Education Services Grant (ESG)

This was a method of providing for the transfer of part of the local authority central education budget to academies and free schools for their administrative costs. It is paid on a per pupil weighted basis. It is no longer paid for 2018/19.

Formula Grant

The previous name for Revenue Support Grant (RSG).

Local Government Funding Settlement

The Government publishes the Local Government Funding Settlement each year, usually in December, which sets out the Government's detailed planning figures for local government, including the key grants to local government. It is usually subject to consultation with final settlement figures published around the end of January. The 2016/17 settlement covers the four year period to 31 March 2020, but is updated annually.

Medium Term Financial Plan (MTFP)

The Council produces a Medium Term Financial Plan (MTFP) each year during the budget process, which sets out the budget in detail for the forthcoming financial year and in outline for the following two years.

Ministry of Housing, Communities & Local Government (MHCLG)

The Ministry of Housing, Communities and Local Government's (formerly the Department for Communities and Local Government) is a ministerial department, supported by 12 agencies and public bodies. Its job is to create great places to live and work, and to give more power to local people to shape what happens in their area.

National Funding Formula

A formula to be set up which would change the way in which funding to individual schools is allocated into a simpler, more transparent and equitable manner, but which also recognises deprivation factors.

New Homes Bonus

This is a grant which was set up by the last Government to encourage house building. It is paid for a certain number of years based on the number of properties completed in each local authority area.

Northern Powerhouse

A term used to describe the Government's intention to regenerate the North of England with schemes such as High Speed 2, plus other rail and road improvements, and general support for industry.

Precept

An amount levied by legislation on or by another public body including Parish Council's, Royal Berkshire Fire Authority and the Police and Crime Commissioner for Thames Valley. All of them levy precepts on the Council to collect council tax on their behalf. It also includes the Adult Social Care precept from 2016/17 onwards.

Prudential Code

A code produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) on behalf of the Government which sets out detailed guidelines for local authorities to manage capital programmes, ensuring capital schemes are fully affordable including running costs as well as making a minimum provision for debt repayment.

Revenue Support Grant (RSG)

This grant replaces 'Formula Grant' and is the main, non-ring-fenced grant to support local authority budgets after taking account of council tax. It is part of the Settlement Funding Assessment.

'Rolled-in' Grant

Certain specific grants such as the Care Act grant have been included with Revenue Support Grant and discontinued, and these are called 'rolled-in grants'. While the Government's aim was to reduce the number of individual grants, it makes the comparison of year on year changes in RSG much more complicated.

Section 106 Contributions

Section 106 of the Town and Country Planning Act 1990 permits local authorities to request contributions from developers to community and social infrastructure. It is sometimes earmarked for schemes related to the specific development; however other contributions are more general in nature, and can be used for capital or revenue purposes. It is being partially replaced by CIL (see above).

Settlement Funding Assessment (SFA)

This was introduced in 2014/15 when the new business rates retention scheme was set up. It comprises the Revenue Support Grant and the Business Rates Retained Income.

Strategic Development Locations (SDLs)

Four areas within Wokingham which have been designated as special areas where commercial and/or residential development will be focused over the development

Summary of Budget Movements

This is a detailed statement by service area included in the MTFP which shows the movements from the current year's budget to the forthcoming budget being submitted for approval. It starts with the base budget for the forthcoming financial year, and itemizes special items, other growth including inflation, less efficiencies and savings, and it ends with the budget submitted to Executive for approval.

Unitary Authority

There are 55 unitary authorities and they are all former district or borough councils within county council areas which have by legislation been granted responsibility for all the services in their area including adult social care and services for children.

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Agenda Item 50.

TITLE	Revenue and Capital Monitoring
FOR CONSIDERATION BY	Community and Corporate Overview and Scrutiny Committee on 11 February 2019
WARD	None Specific;
DIRECTOR	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

To assist the Executive in identifying areas for concern in the quarterly revenue and capital monitoring reports.

RECOMMENDATION

That the Committee:

- 1) note the revenue and capital monitoring reports set out in Appendix A;
- 2) identify any issues within the quarterly revenue and capital monitoring reports process.

SUMMARY OF REPORT

Appendix A contains the quarterly revenue and capital monitoring reports submitted to the Executive on 31 January 2019. The reports are submitted to the Committee as part of the background briefing on the Council's budget setting process.

Background

Part of the Committee's terms of reference include the monitoring of the Council's revenue and capital expenditure. The Committee has, on several occasions, shown a keen interest in monitoring the Council's expenditure, to enable them to assist the Executive in the development of future spending proposals.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	N/A	N/A
Next Financial Year (Year 2)	N/A	N/A	N/A
Following Financial Year (Year 3)	N/A	N/A	N/A

Other financial information relevant to the Recommendation/Decision
N/A

Cross-Council Implications
N/A

Reasons for considering the report in Part 2
N/A

List of Background Papers
N/A

Contact Callum Wernham	Service Business Services
Telephone No Tel: 0118 974 6059	Email callum.wernham@wokingham.gov.uk

APPENDIX A

TITLE	Revenue Monitoring Report 2018/19 - End of December 2018
FOR CONSIDERATION BY	The Executive on Thursday, 31 January 2019
WARD	None specific
LEAD OFFICER	Deputy Chief Executive – Graham Ebers
LEAD MEMBER	Executive Member for Finance, HR and Corporate Services – Anthony Pollock

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

Update the Executive on the Council's 2018/2019 revenue monitoring position as at the end of the December 2018.

Effective management of the Council's finances to ensure value for money for council tax payers, tenants and schools.

RECOMMENDATION

The Executive is asked to:

- 1) note the quarter three position of the revenue budget and the level of balances in respect of the General Fund, Housing Revenue Account, Schools Block and the Authority's investment portfolio;
- 2) note the estimated general fund budget carry forwards of £575k identified at this stage;
- 3) note the updates on adult social services and children services action plans;
- 4) approve a supplementary estimate of £100k in 18/19 for "Optalis IT business case feasibility study";
- 5) approve a supplementary estimate of £200k in 18/19 for "HRA void costs".

EXECUTIVE SUMMARY

To consider the Revenue Monitoring, General Fund, Housing Revenue Account, Schools Block and Treasury Management Reports. The Executive agreed to consider Revenue Monitoring Reports on a quarterly basis.

The General Fund is reporting an adverse variance of £1,839k (1.43%) against planned spend of £128.3m, Housing Revenue Account a variance of £51k against a net planned spend of £1.0m and Schools Block an adverse variance of £2,948k against a net planned spend of £136.9m.

BACKGROUND

General Fund

The table below shows the forecast outturn position for 2018/19 by Directorate. Details of the General Fund summary are shown in Appendix A.

Directorate	2018/2019 - End of Year Position		
	Approved Budget	Forecast Spend	(Favourable) / Adverse Variance
	£,000	£,000	£,000
Adult Social Services	£47,287	£47,810	£523
Chief Executive	£5,630	£5,630	£0
Children's Services	£30,798	£32,189	£1,391
Corporate Services	£10,188	£9,763	£(425)
Customer and Localities	£34,417	£34,767	£350
Net Expenditure Total	£128,320	£130,159	£1,839

The end of year position represents a forecast adverse variance of £1,839k on the General Fund.

Material areas of favourable / adverse variances include;

Adult Social Services – net adverse variance of £523k. This reflects continued significant pressures in adult social care commissioned care and support for Older People and, in particular, Learning Disability.

While there has been significant investment in Learning Disability budgets in recent years, the number of individuals living longer, and being supported to live independently in the community, has continued to exert budget pressure.

The impact of the national living wage has driven increases in placement prices across the sector. While the number of older people being admitted to care home settings is reducing as more people are supported in their own homes, care home spend has not followed the same pattern reflecting increasing cost of placements.

As a result of positive progress made under the governance of the Adult Social Care Improvement Board, the initial £1,500k adverse variance reported in quarter one has been brought down significantly. Savings through maximising NHS funding for appropriate individuals, targeted use of equipment to reduce the need for double handed home care support, and reviews of very expensive packages of support has contributed to a much improved financial position for the service.

Chief Executives – no material variances identified at present.

Children's Services – net adverse variance of £1,391k. This reflects demand led pressures in Children's social care staffing budgets, with significant pressures also experienced in Home to School Transport particularly in relation to children and young people with special educational needs and disabilities. Pressures in part offset by underspends in placement budgets and will continued to be reviewed to seek additional savings.

Corporate Services – net favourable variance of £425k. This reflects cost pressures from increased business rates at Shute End and other corporate properties. These pressures will be offset by underspends in debt management costs as a result of delayed external borrowing.

Customer and Localities – an adverse variance of £350k. This reflects cost pressures in planning consultancy due to increase in demand of planning appeals. Additional pressures in agency costs in relation to long term sickness cover in a key part of the service.

General Fund Balance

General Fund balances as at 31 March 2019 are estimated to be £5.597m including estimated carry forwards of £575k.

The Statement of General Fund balance is shown in Appendix C.

Housing Revenue Account (HRA)

The Housing Revenue Account reports a forecast adverse variance of £51k against a net planned spend of £1,044k.

No material variances identified at present.

The estimated HRA balance as at the 31st March 2019 is £2.761m (including £200k supplementary estimate to be approved). Shown in Appendix D.

Schools Block (Dedicated Schools Grant 'DSG')

Schools are funded through a direct grant from Central Government known as Dedicated Schools Grant (DSG). This is used to fund individual schools through an agreed formula, costs associated with Early Years Services, support for children with Special Educational Needs (SEN), and to fund relevant support services. This year the Schools Block reports a forecast adverse variance of £2,948k against a net budgeted spend of £136,925k – this represents 2.15% of the total budget. Shown in Appendix E.

The overspend on the DSG relates to ongoing pressure on the High Needs Block, in particular in relation to placements made out of borough and with independent special schools.

The number of pupils with SEND within Wokingham has risen by almost 15% since 2015/16 and continues to rise, with the proportion of those with Social, Emotional and Mental Health or Autistic Spectrum Disorder increasing beyond that seen both nationally and across South East local authorities. Demand for suitable placements has outstripped that available locally, resulting in an increasing reliance on costly independent

and out of borough provision. This in turn has increased pressure on Council funded home to school transport budgets.

As at 31st March 2019, the estimated DSG balance will be a deficit of £2.948m. An action plan to address this deficit is referred to later in this report and involves close working with the DfE.

Investment Portfolio

The authority's investment portfolio shows current investments of £93.2m being invested by the Council. This is made up of £91m invested with approved institutions (e.g. banks, building societies, councils, etc.) and £2.2m invested in daily money market funds.

Adult Social Care Action Plan Update

Targeted actions through the Improvement Board have successfully delivered in year savings against the opening financial position for the year, with the forecast overspend now reduced to £523k (1.1%).

Focussed work remains ongoing to minimise the impact of rising demand on service budgets, with future delivery models and improvements being developed in conjunction with the 21c programme. The improvement boards have introduced additional focus, assurance and governance on the key areas of adult social care including finance and commissioning.

Children's Services & High Needs Block

A Children's Services Improvement Programme, across both social care and education, is working in conjunction with the 21c programme to take forward identified opportunities for aligning strategic priorities within available resources.

As part of this, a multi-year plan supporting action on the High Needs Block deficit is being developed and will inform expected year end reporting to the Department for Education.

The improvement board also follows the same principles from the adult social care improvement board, good governance, assurance and a focus on finance and commissioning.

Council Wide Continuous Improvement Plan

In future revenue monitoring reports, on a quarterly basis the Executive will be updated on the Council wide continuous improvement plan. This will provide updates from the Adult Social Care improvement boards, Children services and high needs block improvement boards and 21st century council programme.

Supplementary Estimates

1. The Executive are asked to approve a supplementary estimate for £100k in relation to an IT business case feasibility study for Optalis. The feasibility will identify options which support the importance of technology as a critical success factor for effective and needed transformation within Optalis. If the IT

procurement is agreed then the possibility of capitalising these costs will be investigated.

2. The Executive are asked to approve a supplementary estimate for £200k in the HRA. This relates to ongoing budget pressures from voids. Due to the Gorse Ride South redevelopment project we are preparing many more voids for letting than in previous years. In addition, the Gorse Ride voids are on average in a worse condition than expected.

Analysis of Issues

Effective monitoring of budgets is an essential element of providing cost effective services and enables any corrective action to be undertaken, if required. Many of the budgets are activity driven and can be volatile in nature.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	- General Fund £128m	Yes	Revenue
Next Financial Year (Year 2)	- General Fund £N/A Subject to MTFP review	Yes	Revenue
Following Financial Year (Year 3)	- General Fund £N/A Subject to MTFP review	Yes	Revenue

Other Financial Information

The Council will continue to review cost reduction measures to contain expenditure with the overall approved budget.

Stakeholder Considerations and Consultation

Stakeholders should be reassured of the effective management of the Council's resources.

Resourcing and Timeline for Next Steps

Improvement boards have been established with updates being provided to the Executive at the next quarterly revenue monitoring report.

Timeline for Review and Evaluation

Revenue monitoring reports are reviewed and evaluated on a monthly basis by directorate leadership teams and corporate leadership team (CLT). Executive will be

updated in January with the quarter three position. The ASC Improvement board will meet on a regular basis with updates being provided to CLT and Executive.

List of Background Papers

Appendix A – Revenue monitoring report December 2018.
Appendix B – General Fund carry forwards.
Appendix C – Statement of general fund balance.
Appendix D – Housing Revenue Account monitoring report December 2018.
Appendix E – Schools Block monitoring report December 2018.

Contact Bob Watson	Service Business Services
Telephone Tel: 07801 664389	Email bob.watson@wokingham.gov.uk

REVENUE MONITORING REPORT December 2018

GENERAL FUND SUMMARY

Directorate	End of Year Position			Comment on major areas of estimated over / (underspend)
	Current Approved Budget £,000	Current Forecast £,000	Net over / (under) spend £,000	
Adult Social Services	47,287	47,810	523	Significant pressures in adult social care commissioned care and support, in particular Learning Disability. Savings targeted in-year under the governance of the Adults Improvement Board are on track to deliver an improved position over the remainder of the financial year.
Corporate Services	10,188	9,763	(425)	Business rate cost pressure of £75k for Shute End and other Corporate Properties. There are other cost pressures within the directorate, due to use of interim staff to cover staff sickness and vacancies. These pressures are being managed, but may result in a £50k overspend at year - forecast on budget at present whilst mitigation is being reviewed. Underspend on debt financing in-year due to delayed borrowing requirement.
Chief Executive	5,630	5,630	0	No material variances identified.
Children's Services	30,798	32,189	1,391	Significant demand led pressures in Children's social care staffing budgets, with pressures also experienced in Home to School Transport . Pressures in part offset by underspends in placement budgets and will continued to be reviewed. Pressures from interim staffing within leadership team.
Customer and Localities Services	34,417	34,767	350	Increase in planning consultancy due to increase in demand of planning appeals. Pressures in agency costs in relation to long term sickness cover.
Revenue Expenditure Total	128,320	130,159	1,839	

1.43%

REVENUE MONITORING REPORT December 2018

ADULT SOCIAL SERVICES

Director - A. Morris
Executive Member for Health and Wellbeing, Adult Social Care and Housing - Cllr Parry Bath

Service	End of Year Position			Comment on major areas of estimated over / (underspend)
	Current Approved Budget £,000	Current Forecast £,000	Net over / (under) spend £,000	
Adult Social Care - excl. Mental Health				Continued significant pressures in adult social care commissioned care and support, in particular Learning Disability.
Expenditure	52,786	53,459	673	
Income	(10,865)	(10,865)	0	
Net	41,921	42,594	673	
Adult Social Care - Mental Health				Continuing health care savings and staffing vacancies.
Expenditure	3,004	2,854	(150)	
Income	(296)	(296)	0	
Net	2,708	2,558	(150)	
Subtotal Excluding Internal and Capital Charges	44,629	45,152	523	
Internal and Capital Charges	2,658	2,658	0	
Total	47,287	47,810	523	

REVENUE MONITORING REPORT December 2018

CHILDREN'S SERVICES

Director - C. Cammiss
Executive Member for Children's Services - Cllr Pauline Helliar-Symons

Service	End of Year Position			Comment on major areas of estimated over / (underspend)
	Current Approved Budget £,000	Current Forecast £,000	Net over / (under) spend £,000	
Learning & Achievement				
Expenditure	1,859	1,859	0	No material variances identified overall, however increasing pressures being managed in-year on a non-recurring basis.
Income	(569)	(569)	0	
Net	1,290	1,290	0	
Social Work & Early Intervention Services				
Expenditure	15,511	16,065	554	Significant demand led pressures in Children's social care staffing budgets. Some pressures will be offset by underspends in placement budgets and will continued to be reviewed to seek additional savings.
Income	(1,172)	(1,172)	0	
Net	14,339	14,893	554	
Strategic Commissioning & Central Services				
Expenditure	5,759	6,595	837	Continued pressures on Home to School Transport reflects the increasing costs associated with SEN services and out of borough placements. Additional interim cost pressures in leadership team.
Income	(753)	(753)	0	
Net	5,005	5,842	837	
Subtotal Excluding Internal and Capital Charges	20,634	22,025	1,391	
Internal and Capital Charges	10,164	10,164	0	
Total	30,798	32,189	1,391	

REVENUE MONITORING REPORT December 2018

CORPORATE SERVICES

Director: G Ebers
Executive Member for Finance, HR and Corporate Resources - Cllr Anthony Pollock

Service		End of Year Position			Comment on major areas of estimated over / (underspend)
		Current Approved Budget £,000	Current Forecast £,000	Net over / (under) spend £,000	
Governance & Improvement	Expenditure	1,921	1,921	0	No material variances identified.
	Income	(662)	(662)	0	
	Net	1,258	1,258	0	
Business Services	Expenditure	21,687	21,262	(425)	Business rate pressure of £75k for Shute End & other Corporate Properties. Cost pressures due to use of interim staff to cover staff sickness & vacancies, which are being managed, but may result in an overspend at year end - forecast on budget at present due to savings in shared legal services. £500k underspend on debt financing in-year due to delayed borrowing requirement
	Income	(3,265)	(3,265)	0	
	Net	18,423	17,998	(425)	
Corporate Services	Expenditure	552	552	0	No material variances identified.
	Income	(302)	(302)	0	
	Net	250	250	0	
S&C People Commissioning	Expenditure	971	971	0	No material variances identified.
	Income	(17)	(17)	0	
	Net	953	953	0	
S&C Place Commissioning	Expenditure	1,806	1,806	0	No material variances identified.
	Income	(22)	(22)	0	
	Net	1,783	1,783	0	
Housing Needs & Benefits - CS	Expenditure	23,205	22,599	(605)	No material variances identified.
	Income	(23,480)	(22,875)	605	
	Net	(275)	(275)	0	
Public Health	Expenditure	4,998	4,998	0	No material variances identified.
	Income	(5,680)	(5,680)	0	
	Net	(683)	(683)	0	
Subtotal Excluding Internal and Capital Charges		21,710	21,285	(425)	
Internal and Capital Charges		(11,521)	(11,521)	0	
Total		10,188	9,763	(425)	

REVENUE MONITORING REPORT December 2018

CHIEF EXECUTIVES

Chief Executive: H.Thwaites (Interim); Deputy Chief Executive: G.Ebers
 Leader of the Council: Cllr Julian McGhee-Sumner
 Deputy Leader - Cllr Pauline Jorgensen
 Executive Member for Business, Economic Development and Strategic Planning - Cllr Stuart Munro
 Executive Member for Regeneration - Philip Mirfin

Service	End of Year Position			Comment on major areas of estimated over / (underspend)
	Current Approved Budget £,000	Current Forecast £,000	Net over / (under) spend £,000	
Chief Executives Office				
161 Expenditure	1,754	1,754	0	No material variances identified.
Income	(2,655)	(2,655)	0	
Net	(901)	(901)	0	
Council Wide Savings				
Expenditure	0	0	0	No material variances identified.
Income	(211)	(211)	0	
Net	(211)	(211)	0	
Town Centre Regeneration				
Expenditure	437	437	0	No material variances identified.
Income	(59)	(59)	0	
Net	378	378	0	
21st Century Council Programme				
Expenditure	838	838	0	No material variances identified.
Income	1,098	1,098	0	
Net	1,936	1,936	0	
Subtotal Excluding Internal and Capital Charges	1,201	1,201	0	
Internal and Capital Charges	4,428	4,428	0	
Total	5,630	5,630	0	

REVENUE MONITORING REPORT December 2018

CUSTOMER AND LOCALITIES SERVICES

Director: S Hollamby

Executive Member for Environment, Leisure and Libraries - Cllr John Halsall; Executive Member for Housing - Cllr Parry Bath

Executive Member for Highways and Transport - Cllr Pauline Jorgensen; Executive Member for Planning and Enforcement - Cllr Simon Weeks

Service	End of Year Position			Comment on major areas of estimated over / (underspend)	
	Current Approved Budget £,000	Current Forecast £,000	Net over / (under) spend £,000		
Housing Needs and Benefits - PS	Expenditure	912	912	0	No material variances identified.
	Income	(447)	(447)	0	
	Net	466	466	0	
Community Services	Expenditure	311	311	0	No material variances identified.
	Income	0	0	0	
	Net	311	311	0	
Customer & Localities	Expenditure	4,291	4,291	0	No material variances identified.
	Income	(518)	(518)	0	
	Net	3,773	3,773	0	
Delivery & Infrastructure	Expenditure	3,072	3,072	0	No material variances identified.
	Income	(2,022)	(2,022)	0	
	Net	1,051	1,051	0	
Development - Policy & Planning	Expenditure	52	52	0	No material variances identified.
	Income	0	0	0	
	Net	52	52	0	
Place	Expenditure	22,500	22,730	230	Increase in planning consultancy due to increase in demand of planning appeals.
	Income	(5,458)	(5,458)	0	
	Net	17,043	17,273	230	
Development - Management & Enforcement	Expenditure	246	246	0	No material variances identified.
	Income	0	0	0	
	Net	246	246	0	
Income, Assessments & Housing	Expenditure	1,216	1,336	120	Agency costs in relation to long term sickness cover.
	Income	(1,385)	(1,385)	0	
	Net	(169)	(49)	120	
Highways & Transport	Expenditure	7,886	7,886	0	No material variances identified.
	Income	(3,473)	(3,473)	0	
	Net	4,412	4,412	0	
Subtotal Excluding Internal and Capital Charges		27,184	27,534	350	
Internal and Capital Charges		7,234	7,234	0	
Total		34,417	34,767	350	

REVENUE MONITORING REPORT December 2018

GENERAL FUND - CARRY FORWARDS

	Carry Forwards £,000	Comments
Adult Social Services	0	No carry forwards identified at present.
Chief Executives	500	1. £500k - 21st Century Programme - delayed implementation of phase 3.
Children's Services	0	No carry forwards identified at present.
Corporate Services	0	No carry forwards identified at present.
Customer and Localities Services	75	1. £75k - Delivery & Infrastructure - change in delivery model by consultants resulting to master planning implementation going into 2019/20.
Carry Forwards Total	575	

REVENUE MONITORING REPORT December 2018

STATEMENT OF GENERAL FUND BALANCE

	£,000	£,000
General Fund Balance (as at 31/3/2018)		(9,124)
<u>Special Items</u>		
18/19 Special Items - One off expenditure	2,738	
18/19 Special Items - One off income	(2,898)	
		(160)
<u>Supplementary Estimates</u>		
Children Services - Council Tax Exemption for Care Leavers (Mar '18 Exec)	66	
Chief Executive - Revised salary range for Chief Exec post (Jul '18 Exec)	16	
Adult Social Services / Children Services - Restructuring of Tier 2 in People Services (Jul '18 Exec)	68	
Adult Social Services - IT Feasibility Study (Jan '19 Exec)	100	
		250
<u>Carry Forwards from 2017/18</u>		
Adult Social Services	163	
Chief Executive	273	
Children's Services	96	
Corporate Services	25	
Customer and Localities Services	1,042	
		1,599
<u>Service Variance (including 19/20 carry forwards requests)</u>		
Adult Social Services	523	
Chief Executive	0	
Children's Services	1,391	
Corporate Services	(425)	
Customer and Localities Services	350	
		1,839
General Fund Balance 31/3/2019		(5,597)

REVENUE MONITORING REPORT December 2018

HOUSING REVENUE ACCOUNT

Director: S Hollamby
Executive Member for Housing - Pauline Jorgensen

Service	End of Year Position			Comment on major areas of estimated over / (underspend)	
	Current Approved Budget	Current Forecast	Provisional Variance		
	£,000	£,000	£,000		
Rents					
	Expenditure	378	378	0	No material variances identified.
	Income	(14,847)	(14,847)	0	
	Net	(14,469)	(14,469)	0	
Fees & Charges / Capital Finance Charges					
	Expenditure	97	97	0	No material variances identified.
	Income	(125)	(125)	0	
	Net	(28)	(28)	0	
Housing Repairs					
	Expenditure	2,772	2,772	0	No material variances identified.
	Income	(30)	(30)	0	
	Net	2,742	2,742	0	
General Management					
	Expenditure	627	595	(32)	Small underspends due to staffing vacancies.
	Income	0	0	0	
	Net	627	595	(32)	
Sheltered Accommodation					
	Expenditure	648	725	76	Staffing pressures within service.
	Income	(409)	(409)	0	
	Net	240	316	76	
Other Special Expenses					
	Expenditure	151	158	7	No material variances identified.
	Net	151	158	7	
Capital Finance					
	Expenditure	6,617	6,617	0	No material variances identified.
	Income	(36)	(36)	0	
	Net	6,581	6,581	0	
Subtotal Excluding Internal and Capital Charges		(4,156)	(4,105)	51	
Internal and Capital Charges		4,156	4,156	0	
Total		0	51	51	

Housing Revenue Account Reserve

HRA Reserves as at 31st March 2018	(4,057)
2018/2019 Planned Spend	1,044
2018/2019 Supplementary Estimate (Jan '19 Exec)	200
2018/2019 Forecast Variance	51
Estimated HRA balance as at 31st March 2019	(2,761)

REVENUE MONITORING REPORT December 2018

SCHOOLS BLOCK MONITORING REPORT

Director: C Cammiss

Executive Member, Children's Services: Pauline Helliard-Symons

	End of Year Position			Comment on major areas of estimated over / (underspend)
	Current Approved Budget	Current Forecast	Net Over / (Under) Spend	
	£,000	£,000	£,000	
Schools Block				
Schools block including academies (excluding De-delegation)	97,349	97,349	0	No material variances identified. This budget relates to the WBC passporting 100% grant to individual schools.
Early years	11,105	11,105	0	No material variances identified. This budget relates to WBC passporting 96% of grant to early years providers and 4% a contribution to early year services.
High needs block	18,083	20,327	2,244	An increasing proportion of SEN pupils with Social, Emotional & Mental Health and those with Autistic Spectrum Disorder has contributed to the need for costly out of borough placements and independent special schools ISS). Increase in places in our maintained Special school to help reduce the need for ISS.
Central Schools Services block includes the Growth fund	1,744	1,867	123	No provision made in 18/19 in relation to copywrite licences that the DfE pay for and reclaim back from the local authority. Provision will be made in 19-20.
De-delegation services	1,393	1,393	0	
Other schools grant	7,251	7,547	296	New Grant awarded to Schools via the LA called the Teacher's pay grant to assist schools in funding the increases in Teachers pay from September 18.
Total Schools Budget Expenditure	136,925	139,589	2,663	
Dedicated School Grant (DSG)	(129,674)	(129,621)	53	Reduction in income in the High needs block, due to additional places commissioned to Post 16 colleges outside of the borough.
Other school Grants	(7,251)	(7,547)	(296)	No material variances identified.
Total Schools Block Income	(136,925)	(137,168)	(243)	
Total in-year over / (under) spend	(0)	2,421	2,420	
Brought forward (surplus) / deficit balance	0	527	527	Brought forward deficit from 17/18. C\FWD De-del income incl. here. (HNB)
Total	0	2,948	2,948	

TITLE	Capital Monitoring 2018/19 - end of December 2018
FOR CONSIDERATION BY	The Executive on Thursday, 31 January 2019
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive – Graham Ebers
LEAD MEMBER	Executive Member for Finance, HR and Corporate Resources – Anthony Pollock

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

Effective use of our capital resources to meet service investment priorities, offering excellent value for residents' council tax.

RECOMMENDATION

The Executive is asked to:-

- 1) note the quarter three position for the capital budget as set out in Appendix A to the report;
- 2) approve and note new budget adjustments in the capital programme for 2018/19, as set out in Appendix B, including addition £1,177,000 grant received from Department of Transport for Highways Maintenance into the capital programme;
- 3) approve and note new budget virements in the capital programme which constitutes a change of use, as set out in Appendix C.

EXECUTIVE SUMMARY

To consider the 2018/19 Capital Monitoring Report to the end of December 2018. Executive agreed to consider Capital Monitoring Reports on a quarterly basis. This report is to the end of the 3rd quarter, and shows a nil variance forecast against budget.

BACKGROUND

BUSINESS CASE (Including Options and Evidence of Need)

The forecast variance has been arrived at by analysing the actual commitments to date and assessing how expenditure may continue to the end of the year based on the latest information available.

The original agreed programme for capital for 2018/19 was £221.731 million. At the start of the year officers revised their expectation of spend to give a current approved Capital Budget for the year of £134.255 million. It is now estimated that £131.226 million will be spent this financial year, with an underspend of £4.467 million. The remaining budget of £87.306 million will be carried forward into 2019/20.

Analysis of Issues

Effective monitoring of budgets is an essential element of providing cost effective services and enables any corrective action to be undertaken, if required.

Uncommitted capital balances (capital resources received, but not yet allocated to the capital programme) are currently estimated to be £0.5m as at 31st December 2018 (prior to any announcement about funding and on the assumption that the level of capital receipts will be achieved). The estimated capital receipts received for 2018-19 are expected to be £2m.

To date (31 December 2018) services have spent £72.593 million, which represents 53.85% of the revised annual budget.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£131,226k	Yes	Capital
Next Financial Year (Year 2)	£87,306k	Yes	Capital
Following Financial Year (Year 3)			

Other Financial Information

None

Stakeholder Considerations and Consultation

Stakeholders should be reassured of the effective management of the Council's resources.

Resourcing and Timeline for Next Steps	
Outturn figure will be reported at May 2019 Executive	
Timeline for Review and Evaluation	
Reports are reviewed on a monthly basis by CLT and are reported to Executive at the next quarter.	
List of Background Papers	
See attached Appendix A, Capital Monitoring Summary Report to December 2018	
Contact James Sandford	Service Business Services
Telephone Tel: 0118 974 6577	Email james.sandford@wokingham.gov.uk

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Capital Summary Report to End of December 2018

Service	Full Year Budget 2018/19 £000	Profile Year 1 £000	Profile Year 2 £000	Forecast Outturn 2018/19 £000	Proposed Carry Forward 2019/20 £000	Estimated (Under)/ Overspend £000	Total Works Complete £000	Comments
Chief Executive	85,860	48,867	36,993	49,434	(567)	0	35,199	<p>Explanations of Carry Forward: Previous month's total was £(1.99)m. Current month material adjustments are:</p> <ul style="list-style-type: none"> • £1.4m slippage has been identified across the regeneration programme. This is a primarily a result of building delays at Peach Place. <p>Explanations of variances: No material variances</p>
Corporate Services	21,860	9,048	12,812	6,841	1,834	(373)	2,806	<p>Explanations of Carry Forward: Previous month's total was £2.18m Current month material adjustments are:</p> <ul style="list-style-type: none"> • £(520)k acceleration Central Contingency - Requests approved by Capital Prioritisation Group <p>Explanations of variances:</p> <ul style="list-style-type: none"> • £(373)k Arborfield Leisure Facilities - Project completed, funded by developer contributions, saving will be returned to available developer contribution reserve
Locality & Customer Services	95,408	63,499	31,909	64,413	(4,915)	(4,001)	28,339	<p>Explanations of Carry Forward: Previous month's total was £(4.92)m. Current month material adjustments are zero</p> <p>Explanations of variances:</p> <ul style="list-style-type: none"> • £(4)m Self-Build Project - Funded by developer (s106) contributions, further work has been completed to look at the delivery mechanism for this project, including engagement with interested self-builders. The outcome of this work is that a more self-funding model should be progressed, which cross-subsidy provided by open market plot sales • Ryeish Green Sports Hub - investigating forecast overspend as a result of unexpected additional utilities costs and difficulties in achieving the identified value engineering savings – proposal is that £118k contingency be reinstated to the project leaving a £250k overspend, to be funded from additional s106 funding identified from the South of the M4 SDL • Highways & Transport - approx £300k forecast overspend - options to offset being considered including partial use of additional highways capital grant announced in draft settlement.
Children's Services	18,350	12,337	6,013	9,447	2,891	1	6,177	<p>Explanations of Carry Forward: Previous month's total was £2.58m . Current month material adjustments are zero</p> <p>Explanations of variances: No material variances</p>
Adult Services	1,522	1,038	484	1,091	(148)	(95)	72	<p>Explanations of Carry Forward: Previous month's total was £(100)k. Current month material adjustments are zero</p> <p>Explanations of variances:</p> <ul style="list-style-type: none"> • £(95)k H&W urgent maintenance & refurbishment - No works forecast in 18/19 and there is a 50k rolling programme for future years
Grand Total	223,000	134,789	88,211	131,226	(905)	(4,467)	72,593	

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Appendix B: - Approve and note the budget adjustments in the capital programme for 2018/19

1) Devolved Schools - £(50)k (PH-S, CC)

£50k reduction in expenditure budget to match grant income; this is due to the schools devolved budget received from the Department for Education being less than the amount anticipated when the budget was set.

2) Disabled Facilities Grant - £108k (PB, SH)

£108k additional grant received for Disabled Facilities; this is a grant ring fenced to the Better Care Fund from MHCLG, and will increase the Disabled Facilities budget by this amount, and must be spent in 2018/19. Budget increased to match grant income.

3) Disabled Facilities Grant - £73k (PB, SH)

£73k additional contribution received in 2018/19 from the Better Care Fund provided by MHCLG, and will increase the Disabled Facilities budget by this amount, and must be spent in 2018/19. Budget increased to match grant income.

4) Highways Maintenance Grant - £1,177k (PJ, SH)

£1,177k additional in-year contribution announced in the autumn budget to be received in 2018/19 from the Department for Transport, and will increase the Highways Maintenance budget by this amount. Budget increased to match grant funding.

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Appendix C: approve and note the budget virements in the capital programme that constitutes a change of use

1) Special Education High Needs Block - £1.8m (PH-S, CC)

Addington School: transfer to new project to increase capacity for children requiring Special Education Needs (SEN) placements, vired from various smaller SEN schemes, which this new scheme has replaced. The funding consists of developer contributions, government SEN grants and other sources.

2) Northern Relief Road (Bell Foundry Lane) - £689k (PJ, SH)

To approve change of use of £688,750 budget approved for Safer Routes to Arborfield schools to Northern Relief Road (Bell Foundry Lane), as original budget is available following a decision to scale back scope of works after the budget was set, and further budget is now required on the latter project.

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TITLE	Impact of Planned Rail Changes (Cllr Sleight Report)
FOR CONSIDERATION BY	Community and Corporate Overview and Scrutiny Committee on 11 February 2019
WARD	None Specific
DIRECTOR	Director of Locality and Customer Services – Sarah Hollamby

OUTCOME / BENEFITS TO THE COMMUNITY

Planned improvement works to the rail network, within the next 10 years would result in additional route options, services and capacity for residents of Wokingham Borough.

With additional housing and employment uptake within Wokingham Borough and neighbouring authorities within the next 10 years, the improvements in rail services will provide benefits to achieving economic growth and encouraging a modal shift from car to rail, to reduce congestion, and improve noise and air quality on the main road corridors, in line with Core Policy and Local Transport Plan aspirations.

RECOMMENDATION

It is recommended that Cllr Sleight's report be noted, taking into account Officers Responses below.

SUMMARY OF REPORT

A report has been compiled by Cllr Sleight, titled "*An investigation into the impact of the planned changes to rail services in Wokingham Borough*". This can be found in Appendix A. This paper summarises the issues raised by the report and provides an officer commentary with regard to how we might be able to progress and address these perceived problems.

The report sets out the planned changes to rail services over the next ten years. There are six rail stations within the borough (Wokingham, Twyford, Earley, Winnersh, Winnersh Triangle and Wargrave) which operate across the following five rail routes:

- Great Western Mainline (GWML)
- Henley On Thames Branch Line
- Reading to Waterloo
- North Downs Line (Reading to Redhill/Gatwick Airport) and
- Reading to Basingstoke Line

Planned infrastructure changes noted within the report include:

- The opening of the Elizabeth Line (Crossrail) in 2019
- The opening of Reading Green Park Station in 2019 and the potential for the a proposed rail station at Grazeley on the Reading to Basingstoke Line
- The opening of Old Oak Common Station in 2026, which would include interchange for HS2, Crossrail and Great Western rail services.

- Western Rail Link to Heathrow (Development Consent Order to be submitted 2019 with construction date to be determined)

In addition to the above infrastructure changes, route modernisation of the Great Western Mainline (GWML) and the Wessex Capacity upgrade on the Reading to Waterloo Line, have commenced and changes continue to be implemented which seek to improve the level of service provision for rail users and available capacity

Analysis of Issues

Due to the planned infrastructure changes on the rail network over the next 10 years, specific issues have been noted in the report prepared by Cllr Sleight which include:

- 1) Increasing demand for travel from Twyford Station.
- 2) The potential for closure of Level Crossing Points
- 3) Coppid Beech Park and Ride and its connectivity with Reading Rail Station
- 4) Potential improvements to Winnersh Triangle Railway Station.

Each of these are discussed further below with an officer response.

Twyford Station

Issue identified in Report

The traffic impacts around Twyford Station and Wargrave Station, based on the introduction of more journey opportunities and the introduction of Crossrail services, and the current availability of other modes.

Officer Response

With regard to the increased parking provision at Twyford, the rail operator (GWR) continues to explore options such as decking the existing car park, but any significant increase in parking at Twyford Station is constrained by the existing highway network and also the Air Quality Management Area at the crossroads.

Enhancements to the current local highway network could potentially be explored, but are likely to be contingent on there being future housing development or other substantial amounts of funding to pay for associated infrastructure. These matters are being actively considered as part of the Local Plan Update process currently taking place

Level Crossings

Issue identified in Report

The potential for closure of Level Crossing Points at Star Lane, Smiths Farm and Barkham Road to improve rail capacity and road traffic congestion. In summary, the report by Cllr Sleight states *“the interface with level crossings in Wokingham is likely to cause severe difficulties and this needs to be considered and addressed as a matter of urgency”*

Officer Response

The closure of level crossing points has to be carefully considered by Network Rail in dialogue with the Council, and any funding of replacement provision (eg bridges) will continue to be discussed with South Wokingham SDL promoters.

Park & Ride

Issue identified in Report

In the conclusion of Cllr Sleight’s report, comment is made to the commercial risk of Coppid Beech Park and Ride based on the level of rail service provision between Wokingham and Reading Stations.

Officer Response

The Coppid Beech Park and Ride was part of the Council’s Core Strategy 2010 and subsequent North Wokingham SDL and Infrastructure Delivery SPDs. It is designed to alleviate traffic congestion on the A329 corridor between Wokingham Town Centre and Bracknell Town Centre, with the potential to connect with Twyford Rail Station.

There is a separate report being considered at this Scrutiny Committee relating to Coppid Beech Park and Ride, which outlines the existing business case.

Winnersh Triangle Railway Station

Issue identified in Report

The paper discusses rebranding and improvements at Winnersh Triangle Railway Station.

Officer Response

The aspirations of the council with regard to improvements at Winnersh Triangle remain and scheme is currently being developed in association with Thames Valley Berkshire LEP.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	N/A	N/A
Next Financial Year (Year 2)	N/A	N/A	N/A
Following Financial Year (Year 3)	N/A	N/A	N/A

Other financial information relevant to the Recommendation/Decision
N/A

Cross-Council Implications
N/A

Reasons for considering the report in Part 2
N/A

List of Background Papers
Appendix A – Cllr Sleight Report <i>An investigation into the impact of the planned changes to rail services in Wokingham Borough</i> ”.

Contact Tom Beck	Service Customer and Localities
Telephone No Tel: 0118 974 6300	Email tom.beck@wokingham.gov.uk

**An Investigation into the impact of planned changes to rail services
in Wokingham Borough.**

(A paper for the Community and Corporate Overview and Scrutiny Committee.)

Introduction.

Rail services in the Borough are seeing very significant changes which are set to continue over the next 10 years with, inter alia, the opening of the Elizabeth Line later in 2019 and HS2 in 2026 with an interchange station at Old Oak Common on the Great Western Main Line. The Communities and Corporate Overview and Scrutiny Committee has been asked to investigate the likely impact of these changes on Wokingham Borough and to recommend actions to maximise positive impacts and to mitigate any negative impacts.

This paper does not seek to replicate the work of the Commuter Parking Task and Finish Group which reported in December 2015 but will refer to that report where appropriate.

This report will deal with services on the 5 rail lines serving the Borough in the order of the Great Western Main Line, Henley-on-Thames branch, Reading to Waterloo services, the North Downs Line and, finally, the Reading to Basingstoke line.

Great Western Main Line (GWML).

The GWML, serving Twyford Station, is in the process of 'Route Modernisation' with electrification, albeit 2 years late and 4 times over budget, new inter-city and suburban trains, the remodelling of Reading Station and new signalling. Electric services through Twyford commenced in January 2018. There will be progressive timetable changes over the next few years taking account of enhanced acceleration of new trains. Change will, if anything, gather pace with Great Western Railway (GWR) having taken over the operation of Heathrow Express in November 2018, the phased opening of Crossrail (to be titled Elizabeth Line), the now almost certain construction of Western Rail Link to Heathrow, the opening of HS2 in 2026 with a major new interchange station at Old Oak Common (3 miles west of Paddington) and the work of the Old Oak and Park Royal Development Corporation in redeveloping the area at the new station as a major London hub.

Crossrail (to be known as the Elizabeth Line)

What is Crossrail? Crossrail will be a service from Reading and Heathrow in the west through new tunnels and stations under London to Abbey Wood and Shenfield in the east. It will run on existing Network Rail lines from Reading to Royal Oak (just to the west of Paddington) and then run in tunnel with new stations at Paddington, Bond Street, Tottenham Court Road, Farringdon (where it will interchange with Thameslink), Liverpool Street and Whitechapel before dividing. One branch then goes towards Stratford surfacing just beside the London Stadium prior to proceeding on existing Network Rail lines to Shenfield. The other branch

runs on dedicated Crossrail lines and has stations at Canary Wharf, Custom House, Woolwich Arsenal and terminates at Abbey Wood.

The Promoter. Crossrail is promoted by Transport for London (TfL) who will take the revenue risk on the line and have let the concession to operate stations and the trains to MTR Crossrail, the concession specifying in considerable detail the upkeep and quality of the service to be provided of trains and stations. TfL also specified the trains where the interiors are optimised for inner London Metro service with, in the main, longitudinal seating similar to that on London Underground and London Overground.

The Concessionaire. MTR Crossrail is a company of MTR UK who also have a 10% interest in South Western Railway. MTR is simply Mass Transit Railway of Hong Kong. In December 2017 MTR Crossrail took over the management, from GWR, of stations from Taplow to Acton Main Line with the exception of Slough which, with Maidenhead and Twyford, will continue to be managed by GWR.

The Trains. The trains have been constructed by Bombardier in Derby and consist of 9 x 23m carriages each with 3 sets of double doors per side. They are unit trains with driving cabs at each end and are 205m long with wide gangways between cars. They are high capacity trains accommodating up to 1,500 passengers but seating only about 400. (By comparison an 8 car GWR electric train, 50m shorter, seats 446.) They have a high rate of acceleration with a design speed of 90 mph, are air conditioned but have no toilets.

The Opening of Crossrail. Crossrail was to open in 5 stages as follows:

- MTR Crossrail took over the Liverpool Street to Shenfield last year marketed as London Rail with the gradual introduction of new Crossrail trains into service.
- **20th May 2018.** MTR Crossrail took over the Heathrow Connect stopping service running from Paddington Station (High Level) to Heathrow T4. Frequency will increase from 2 trains per hour (tph) to 4 tph although this will depend on the availability of rolling stock.
- **December 2018.** The central London tunnels were to open for service with trains operating from Paddington Low Level to Abbey Wood with the service being officially designated 'Elizabeth Line.'
- **May 2019.** Services from Shenfield were to be linked into the central London tunnels running to Paddington.
- **December 2019.** The Elizabeth Line was to open throughout with trains to and from Reading.

Ticketing. TfL intends to extend Oyster, really pay-as-you-go, to all stations served by the Elizabeth Line.

Twyford Station.

Services. While we have not yet seen even a draft timetable for December 2019, it is understood that there was to be an Elizabeth Line service of 4 tph during peaks extended to Reading with that reverting to 2 tph off peak. This off peak service is expected to be in

addition to 2 tph GWR services giving the same basic 4 tph service off peak (as now) with peak augmentation including the retention of fast services on the main lines. It is expected that GWR services will skip various stops offering shorter journey times leaving Elizabeth Line trains to offer an all stations service.

Travel Patterns.

The Elizabeth Line will transform eastern connections from Paddington, meaning no longer will one have to shuffle onto the Hammersmith & City for a slow stop/start journey to Liverpool Street. The Elizabeth Line and its interchange with Thameslink at Farringdon will result in many passengers choosing new routes for their journeys. There is expected to be a marked preference for GWR services with passengers for London then changing to the Elizabeth Line at Ealing Broadway eastbound. Westbound passengers may choose to change at Paddington to better assure a seat. Passengers using the peak hour fast services will change at Paddington but their onward journeys within London may well be on different routes from those used today.

The opening of Old Oak Common Station in 2026 is expected to see all trains calling there making Old Oak Common the preferred interchange station onto Elizabeth Line eastbound but Paddington will tend to be used westbound in order to board GWR trains at the buffer-stops.

It is likely that the frequency of Elizabeth Line trains serving Old Oak Common will increase on the opening of HS2 by extending all trains from the east that otherwise would turn back at Paddington. Increased frequency of Elizabeth Line services will preclude GWR services on the Relief Lines accessing the terminal platforms at Paddington with the consequence being that Elizabeth Line will then provide all services out to Reading on the Relief Lines.

Western Rail Link to Heathrow.

Western Rail Link to Heathrow will run from a new grade separated junction just to the east of Langley Station through bored tunnels to Terminal 5 at Heathrow. The business case for the link is based on the existing 2 runway airport. But the aim of having 50% of passengers by 2030 travelling to the airport by public transport after construction of the new NW runway only strengthens the case for the link. It is not yet funded although this is expected to be resolved with a 'fair and reasonable' contribution from Heathrow Airport Ltd. An application for a DCO is anticipated to be submitted this summer. The Heathrow Express depot was to be re-located at this new junction (adding to the complexity and cost) but the agreement to transfer the operation of Heathrow Express to GWR from November 2018 has obviated the need for this new depot.

Western Rail Link is designed to provide rail connections from Bristol, South Wales and Oxford without having to go via Paddington. Services are planned to be 4 tph running from Terminal 5 to Reading calling at Slough and, alternately, at Maidenhead or Twyford giving Twyford a service of 2 tph to Terminal 5 and an additional 2 tph to Reading – if that station call is realised. Wokingham Borough Council, in its response to DfT's Consultation on the next GW franchise, has asked for these services to be non-premium, run by GWR and to be extended through

Reading alternately to Newbury and Basingstoke so improving connectivity from Twyford, make better use of platform capacity in Reading by through running and offer connections at Basingstoke to provide Hampshire with as service to Heathrow in advance of any Southern rail link.

Old Oak and Park Royal Development Corporation. (OPDC) The OPDC was established in April 2015 to redevelop the largest regeneration site in London based on the interchange station between HS2, the GWML and the Elizabeth Line. It is planned to build 25,500 new homes on the site and provide some 65,000 jobs that will make it a destination in its own right from Wokingham Borough with travel from Twyford Station.

HS2 Phase 1. The first phase of HS2 running from London Euston via Old Oak Common to Birmingham, with a link to the West Coast Main Line, is due to open in 2026.

Demand for Travel from Twyford Station.

GWR, in its bid to the Thames Valley Berkshire LEP Growth Fund, confirms there is suppressed demand for travel from Twyford because of the constrained access and insufficient car parking at the station. Indeed commuter parking at Twyford was the primary reason for the Task and Finish Group to be established and as its December 2015 report described in detail, which will not be repeated here, “The problems at Twyford are manifold.” Yet for large areas of Wokingham Borough and Bracknell Forest, Twyford will offer the fastest journeys into Central London and other destinations following the opening of the Elizabeth Line.

Another factor to encourage travel from Twyford is the peak fares and car parking charges that are £27.80 and £6.10 (if paid for by telephone) respectively or £33.90 per day. Yet the fares and car parking charges at Reading, only 5 miles distant, are £47.70 and £23 respectively, over £70 (all 2018 prices), a significant lead to pay for a greater frequency (and operating hours) of fast services.

GWR considers that patronage from Twyford would double in the next 10 years if access to the station was unconstrained.

Impact on Wokingham Borough.

This additional demand will be generated by:

- **The Pull Factors.** The significant enhancements in services, the journey times compared to the Reading – Waterloo line, the new services to Heathrow, the development at Old Oak and Park Royal and the differential in pricing for travel from Reading compared with Twyford.
- **The Push Factors.** Primarily the additional housing planned for Wokingham Borough and Bracknell Forest and the relative ease of travel to Twyford from the south making it the station of choice (if unconstrained) for travel to London from large parts of Wokingham, Woodley, Binfield, Winnersh, Charvil, Sonning and even Arborfield Green.

Constraints. There are many constraints at Twyford, listed in detail in the Commuter Parking Report, which include the congestion at Twyford crossroads and the resulting air quality issues there.

Access and Parking. The Committee may wish to consider the Borough's plans for enhancing access including the provision of bus links and the interface, if any, with the allotments land at Twyford and the number of 'unconstrained' car parking spaces required and where and how that could be provided.

The impact on Wokingham Borough of train service changes on the GWML will be to significantly boost the demand for travel using Twyford Station as a railhead. Enabling that demand to be unconstrained will:

- Provide access to employment opportunities in the Thames Valley and London.
- Provide access to labour supply for the Thames Valley and London.
- Deliver a reduction in congestion on the local and strategic road network.
- Enable planned housing growth.
- Deliver infrastructure between towns.
- Provide access to Heathrow.
- Provide access to London.

The Henley-on-Thames Branch.

2017 saw the train service frequency increased from roughly 3 trains every 2 hours to a 2 tph service but this was coupled with the withdrawal of the through trains from Henley to Paddington (there were 2 up and 3 down services). Initially this reduced Wargrave, by far our least busiest station, to an hourly service but stops on all but a few services were introduced during the year.

The branch is just under 5 miles long and the journey time is 12 minutes therefore maintaining the 2 tph service gives a turnround time of 3 minutes. A regular 2 tph service is logical as the stopping service on the GWML was on a 4 tph regular interval basis, but it does mean that punctuality is essential if connections are to be made. The brief dwell time at the terminal stations precludes branch trains being held for late running GWML trains and the thick end of half an hour waiting at Twyford illustrates the inadequacy of the public facilities there.

Future Plans. The GW Route Modernisation included electrification of the branch but after the debacle of the GW electrification programme this was deferred by the Hendy Review into Control Period 6 (the 5 years from April 2019) and is, as yet, unfunded. The rationale of electrifying the branch is to eliminate a 'diesel island' and the better acceleration of an electric unit would help the resilience of the timetable.

Aspirations. Both Henley Town Council and the (very active) Henley Branch User Group requested the re-instatement of through services in their responses to DfT's Consultation on the GW Franchise. Wokingham Borough Council took what is suggested was the pragmatic view that punctuality of services ensuring robust connections was the key. The through services meant that the branch train was 'captive' in the bay platform at Twyford for 30

minutes at peak times while the through train occupied the branch. Through services would probably require re-modelling of the junction in Twyford Station, the re-instatement of the passing loop at Shiplake and associated signalling, all highly unlikely to be justified financially.

The Impact. The impact is to reduce the attraction of using Wargrave Station with its limited but free parking because of the real or perceived uncertainty of the connections, particularly in the down direction. This, in turn, adds pressure on the Twyford crossroads and on the inadequate car parking at Twyford Station. There is also the problem of ticket purchase during the peaks as there is no booking office or Ticket Vending Machine at Wargrave and the conductor may have time to sell about 5 tickets before the train arrives at Twyford where passengers without tickets make a dash for the ticket windows if time allows. The introduction of Pay as you Go when the Elizabeth Line opens should ease ticket purchase at Twyford but not at Wargrave.

The Reading to Waterloo Service.

The Wessex Capacity Upgrade, developed by the previous franchisee, South West Trains in partnership with Network Rail, was being completed by South Western Railway and Network Rail prior to the revised December 2018 timetable which should have delivered a 4 tph service on the Reading to Waterloo service.

The Wessex Capacity Upgrade will deliver increased capacity into Waterloo, the UK's busiest station in terms of passenger throughput. Work at Waterloo will bring the former International platforms into full domestic use and has extended the main suburban platforms on the south side for 10 car trains. South West Trains had brought additional trains into service and their rolling stock plan introduced 10 car trains to the Reading line and, while these trains increase capacity, there are few, if any, more seats than in an 8 car train. The seating is arranged 2+2 rather than 3+2 with the additional standing room increasing capacity.

These 10 car trains are to be replaced by December 2020 with new Class 701 trains being constructed by Bombardier in Derby. They will be unit trains with only 2 driving cabs walk through gangways, 2+2 seating, be air conditioned, have wi-fi and charging points and, unlike the Elizabeth Line trains, have toilets. These new trains are in fact variants of the Class 345s for the Elizabeth Line.

Complementing the rolling stock plan has been the Reading remodelling giving 3 x 12 car platforms for services to Wokingham, platforms have also been extended at a number of stations (Wokingham has now 2 x 12 car platforms) and the traction power supply has been upgraded. Platforms at Earley, Winnersh Triangle and Winnersh have not been extended with Selective Door Opening (SDO) in use on 10 car trains – doors on the rear 2 cars not opening.

One impact of having longer trains is longer walks for passengers travelling from Reading. With exits all at the south end of our 4 stations on this line, the cumulative additional distance to be walked to the Wokingham exit with 10 car trains is about 80m, making a contribution to Public Health.

The new franchise has a commitment to deliver a 4 trains per hour service and it had been planned to provide this in the December 2018 timetable change. This had been the subject

to public consultation and a number of changes have been proposed, with the new timetable yet to be formally agreed by Department for Transport (DfT) and Network Rail. Following problems with the introduction of the Thameslink timetable in May 2018, the Department for Transport instructed South Western Railway to postpone their planned changes. This major timetable rewrite is the first of two such exercises with another major timetable revision planned for December 2020 to take account of the new fleet of trains introduced into service by then. The impacts will be economic, which will be beneficial, but the interface with our 4 level crossings that we currently have in Wokingham town will be detrimental. The service enhancements to Reading and the interface with the Barkham Road level crossing also include service enhancements on the North Downs Line and these will be discussed with the North Downs Line.

Economic Impacts. In 2013 the Thames Valley Berkshire LEP together with Bracknell Forest, Reading and Wokingham Borough Councils commissioned a high level Economic Impact Study into services on the Waterloo to Reading line from JMP Consultants (now part of the Systra Consultancy.) This study reported in March 2014 having examined a number of scenarios and concluded that with a 15% reduction in journey time (a reduction of about 8 minutes) and a 4 trains per hour service there would be potential LEP annual benefits of about £60m representing around 2% of annual GVA. Journey time reductions should be delivered in the December 2020 timetable as that is expected to reduce station dwell times in line with DfT's specification. Even though the headline journey time may be little changed in the interim 2018 timetable, the greater frequency of service means less waiting time for a train and therefore the 'generalised journey time' is reduced.

Level Crossings. As Barkham Road level crossing is being discussed later, only the Smith's Farm User Worked Crossing (UWC), Star Lane LC on Easthampstead Road and Waterloo LC on Waterloo Road are considered here. Waterloo LC has to close when the Eastern Gateway roadbridge is opened, expected to be spring 2020. But there are no plans for the closure of the UWC or Star Lane LC.

Star Lane Level Crossing. This crossing is protected by signalling so has to be proved down before the signals can be cleared. In the London direction this means that the barriers are down prior to the starting signal at Wokingham Station being cleared. Therefore the closure times at Star Lane (Easthampstead Road) are extended, resulting in long tailbacks of cars at peak periods and in drivers deliberately avoiding the level crossing so increasing congestion elsewhere, for example on Finchampstead Road. Currently the basic train service of 2 tph results in 4 crossing closures per hour: the draft December 2018 increased the service to 4 tph which would result in 8 separate crossing closures. The draft timetable suggested that 2 train pairs each hour would more or less cross at Star Lane and while that may reduce the number of separate closures, 2 of them may be extended with "second train coming" adding to the frustration of road users. When the SDR is opened, car drivers will have the choice of using the SDR rather than wait for the barriers. But this choice will not be available to schoolchildren trying to reach St Crispins, Holme Grange, St Theresa's or the new primary school to be built on Wood's Farm. A pedestrian 'crossing' of the railway is therefore essential prior to house occupation in the SDL south of the railway.

Smith's Farm UWC. This UWC gives access from Gypsy Lane to 2 houses south of the Wokingham to Bracknell railway and a single person making a journey by car has to cross this double track, 3rd rail electrified railway on a curve with restricted visibility no less than 5 times – for a single journey! Network Rail is required to assess the risk and imposed a long standing Temporary Speed Restriction (TSR) of 30 mph for about a mile from Wokingham Junction to about Easthampstead Road where the line speed was 60 mph. Therefore the consequence was that trains took a minute longer to reach Star Lane resulting in longer delays on Easthampstead Road, more frustration for motorists and, on other roads elsewhere, increased demand and congestion. Alternative access to the Smith's Farm houses (also known as Knowle Farm) may be available from the SDR once that is constructed but 2021 looks the best estimate for that road to open. Network Rail wishes to close this crossing, examined alternative access and offered to purchase the properties but the 2 householders held out for mega-payments. In assessing the risk of the proposed 4 tph service, Network Rail may not agree the proposed service because of increased risk at this UWC and the difficulty of mitigating that risk. It is suggested that Wokingham Borough Council could consider taking action to get the crossing closed. The arguments for that are:

- **Duty of Care.** If and when someone is killed or injured on this crossing then the probability is that it will be one of our residents.
- **Economic.** Following the JMP Consultants study, it should be possible to calculate the loss of GVA for an additional one minute in journey time for some 3m passengers per year.
- **Congestion.** The extended closure time because of the UWC at Star lane adds to the problems of congestion on Easthampstead Road and elsewhere in the Borough.
- **Risk.** The assessment of risk may result in Network Rail not agreeing the 4 tph service.

It should be noted that Network Rail has now lifted the TSR restoring line speed by the re-introduction of 'whistle boards' (actually a round sign with a **W**) with train drivers now sounding their horns from 0600 until midnight.

The North Downs Line.

The North Downs Line running from Reading to Gatwick Airport is currently a rather Cinderella service operated by GWR. The line is unusual in being electrified for 3 stretches, at either end and roughly in the middle, on the 3rd rail system but separated by 2 non-electrified stretches. It has been agreed that, if funding can be identified, electrification would be completed using the 3rd rail system.

The basic service is currently an hourly semi-fast from Reading to Gatwick Airport and an hourly stopper from Reading to Redhill with considerable changes at peak times. GWR has had an unrealised franchise commitment to introduce a 2nd service to Gatwick each hour since 2006 but that has been frustrated by infrastructure shortfalls (platform capacity at Gatwick Airport and Redhill) that has now been rectified and this service was to run from December 2017 only to again be frustrated by Network Rail because of increased risk at open level

crossings between Guildford and Reigate. GWR hope to agree mitigation methods with Network Rail to allow the second Gatwick some time during 2019.

In 2016 GWR announced their 'Vision' for the line that would deliver:

- An electrified service.
- Sub 1 hour journey time between Reading and Gatwick.
- A 2 tph stopping service between Reading and Guildford.
- A 1 tph service between Guildford and London Victoria via Redhill.
- A 24 hour express service.
- 2 tph between Gatwick and Oxford (or beyond.)
- Improved performance.
- Sufficient supporting infrastructure (such as an expanded car park at Crowthorne) to meet the demand generated by the service improvements.

The target date for the full vision was 2024.

Earlier this year DfT consulted on the award of another Direct Award Franchise to GWR to which Wokingham Borough Council submitted a comprehensive response asking, inter alia, for a 2 tph service at Crowthorne (the Reading to Guildford service) and to include a stop at Winnersh Triangle to expand the stations with a direct service to that station to provide an alternative to car use and contribute to reducing congestion. We also requested the extension of trains from Gatwick Airport through Reading to Oxford (or beyond) to increase connectivity from Wokingham.

GWR announced early in April that they are procuring tri-mode 4 car trains (diesel, 750Vdc and 25kVac) to replace the 3 car Diesel Turbo fleet so that these trains can be re-deployed to the West Country. As the tri-mode trains are conversions of existing rolling stock, they are expected to be introduced in the latter half of 2019. These tri-mode trains will be capable of operating from Gatwick to Oxford albeit with somewhat frequent changes of the power source.

Wokingham to Reading. The cumulative service from Wokingham to Reading in December 2018 is therefore planned to increase to 7 tph, with 2 being stoppers at Winnersh etc taking 14 minutes for the journey with the other 5 being non-stop in 9 minutes with the possibility that this will increase to 8 tph with the new GWR franchise in April 2020.

Impacts. The impacts of these changes will be twofold: an attractive frequent service with the downside being the additional closure times of the Barkham Road level crossing. In more detail the effects will be:

- A service of 7 tph providing a fast, frequent service throughout the day to the heart of Reading with Platforms 4, 5 and 6 being convenient for an exit towards Broad Street and with an adult peak fare of £4.70 (£4.60 after 0900), coupled with the adjacent bus interchange on the station approach will offer an unbeatable service in terms of cost and journey time. But it will add to the pressure on the Reading platform at Wokingham Station which is minimum width where it is busiest and is, to all intents

and purposes, totally devoid of shelter. The provision of platform awnings is to protect passengers from the elements and to encourage the dispersal of passengers on the platform so that all train doors are used to minimise station dwell times.

- Depending on the timetable operating there may be 14 separate train movements over the Barkham Road level crossing leading to an extension of the closure time to road traffic. To put this into perspective, there are currently 12 trains using this crossing now between 1700 and 1759, therefore the addition of another 2 is not, in itself, excessive. But the 14 trains per hour will operate throughout the day rather than just in a single hour. Currently there are 4 train pairs, many scheduled to roughly cross at Wokingham so that often one closure of the barriers serves 2 trains. With the additional road traffic expected to use Barkham Road following the development at Arborfield Green it would appear prudent to consider alternative routes that could allow the complete closure of this level crossing.
- Were the level crossing to be considered for complete closure (which would greatly assist traffic in Wellington Road) then the provision of step free access from Barkham Road to Wokingham town centre will need to be considered. Going through the station (using the lifts on the station footbridge) will not be an option as South Western Railway is to install ticket barriers. This may add to the case for developing a step free crossing at the Tan House crossing bridges.

The Reading to Basingstoke Line.

For completeness, mention of the Reading to Basingstoke line is made which currently traverses the Borough for about 1,000m with, currently, no station. This is planned to change with the proposed development at Grazeley where a new railway station forms a central part of the future transport planning. GWR wrote to Wokingham Borough Council in on 2nd August 2017 giving their support for a new station at Grazeley. This 'letter of support' is an essential step in the long process to get agreement to open a new station.

However, this is a very busy railway with significant capacity issues as it forms part of the Cross Country network which plans up to 3 non-stop services per hour, it is an essential link for deep sea intermodal container traffic from the Port of Southampton to the Midlands with up to 4 freight trains per hour which may, in the future, be 775m long running at up to 75mph operating on a 24 hour basis and a stopping service of 2 tph where a stopping service consumes line capacity on a mixed traffic line.

Network Rail's plans for Control Period 5 (to March 2019) included overhead electrification as part of the GW Electrification Programme and, although this was deferred into Control Period 6 by the Hendy Review, is included in the Wessex Route Strategic Business Plan for CP6 although no funding has yet been identified. It is understood that one justification is access to an HV feed near Bramley which makes electrification from Southcote Junction (on the West of England line) to Basingstoke likely.

Reading Green Park Station, after many false dawns, is now under construction to open in December 2019. One problem was that the current stopping service is operated by 2 diesel trains that take 25 minutes for a journey. The additional call at Reading Green Park removes

resilience from the timetable (if a stopping train is late, it can never catch up again) and consequently DfT has agreed funding for another train simply to maintain a robust 2 tph service.

The other significant limitation is the short platforms at stations including the bay platforms at Reading and Basingstoke which precludes the operation of 8 car trains and yet, with Reading Green Park and probably Grazeley to come, additional passenger capacity on trains will be required.

GWR announced in early April the acquisition of tri-mode converted electric trains and these 4 car trains are expected to take over the services in late 2019.

Finally, the Borough's input to DfT's Consultation on the next GW Franchise has asked for Western Rail Link trains to be projected through Reading to Basingstoke and to Newbury to enhance connectivity from Twyford and Grazeley as well as providing connections from Hampshire to Heathrow in advance of any Southern Rail Link ever being constructed.

Summary.

With the possible exception of the Henley Branch, all our other 4 lines will see significant changes to rail services over the next few years with the most significant changes taking place on the GWML with the opening of the Elizabeth Line, Western Rail Link to Heathrow and HS2 leading to major impact on Twyford. However, major change will also take place on the Reading to Wokingham corridor through service changes on both the Waterloo line and the North Downs Line which will have major impacts on Wokingham town.

The changes to our rail services have the potential to drive economic growth and to help reduce congestion on our roads if access and parking at stations allows them to achieve their full potential. This applies particularly to Twyford on which the Prime Minister has written that "Improving car parking facilities at Twyford is vital..."

The planned combined train service from Wokingham to Reading of 7 tph with a journey time of 9 minutes for the 5 fast services or 14 minutes for the 2 stopping services will offer a service that in journey times, frequency, comfort and destinations probably makes the suggested service from the proposed Coppid Beech Park & Ride to Reading Station a significant commercial risk.

The paper has said little about Winnersh Triangle Station apart from our aspiration for North Downs stopping services to call there. This is despite the intention to deck the car park, improve the public realm of the station and re-name it Winnersh Parkway.

The interface with level crossings in Wokingham is likely to cause severe difficulties and this need to be considered and addressed as matter of some urgency.

DWS

16th December 2018

TITLE	Coppid Beech Park and Ride
FOR CONSIDERATION BY	Community and Corporate Overview and Scrutiny Committee on 11 February 2019
WARD	Norreys;
DIRECTOR	Director of Locality and Customer Services – Sarah Hollamby

OUTCOME / BENEFITS TO THE COMMUNITY

The Coppid Beech Park and Ride is located on land west of the A329(M) and allocated within the North Wokingham Strategic Development Location (NWSDL) Keephatch Beech development. The scheme will provide around 297 car parking spaces and provide an alternative travel choice along the A329 corridor (in particular to Wokingham and Bracknell) to reduce the congestion experienced along the corridor during peak hours. There will also be potential to provide a shuttle bus from the park and ride site to Twyford Station, to provide a connection to planned enhanced rail services from that Station.

The scheme aligns with our adopted Core Strategy 2010, our adopted NWSDL Masterplan 2011, national, regional and local policies and aspirations to support economic growth by reducing congestion on the transport network and providing additional public transport capacity, whilst also enhancing urban connectivity and promoting sustainable travel, which seeks to improve air quality for local residents

RECOMMENDATION

It is recommended that the Committee note the proposals and next steps.

SUMMARY OF REPORT

This report sets out the progress to date on the Coppid Beech Park and Ride scheme, and summarises the Strategic Outline Business Case (SOBC) which has been prepared which sets out the economic appraisal of the Coppid Beech Park and Ride.

The SOBC sets out economics based on two funding scenarios both of which show a positive Benefit to Cost Ratio (BCR) score, demonstrating good value for money. Benefits include switching journeys from car to Park and Ride and contributing to a sustainable parking strategy for Wokingham Town. As the Coppid Beech Park and Ride has been identified as a key transport measure for Wokingham, it is recommended that the business case scheme continues to be developed.

Background

The Coppid Beech Park and Ride scheme has been identified by WBC as a measure to help reduce congestion on the A329 corridor.

Policy CP10 (Improvements to the Strategic Transport Network) in the adopted Wokingham Borough Local Development Framework Core Strategy Development Plan Document (January 2010) supports the provision of a park and ride near Coppid Beech roundabout on the A329 in Wokingham. Improvements to the transport capacity along the A321 and A329 including the provision of a new route from the A329 (near the M4 overbridge) to the vicinity of the Coppid Beech roundabout are also proposed under policy CP20 (North Wokingham Strategic Development Location).

In addition, within the Wokingham Local Transport Plan 3 (2011-2026) Policy PT8 (Park and Ride) states that “The Council will promote the use of Park & Ride services and will support the future introduction of new sites in the Borough where feasible”. This includes at the location near to Coppid Beech roundabout on the A329.

The objectives of the scheme are:

- To support the forecast housing growth of 13,000 units by 2026 in Wokingham Borough;
- To reduce congestion on the A329 corridor;
- To encourage car drivers to access Wokingham, Reading and Bracknell town centres using public transport; and
- To support other Park and Rides.

Outline planning permission (O/2014/24305 refers) was granted in November 2014, which reserves land for the provision of a Park and Ride at the area of Keephatch Beech Land, London Road.

Analysis of Issues

Strategic Outline Business Case

To support the provision of the Coppid Beech Park & Ride as stated in the Core Strategy and Local Transport Plan, a Strategic Outline Business Case was prepared in November 2017 (see Appendix A). More detailed work on the layout suggests that the number of spaces at the Park and Ride will be:

- 297 parking spaces (including disabled spaces and provision for electric car charging);
- Spaces for motorcycle and cycle parking and
- 2 park and ride bus stops, with bus shelter facilities.

The Strategic Outline Business Case sets out the economic appraisal of the Coppid Beech Park and Ride, and the scheme value for money assessment has been prepared in accordance with the DfT’s ‘Value for money assessment: advice note for local transport decision makers’.

Initially it is expected for the facility to be served by Reading Buses' existing X4 Lion service between Bracknell, Wokingham and Reading. It may also be possible to extend the Leopard 3 service, which currently terminates in Wokingham Town Centre, to provide additional journeys between Coppid Beech Park and Ride and Wokingham Town Centre. Together this would offer 3 to 4 journeys an hour between the Park and Ride and Wokingham Town Centre. In the future there is potential for the site to be served by a shuttle bus operating from the Coppid Beech Park and Ride to Twyford Railway Station to coincide with the introduction of the new rail services including the introduction of Elizabeth Line (Crossrail) services.

The Strategic Outline Business Case provides a more detailed account of the case for the Park and Ride Site, however there are some items which may be of particular interest and these are explained below:

The scheme capital cost has been estimated to be approximately £2 million at 2010 market prices (£2.5 million in current prices), including a 44% Optimism Bias. Two scenarios have been considered to assess the value for money of the scheme, based on the whether the scheme will be fully or part funded by the public sector, as currently the split is not known. Scenario 1 assumes the scheme will be 100% funded by the government, whilst Scenario 2 assumes funding being divided between 50% government funded and 50% developer contributions.

The Benefit to Cost Ratio (BCR) is between 1.96 and 2.92. The Department for Transport (DfT) guidance considers this to be medium to high value for money.

Other potential uses for the Park and Ride, not quantified at this stage, include allowing parking for "car sharers" to reduce the number of single occupancy vehicles on the network. In the Long Term, there will also be scope for an Express Bus Service or Mass Transit to operate between Coppid Beech Park & Ride, Winnersh Triangle, Thames Valley Park Park & Ride and Reading Town Centre along the A329(M)/A3290, as outlined in the WBC Park and Ride policy. The benefits arising from this proposal have not been included in the Business Case at this stage as they are reliant on another scheme proceeding, namely the proposed East Reading MRT Link (a dedicated public transport link between central Reading and Thames Valley Park which at this time has been refused planning permission at Wokingham Borough Council Planning Committee (12 December 2018)).

The BCR has been calculated without any consideration of a potential link to Reading Town Centre, particularly the proposed East Reading MRT Link. If this link was to be implemented sometime in the future, this would further increase the BCR, but the project is not dependent on this to meet the current BCR.

Without the implementation of the proposed Coppid Beech Park and Ride scheme congestion along the A329 will remain high at peak periods. Congestion will also intensify in the future as a result of the delivery of 13,000 new homes in Wokingham borough and many dwellings in adjacent authorities. The provision of the Park and Ride will provide people with a viable alternative to using the car to access Bracknell and Wokingham.

SOBC Next Steps

The SOBC demonstrates that the project provides value for money and remains a viable scheme at this stage without need for the East Reading MRT Link or other potential future enhancements. It is therefore proposed that the Business Case for the scheme is developed further to the next stage.

We now have an opportunity to get funding (up to 80%) from the Local Growth Deal (TVBLEP). A Full business case required, including detailed design. Capital programme (MTFP) includes budget in 2019/20 to undertake these tasks with construction & further budget identified for 2020/21.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	TBC	S106	
Next Financial Year (Year 2)	TBC	S106	
Following Financial Year (Year 3)	TBC	S106	

Other financial information relevant to the Recommendation/Decision

N/A

Cross-Council Implications

The Coppid Beech Park & Ride forms part of the WBC Core Strategy and Local Transport Plan ensuring priorities in the promotion of sustainable transport and reducing congestion, enabling development to be facilitated without detriment to the highway network.

Reasons for considering the report in Part 2

N/A

List of Background Papers

Coppid Beech Park and Ride Strategic Outline Business Case (provided as Appendix A)

Contact Tom Beck	Service Customer and Localities
Telephone No Tel: 0118 974 6300	Email tom.beck@wokingham.gov.uk

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Wokingham Borough Council

COPPID BEECH PARK AND RIDE

Strategic Outline Business Case



Wokingham Borough **Council**

COPPID BEECH PARK AND RIDE

Strategic Outline Business Case

TYPE OF DOCUMENT (VERSION) PUBLIC

PROJECT NO. 70035985

OUR REF. NO. SR/LBB

DATE: NOVEMBER 2017

WSP
Mountbatten House
Basing View
Basingstoke, Hampshire
RG21 4HJ
Phone: +44 1256 318 800
Fax: +44 1256318700
WSP.com



QUALITY CONTROL

Issue/revision	First issue	Revision 1	Revision 2	Revision 3
Remarks	Final			
Date	22 November 2017			
Prepared by	Lucy Burton-Brown			
Signature				
Checked by	Tom Beck			
Signature				
Authorised by	Stephen Reed			
Signature				
Project number	70035985			
Report number	1			
File reference				

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EXECUTIVE SUMMARY

WSP have been appointed by Wokingham Borough Council (WBC) to provide transport consultancy services to develop a Strategic Outline Business Case (SOBC) for a proposed Park and Ride at Coppid Beech. The Park and Ride is proposed towards the eastern end of the A329 corridor at Coppid Beech Interchange, and the proposed site has been allocated to Park and Ride provision in the North Wokingham Keephatch Beech development masterplan.

Initially it is expected for the facility to be served by Reading Buses' existing X4 Lion service between Bracknell, Wokingham and Reading. It may also be possible to extend the Leopard 3 service, which currently terminates in Wokingham Town Centre, to provide additional journeys between Coppid Beech Park and Ride and Wokingham Town Centre. There is also potential for the site to be served by a shuttle bus service operating from the Park and Ride to Twyford railway station to coincide with the introduction of new rail services, including the Elizabeth Line service (Crossrail).

It is proposed that the Coppid Beech Park and Ride scheme will provide an alternative travel choice along the A329 corridor (Wokingham Town Centre – Bracknell Town Centre) to assist in reducing the congestion experienced along the corridor during peak hours. The scheme aligns with national, regional and local policies and aspirations to support economic growth by reducing congestion on the transport network and providing additional public transport capacity. The Coppid Beech Park and Ride scheme also enhances urban connectivity and promotes sustainable travel, which further strengthens its strategic fit.

The Wokingham Strategic Transport Model (WSTM) has been used to understand travel patterns in the area and calculate the number of trips which have the potential to switch to Park and Ride. The mode share for travel to Wokingham and Bracknell town centres and Twyford railway station has been calculated using a Logit model which compares the relative attractiveness of car and Park and Ride. The forecast demand for the opening year of the Park and Ride has been calculated as 186 trips a day to Wokingham Town Centre, 85 trips a day to Bracknell Town Centre and 50 trips a day to Twyford railway station, giving a total demand of 321 Park and Ride trips a day.

The scheme benefits have been assessed by calculating Marginal External Cost (MEC) Benefits, an industry standard tool for undertaking economic appraisal in accordance with guidelines published in WebTAG Unit A1 (November 2014). This includes an assessment of the benefits to noise, air quality and accidents.

The scheme capital cost has been estimated to be approximately £2 million at 2010 market prices (£2.5 million in current prices), including a 44% Optimum Bias. Two scenarios have been considered to assess the value for money of the scheme, with differing proportions of developer contributions. Scenario 1 assumes the scheme will be fully funded by the government, whilst Scenario 2 assumes approximately £1 million of developer contributions.

For Scenario 1 the Present Value Benefits (PVB) is forecast to be approximately £3,910,000, leading to a Benefit to Cost Ratio (BCR) of 1.96. Department for Transport (DfT) guidance considers this to be medium value for money. For Scenario 2 the PVB, including developer contributions as a disbenefit, is forecast to be approximately £2,910,000, leading to a BCR of 2.92. This is considered high value for money.

In addition to the Strategic and Economic Cases, initial consideration has been given to the Financial, Commercial and Management Cases. Following this work it is recommended that the Business Case for the Coppid Beech Park and Ride scheme is developed further to the next stage.

2 SETTING THE SCENE

2.1 INTRODUCTION

WSP have been appointed by Wokingham Borough Council (WBC) to provide transport consultancy services to prepare for commencing the planning application for a proposed Park and Ride at Coppid Beech, and developing a Strategic Outline Business Case (SOBC) for the scheme.

2.2 SCHEME DESCRIPTION

Coppid Beech Park and Ride is proposed towards the eastern end of the A329 corridor at Coppid Beech Interchange. The proposed site is a square-shaped section of land west of the A329(M) and north of the A329 London Road. The site location is shown on **Figure 1** below, and the proposed site layout is shown in **Appendix A**. The Park and Ride scheme comprises:

- ▮ 297 parking spaces (including 6 disabled spaces);
- ▮ Two Park and Ride bus stops for 12m long single decker buses;
- ▮ Space for motorcycle and cycle parking; and
- ▮ Bus shelter facilities

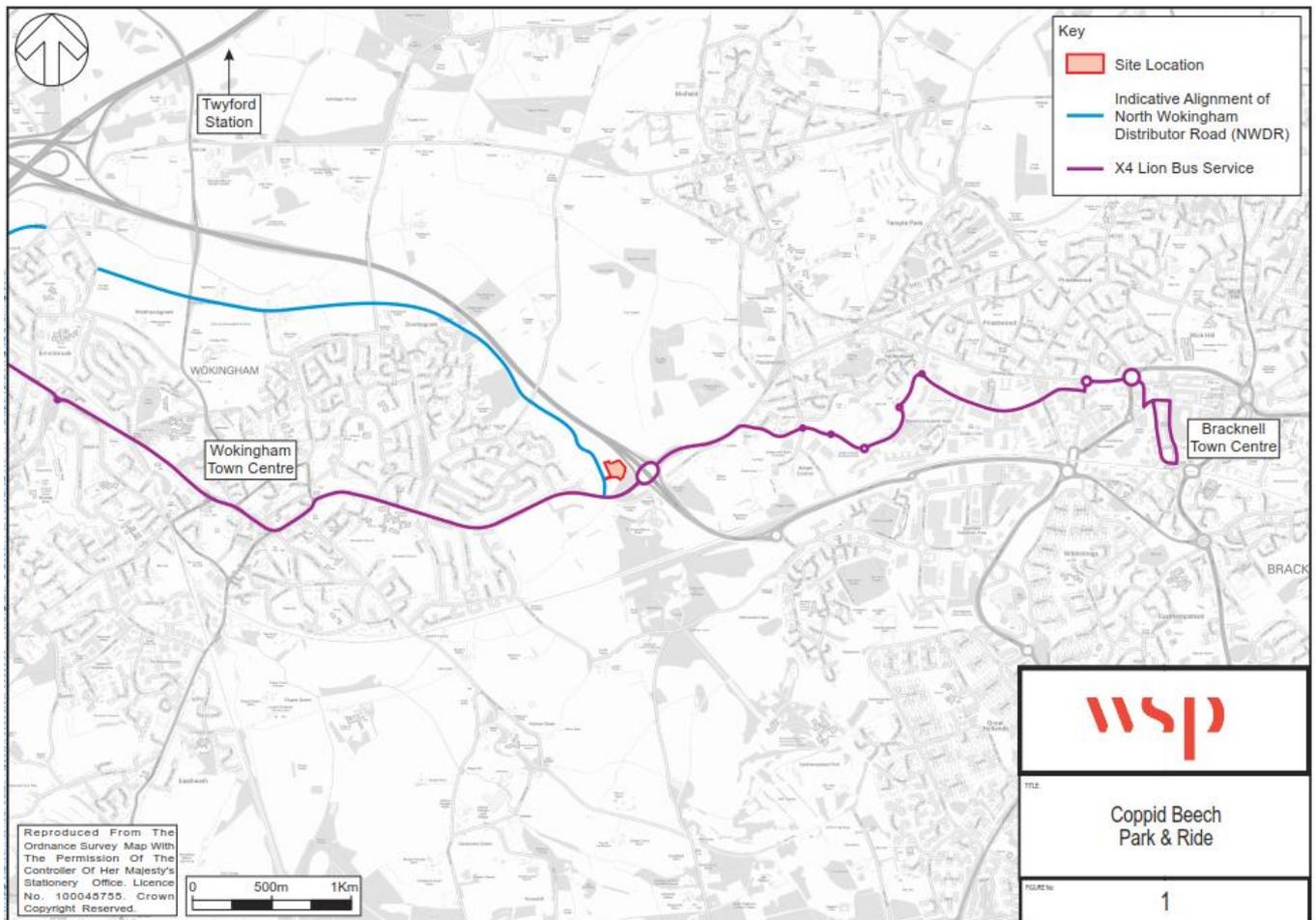


Figure 1 – Coppid Beech Park and Ride Location

- 2.2.1. It is proposed that the Park and Ride will provide an alternative travel choice along the A329 corridor (Wokingham Town Centre – Bracknell Town Centre) to assist in reducing the congestion experienced along the corridor during peak hours.
- 2.2.2. Following discussions with Reading Buses it is expected the facility could be served by Reading Buses' existing X4 Lion service between Bracknell, Wokingham and Reading. It may also be possible to extend the Leopard 3 service, which currently terminates in Wokingham Town Centre, to provide additional journeys between Coppid Beech Park and Ride and Wokingham Town Centre. There is also potential for the site to be served by a shuttle bus service operating from the Park and Ride to Twyford railway station to coincide with the introduction of new rail services, including the Elizabeth Line service (Crossrail).
- 2.2.3. Other potential uses for the Park and Ride, not quantified at this stage, include allowing parking for “car sharers” to reduce the number of single occupancy vehicles on the network. In the Long Term, there will also be scope for an Express Bus Service or Mass Transit to operate between Coppid Beech Park & Ride, Winnersh Triangle, Thames Valley Park Park & Ride and Reading Town Centre, as outlined in the WBC Park and Ride Policy. The benefits arising from this proposal have not been included in the Business Case at this stage as they are reliant on another scheme proceeding, namely the proposed East Reading MRT Link (a dedicated public transport link between central Reading and Thames Valley Park).
- 2.2.4. The proposed Park and Ride site is located to the west of Coppid Beech Roundabout on the A329, approximately 2km east of Wokingham town centre. The A329, which provides access to the A329(M) and junction 10 of the M4, would be accessed via the North Wokingham Distributor Road (NWDR).
- 2.2.5. The proposed site has been allocated to Park and Ride provision in the North Wokingham Keephatch Beech development masterplan, which comprises 300 dwellings.

2.3 AREA DESCRIPTION

EMPLOYMENT ACTIVITY

- 2.3.1. Wokingham is a major employment centre within the south east, comprising the two major business parks of Thames Valley Park and Winnersh Triangle, which are home to large international companies, including Microsoft, Oracle, Jacobs and BG Group.
- 2.3.2. Reading and Bracknell town centres are also key employment destinations, and have a growing number of large companies including HSBC, Barclays, Thames Water and Yell. There have also been large retail improvements in both Town Centres and a redevelopment of Wokingham Town Centre is now ongoing, all of which add employment growth potential.

SOCIO-ECONOMIC CHARACTERISTICS OF STUDY AREA

- 2.3.3. At the time of the 2011 Census, Wokingham, Reading and Bracknell boroughs had populations of 154,380, 155,698 and 113,205 respectively. The socio-economic analysis of the area will be based upon 2011 Census data for Wokingham Borough. Key statistics for the area include:
 - i The borough has the highest level of average car ownership out of all Unitary Authorities in England, with 1.64 cars per household. Certain Middle Super Output Areas (MSOA) in the borough have car ownership levels of 1.98;
 - i Approximately 70% of the borough's population is economically active;
 - i Across the borough, 73% of people travel to work by car, however it is as high as 82% in some MSOAs;
 - i Approximately 20% of people living in Wokingham travel to work in Reading, 64% of which drive to work; and
 - i Approximately 10% of people living in Wokingham travel to work in Bracknell, 87% of which drive to work.

2.4 NEED TO CHANGE

- 2.4.1. Without the implementation of the proposed Coppid Beech Park and Ride scheme congestion along the A329 will remain high at peak periods. Congestion will also intensify in the future as a result of the delivery of 13,000 new homes in Wokingham borough and many dwellings in adjacent authorities.
- 2.4.2. The increased congestion along the A329 corridor could constrain economic growth in the area. It will also lead to further reductions in air quality, and result in a poorer quality of life for local residents.

2.5 BACKGROUND TO BUSINESS CASE

2.5.1. This SOBC is the first step of three phases required to inform the decision making process for major investment. This SOBC sets out the need for intervention (the case for change) and how this will further local and national objectives (the strategic fit). The purpose of the SOBC is to:

- | Define the scope of the project/ programme and its outputs and benefits;
- | Make the case for change;
- | Confirm the strategic fit with the Departmental business plan and wider Government objectives;
- | State the assumptions made;
- | Set out how achievements will be measured;
- | Outline options, including innovative options, to tackle the problem and carry out initial sift of options;
- | Consider and confirm that a robust project governance structure is in place and that the project is affordable;
- | Outline the sequence in which the scheme and benefits will be delivered;
- | Identify and analyse its stakeholders; and
- | Confirm the assurance arrangements.

2.6 STRUCTURE OF DOCUMENT

2.6.1. This document follows the guidance provided in DfT's Business Case Guidance and is set out as follows:

- | Chapter 2: Strategic Case;
- | Chapter 3: Economic Case;
- | Chapter 4: Financial Case;
- | Chapter 5: Commercial Case;
- | Chapter 6: Management Case; and
- | Chapter 7: Conclusion.

3 STRATEGIC CASE

3.1 POLICY CONTEXT FOR SCHEME DELIVERY

3.1.1. Coppid Beech Park and Ride has been identified in a number of local and regional policy documents as a key scheme to be brought forward. This chapter outlines the Strategic Case for Coppid Beech Park and Ride and how the facility fits into current national, regional and local policies and aspirations.

3.2 BUSINESS STRATEGY: NATIONAL TRANSPORT PRIORITIES

3.2.1. The National Planning Policy Framework (NPPF) states that 'plans should protect and exploit opportunities for the use of sustainable transport modes for the movement of goods or people'. The proposed Coppid Beech Park and Ride facility promotes sustainable transport by increasing accessibility between Wokingham, Reading and Bracknell.

3.2.2. The proposed scheme supports sustainable economic development in the area, providing additional public transport capacity to help to 'deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs'.

3.3 BUSINESS STRATEGY: REGIONAL TRANSPORT PRIORITIES THAMES VALLEY BERKSHIRE LEP STRATEGIC ECONOMIC PLAN

3.3.1. The Thames Valley Berkshire (TVB) LEP submitted their Strategic Economic Plan (SEP) in March 2014. It outlines the economic case for the investment in infrastructure, enterprise and employment that is required to support the Thames Valley region's economic growth.

3.3.2. The SEP discusses the significant constraint to growth posed by the congested transport network, and states that in order to achieve the region's full economic potential there is a need for further investment in transport infrastructure and encouragement of sustainable transport networks.

3.3.3. The polycentric nature of TVB's economic geography means that transport connections between towns are critical at a local level. The Coppid Beech Park and Ride provides a public transport alternative for travel between Wokingham, Reading and Bracknell which will enhance urban connectivity and provide alternative travel options than the car for the whole journey into the town centres.

3.4 BUSINESS STRATEGY: LOCAL TRANSPORT PRIORITIES WOKINGHAM BOROUGH CORE STRATEGY

3.4.1. Coppid Beech Park and Ride has been prioritised within WBC's Core Strategy as it will address the need for 'high quality express bus services or mass rapid transit along the A329 corridor'.

3.4.2. It has been noted that the construction of the Coppid Beech Park and Ride would aid any planning obligations for the developers involved in the delivery of the Strategic Development Locations (SDL), in particular North Wokingham (1,500 homes) and South Wokingham (2,500 homes). The developers would be expected to enter a legal agreement to ensure that the surrounding infrastructure and facilities are adequate to support the development and the surrounding area. Coppid Beech Park and Ride would support proposed measures including:

- ┆ Improvements to the quality and frequency of public transport services along any part of the network;
- ┆ High quality express bus service or mass rapid transit along A329; and
- ┆ Measures to improve accessibility by non-car modes along the A321 and A329 corridors.

WOKINGHAM BOROUGH COUNCIL LOCAL TRANSPORT PLAN 3

3.4.3. WBC's Local Transport Plan 3 (LTP3) for the period 2011-2026 has a policy specifically related to Park and Ride facilities, Policy PT8. It states that the 'Council will promote the use of Park and Ride services and will support the future introduction of new sites in the Borough where feasible'. The LTP3 summarises the benefits of Park and Ride facilities as:

- ┆ Enhancing the economic viability of town centres;
- ┆ Reducing congestion; and
- ┆ Promoting sustainable travel.

3.4.4. Policy PT8 also outlines plans to work cross-boundary with Reading Borough and Bracknell Forest Councils to deliver and retain the following Park and Ride facilities:

- i To the west of Coppid Beech Roundabout on the A329 in Wokingham;
- i In the vicinity of the M4 junction 11 (Mere oak);
- i The relocation or retention of the Park and Ride at Winnersh; and
- i A Park and Ride located in TVP to complement the high quality express bus services or mass rapid transit along the A4 or A329 corridors into central Reading.

3.4.5. Park and Rides at Mere oak and Winnersh have since been delivered and are operating successfully. TVP Park and Ride has also received planning approval and detailed design is currently progressing, with a view for construction in 2019.

3.4.6. In addition, Policy SP1 states that the LTP3 will ‘actively support development of suitable major transport projects that are necessary to support the future growth and success of the borough’, including the provision of Coppid Beech Park and Ride.

BRACKNELL FOREST CORE STRATEGY

3.4.7. Bracknell Forest Council’s (BFC) Core Strategy was adopted in February 2008. Whilst the document acknowledges that ‘the local bus network is not well enough developed to provide a strong alternative for public transport to the car’, Policy CS23 makes a commitment to promote alternative modes of travel and enhance connectivity to and from the borough.

BRACKNELL FOREST COUNCIL LOCAL TRANSPORT PLAN 3

3.4.8. Policy TP3 within BFC’s Local Transport Plan 3 (LTP3) aims to improve access to bus services which link local communities, including new developments, with Bracknell Town Centre.

3.5 PROBLEMS IDENTIFIED

3.5.1. The Coppid Beech Park and Ride scheme, has been identified by WBC as a measure to help reduce congestion on the A329 corridor. A reduction in traffic levels at peak times is required.

3.5.2. Furthermore, between now and 2026 Wokingham Borough is set to deliver 13,000 new homes, of which 4,450 are located surrounding the A329 corridor in Winnersh (450 units), North Wokingham (1,500) and South Wokingham (2,500). The Park and Ride will support this growth by providing additional public transport capacity between Wokingham, Reading and Bracknell to accommodate the increased usage, and enhancing urban connectivity.

3.5.3. **Table 1** and **Table 2** below outline the transport challenges in Wokingham and Bracknell Forest respectively, as described in their Local Transport Plans, and how Coppid Beech Park and Ride would help to resolve these issues.

Table 1 - Challenges for Wokingham Borough identified in Wokingham’s LTP3

Challenge Identified	How will Coppid Beech Park and Ride help?
Support economic growth	Coppid Beech Park and Ride will provide improved access to Wokingham, Reading and Bracknell town centres, supporting the employment and commercial land uses in these areas
Tackle climate change	Improved accessibility by public transport will encourage more people to switch from using the private car for trips into Wokingham, Reading and Bracknell town centres and to use the bus instead. This will reduce congestion and emissions
Promote equality of opportunity	This challenge concerns the accessibility and affordability of public transport to access key services and destinations. The Park and Ride

	will improve transport access to Wokingham, Reading and Bracknell town centres which are key employment centres as well as the location of a number of key services
Contribute to better safety, security and health	A reduction in the number of vehicles will reduce the chance of accidents, and improve the local air quality
Improve quality of life and a healthy natural environment	Reduced congestion will lead to reduced driver stress and improved air / noise quality

Table 2 – Challenges for Bracknell Forest identified in Bracknell Forest’s LTP3

Challenge Identified	How will Coppid Beech Park and Ride help?
To reduce delays associated with traffic congestion and improve reliability of journey times	Coppid Beech Park and Ride will provide improved access to Wokingham, Reading and Bracknell town centres, reducing congestion on key road corridors and improving journey times for all users, especially at peak times
To secure necessary transport infrastructure and services to support development	The Park and Ride will provide an alternative method of transport into Wokingham, Reading and Bracknell town centres, supporting the increased demand arising from future developments across all three boroughs and other surrounding local authorities
To encourage and promote accessibility by sustainable modes of transport	The scheme will enhance the existing frequent bus service into Wokingham, Reading and Bracknell town centres, improving public transport accessibility for residents in the along the corridor
To reduce casualties and improve safety on the local transport network	A reduction in the number of vehicles will reduce the chance of accidents, and improve the local air quality

3.6 BACKGROUND OF SUPPORT

3.6.1. Coppid Beech Park and Ride is part of a local commitment to relieve congestion along key road corridors. The scheme is supported by WBC and BFC in their work to deliver cross-boundary solutions to transport issues.

3.7 THE IMPACT OF NOT CHANGING

3.7.1. Without the implementation of the proposed Coppid Beech Park and Ride scheme congestion along the A329 will remain high at peak periods. This will intensify in the future, and WBC’s LTP3 states that without transport network mitigation to support the build out of the SDLs a 22% increase in overall journey times could be experienced.

3.7.2. Specific outcomes of a ‘Do Nothing’ scenario include:

- i The economic future of Wokingham, Reading and Bracknell will not be as competitive for private sector businesses as other boroughs;
- i Increased congestion and noise along the A329 will affect commuting, educational and leisure trips;
- i Increased congestion and noise along the A329 will affect local residents’ quality of life; and
- i There will be further reductions in air quality, including along the sections of the A329 which are designated Air Quality Management Areas (AQMAs) for Wokingham and Reading.

3.8 KEY OBJECTIVES

- 3.8.1. The Park and Ride project will improve public transport access to Wokingham, Reading and Bracknell town centres, reduce congestion along the A329 corridor and support economic growth in the area.
- 3.8.2. Coppid Beech Park and Ride will also support the increased demand arising from the 13,000 new homes set to be delivered in Wokingham Borough between now and 2026, 4,450 of which will surround the A329 corridor in Winnersh (450 units), North Wokingham (1,500) and South Wokingham (2,500).
- 3.8.3. The objectives of the scheme are:
 - i To support the forecast housing growth of 13,000 units by 2026 in Wokingham Borough;
 - i To reduce congestion on the A329 corridor;
 - i To encourage car drivers to access Wokingham, Reading and Bracknell town centres using public transport; and
 - i To support other Park and Rides.

3.9 MEASURES OF SUCCESS

- 3.9.1. Prior to scheme construction, a programme of monitoring will be put in place, which will also include monitoring one and five years following the completion of the scheme. This will include before and after monitoring of:
 - i Traffic congestion and journey times;
 - i Bus patronage; and
 - i Car park demand.
- 3.9.2. Monitoring will also be undertaken against the objectives listed in **Table 1** and **Table 2** above, in particular:
 - i Tackling climate change;
 - i Network efficiency;
 - i public transport accessibility/promoting equality of opportunity; and
 - i Better safety/security/quality of life.
- 3.9.3. The scheme will also be measured against delivery of park and ride provision and supporting future development and economic growth.

3.10 CONSTRAINTS – INITIAL FINDINGS

- 3.10.1. The proposed site has been allocated to Park and Ride provision in the North Wokingham Keephatch Beech development masterplan. The potential constraints and associated mitigation measures of the scheme have therefore already been accounted for in the Keephatch Beech planning application, and will not be addressed in this SOBC.

3.11 INTER-DEPENDENCIES – INITIAL FINDINGS

- 3.11.1. The delivery of the Coppid Beech Park and Ride is dependent on a number of factors, which risk not coming forward and consequently affecting the scheme.
- 3.11.2. Initial findings with respect to scheme risks and risk mitigation are considered in greater detail as part of the Management Case (Chapter 6). The successful delivery of Coppid Beech Park and Ride is dependent on these risks either not arising or being sufficiently mitigated so that the scheme remains unaffected.

3.12 PARTNER ORGANISATIONS AND STAKEHOLDERS – INITIAL FINDINGS

- 3.12.1. The stakeholders comprise the local authorities which will benefit from the Park and Ride scheme and/or those contributing towards funding for the scheme:
 - i Bracknell Forest Council; and
 - i Thames Valley Berkshire Local Enterprise Partnership.
- 3.12.2. Other stakeholders include local businesses in Wokingham and Bracknell and local resident groups.

3.13 OPTIONS APPRAISAL – INITIAL FINDINGS

- 3.13.1. The location considered for the development of the new Park and Ride at land to the west of Coppid Beech Roundabout on the A329 in Wokingham has been identified as a preferred location in WBC's LTP3.

- 3.13.2. The proposed site has been allocated to Park and Ride provision in the North Wokingham Keephatch Beech development masterplan, which comprises 300 dwellings.
- 3.13.3. It is expected the facility could be served by Reading Buses' existing X4 Lion service between Bracknell, Wokingham and Reading. It may also be possible to extend the Leopard 3 service, which currently terminates in Wokingham Town Centre, to provide additional journeys between Coppid Beech Park and Ride and Wokingham Town Centre. There is also potential for the site to be served by a shuttle bus service operating from the Park and Ride to Twyford railway station to coincide with the introduction of new rail services, including the Elizabeth Line service (Crossrail).
- 3.13.4. Two alternative options to a Park and Ride at Coppid Beech have been considered to reduce congestion on the A329 corridor and enhance urban connectivity between Wokingham, Reading and Bracknell, including:
- i Re-routing the existing X4 Lion service; and
 - i Park and Ride at Jennett's Park in south-west Bracknell.
- 3.13.5. Improving the existing X4 Lion service would increase bus mode share for the residential population within walking distance of a bus stop on the A329 corridor, however it is unlikely to affect the travel behaviour of the wider populations in Wokingham, Reading and Bracknell. If the service was diverted through residential areas to improve the accessibility of the service, the increased travel time would make the route less attractive. The Coppid Beech Park and Ride proposal is not intended to replace any future improvements to the existing X4 Lion service and instead is part of wider strategy to improve access to sustainable modes.
- 3.13.6. Provision of a Park and Ride at Jennett's Park in south-west Bracknell has been considered in the past as a way of reducing congestion on the A329 corridor and enhancing urban connectivity, previous studies found that a stand-alone Park and Ride service at this location was not cost effective. Recent discussions with BFC have confirmed that there are no current plans to take forward this option.

4 ECONOMIC CASE

4.1 INTRODUCTION

- 4.1.1. The Economic Case describes the assessment of the benefits that the scheme is forecast to deliver to an area. The scheme benefits have been assessed by calculating Marginal External Cost (MEC) Benefits. This is an industry standard tool for undertaking economic appraisal in accordance with guidelines published in WebTAG Unit A1 (November 2014).
- 4.1.2. WSP maintains the Wokingham Strategic Transport Model (WSTM) on behalf of WBC. The WSTM is a powerful tool which has built up and established legitimacy through various planning applications. The WSTM has been used to understand travel patterns in the area for the purpose of this assessment.

4.2 OPTIONS APPRAISED

- 4.2.1. In developing the economic case one scenario has been tested.
- 4.2.2. The forecast switch to Park and Ride for those travelling to Wokingham and Bracknell Town Centres takes into account the following:

TRAVEL TO WOKINGHAM TOWN CENTRE

- ┆ Proportion of those travelling along London Road who are heading to town centre car parks – 16%;
- ┆ Proportion of those travelling along Easthampstead Road who are heading to town centre car parks – 17%;
- ┆ Proportion of those traveling for Commuter purposes – 66%;
- ┆ Proportion of those traveling for Business Travel purposes – 7%;
- ┆ Calculated Mode Share for Park and Ride to Wokingham Town Centre (Commuter) – 31%; and
- ┆ Calculated Mode Share for Park and Ride to Wokingham Town Centre (Business Travel) – 28%.

TRAVEL TO BRACKNELL TOWN CENTRE

- ┆ Proportion of those travelling along Berkshire Way who are heading to town centre car parks – 15%;
- ┆ Proportion of those traveling for Commuter purposes – 66%;
- ┆ Proportion of those traveling for Business Travel purposes – 7%;
- ┆ Calculated Mode Share for Park and Ride to Bracknell Town Centre (Commuter) – 12%; and
- ┆ Calculated Mode Share for Park and Ride to Bracknell Town Centre (Business Travel) – 12%.

- 4.2.3. The proportion of those travelling along London Road and Easthampstead Road to car parks in Wokingham Town Centre (16% and 17% respectively) has been derived using the WSTM. These proportions have been cross checked against Automatic Number Plate Recognition (ANPR) data for Wokingham Town Centre.
- 4.2.4. It has been assumed that 15% of those travelling along Berkshire Way are heading to car parks in Bracknell Town Centre.
- 4.2.5. The proportion of those travelling for Commuter purposes (66%) and Business Travel purposes (7%) is taken from the WSTM.
- 4.2.6. The calculated mode share for Park and Ride to Wokingham and Bracknell town centres for each travel purpose has been calculated using a spreadsheet Logit model which compares the relative attractiveness of car and Park and Ride. Although there is likely to be some turnover of spaces, especially those spaces used for business travel, the assessment is based on no turnover of spaces.
- 4.2.7. The forecast switch to Park and Ride for those travelling to Twyford railway station takes into account the following:

TRAVEL TO TWYFORD RAILWAY STATION FROM WOKINGHAM

- ┆ Proportion of those travelling to work in London by train who travel on the Paddington Line – 50%;
- ┆ Proportion of those traveling for Commuter and Business Travel purposes – 100%; and
- ┆ Calculated Mode Share for Park and Ride to Twyford railway station – 29%.

TRAVEL TO TWYFORD RAILWAY STATION FROM BRACKNELL

- ┆ Proportion of those travelling to work in London by train who travel on the Paddington Line – 50%;

- i Car Journey Time – 20 minutes – Based on the worst case travel times provided by Google Maps at 8am on a neutral weekday (Tuesday, Wednesday, and Thursday); and
- i Car Egress Time – 3 minutes – Based on walk time from Google Maps from the railway station car park to the railway station (walk time weighted x2).
- i Transfer Time to Park and Ride – 5 minutes – Based on journey time in Google from A329/ Doncastle Road junction to the P&R car park;
- i Bus Access Time – 1 minute – Based on walk time from P&R car parking space (middle of the site) to P&R bus stop (walk time weighted x2);
- i Bus Travel Time – 16 minutes – Based on 20kmph speed along the NWDR and 60kmph speed along Twyford Road;
- i Bus Wait Time – 10 minutes – Based on 20min headway (headway x0.5 wait time weighted x2); and
- i Bus Egress Time – 0 minutes – Based on walk time from Google from Twyford Station bus stop to Twyford railway station (walk time weighted x2).

4.2.16. Various components of generalised cost are weighted in order to reflect the perceived time spent at each stage of the public transport journey. Values of walk time and wait time have been weighted in line with guidance given in Tag Unit M3.2 – Public Transport Assignment Modelling (January 2014). An additional “Mode Constant” of 10 minutes and a Lambda of 0.04 has been used based on previous schemes in the area. These assumptions are similar to those used on other approved Business Cases including the Thames Valley Park Park and Ride.

4.2.17. Full details of the weightings and calculations are listed in **Appendix B** and the forecast demand for the AM Peak hour (8-9am) of the opening year is shown in **Table 3** below.

Table 3 – Forecast Park and Ride Demand

Year	Demand to Wokingham Town Centre	Demand to Bracknell Town Centre	Demand to Twyford railway station
2019 (AM Peak Hour)	62	29	25
2019 (All Day)	186	85	50

4.2.18. A factor of 3 has been used to convert AM peak hour demand to all day demand for travel to Wokingham and Bracknell Town Centres. A lower factor of 2 has been used to convert AM peak hour demand to all day demand for travel to Twyford railway station as this service would be primarily focused on the peak period only.

4.3 ASSUMPTIONS

4.3.1. The Economic Case has been compiled in agreement with the assumptions and methodology recommended by the DfT’s WebTAG appraisal guidance for Transport Schemes and the Treasury’s Green Book, using the most up to date parameters.

4.3.2. However there are some further assumptions that have been made. The assumptions that have been applied to determine the forecast number of park and ride trips have been listed below in **Table 4**.

Table 4 – Key Appraisal Assumptions

CRITERIA	ASSUMPTION	SOURCE
Discount Rate	3.5% 0 -30 years 3.0% 31 – 75 years 2.5% 75 – 125 years	WebTAG
Opening Year	2019	General Assumption

Base Year	2010	DfT Base Year
Appraisal Year	60 Years	Based on asset life (no buildings included in the scheme)

4.4 MONETISED COSTS AND BENEFITS

VALUE FOR MONEY

- 4.4.1. The scheme capital cost has been calculated at approximately £2 million at 2010 market prices. The scheme cost does not include a QRA figure, but includes an Optimism Bias of 44%.
- 4.4.2. Two scenarios have been considered in order to assess the value for money of the Coppid Beech Park and Ride scheme. Scenario 1 assumes that there will be no developer contributions, and the scheme will be fully funded by the government. Scenario 2 assumes developer contributions of approximately £1 million (50% of the scheme capital cost).
- 4.4.3. The Broad Transport Budget for Scenario 1 is approximately £2 million, and the Broad Transport Budget for Scenario 2 is approximately £1 million. These figures exclude forecast Public Sector Revenue and Developer Contributions. Developer contributions are a cost to the private sector and therefore appear as a dis-benefit for the purpose of this appraisal.
- 4.4.4. **Table 5** below summaries the monetised costs and benefits of the Coppid Beech Park and Ride Scheme.

Table 5 – Analysis of Monetised Costs and Benefits (AMCB)

ITEM	VALUE (£000s)	
	Scenario 1	Scenario 2
Noise	23.4	23.4
Local Air Quality	1.6	1.6
Greenhouse Gases	63.4	63.4
Accidents	350.3	350.3
Decongestion Benefit (Commuter and Business Travel)	3,698.9	3,698.9
Wider Public Finances (Indirect Tax Revenues)	-237.4	-237.4
Developer Contributions	0	998.6
Present Value of Benefits (PVB) *	3,911.8	2,913.2
Broad Transport Budget	1,997.2	998.6
Present Value of Costs (PVC)	1,997.2	998.6
OVERALL IMPACTS		
Net Present Value (NPV)	1,914.6	1,914.6
Benefit to Cost Ratio (BCR)	1.96	2.92

All benefits listed above are from MEC Calculations (Appendix B).

- 4.4.5. For Scenario 1 the Present Value Benefits (PVB) is forecast to be approximately £3,910,000, leading to a BCR of 1.96. For Scenario 2 the PVB is forecast to be approximately £2,910,000, leading to a BCR of 2.92.

5 FINANCIAL CASE

5.1 INTRODUCTION

5.1.1. This section presents the Financial Case for the Coppid Beech Park and Ride scheme. It concentrates on the costs and any funding cover associated with the scheme. The DfT's guidance document 'The Transport Business Cases' outlines the areas that should be covered as part of the Transport Business Case documentation. In accordance with this, this chapter provides details about the necessary elements required to achieve compliance in the Financial Case. These are:

- i The scheme's anticipated costs; and
- i Details of the budgets and funding cover.

5.2 COST ESTIMATES

5.2.1. The estimated anticipated cost of the total scheme is £2.5m (2017 prices). The breakdown of the scheme costs is detailed in **Table 6** below.

Table 6 – Breakdown of Costs

COST ITEM	COST (£)
Preparation costs (including earthworks)	£0.5m
Construction costs (including construction parking area)	£2.0m
Total	£2.5m

5.2.2. The preparation costs have been calculated by estimating the amount of earth that will need to be infilled. No allowance for land purchase has been included.

5.2.3. The construction costs have been calculated based on the tender prices for relevant recent schemes, namely Winnersh Triangle Park and Ride.

5.2.4. Details are provided in **Appendix B** of the cost estimates used. The cost estimates were calculated in different years so were re-based to 2010 before having the following applied:

- i 10% allowance for design and project management; and
- i 44% Optimism Bias.

5.2.5. A check of current Utilities has been completed and not identified any requirement to divert existing Utilities

5.2.6. Maintenance and renewal costs are to be covered by the Park and Ride charge.

5.3 ANTICIPATED SPEND PROFILE

5.3.1. The anticipated spend profile would be determined by the Project Board in consultation with the project group.

5.4 FUNDING PACKAGE

5.4.1. The anticipated funding package would be also be identified by the Project Board.

6 COMMERCIAL CASE

6.1 INTRODUCTION

6.1.1. The Department for Transport's guidance 'The Transport Business Case: Commercial Case' outlines the areas that should be covered as part of the Transport Business case documentation. The necessary elements required in the Commercial Case to achieve compliance are:

- i Output based specification;
- i Procurement strategy;
- i Sourcing Options;
- i Payment mechanisms;
- i Pricing framework and charging mechanisms;
- i Risk allocation and transfer;
- i Contract length; and
- i Contract management.

6.1.2. The Commercial Case has been developed following the outline set out below;

- i Set the procurement objectives, outcomes and constraints;
- i Identify potential procurement/purchasing options;
- i Assess the procurement options in terms of pros and cons, as a rationale for selecting the preferred sourcing option;
- i Confirm the preferred payment mechanism and pricing framework; and
- i Assess how different types of risk might be apportioned / shared, with risks allocated to the party best placed to manage them.

6.1.3. To achieve compliance the necessary elements are explained below.

6.2 OUTPUT BASED SPECIFICATION

6.2.1. The Commercial Case is based on strategic outcomes and outputs, against which alternative procurement options are assessed.

6.2.2. The outcomes which the procurement strategy must deliver are to:

- i Achieve cost certainty, or certainty that the scheme can be delivered within the available funding constraints;
- i Minimise further preparation costs with respect to scheme design by ensuring best value, and appropriate quality;
- i Obtain contractor experience and input to the construction programme to ensure the implementation programme is robust and achievable; and
- i Obtain contractor input to risk management and appraisals, including mitigation measures, to capitalise at an early stage on opportunities to reduce construction risk and improve out-turn certainty, thereby reducing risks to a level that is 'As Low as Reasonably Practicable' (HSE, Risk Management).

6.3 PROCUREMENT STRATEGY

6.3.1. WBC will be responsible for procurement in relation to the delivery of their element of the Coppid Beech Park and Ride. The Procurement Strategy currently is to use existing contract arrangements WBC has with its term contractor.

6.4 SOURCING OPTIONS

6.4.1. WBC has a designated delivery team. Where procurement is required, this will follow protocol as defined above. The project team will agree the best approach for sourcing and procurement of these elements.

6.5 PAYMENT MECHANISMS, PRICING FRAMEWORK AND CHARGING MECHANISMS

6.5.1. Task orders based on a target price arrangement will be awarded based on the NEC 3 contract model.

6.6 RISK ALLOCATION AND TRANSFER

- 6.6.1. Contracts will be awarded via processes set out in the Management Case ensuring quality and competitive pricing. The contract will be based on a schedule of rates, rather than a fixed price and will include a reasonable contingency to cover unforeseen issues. Experience has shown that this approach is the most cost effective, since a fixed price quotation would result in the contractor submitting a considerably higher price in order to cover their risk. The authority and support authorities have experience dealing with large procurement and construction contracts, and will work towards minimising risk through the contract process.
- 6.6.2. WBC has experience working on major schemes with large budgets including Wokingham Station Link Road and Coppid Beech Junction Improvements, as well as in-house experience to manage construction and/or contracts. There is confidence that all aspects of contractual and commercial arrangements can be determined before works are implemented resulting in the scheme delivered to plan.

RISK MANAGEMENT PLAN

- 6.6.3. A Risk Management Plan will be developed throughout the life of the project. Following confirmation of scheme funding, ownership of the risks will be allocated to those parties best able to manage them.
- 6.6.4. The Risk Management Plan will set out the full risk management process and responsibilities for undertaking risk management to deliver the Coppid Beech Park and Ride Scheme. Implementation of a structured, forward looking and continuous risk and opportunity management process is intended to increase the certainty of cost-effective scheme delivery and operational success.
- 6.6.5. Further risk identification will be carried out in numerous ways such as:
- i Workshops;
 - i Reviews;
 - i Meetings; and
 - i Day to day operation.
- 6.6.6. When a risk is identified, the data will be added to the risk register.

RISK MANAGEMENT ORGANISATION

- 6.6.7. The risk management organisation for this scheme consists of the Project Board and the Risk Owner. WBC will act as Project Sponsor. This role will lead the Project Board and report directly to the Berkshire Strategic Transport Forum.
- 6.6.8. The Project Board has overall responsibility for ensuring sufficient resources are available to manage risks across the scheme. Risks shall be allocated and managed in a cost effective manner by the most appropriate party to do this and at the appropriate level. The Project Board shall be primarily concerned with managing strategic level risks relating to interfaces between the scheme and the wider project environment.
- 6.6.9. The Project Manager has overall responsibility for ensuring that the risk management process is implemented and managed in accordance with strategies. The Project Manager shall ensure that risks are actively managed in a consistent and appropriate manner across all work streams in accordance with this Plan. Severe risks shall be reported to the Project Board through the Project Manager. In addition, risks which relate to the overall direction, organisation and control of the scheme, e.g. loss of key project staff, shall be reported to the Project Board.
- 6.6.10. The Project Manager shall:
- i Ensure that an appropriate procedural framework is adopted;
 - i Report to the Developers Project Manager in review and management of project performance;
 - i Agree the required level of risk management support to be provided for risk identification,
 - i Analyse, review and report the risks;
 - i Facilitate risk workshops/meetings as appropriate supported by a risk co-ordinator if required; and
 - i Be the custodian of the risk register and the contained data.
- 6.6.11. The Risk Owner shall be responsible for the day to day management of the risk(s) that they own. The selection and appointment (by Project Manager) of a risk owner will be on a “best person for the task” approach and, once appointed, the risk owner will monitor and update the risk register informing the risk manager of changes.

KEY PROJECT RISKS

Table 7 below identifies an initial list of the key project risks throughout the planning and implementation of the scheme.

Table 7 – Key Project Risks

Risk	Mitigation
PLANNING / APPROVAL RISKS AND MITIGATION	
Failure to achieve planning	Early discussions with Planning authorities and statutory bodies, scheme identified in current Local Plan so presumption in favour of approval subject to details
COST RISKS AND MITIGATION	
Allocated budget does not cover the cost to design and implement the scheme	Capital programme allocation within the council should be used to supplement delivery where possible
Statutory Utilities in existing verges and road areas	C2 collation already undertaken. Adjustment to design as required during C3 checks, generally green field site adjacent to a proposed development with access from the A329 part of developer scheme.
Lack of topographical information	Check and update current land survey information for the park and ride site and commission new surveys if required
Poor accuracy of cost estimates	Ongoing review of costs during preliminary and detailed design work and negotiations with Term Contractor known contract rates
DELIVERY RISKS AND MITIGATION	
Lack of commitment from Elected Members and senior officers	Detailed consultation during project to ensure support, Local Plan and LTP3 commitment
Co-ordination and agreement issues across authorities	Close working with partners, regular meetings on details going forward, agreed governance arrangements in place
Opposition from key stakeholders	Early consultation exercises and ongoing consultation with key stakeholders
Failure to agree on technical design issues	Internal discussions between various authority technical officers with input from modelling work. Road safety audits will be needed on preliminary and detailed design
Impact of temporary TM restrictions greater than expected	Early involvement with Technical Officers, discussions with Emergency Services, detailed TM plans when contractor in place
Lack of co-ordination with other highway works	Early discussions over highway access arrangements and section 50 notices. Road space booking as early as possible.
Unforeseen ecological sensitivities	Environmental Feasibility study undertaken
Supply chain insolvencies	Local Term Contractor to be used for delivery, existing contract in place

6.7 CONTRACT LENGTH AND CONTRACT MANAGEMENT

6.7.1. WBC has its own delivery agents to implement schemes and, as such, contracts will be managed in accordance with their existing protocol.

7 MANAGEMENT CASE

7.1 INTRODUCTION

7.1.1. The DfT's guidance document, 'The Transport Business Cases' outlines the areas that should be covered as part of the Transport Business Case documentation. The necessary elements required in the Management Case to achieve compliance are:

- ┆ Programme and project dependencies;
- ┆ Governance;
- ┆ Communications and stakeholder management;
- ┆ Risk management strategy;
- ┆ Contract management; and
- ┆ Monitoring and evaluation.

7.1.2. The management approach has been developed following the outline set out below:

- ┆ Set the appropriate governance structure to ensure outcomes and objectives are met;
- ┆ Identify and plan for the key approval milestones ensuring information is provided in good time so as to not delay the programme; and
- ┆ Assess how the delivery process will be managed to achieve the optimum financial and impact performance.

7.2 EVIDENCE OF SIMILAR PROJECTS

7.2.1. Two other park and ride schemes have been recently implemented in the Reading urban area including the Mereok Park and Ride on the A33 and the Winnersh Triangle Park and Ride on Wharfedale Road, both opening in 2015.

7.2.2. These schemes were funded through Local Sustainable Transport Fund and implemented and delivered by RBC and WBC working in partnership.

7.3 PROGRAMME AND PROJECT DEPENDENCIES

7.3.1. Further detailed design work is required for the route, so a detailed project programme is not yet available.

7.4 GOVERNANCE, ORGANISATIONAL STRUCTURE AND ROLES

7.4.1. As promoter of the scheme, WBC will be responsible for the overall project management. A key element of the function will be to share data with Thames Valley LEP, and BFC in a timely and comprehensive manner.

7.4.2. WBC will adopt PRINCE2 principles, themes and processes to provide assurances that the project time, cost and quality constraints are effectively managed and controlled.

7.5 ASSURANCE AND APPROVALS PLAN

7.5.1. It is expected that a "Gateway Process" will be used as the mechanism for assessing the project at critical stages in its lifecycle prior to commencing the next stage. The use of the Gateway process enables:

- ┆ Realistic and achievable targets to ensure successful delivery;
- ┆ Deployment of relevant skills and competencies to a project;
- ┆ Compliance with best practice;
- ┆ Key stakeholder input and understanding
- ┆ Project feedback through lessons learnt; and
- ┆ A visible audit trail.

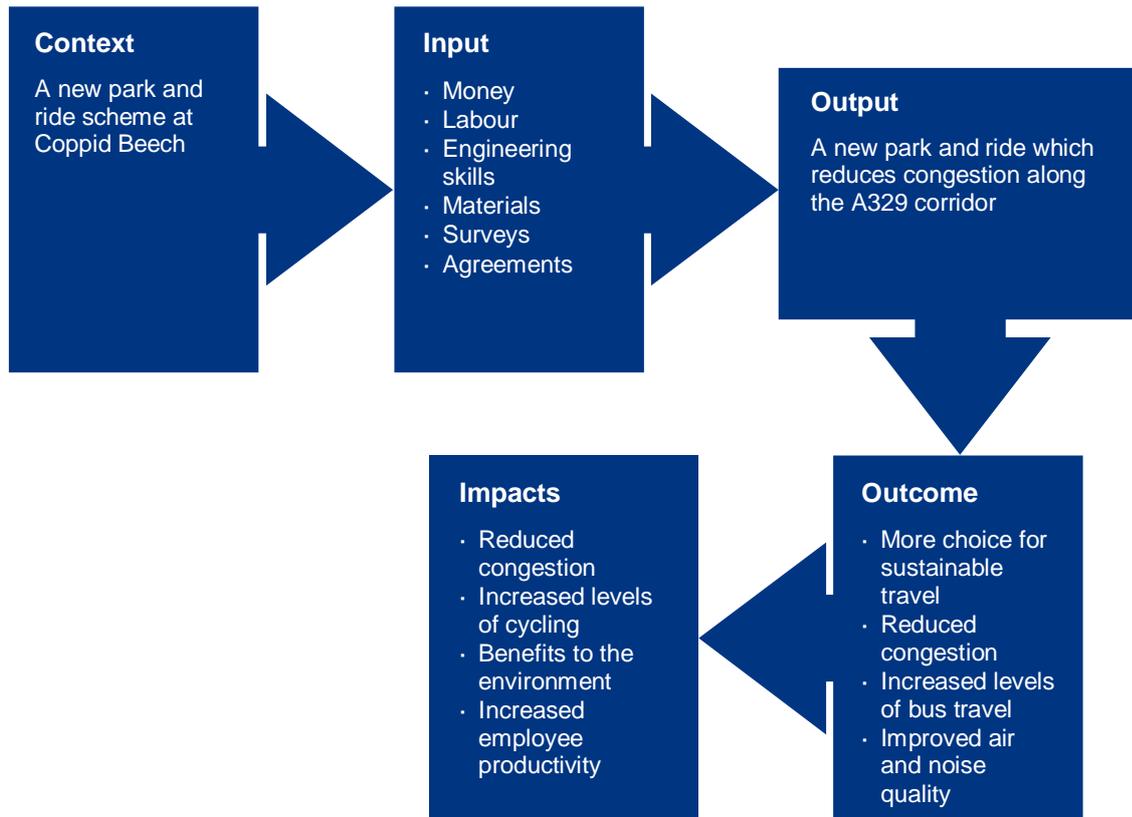
7.5.2. These milestones will be built into the project programme and will be monitored by the Project Manager and reported to the Project Board.

7.6 COMMUNICATIONS AND STAKEHOLDER MANAGEMENT

7.6.1. The key objectives of the scheme's stakeholder management are to:

- ┆ Keep stakeholders aware of the scheme's development and progress;
- ┆ Meet statutory requirements (such as Environment Agency consents);

Figure 2 – Intervention Logic Map



7.13 CONTINGENCY PLAN

7.13.1. Contingency planning forms part of the risk register, and is maintained by the Project Manager and their design team (and reviewed by the Project Board).

8 CONCLUSIONS

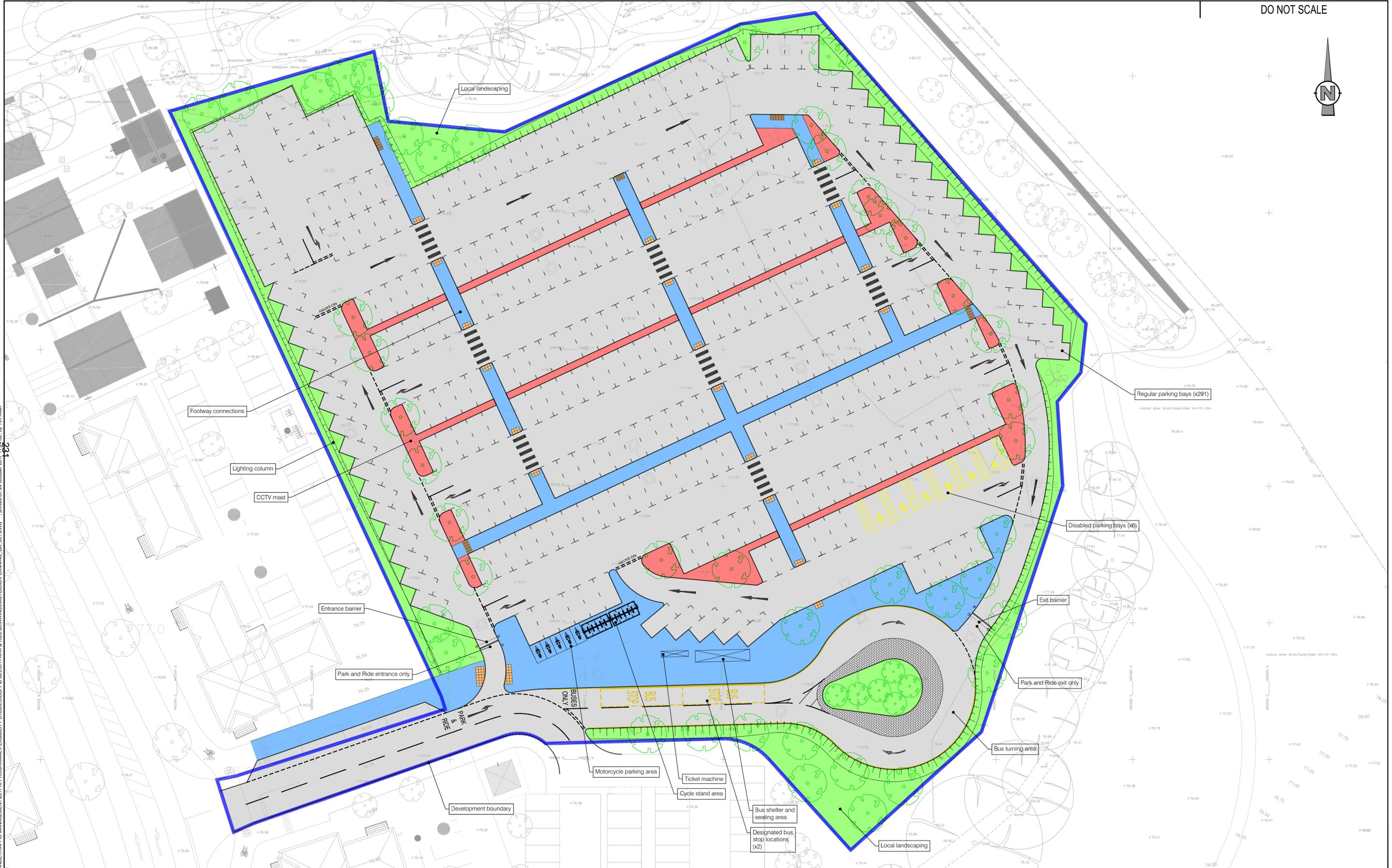
- 8.1.1. Coppid Beech Park and Ride will provide 297 car parking spaces and provide an alternative travel choice along the A329 corridor (Wokingham Town Centre – Bracknell Town Centre) to reduce the congestion experienced along the corridor during peak hours.
- 8.1.2. Initially it is expected for the facility to be served by Reading Buses' existing X4 Lion service between Bracknell, Wokingham and Reading. It may also be possible to extend the Leopard 3 service, which currently terminates in Wokingham Town Centre, to provide additional journeys between Coppid Beech Park and Ride and Wokingham Town Centre. There is also potential for the site, once opened, to be served by a shuttle bus service operating from the Park and Ride to Twyford railway station to coincide with the introduction of new rail services, including the Elizabeth Line service (Crossrail).
- 8.1.3. In accordance with the DfT's guidance document 'The Transport Business Cases', the strategic, economic, financial, commercial, and management cases of the scheme have been considered in this Strategic Outline Business Case.
- 8.1.4. The value for money assessment has been prepared in accordance with the DfT's 'Value for money assessment: advice note for local transport decision makers'.
- 8.1.5. As detailed in the Economic Case, Scenario 1 (fully government funded scheme) has costs of approximately £2 million (PVC), and delivers benefits of approximately £3,910,000 (PVB). This results in a BCR of 1.96 (N.B. all monetary values have been discounted to 2010). This is considered medium value for money according to DfT guidance.
- 8.1.6. A second scenario, Scenario 2 (50% government funded and 50% developer contributions), has costs of approximately £1 million (PVC), and delivers benefits of approximately £2,910,000 (PVB). This results in a BCR of 2.92, which is considered high value for money.
- 8.1.7. It is recommended that the Business Case for the scheme is developed further to the next stage.

Appendix A

OUTLINE LAYOUT



DO NOT SCALE



File name: G:\WOKINGHAM HIGHWAY ALLIANCE\TRAFFIC MANAGEMENT\2017\18 PROGRAMME\FEASIBILITY STUDIES\COPPID BEECH PARK & RIDE\DRAWINGS\AUTOCAD\PLANNING_GA_001.DWG - printed on 24 October 2017 11:24:36, by: Tim Allen

REV	DATE	BY	DESCRIPTION	CHK	APP
A	09/10/2017	IM	FIRST ISSUE		

DRAWING STATUS: PLANNING APPLICATION



Place & Neighbourhood Services PO Box 153
Shute End
Wokingham
G40 1WL, UK
T+ 44 (0) 118 974 6000 F+ 44 (0) 118 974 6313
wsp.com

CLIENT: WOKINGHAM BOROUGH COUNCIL

ARCHITECT:

PROJECT: COPPID BEECH, WOKINGHAM PARK & RIDE

TITLE: CONCEPT ARRANGEMENT

SCALE @ A1: HA1:250	CHECKED: TRA	APPROVED: TB
PROJECT NO: 70035985	DESIGNED: TRA	DRAWN: IM
DRAWING NO: PLANNING_GA_001		DATE: October 17
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Appendix B

COST BENEFIT CALCULATIONS



P&R to Wokingham TC (Commuter)

Weightings

Parameter	Comment	08:00 - 09:00
A Weekday Traffic Flow London Rd (vehicles)	From Traffic Survey	916
B Proportion of London Rd traffic heading into town centre car parks	From Transport Model	16%
C Weekday Traffic Flow Easthampstead Rd (vehicles)	From Traffic Survey	755
D Proportion of Easthampstead Rd traffic heading into town centre car parks	From Transport Model	17%
E Total traffic heading into town centre car parks from London Rd and Easthampstead Rd	= (A x B) + (C x D)	280
F Commuter Mode Share	From Transport Model	66%
In-scope Trips	= E x F	184
Car Journey Time (mins)	Based on assumed slowest Traffic Speed - Journey time from St Annes Dr to Elms Rd car park, at 8am on a weekday	12
Journey time to final destination (mins)	N/A	0
Average Speed (km/h)	Calculated from Distance and J Time	18
VOC (pence/km)	Calculated from WebTAG Figures	16.55
Distance (km)	Taken from Google Maps	3.5
Distance to final destination (km)	N/A	0
Total VOC (pence)	Calculated from VOC and Distance	58
Parking Cost (pence)	0.5 x Current Parking Charges - Based on monthly season ticket for 20 working days @ £82.23	206
Egress Time	Walk time from Car Park to Destination	10
Car Generalised Time (mins)		36.34
Transfer Time (mins)	Journey time by car from A329 London Rd o/s St Annes Dr to P&R Based on Reading Buses return fare between St Annes Hotel and Broad St @ £2.60	2
Bus Fare (pence)		130
Parking Cost, pence	Assumed reasonable parking cost	100
Access Time (mins)	Walk time to bus stop within P&R site	2
Bus Travel Time (mins)	Based on Lion timetable from St Annes Hotel to Broad St at 8am on a weekday	10
Bus Wait Time (mins)	0.5 x Assumed headway	20
Egress Time (mins)	Walk time from bus stop to final destination	0
Mode Constant (mins)		10
P&R Generalised Time		56.50
Value of Time (£/hour)	WebTAG Figure - taken from Data Book Jul 17, Non-Working Commuting 2019 (A1.3.2, col AX)	11.04
Value of Time (pence/min)	Calculated	18.404106
Car Occupancy Level	WebTAG Figure - taken from Data Book Jul 17, Commuting journeys between 7am and 10am (A1.3.3)	1.171
Logit Model Calculations		
Car Generalised Time		36.34
P&R Generalised Time		56.50
Lambda		0.04
Logit Utility		0.233722212
Logit Utility		0.104362126
Mode Share- Car		69%
Mode Share- P&R		31%
Car Trips Transferred (AM Peak 8am - 9am)		57
Car Trips Transferred (All day)	Assumed 3 x AM Peak Hour	171

Walk and wait time Weighted x2

P&R to Wokingham TC (Business Travel)

Parameter	Comment	Weightings 08:00 - 09:00
A Weekday Traffic Flow London Rd (vehicles)	From Traffic Survey	916
B Proportion of London Rd traffic heading into town centre car parks	From Transport Model	16%
C Weekday Traffic Flow Easthampstead Rd (vehicles)	From Traffic Survey	755
D Proportion of Easthampstead Rd traffic heading into town centre car parks	From Transport Model	17%
E Total traffic heading into town centre car parks from London Rd and Easthampstead Rd	= (A x B) + (C x D)	280
F Business Travel Mode Share	From Transport Model	7%
In-scope Trips	= E x F	19
Car Journey Time (mins)	Based on assumed slowest Traffic Speed - Journey time from St Annes Dr to Elms Rd car park, at 8am on a weekday	12
Journey time to final destination (mins)	N/A	0
Average Speed (km/h)	Calculated from Distance and J Time	18
VOC (pence/km)	Calculated from WebTAG Figures	16.55
Distance (km)	Taken from Google Maps	3.5
Distance to final destination (km)	N/A	0
Total VOC (pence)	Calculated from VOC and Distance	58
Parking Cost (pence)	0.5 x Current Parking Charges - Based on half day of parking @ £2.00	100
Egress Time	Walk time from Car Park to Destination	10
Car Generalised Time (mins)		26.83
Transfer Time (mins)	Journey time by car from A329 London Rd o/s St Annes Dr to P&R	2
Bus Fare (pence)	Based on Reading Buses return fare between St Annes Hotel and Broad St @ £2.60	130
Parking Cost, pence	Assumed reasonable parking cost	100
Access Time (mins)	Walk time to bus stop within P&R site	2
Bus Travel Time (mins)	Based on Lion timetable from St Annes Hotel to Broad St at 8am on a weekday	10
Bus Wait Time (mins)	0.5 x Assumed headway	20
Egress Time (mins)	Walk time from bus stop to final destination	0
Mode Constant (mins)		10
P&R Generalised Time		51.03
Value of Time (£/hour)	WebTAG Figure - taken from Data Book Jul 17, Non-Working Commuting 2019 (A1.3.2, col AJ)	19.62
Value of Time (pence/min)	Calculated	32.70821851
Car Occupancy Level	WebTAG Figure - taken from Data Book Jul 17, Work journeys between 7am and 10am (A1.3.3)	1.195
Logit Model Calculations		
Car Generalised Time		26.83
P&R Generalised Time		51.03
Lambda		0.04
Logit Utility		0.341935934
Logit Utility		0.129863046
Mode Share- Car		72%
Mode Share- P&R		28%
Car Trips Transferred (AM Peak 8am - 9am)		5
Car Trips Transferred (All day)	Assumed 3 x AM Peak Hour	16

Walk and wait time Weighted x2

N.B. It has been assumed JT via London Rd and Easthampstead Rd is the same

P&R to Bracknell TC (Commuter)

Weightings

Parameter	Comment	08:00 - 09:00
A Weekday Traffic Flow (vehicles)	From Traffic Survey	2213
B Proportion of traffic flow heading into town centre car parks	Assumption	15%
C Commuter Mode Share	From Transport Model	66%
In-scope Trips	= A x B x C	218
Car Journey Time (mins)	Based on assumed slowest Traffic Speed - Journey time from SB off slip entry point to Coppid Beech roundabout to the High St car park, at 8am on a weekday	14
Journey time to final destination (mins)	N/A	0
Average Speed (km/h)	Calculated from Distance and J Time	20
VOC (pence/km)	Calculated from WebTAG Figures	16.55
Distance (km)	Taken from Google Maps	4.7
Distance to final destination (km)	N/A	0
Total VOC (pence)	Calculated from VOC and Distance	78
Parking Cost (pence)	0.5 x Current Parking Charges - Based on monthly season ticket for 20 working days @ £85	213
Egress Time	Walk time from Car Park to Destination	8
Car Generalised Time (mins)		37.80
Transfer Time (mins)	Journey time by car from SB off slip entry point to Coppid Beech roundabout to P&R	3
Bus Fare (pence)	Based on Reading Buses return fare between St Annes Hotel and Bracknell Bus Station @ £4.30	215
Parking Cost, pence	Assumed reasonable parking cost	100
Access Time (mins)	Walk time to bus stop within P&R site	2
Bus Travel Time (mins)	Based on Lion timetable from St Annes Hotel to Bracknell Bus Station at 8am on a weekday	16
Bus Wait Time (mins)	0.5 x Assumed headway	30
Egress Time (mins)	Walk time from bus stop to final destination	10
Mode Constant (mins)		10
P&R Generalised Time		88.12
Value of Time (£/hour)	WebTAG Figure - taken from Data Book Jul 17, Non-Working Commuting 2019 (A1.3.2, col AX)	11.04
Value of Time (pence/min)	Calculated	18.404106
Car Occupancy Level	WebTAG Figure - taken from Data Book Jul 17, Commuting journeys between 7am and 10am (A1.3.3)	1.171
Logit Model Calculations		
Car Generalised Time		37.80
P&R Generalised Time		88.12
Lambda		0.04
Logit Utility		0.22046854
Logit Utility		0.029462711
Mode Share- Car		88%
Mode Share- P&R		12%
Car Trips Transferred (AM Peak 8am - 9am)		26
Car Trips Transferred (All day)	Assumed 3 x AM Peak Hour	77

Walk and wait time Weighted x2

P&R to Bracknell TC (Business Travel)

Weightings

Parameter	Comment	08:00 - 09:00
A Weekday Traffic Flow (vehicles)	From Traffic Survey	2213
B Proportion of traffic flow heading into town centre car parks	Assumption	15%
C Business Travel Mode Share	From Transport Model	7%
In-scope Trips	= A x B x C	23
Car Journey Time (mins)	Based on assumed slowest Traffic Speed - Journey time from SB off slip entry point to Coppid Beech roundabout to the High St car park, at 8am on a weekday	14
Journey time to final destination (mins)	N/A	0
Average Speed (km/h)	Calculated from Distance and J Time	20
VOC (pence/km)	Calculated from WebTAG Figures	16.55
Distance (km)	Taken from Google Maps	4.7
Distance to final destination (km)	N/A	0
Total VOC (pence)	Calculated from VOC and Distance	78
Parking Cost (pence)	0.5 x Current Parking Charges - Based on half day of parking @ £3.80	190
Egress Time	Walk time from Car Park to Destination	8
Car Generalised Time (mins)		30.19
Transfer Time (mins)	Journey time by car from SB off slip entry point to Coppid Beech roundabout to P&R	3
Bus Fare (pence)	Based on Reading Buses return fare between St Annes Hotel and Bracknell Bus Station @ £4.30	215
Parking Cost, pence	Assumed reasonable parking cost	100
Access Time (mins)	Walk time to bus stop within P&R site	2
Bus Travel Time (mins)	Based on Lion timetable from St Annes Hotel to Bracknell Bus Station at 8am on a weekday	16
Bus Wait Time (mins)	0.5 x Assumed headway	30
Egress Time (mins)	Walk time from bus stop to final destination	10
Mode Constant (mins)		10
P&R Generalised Time		80.63
Value of Time (£/hour)	WebTAG Figure - taken from Data Book Jul 17, Non-Working Commuting 2019 (A1.3.2, col AJ)	19.62
Value of Time (pence/min)	Calculated	32.70821851
Car Occupancy Level	WebTAG Figure - taken from Data Book Jul 17, Work journeys between 7am and 10am (A1.3.3)	1.195
Logit Model Calculations		
Car Generalised Time		30.19
P&R Generalised Time		80.63
Lambda		0.04
Logit Utility		0.298948655
Logit Utility		0.039746866
Mode Share- Car		88%
Mode Share- P&R		12%
Car Trips Transferred (AM Peak 8am - 9am)		3
Car Trips Transferred (All day)	Assumed 3 x AM Peak Hour	8

Walk and wait time Weighted x2

Wokingham to Twyford Station

Weightings

Parameter	Comment	08:00 - 09:00
A Number of people living in east Wokingham who travel to work by train	From 2011 Census JtW data	120
B Proportion travelling on the Paddington Line	Assumption	50%
In-scope Trips	= A x B	60
Car Journey Time (mins)	Based on assumed slowest Traffic Speed - Journey time from London Rd/ Priest Av junction to Twyford Station main car park, at 8am on a weekday	16
Journey time to final destination (mins)	N/A	0
Average Speed (km/h)	Calculated from Distance and J Time	37
VOC (pence/km)	Calculated from WebTAG Figures	16.55
Distance (km)	Taken from Google Maps	9.9
Distance to final destination (km)	N/A	0
Total VOC (pence)	Calculated from VOC and Distance	164
Parking Cost (pence)	0.5 x Current Parking Charges - Based on weekly ticket for 5 working days @ £32	320
Egress Time	Walk time from Car Park to Destination	6
Car Generalised Time (mins)		48.29
Transfer Time (mins)	Journey time by car from London Rd/ Priest Av junction to P&R	4
Bus Fare (pence)	Based on Courtney Buses return fare through three zones @ £5	250
Parking Cost, pence	Assumed reasonable parking cost	100
Access Time (mins)	Walk time to bus stop within P&R site	2
Bus Travel Time (mins)	Assumed 20kmph along NWDR then 60kmph along A321 Twyford Rd	16
Bus Wait Time (mins)	0.5 x Assumed headway	20
Egress Time (mins)	Walk time from bus stop to final destination	0
Mode Constant (mins)		10
P&R Generalised Time		71.04
Value of Time (£/hour)	WebTAG Figure - taken from Data Book Jul 17, Non-Working Commuting 2019 (A1.3.2, col AX)	11.04
Value of Time (pence/min)	Calculated	18.404106
Car Occupancy Level	WebTAG Figure - taken from Data Book Jul 17, Commuting journeys between 7am and 10am (A1.3.3)	1.171
Logit Model Calculations		
Car Generalised Time		48.29
P&R Generalised Time		71.04
Lambda		0.04
Logit Utility		0.144915815
Logit Utility		0.058338104
Mode Share- Car		71%
Mode Share- P&R		29%
Car Trips Transferred (AM Peak 8am - 9am)		17
Car Trips Transferred (All day)	Assumed 2 x AM Peak Hour	34

Walk and wait time Weighted x2

Bracknell to Twyford Station

Weightings

Parameter	Comment	08:00 - 09:00
A Number of people living in west Bracknell who travel to work by train	From 2011 Census JtW data	47
B Proportion travelling on the Paddington Line	Assumption	50%
In-scope Trips	= A x B	24
Car Journey Time (mins)	Based on assumed slowest Traffic Speed - Journey time from A329/Doncastle Rd junction to Twyford Station main car park, at 8am on a weekday	20
Journey time to final destination (mins)	N/A	0
Average Speed (km/h)	Calculated from Distance and J Time	39
VOC (pence/km)	Calculated from WebTAG Figures	16.55
Distance (km)	Taken from Google Maps	13.1
Distance to final destination (km)	N/A	0
Total VOC (pence)	Calculated from VOC and Distance	217
Parking Cost (pence)	0.5 x Current Parking Charges - Based on weekly ticket for 5 working days @ £32	320
Egress Time	Walk time from Car Park to Destination	6
Car Generalised Time (mins)		55.17
Transfer Time (mins)	Journey time by car from A329/Doncastle Rd junction to P&R	5
Bus Fare (pence)	Based on Courtney Buses return fare through three zones @ £5	250
Parking Cost, pence	Assumed reasonable parking cost	100
Access Time (mins)	Walk time to bus stop within P&R site	2
Bus Travel Time (mins)	Assumed 20kmph along NWDR then 60kmph along A321 Twyford Rd	16
Bus Wait Time (mins)	0.5 x Assumed headway	20
Egress Time (mins)	Walk time from bus stop to final destination	0
Mode Constant (mins)		10
P&R Generalised Time		72.04
Value of Time (£/hour)	WebTAG Figure - taken from Data Book Jul 17, Non-Working Commuting 2019 (A1.3.2, col AX)	11.04
Value of Time (pence/min)	Calculated	18.404106
Car Occupancy Level	WebTAG Figure - taken from Data Book Jul 17, Commuting journeys between 7am and 10am (A1.3.3)	1.171
Logit Model Calculations		
Car Generalised Time		55.17
P&R Generalised Time		72.04
Lambda		0.04
Logit Utility		0.110062484
Logit Utility		0.056050634
Mode Share- Car		66%
Mode Share- P&R		34%
Car Trips Transferred (AM Peak 8am - 9am)		8
Car Trips Transferred (All day)	Assumed 2 x AM Peak Hour	16

Walk and wait time Weighted x2

Veh KM Saved										
	Distance St Annes Dr to Wok TC (km)	Car trips transferred (All day)	Distance CB roundabout to Bracknell TC	Car trips transferred (All day)	Distance Wokingham to Twyford (km)	Car trips transferred (All day)	Distance Bracknell to Twyford (km)	Car trips transferred (All day)	Veh km daily saved	Veh km annual saved
2019	3.5	186	4.7	85	9.9	34	13.1	16	1602	405424

	2010	2015	2020	2025	2030	2035
Congestion 4	39.7	38.8	40.2	42.3	46.2	50.8
Infrastructure	0.1	0.1	0.1	0.1	0.1	0.2
Accident	3.0	3.2	3.5	3.9	4.4	4.9
Local Air Quality	0.1	0.1	0.0	0.0	0.0	0.0
Noise	0.2	0.2	0.2	0.3	0.3	0.3
Greenhouse Gases	0.8	0.8	0.7	0.7	0.7	0.9
Indirect Taxation	-4.4	-3.7	-3.3	-3.1	-3.0	-3.0

Discount Rate Discounted

2010	3.5%	100.0
2011	3.5%	96.6
2012	3.5%	93.4
2013	3.5%	90.2

Year	Congestion 4	Infrastructure	Accident	Local Air Quality	Noise	Greenhouse Gases	Indirect Taxation	Total
2015	38.8	0.1	3.2	0.1	0.2	0.8	-3.7	39.5
2016	39.1	0.1	3.3	0.1	0.2	0.7	-3.6	39.9
2017	39.4	0.1	3.4	0.0	0.2	0.7	-3.5	40.3
2018	39.7	0.1	3.4	0.0	0.2	0.7	-3.5	40.7
2019	39.9	0.1	3.5	0.0	0.2	0.7	-3.4	41.1
2020	40.2	0.1	3.5	0.0	0.2	0.7	-3.3	41.5
2021	40.6	0.1	3.6	0.0	0.2	0.7	-3.3	42.0
2022	41.1	0.1	3.7	0.0	0.2	0.7	-3.2	42.6
2023	41.5	0.1	3.8	0.0	0.3	0.7	-3.2	43.1
2024	41.9	0.1	3.8	0.0	0.3	0.7	-3.2	43.6
2025	42.3	0.1	3.9	0.0	0.3	0.7	-3.1	44.1
2026	43.1	0.1	4.0	0.0	0.3	0.7	-3.1	45.1
2027	43.9	0.1	4.1	0.0	0.3	0.7	-3.1	46.0
2028	44.7	0.1	4.2	0.0	0.3	0.7	-3.0	46.9
2029	45.5	0.1	4.3	0.0	0.3	0.7	-3.0	47.9
2030	46.2	0.1	4.4	0.0	0.3	0.7	-3.0	48.8
2031	47.1	0.1	4.5	0.0	0.3	0.7	-3.0	49.9
2032	48.1	0.2	4.6	0.0	0.3	0.8	-3.0	50.9
2033	49.0	0.2	4.7	0.0	0.3	0.8	-3.0	52.0
2034	49.9	0.2	4.8	0.0	0.3	0.9	-3.0	53.1
2035	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2036	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2037	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2038	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2039	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2040	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2041	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2042	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2043	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2044	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2045	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2046	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2047	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2048	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2049	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2050	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2051	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2052	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2053	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2054	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2055	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2056	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2057	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2058	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2059	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2060	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2061	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2062	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2063	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2064	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2065	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2066	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2067	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2068	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2069	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2070	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2071	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2072	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2073	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2074	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2075	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2076	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2077	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2
2078	50.8	0.2	4.9	0.0	0.3	0.9	-3.0	54.2

2014	3.5%	87.1
2015	3.5%	84.2
2016	3.5%	81.4
2017	3.5%	78.6
2018	3.5%	75.9
2019	3.5%	73.4
2020	3.5%	70.9
2021	3.5%	68.5
2022	3.5%	66.2
2023	3.5%	63.9
2024	3.5%	61.8
2025	3.5%	59.7
2026	3.5%	57.7
2027	3.5%	55.7
2028	3.5%	53.8
2029	3.5%	52.0
2030	3.5%	50.3
2031	3.5%	48.6
2032	3.5%	46.9
2033	3.5%	45.3
2034	3.5%	43.8
2035	3.5%	42.3
2036	3.5%	40.9
2037	3.5%	39.5
2038	3.5%	38.2
2039	3.5%	36.9
2040	3.5%	35.6
2041	3.5%	34.4
2042	3.5%	33.3
2043	3.5%	32.1
2044	3.5%	31.0
2045	3.5%	30.0
2046	3.5%	29.0
2047	3.5%	28.0
2048	3.5%	27.1
2049	3.0%	26.3
2050	3.0%	25.5
2051	3.0%	24.8
2052	3.0%	24.0
2053	3.0%	23.3
2054	3.0%	22.7
2055	3.0%	22.0
2056	3.0%	21.4
2057	3.0%	20.7
2058	3.0%	20.1
2059	3.0%	19.5
2060	3.0%	19.0
2061	3.0%	18.4
2062	3.0%	17.9
2063	3.0%	17.4
2064	3.0%	16.9
2065	3.0%	16.4
2066	3.0%	15.9
2067	3.0%	15.4
2068	3.0%	15.0
2069	3.0%	14.5
2070	3.0%	14.1
2071	3.0%	13.7
2072	3.0%	13.3
2073	3.0%	12.9
2074	3.0%	12.5
2075	3.0%	12.2
2076	3.0%	11.8
2077	3.0%	11.5
2078	3.0%	11.1

Year	Congestion 4	Infrastructure	Accident	Local Air Quality	Noise	Greenhouse Gases	Indirect Taxation	Total
2019	29.3	0.1	2.5	0.0	0.2	0.5	-2.5	30.2
2020	28.5	0.1	2.5	0.0	0.2	0.5	-2.4	29.4
2021	27.8	0.1	2.5	0.0	0.2	0.5	-2.3	28.8
2022	27.2	0.1	2.4	0.0	0.2	0.5	-2.2	28.2
2023	26.5	0.1	2.4	0.0	0.2	0.4	-2.1	27.5
2024	25.9	0.1	2.4	0.0	0.2	0.4	-2.0	26.9
2025	25.2	0.1	2.3	0.0	0.2	0.4	-1.9	26.3
2026	24.8	0.1	2.3	0.0	0.2	0.4	-1.8	26.0
2027	24.4	0.1	2.3	0.0	0.2	0.4	-1.7	25.6
2028	24.0	0.1	2.3	0.0	0.2	0.4	-1.6	25.3
2029	23.6	0.1	2.2	0.0	0.1	0.3	-1.6	24.9
2030	23.2	0.1	2.2	0.0	0.1	0.3	-1.5	24.5
2031	22.9	0.1	2.2	0.0	0.1	0.3	-1.4	24.2
2032	22.5	0.1	2.2	0.0	0.1	0.4	-1.4	23.9
2033	22.2	0.1	2.1	0.0	0.1	0.4	-1.3	23.6
2034	21.8	0.1	2.1	0.0	0.1	0.4	-1.3	23.3
2035	21.5	0.1	2.1	0.0	0.1	0.4	-1.3	22.9
2036	20.8	0.1	2.0	0.0	0.1	0.4	-1.2	22.1
2037	20.1	0.1	1.9	0.0	0.1	0.4	-1.2	21.4
2038	19.4	0.1	1.9	0.0	0.1	0.4	-1.1	20.7
2039	18.7	0.1	1.8	0.0	0.1	0.3	-1.1	20.0
2040	18.1	0.1	1.7	0.0	0.1	0.3	-1.1	19.3
2041	17.5	0.1	1.7	0.0	0.1	0.3	-1.0	18.6
2042	16.9	0.1	1.6	0.0	0.1	0.3	-1.0	18.0
2043	16.3	0.1	1.6	0.0	0.1	0.3	-0.9	17.4
2044	15.8	0.1	1.5	0.0	0.1	0.3	-0.9	16.8
2045	15.2	0.0	1.5	0.0	0.1	0.3	-0.9	16.2
2046	14.7	0.0	1.4	0.0	0.1	0.3	-0.9	15.7
2047	14.2	0.0	1.4	0.0	0.1	0.3	-0.8	15.2
2048	13.7	0.0	1.3	0.0	0.1	0.2	-0.8	14.7
2049	13.3	0.0	1.3	0.0	0.1	0.2	-0.8	14.2
2050	13.0	0.0	1.3	0.0	0.1	0.2	-0.8	13.8
2051	12.6	0.0	1.2	0.0	0.1	0.2	-0.7	13.4
2052	12.2	0.0	1.2	0.0	0.1	0.2	-0.7	13.0
2053	11.9	0.0	1.1	0.0	0.1	0.2	-0.7	12.6
2054	11.5	0.0	1.1	0.0	0.1	0.2	-0.7	12.3
2055	11.2	0.0	1.1	0.0	0.1	0.2	-0.6	11.9
2056	10.8	0.0	1.0	0.0	0.1	0.2	-0.6	11.6
2057	10.5	0.0	1.0	0.0	0.1	0.2	-0.6	11.2
2058	10.2	0.0	1.0	0.0	0.1	0.2	-0.6	10.9
2059	9.9	0.0	1.0	0.0	0.1	0.2	-0.6	10.6
2060	9.6	0.0	0.9	0.0	0.1	0.2	-0.6	10.3
2061	9.4	0.0	0.9	0.0	0.1	0.2	-0.5	10.0
2062	9.1	0.0	0.9	0.0	0.1	0.2	-0.5	9.7
2063	8.8	0.0	0.9	0.0	0.1	0.2	-0.5	9.4
2064	8.6	0.0	0.8	0.0	0.1	0.2	-0.5	9.1
2065	8.3	0.0	0.8	0.0	0.1	0.2	-0.5	8.9
2066								

Coppid Beech Park and Ride

Revised Cost Cost Calculation

Item	Cost Estimate	Design + PM %	Incl. Design + PM	Estimate Year		Appraisal Year						2017	
				Estimated Cost not incl. QRA or OB (£)	Year	Estimated Cost 2010 not incl. QRA or OB (£)	QRA (P-50 Value)	Incl. QRA	Optimism Bias %	Incl. Optimism Bias	Estimated Cost 2010 (£)		
Earthworks	290,016	10%	319,018	319,018	2016	259,521						325,398	468,573
Parking Area	1,246,154	10%	1,370,769	1,370,769	2014	1,127,448						1,434,428	2,065,577
						1,386,969	0	1,386,969	44%	1,997,235	1,997,235	1,759,826	2,534,150
												2,534,150	

BCR Calculation

Item	Scenario 1 (100% Gvt Funded)	Scenario 2 (50% Gvt Funded, 50% Dev Con)
PVC	1,997,235	1,997,235
PVC not inc. Dev Con	1,997,235	998,617
PVB inc. Dev Con as -ve benefit	3,911,836	2,913,219
NPV	1,914,601	1,914,601
BCR	1.96	2.92
Dev Con %	0%	50%
Dev Con	0	998,617



Mountbatten House
Basing View
Basingstoke, Hampshire
RG21 4HJ

wsp.com

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TITLE	Work Programme 2018/19
FOR CONSIDERATION BY	Community and Corporate Overview and Scrutiny Committee – 11 February 2019
WARD	None Specific
LEAD OFFICER	Andrew Moulton, Assistant Director, Governance

OUTCOME / BENEFITS TO THE COMMUNITY

Effective Overview and Scrutiny helps to improve services, holds decision makers to account and engages with local communities. In so doing it helps to demonstrate that the Council and other public service providers are open and transparent and are delivering high quality, value for money services.

RECOMMENDATION

The Committee is requested to:

- 1) review its Work Programme for 2018/19 (Annex A);
- 2) prioritise the items in the work programme and allocate items to forthcoming meetings;
- 3) consider any other potential Scrutiny items for consideration during 2018/19.

SUMMARY OF REPORT

Effective work programming is a Member-led process aimed at shortlisting and prioritising issues of community concern together with issues arising out of the Council Plan and major policy or service changes. It aims to:

- reflect local needs and concerns;
- prioritise topics for scrutiny which have the most impact or benefit;
- involve local residents and stakeholders;
- be flexible enough to respond to new or urgent issues.

Each year the Overview and Scrutiny Management Committee approves work programmes for itself and the Council's three Overview and Scrutiny Committees.

As this is the Committee's first meeting of the new Municipal Year the work programme is set out at Annex A for Members to consider and to prioritise items for future meetings.

Background

An effective Overview and Scrutiny function is underpinned by robust work programming. Effective work programming lays the foundations for targeted scrutiny of issues of local importance. It helps to ensure that Overview and Scrutiny adds value and makes a difference. Effective work programming helps to:

- prioritise issues for in-depth work where Overview and Scrutiny can make an impact and add value;
- reduce the need for “information only” reports;
- achieve a balance between pre-decision scrutiny, policy development and performance/budget monitoring;
- contribute at an earlier stage in the decision making process;
- increase public and stakeholder involvement in Overview and Scrutiny;
- retain flexibility in order to respond to urgent issues arising during the year.

The issues identified for consideration by Overview and Scrutiny should be of interest or concern for local residents and generate public interest and involvement in the Overview and Scrutiny process.

In order to generate ideas and involvement from local residents, community groups and stakeholders the Council's website and social media are used to publicise the development of the work programme and to invite suggestions for items to be included.

Annex A to the report sets out items to be included in the Committee's work programme for 2018/19. The Committee is requested to consider the list of items and to discuss its priorities for consideration at meetings in 2018/19.

Members may also wish to add further items to the work programme and consider how each item will be addressed, e.g. through reports to the Committee or the establishment of time limited Task and Finish groups.

As part of the work programming process, residents, community groups and Town and parish Councils were invited to identify issues to be considered in 2018/19.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	0	NA	NA
Next Financial Year (Year 2)	0		
Following Financial Year (Year 3)	0		

Other financial information relevant to the Recommendation/Decision

None

List of Background Papers

None

Contact Callum Wernham	Service Corporate Services
Telephone No 0118 974 6059	Email callum.wernham@wokingham.gov.uk
Date 31 January 2019	Version No. 1.0

Community and Corporate Overview and Scrutiny Committee

Work Programme 2018/19

1.	Reviewing the work of the Community Safety Partnership, the effectiveness of local policing and fire and rescue services
2.	Exercising the Council's flood risk management responsibilities by monitoring flood risk activities and partnership working with towns and parishes
3.	Monitoring the Council's Capital and Revenue expenditure
4.	Monitoring the Wokingham Town Centre regeneration project (including car park provision) including an evidence session with the Federation of Small Businesses
5.	Reviewing the Council's partnerships with Town and Parish Councils and the voluntary sector
6.	Reviewing service developments relating to waste and recycling services
7.	Reviewing highways and transport issues including the new highways contracts, customer service, car parking and cycling facilities
8.	Reviewing the proposed development of the Coppid Beech Park and Ride site
9.	Monitoring the implementation of Civil Parking Enforcement
10.	Reviewing the condition of footways, kerbsides and road signs – request from Finchampstead Parish Council
11.	Monitoring the impact of changes to train services
12.	Reviewing the process for setting fees and charges in the Public Protection service
13.	Input into new policies through pre-decision scrutiny of draft proposals
14.	Appointing Task and Finish Groups as appropriate

Community and Corporate Overview and Scrutiny Committee - Current draft Work Programme items the next meeting

DATE OF MEETING	ITEM	PURPOSE OF REPORT
14 March 2019	Reviewing the Community Safety Partnership	To consider an update on the Community Safety Partnership.
	Work Programme	To consider the work programme for the Committee for 2018/19

Items on Hold

Monitoring WBC's parking strategy policy	To consider an update on WBC's parking strategy policy.
Market Place Road Safety Audit	To receive and consider the final Market Place road safety audit.
Market Place Financial Audit	To receive and consider the final Market Place financial audit.

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