



WOKINGHAM BOROUGH COUNCIL

A Meeting of the **COUNCIL** will be held Virtually on
THURSDAY 18 FEBRUARY 2021 AT 8.00 PM

Susan Parsonage
Chief Executive
Published on 10 February 2021

Note: The Council has made arrangements under the Coronavirus Act 2020 to hold this meeting virtually via Microsoft Teams. The meeting can be watched live using the following link: <https://youtu.be/Z4Se6Wm91-w>

This meeting will be filmed for inclusion on the Council's website.

Please note that other people may film, record, tweet or blog from this meeting. The use of these images or recordings is not under the Council's control.



WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, learn, work and grow and a great place to do business

Enriching Lives

- Champion outstanding education and enable our children and young people to achieve their full potential, regardless of their background.
- Support our residents to lead happy, healthy lives and provide access to good leisure facilities to complement an active lifestyle.
- Engage and involve our communities through arts and culture and create a sense of identity which people feel part of.
- Support growth in our local economy and help to build business.

Safe, Strong, Communities

- Protect and safeguard our children, young and vulnerable people.
- Offer quality care and support, at the right time, to prevent the need for long term care.
- Nurture communities and help them to thrive.
- Ensure our borough and communities remain safe for all.

A Clean and Green Borough

- Do all we can to become carbon neutral and sustainable for the future.
- Protect our borough, keep it clean and enhance our green areas.
- Reduce our waste, improve biodiversity and increase recycling.
- Connect our parks and open spaces with green cycleways.

Right Homes, Right Places

- Offer quality, affordable, sustainable homes fit for the future.
- Build our fair share of housing with the right infrastructure to support and enable our borough to grow.
- Protect our unique places and preserve our natural environment.
- Help with your housing needs and support people to live independently in their own homes.

Keeping the Borough Moving

- Maintain and improve our roads, footpaths and cycleways.
- Tackle traffic congestion, minimise delays and disruptions.
- Enable safe and sustainable travel around the borough with good transport infrastructure.
- Promote healthy alternative travel options and support our partners to offer affordable, accessible public transport with good network links.

Changing the Way We Work for You

- Be relentlessly customer focussed.
- Work with our partners to provide efficient, effective, joined up services which are focussed around you.
- Communicate better with you, owning issues, updating on progress and responding appropriately as well as promoting what is happening in our Borough.
- Drive innovative digital ways of working that will connect our communities, businesses and customers to our services in a way that suits their needs.

To: The Members of Wokingham Borough Council

ITEM NO.	WARD	SUBJECT	PAGE NO.
88.		APOLOGIES To receive any apologies for absence	
89.		MINUTES OF PREVIOUS MEETING To confirm the Minutes of the Council Meeting held on 21 January 2021.	13 - 46
90.		DECLARATIONS OF INTEREST To receive any declarations of interest	
91.		MAYOR'S ANNOUNCEMENTS To receive any announcements by the Mayor	
92.		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 the Council Subject to meeting certain timescales, questions can relate to general issues concerned with the work of the Council 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	
92.1	None Specific	Alistair Neal has asked the Leader of the Council the following question: Question This is a question about Settled Status for EU citizens. The deadline for EU citizens to register for Settled Status is 30th June, 2021. The September Council meeting passed a motion that called on officers to review the Council's plans with respect to EU Settled Status. Other Councils are taking active steps to contact EU residents; e.g. Brighton & Hove City Council have	

delivered a postcard to all addresses in the city, with a friendly message on the front, "We want EU citizens to stay in Brighton & Hove", and information sources, including phone numbers, on the back.

There are 4,097 EU citizens in the Wokingham Borough according to the 2018 Electoral Roll, but there may be others, living in less formal circumstances such as sub-lets, HMOs or agricultural accommodation

Some EU citizens are working where they have no formal contact with employers and HR resources to tell them about the new rules, such as self-employed tradesmen workers in the app-based gig economy.

I'm sure that the Council would like all its EU citizens to continue to live their lives in the Borough.

With these points in mind, could the Council Leader give me an update on the review called for in the Council's September motion, and on its plan of action going forward for contacting Wokingham's EU citizens before July?

- 92.2 None Specific Philip Cunningham has asked the Executive Member for Children's Services the following question:

Question

What additional provision has been put in place to support the mental health and wellbeing of 15-18-year olds in the Borough whose education and exams have been particularly badly disrupted during the Covid lockdowns?

- 92.3 None Specific Richard Tredgett has asked the Executive Member for Health, Wellbeing and Adult Services the following question:

Question

While I was pleased to see the Winter 2020 Wokingham Borough News includes an article on mental health and well-being during lockdown, I was disappointed that the new, excellent, and Council funded, Wokingham Recovery College was not mentioned. Can you assure me that the Recovery College will get a full page in the spring edition enabling residents to find out about and apply for the wide range of online courses, all designed to promote mental well-being?

- 92.4 Emmbrook Peter Humphreys has asked the Executive Member for Regeneration the following question:
- Question**
- Despite the many unoccupied units in Peach Place, the Council decided to press on with destroying Elms Field to create even more empty units. Whilst Covid hasn't helped, these units pre-date it and many created during the regeneration have been empty for well over two years. Yet, even during the pandemic, several new businesses, not including ones relocating a few hundred metres to take advantage of a rent free holiday, have opened in the Borough. Would you please state how much, if any, income has been generated by the shop units at Elms Field as a result of the regeneration, and how this compares with the original budget?
- 92.5 None Specific Frank Moore has asked the Leader of the Council the following question:
- Question**
- During the past few weeks the Council, through the Standards Committee and the Audit Committee, have been shown to be infringing the rules of the Council Constitution. As regards the Standards Committee this has been going on for nearly two years. These are serious breaches of the Wokingham Borough Council Constitution and reflect badly in the eyes of the public on our Council. As such, I would like to ask through the Leader of the Council for these serious shortcomings to be formally investigated through an independent person such as a retired QC or judge?
- 92.6 None Specific Beth Rowland has asked the Executive Member for Regeneration the following question:
- Question**
- Some years ago when I was a Borough Councillor and sat on the working party that dealt with the regeneration of Wokingham Town centre, the plan was that money generated by this would go to regenerate other town centres in the Borough.
- Please will you tell me how much has Wokingham's regeneration cost in total and how much in profit has it returned to date?
- 92.7 None Specific Anne Chadwick has asked the Executive Member for Resident Services, Communications and Emissions the following question:

Question

In July 2019 you announced that the Council were committing to energy efficiency upgrades and solar PV for the roofs of our schools. Can you give me an update on how many schools have had energy efficiency upgrades and solar installations so far and how many are planned for this year?

92.8 Wescott

Jane Davenport has asked the Executive Member for Environment and Leisure the following question:

Question

David Wilson Homes have destroyed Montague Park SANG for the last two consecutive years to plant a wildflower meadow so that Wokingham Council will adopt the site. The SANG is home to endangered species and species protected by law, namely Roe Deer and Hedgehogs. The SANG's plant life was killed by indiscriminately spraying glyphosate, a chemical described by the WHO as "probably carcinogenic to humans" and banned in countless countries around the world and many Boroughs in the UK. A chemical that when ingested by humans or animals can cause internal burns, nausea, vomiting and diarrhoea, not to mention its links with non-Hodgkin's lymphoma and the decline of our bee population. The SANG was further destroyed by ploughing, leaving huge furrows, turning it in to an unusable mud pit.

In view of the total failure by David Wilson Homes to plant a wildflower meadow in 2019, and, in the absence of wildlife survey data, residents themselves have demonstrated species inhabit this SANG that are protected by law, what have Wokingham Council done to ensure the 2020 attempt has been successfully carried out, because if this second attempt fails, the meadow cannot be destroyed in 2021 for a third consecutive year.

92.9 None Specific

Peter Dennis has asked the Executive Member for Highways and Transport the following question:

Question

With regards to the Coppid Beach Park and Ride, the Climate Emergency Action Plan states in outcomes a "10% increase in the number of Wokingham borough residents who use a train or park and ride at least once a week." But I contend that is a fallacy in that residents on that side of Wokingham do not need a place to park vehicles and residents from other parts of the town will have to drive past the town to get to it

(if used the town would then lose car park income).

Therefore, the use case is of people from outside of town using it (which leads to some interesting thoughts). This leads to a query about the sustainability and business case for this park and ride.

How will this park and ride contribute to the climate emergency action plan bearing in mind the continued need to monitor it to demonstrate its worth?

- 92.10 None Specific Keith Kerr has asked the Leader of the Council the following question:

Question

There is an ongoing covert campaign by right wing activists and political organisations to delegitimise the call for fairness, equality and justice that resonated in the UK and all over the world at the birth of the Black Lives Matter movement. Cllr Halsall, do you expect your commitments to equality, given in writing, on behalf of WBC to be honoured or is the Council's inaction and unwillingness to engage with concerned BME residents, part of your personal de-legitimisation strategy?

93.

PETITIONS

To receive any petitions which Members or members of the public wish to present.

94.

None Specific

MEDIUM TERM FINANCIAL PLAN AND ASSOCIATED REPORTS

The following Budget reports will be taken as one Agenda Item and a period of 1½ hours will be allowed to debate the item.

94.1

None Specific

Housing Revenue Account Budget 2021/22

To consider the recommendations of the Executive in respect of the Housing Revenue Account Budget for 2021/22.

47 - 56

RECOMMENDATION that Council approve:

- 1) the Housing Revenue Account budget for 2021/22 (Appendix A);
- 2) Council house dwelling rents be increased by up to 1.50% effective from April 2021 in line with the Welfare Reform and Work Act 2015;
- 3) Garage rents to be increased by 1.16%

		effective from April 2021 in line with Council's general fees and charges;	
4)	Shared Equity Rents to be increased by 1.13% based on September RPI, effective from April 2021;		
5)	Tenant Service Charges to be set based on cost recovery;		
6)	the Housing Major Repairs (capital) programme for 2021/22 as set out in Appendix B;		
7)	Sheltered room guest charges for 2021/22 remain unchanged at £9.50 per night per room.		
94.2	None Specific	Capital Programme and Strategy 2021-2024 To consider the recommendations of the Executive in respect of the Capital Programme and Strategy 2021-2024.	57 - 96
		RECOMMENDATION that Council approve:	
	1)	the Capital Strategy for 2021 - 2024 - Appendix A;	
	2)	the three-year capital programme for 2021 - 2024 – Appendix B;	
	3)	the draft vision for capital investment over the next five years - Appendix C;	
	4)	the use of developer contribution funding (s106 and CIL) for capital projects as set out in Appendix D. Approval is sought up to the project budget.	
94.3	None Specific	Treasury Management Strategy 2021-2024 To consider the recommendations of the Executive in respect of the Treasury Management Strategy 2021-2024.	97 - 142
		RECOMMENDATION that Council:	
	1)	approve the Treasury Management Strategy as set out in Appendix A including the following additional Appendices;	
		• Prudential Indicators (Appendix B)	
		• Annual Investment Strategy 2021/22 (Appendix C)	
		• Minimum Revenue Provision (MRP) policy	

(Appendix D)

- 2) note that the Audit Committee agreed the Treasury Management Strategy on 3 February 2021;
- 3) note the cumulative financial impact on the Council of its borrowing activities equates to a net credit to the general fund for the taxpayer of £13.64 per band D equivalent at end of 2021/22 and noting this credit increases to £62.86 at the end of 2023/24.

94.4 None Specific **Medium Term Financial Plan 2021-2024 - Revenue Budget Submission 2021/22** 143 - 146

To consider the recommendations of the Executive in relation to the Medium Term Financial Plan 2021-2024 and the Budget submission and Council Tax for 2021/22.

RECOMMENDATION that Council approve the following:

- 1) the Medium Term Financial Plan (MTFP) 2021/24, including the budget submission for 2021/22;
- 2) the statutory resolution that sets out the 2021/22 council tax levels (as set out in Appendix A to the report) (*to be provided on the day once all provisional figures are confirmed*);
- 3) that in the event that there are any changes to the provisional precept of the Fire Authority or parishes, arising from their precept setting meetings being held before the end of February, the Deputy Chief Executive (S151 Officer) is delegated authority to enact all relevant changes to the MTFP, Statutory Resolution and council tax levels.

95. None Specific **TREASURY MANAGEMENT MID-YEAR REPORT 2020-21** 147 - 156

To consider the mid-year Treasury Management report for 2020-21.

RECOMMENDATION that Council note:

- 1) Appendix A, the Treasury Management Mid-Year report which was agreed at Audit Committee on 23rd November 2020;

- 2) that all approved indicators set out in the Treasury Management Strategy have been adhered to and that prudent and safe management has been maintained;
- 3) the table below which shows the net benefit per council tax payer, from the income generated less the financing costs on all borrowing to date equates to £7.20 which is 0.47% of the average band D council tax charge. This credit provides income to the Council to invest in its priority services.

96.	<p>Coronation; Hurst; Norreys; Remenham, Wargrave and Ruscombe; Shinfield South</p>	<p>RE-DESIGNATION OF POLLING PLACES To consider a report setting out proposed alternative Polling Places for those that are unavailable for the elections due to be held in 2021.</p> <p>RECOMMENDATION that for any elections held in 2021 the following be agreed:</p> <ol style="list-style-type: none"> 1) The Baptist Church Hall, Fairmead Road, Shinfield be designated as the polling place for polling district SCW in Shinfield South Ward instead of Shinfield Parish Hall; 2) Wargrave Pavilion be designated as the polling place for polling district RBM in Remenham, Wargrave and Ruscombe Ward instead of Hare Hatch Village Hall; 3) St John's Church, Woodley be designated as the polling place for polling district KCM in Coronation Ward instead of St John's Ambulance, HQ, Woodley; 4) Hurst Village Hall be designated as the polling place for Polling District HAM in Hurst Ward instead of the Mobile Unit at Warren Public House, Hurst; 5) The Cornerstone, Norreys Avenue Wokingham be designated as the polling place for polling districts WFW and WGW1 in Norreys Ward instead of Norreys Evangelical Church; 6) The Assistant Director Governance be delegated authority, in consultation with the relevant Ward Member(s), to re-designate any polling place in the Borough which becomes unavailable because of issues related to the Covid-19 pandemic. 	157 - 166
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97.	None Specific	<p>CHANGES TO THE CONSTITUTION</p> <p>To receive a report from the Monitoring Officer setting out proposed changes to the Constitution as considered by the Constitution Review Working Group.</p> <p>RECOMMENDATION That Council agree the following changes to the Constitution, as recommended by the Monitoring Officer, via the Constitution Review Working Group:</p> <ol style="list-style-type: none"> 1) that Section 5.1.11 Consideration of Other Matters Referred to the Executive be amended as set out in Paragraph 1 of the report; 2) that Sections 6.1.2, 6.2.1, 8.4.1, 8.6.1 8.7.1 and 9.1.1 be amended as set out in Paragraph 2 of the report; 3) that Sections 4.2.9.5 Scope of questions [Council – Public Questions], 4.2.10.5 Scope of questions [Council – Member Questions], 5.4.29 Scope of questions [Executive – Public Questions] and 5.4.37 Scope of questions [Executive – Member Questions] be amended as set out in Paragraph 3 of the report; 4) that Section 12 Financial Regulations Appendix A – Statement of Material Decisions, be amended as set out in Appendix 1 to the report; 5) that amendments be made to Section 13 Procurement and Contract Rules and Procedures, as set out in Appendix 2 to the report; 6) that amendments be made to Section 13 Procurement and Contract Rules and Procedures, as set out in Appendix 3 to the report. 	167 - 190
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Agenda Item 89.

MINUTES OF A MEETING OF THE COUNCIL HELD ON 21 JANUARY 2021 FROM 7.00 PM TO 10.55 PM

Members Present

Councillors: Malcolm Richards (Mayor), Keith Baker (Deputy Mayor), Parry Batth, Rachel Bishop-Firth, Laura Blumenthal, Chris Bowring, Shirley Boyt, Prue Bray, Rachel Burgess, Jenny Cheng, UllaKarin Clark, Stephen Conway, Gary Cowan, Andy Croy, Richard Dolinski, Carl Doran, Lindsay Ferris, Michael Firmager, Paul Fishwick, Jim Frewin, Maria Gee, Guy Grandison, Charlotte Haitham Taylor, John Halsall, David Hare, Pauline Helliar-Symons, Emma Hobbs, Graham Howe, Clive Jones, John Kaiser, Sarah Kerr, Dianne King, Abdul Loyes, Tahir Maher, Charles Margetts, Adrian Mather, Ken Miall, Andrew Mickleburgh, Stuart Munro, Gregor Murray, Barrie Patman, Angus Ross, Daniel Sargeant, Imogen Shepherd-DuBey, Rachelle Shepherd-DuBey, Caroline Smith, Chris Smith, Wayne Smith, Bill Soane, Alison Swaddle and Simon Weeks

81. APOLOGIES

Apologies for absence were submitted from Pauline Jorgensen and Oliver Whittle.

82. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Council held on 19 November 2020 were confirmed as a correct record and will be signed by the Mayor at a future opportunity.

83. DECLARATIONS OF INTEREST

There were no declarations of interest.

84. MAYOR'S ANNOUNCEMENTS

The Mayor informed Members that he had attended a number of virtual meetings in his role as Mayor.

85. PUBLIC QUESTION TIME

In accordance with the agreed procedure the Mayor invited members of the public to submit questions to the appropriate Members.

85.1 Anne Chadwick asked the Executive Member for Children's Services the following question. Due to her inability to attend the following written answer was provided:

Question

Could you give an update about the Edge of Care services please?

Answer

Edge of care work in Wokingham is undertaken by the Compass Team. This team is new and commenced in June 2020. The team consist of a Team manager, 3 child and family workers and a psychologist. The team are currently working with 16 children.

The team work with:

- Children who are in the care of their families where there is a risk of them becoming looked after.
- Children in care to prevent placement breakdown and maintain placement stability.
- Children who are in care to support their reunification home.

The Compass Team uses both Trauma Informed and Systemic Practice to underpin their interventions.

An example of their work includes co working to prevent family breakdown, this involved the Psychologist completing work with parents and a Child and Family Worker completing direct work separately with the child.

Early indications are that the work of the team is making a difference and has led to positive outcomes for children. This includes supporting several children remain in the care of their parents and not become looked after. They have also supported several children to return home from costly residential placements. They have supported 2 children to remain with foster carers, where the placement was vulnerable to breakdown, preventing a placement move and the need to move to a residential resource.

Families who have finished working with members of the Compass Team have fed back improvements in their ability to communicate with their children, and an improvement in the behaviour and confidence of the child. They have also noted improvements in relation to their own parenting and feeling that they have a range of strategies to try when they run into 'bumps along the road'.

85.2 Jackie Rance asked the Executive Member for Children's Services the following question:

Question:

Would the Executive Member for Children's Services give an update on Wokingham Borough Council's use of the Winter Fund to help local families in these difficult times? I'm aware as I have been supporting parents in Shinfield South and know what a difference it has made to individuals. Please give an update on the delivery of the Winter Fund.

Answer:

As of 8th January, this year, we have received 53 referrals for support from the Covid Winter Grant Fund via the Coronavirus Community Response One Front Door and we have so far distributed £21,000 to families with or without children who are struggling with the costs of food or fuel.

In addition, the families of all pupils in receipt of benefits related Free School Meals have been provided with food vouchers to cover the Christmas holiday, and will be provided with vouchers to cover the leave in February.

We have also supported 75 Care Leavers to meet the cost of food and groceries.

The grant is available until 31st March and I would like to take this opportunity to encourage everyone or anyone who is struggling to meet the costs of fuel or food over these incredibly difficult winter months to apply for support through the grant.

Supplementary Question:

How much of the grant remains available for families with or without children?

Supplementary Answer:

As of 8th January, I do not have a later figure I am afraid, £80,000 remains.

85.3 Philip Cunnington asked the Executive Member for Health, Wellbeing and Adult Services the following question:

Question:

I am very aware of the effect on the mental health and wellbeing of friends and neighbours in Norreys and across the Borough as a result of restrictions enforced during the Covid 19 pandemic. In addition, the effect on mental health due to traumatic experiences of those who have suffered illness, bereavement, loss of employment or financial hardship as a direct result of the pandemic. Can you advise me of any plans you have made to deal with this?

Answer:

The Covid-19 pandemic has had a real impact on people's mental health. The Borough's Community Response has tried to reach out to those isolated and vulnerable. Adult Social Care within WBC has made over 6,000 initial welfare checks with some 16,000 follow up welfare calls via the WBC / The Link Visiting Scheme and there have been some 4,000 calls to the "One Front Door", supported by WBC and Citizens Advice. The One Front Door takes calls of any nature, many of which relate lately to mental health. These initiatives will continue to be in place over the next period.

We also have further initiatives we are doing. Firstly, we are doing a project with Earley Plus, PCN and Citizens Advice to encourage residents to call the One Front Door, if their mental health is suffering. The CAB will try to resolve some of the underlying issues causing depression and anxiety, such as financial stress and relationship breakdowns. They also can sign post to other specialist services, be it formal mental health services or other voluntary organisations.

In addition, WBC have sourced a specialist voluntary sector partner, Oxfordshire MIND, to provide support to those suffering from mild to moderate mental health issues. This service includes Well Being Support Workers, who will talk through issues over a number of sessions, as well as signposting to groups and activities to support them. The service will take referrals from GPs, statutory or voluntary organisations. They will also be tasked to support the voluntary sector with mental health training, providing advice and support. This will be in place in the next couple of months and will be based in Wokingham town centre as well as remotely across the Borough.

Wokingham Borough Council has also set up a Recovery College which provides courses and workshops for people with mental health needs and their carers in the Borough. The courses are focused on understanding mental health issues, managing mental health in a positive way and staying well. Courses provide life skill training and access to support to gain employment. They are open to all Wokingham Borough residents over the age of 18 who are free to register with the college. The courses are currently delivered online until venues can reopen in the community post Covid.

Supplementary Question:

You mentioned the upcoming service with MIND. Can you give me some examples of how successful they have been in this sort of situation in other areas, and how they can achieve it in Wokingham?

Supplementary Answer:

They have a proven track record of implementing large, broad reaching mental health programmes. They currently hold the contract for the delivery of the Primary Care

wellbeing project, which has been commissioned by the Oxfordshire CCG, and delivery of Oxfordshire Safe Haven, the out of hours service commissioned by the Oxfordshire NHS Foundation Trust. Since 2018 when their primary care wellbeing project was commissioned, they have seen 3,100 people across 32 GP practices. In Year 2, they saw 1,500 people across 29 GP practices. Of this number, 185 completed the intervention, leaving the service successfully. 78% reported a significant increase in wellbeing. Satisfaction rates have remained above 90% for both years. The Covid 19 pandemic forced them to shift to a predominantly remote service, but even during this period they have managed to connect with a large number of service users and to record good outcomes. In April-September 2020, 671 service users accessed the service, 124 finished the intervention, and 79% showed a significant increase in wellbeing.

In answer to your question, in Wokingham, it is anticipated that there could be as many as 1,200 people supported by this service with 41% expected to go to other services, Citizens Advice, LINK visiting scheme, Age UK. This service will co-ordinate and nurture the voluntary sector response creating an allied response. They are going to work with the voluntary sector as well as GP practices so they will be visible in the community. I think it is a very successful organisation. They are shortly coming to Wokingham which is great news, and their services will be of real value to our residents.

85.4 John Booth asked the Executive Member for Planning and Enforcement the following question:

Question:

In the Topic Paper ‘Local Green Space January 2020’, which accompanied the Draft Local Plan Update consultation, the site LGS09, Site name, Land between Thames Valley Business Park and Napier Road, known locally as Kennet Mouth is appraised but is recommended not to be designated as Local Green Space. In the justification for this the following statement is made:

“The majority of the site is also surrounded by commercial and employment development (notably Sutton Business Park and Thames Valley Park) which are dominant in the landscape.”

But neither of these is apparent or impinges in any way upon the enjoyment of the site, let alone being ‘dominant in the landscape’. This is because the Suttons Business Park is hidden by the embankment of the 1840 Great Western Railway and Thames Valley Business Park is hidden by the raised area of chalk outcrop to the east of the site known as Broken Brow.

Photographs from the site looking south and east have been sent separately to the Executive Member. Do you agree that the description of the site in the Topic Paper is misleading and factually incorrect and should be removed from the document?

Answer:

The Draft Plan consultation undertaken last year was a key step in the preparation of new planning policies to guide our development. It allowed everyone the opportunity to express their views on what we got right, what we got wrong and things we could improve on. We are now carefully considering everyone’s comments as we decide how to move forward.

To comment specifically on the issue of Local Green Space you refer to, the Draft Plan

considered only a handful of areas that had been put forward at that time. Through responses to the Draft Plan and subsequent correspondence with Town and Parish councils, and other members of the public, we have received suggestions for over a further 100 additional Local Green Spaces.

In some circumstances, different views have been put forward by different people as to the extent of area that might merit designation as Local Green Space as well as different reasoning. This is the case in the Kennet mouth area which you refer to, where a wider area has now been promoted, including much greater supporting information to explain its suitability for designation as a Local Green Space.

Recommendations on the merits across the Borough will be reported to Executive later this year as we prepare for our next draft Plan.

As you will be aware, it would not be appropriate for me to comment on any merits of any individual proposals at this time, however I can assure you that the view of all respondents will be considered as we move forward, including the matters you refer to, where necessary and justified, as we move forward with our draft proposals, and all those items will be amended.

Supplementary Question:

I am very pleased with the supplementary consultation, which I think came out in May, after the main consultation was over, which allowed many groups to make their views known, and I am sure accounted for many of the 100 extra proposals.

The supplementary question, maybe you have already answered it, is will the Council recommend the designation of the site as a Local Green Space, and if not why not?

Supplementary Answer:

As I have said, I think you know my credentials being on the Planning Committee that saved this site through the MRT proposals, so I do not think you need to question my integrity and what can be done.

I can assure you that it will be looked at. What I can say is that the proposals now are far stronger than what was submitted originally, because you submitted a very small space but now, we have got the whole of the area which banks the river which would make it a lot stronger.

85.5 Helen Palmer asked the Executive Member for Planning and Enforcement the following question:

Question:

The Topic Paper Local Green Space, accompanying the Draft Local Plan Update, referring to the site, "Land between Thames Valley Business Park and Napier Road" states:

"The site holds no formal recreational or historical value."

The route, being free from motorised traffic, and running between green space and the river, is heavily used by walkers, runners and cyclists, including many locals who have health issues restricting the distance they can walk.

Others come from further afield to follow the Thames Path or National Cycle Route 4.

The Thames Path is a lovely route, nationally and internationally renowned. Walking it myself, I met several groups of people who had come from overseas specifically to walk this path. It would be a local disgrace to allow “our” section of this famous path to be spoilt, for example by a main road bringing air and noise pollution.

During lockdown, heavy use led to creation of a second path alongside the Thames Path, allowing for social distancing. This land should not be narrowed by infrastructure.

Will councillors ask the officers to strike out this statement in the Topic Paper and substitute a statement that reflects the recreational importance of this site?

Answer

As mentioned previously, the consultation on the Draft Plan last year provided an opportunity for everyone to express their views, which I am sure you did, to look at what we got right, what we got wrong and things we can improve on.

The Draft Plan considered only a handful of areas, of which the site you referred to, was put forward. In the next step of the process, we invited Town and Parishes, that were invited originally, but there was little correspondence which came forward, and other community groups and organisations to identify other areas of green space of which the number has now gone up into excess of 100, as previously mentioned.

Different views have been put forward to the extent of the area that might merit designation as well as different reasoning. In addition to the smaller proportion, and I must emphasise, the site that was put forward, and I do not know who put it forward, was a very, very small site, that you refer to. It would not encompass all the dialogue that you have just mentioned in terms of the recreation area. I do not know if you are aware of what site you put forward, but it was a very small site.

We have now got further information purporting to explain the suitability of designation. As I said earlier, it would not be appropriate for me at this stage, because we have got quite some time to go through before we take the merits of the next Local Plan and we take the Local Green Spaces to Executive.

We can assure you that the outcomes will be documented in a future update and any changes will be updated on the Topic Paper and will be available to view and comment on in a future consultation that I hope will go out this summer.

85.6 Andrew Mennie asked the Executive Member for Children's Services the following question. Due to his inability to connect to the meeting the following written answer was provided:

Question:

With the increase in number of families from outside of the UK into our Borough, and their introduction to the UK schooling system as a basis for this question, may I ask if consideration could be given to providing a more human-centric method of integrating new arrivals, such as my family, into the system?

Having recently gone through this process, I can say that being directed to websites as one's only resource is not always a helpful or stress-free solution. Many of us originate from countries where governments and government processes are not instinctively

considered as being helpful to individuals, but rather as mechanisms of persecution.

To that end, having a person with whom one can engage, rather than just the web-based tools would be of significant value and much appreciated. There are many ways in which this might be implemented and beneficial for all stakeholders.

Could I request that WBC investigate ways of improving communications on matters, such as the education system, for families arriving from countries where situations may be very different, including provision for tailored telephone support with a named caseworker where appropriate or proactive engagement opportunities and information output in partnership with typical immigration conduits?

Answer

Wokingham Borough Council's published admission arrangements are set in line with the Government's School Admission Code. This ensures that all applications are processed fairly, and places allocated appropriately without any prejudice.

In addition to supporting the web-based provision we also respond to email and telephone enquiries relating to the school admissions service which has remained operational throughout the last year. In responding to the large volume of telephone and e-mail enquiries they provide direct support and advice on admissions arrangements directly to parents and carers. I am sorry that this does not seem to have been your experience, and I will look into this for you.

The School admissions team consists of 7 officers who are responsible for the main coordinated processes involving over 6,000 applications and 24,000 preferences to ensure that all students transition to various different stages of their education at the correct time. These processes have continued to run during the pandemic, meeting all statutory timelines.

The team are also responsible for dealing with in-year applications, from families moving to the area either from within the UK or abroad or from those seeking alternative school places at different schools from where their child is studying. 1806 in year applications were processed from September 2018 – August 2019 and 1482 were processed from September 2019 to August 2020, although the in-year process ceased whilst schools were closed from March to June 2020 in line with Government guidance.

85.7 Carol Jewell asked the Executive Member for Highways and Transport the following question which was answered by the Leader of the Council:

Question:

I share the concern of residents over the dangerous crossing point along Bader Way, Woodley – where it is intersected by the path from Kingsford Close (off Colemansmoor Road) to Mortimer's Meadows and Dinton Pastures. I am aware that a change in the speed limit is being discussed at Borough level, but more immediate action needs to be taken.

What is the Council doing to address this dangerous crossing point that is a) between two bends on a fast road, b) needs much better signage and c) should be clearly marked?

Answer:

Officers are aware of concerns raised by users of the footpath between The Moors Open

Space and Dinton Pastures and the safety of crossing Bader Way. The existing informal crossing point is used seasonally, with crossing activity fluctuating over the year. There has been a noticeable increase in crossing movements and concerns raised during the Covid pandemic. There are however suitable alternative routes that allow pedestrians to cross over Bader Way more easily both in the south by walking under the bridge that takes Bader Way across the River Loddon and to the north by using the uncontrolled crossing points at the Bader Way-Mohawk Way roundabout.

The Bader Way is subject to the national speed limit and data indicates that speed limit compliance is generally good, despite some instances of speeds in excess of the limit during off peak hours, with average peak hour speeds below 40mph and off-peak average speeds of 53mph. The existing speed limit is considered appropriate and any reduction is unlikely to secure the support of Thames Valley Police.

As a district distributor route, the function of the road is to carry high volumes of traffic between separate areas of the Borough. Despite being a busy connecting route, gaps in traffic present opportunities for pedestrians to cross the road safely. It would not, however, be considered safe to introduce a formal pedestrian crossing facility on a high-speed road, without a reduction in the speed limit and physical measures to support this, which would be in contradiction of the road's function and purpose.

The road has a generally good safety record with six reported injury collisions in the past 10 year period of which four involved slight injury and two were serious, but none involving a pedestrian. In the vicinity of the existing crossing point one slight collision was recorded, a single vehicle incident in which a vehicle hit an object in the road, 100m south west of the crossing.

Notwithstanding this, officers have undertaken site assessment of the existing seasonal facility and a scheme to improve driver awareness of the likelihood of pedestrians crossing, whilst maintaining adequate signage is currently awaiting implementation.

Supplementary Question:

The signs that warn of the crossing are 400 yards before the actual crossing. There is no signage nearer the crossing point. Would you agree that extra, closer signage, would provide an increase in safety for pedestrians and better warning for motorists, as well as reflectors on the wooden bollards?

Supplementary Answer:

I am not in a position to respond to that so I will have to respond in writing from the Officers.

85.8 Mike Smith asked the Executive Member for Highways and Transport the following question which was answered by the Leader of the Council:

Question

At the 16th June 2020 Full Council meeting, I asked what was being done about the poor (and in my opinion, dangerous) state of the footbridge across the railway and motorway at Earley Station. The reply I received was that the condition of the bridge was being monitored and that funding had been allocated and design for replacement was "work in progress". I asked a supplementary as to whether the design and replacement could incorporate disabled access for the London bound platform and could it be programmed to coincide with the new Northern Distributor bridge installation to minimise disruption and

costs. The reply I got to that was that disabled access at Winnersh Triangle was being looked at and with regard to Earley, the answer was; "I will get someone to look at it to see if it is financially viable".

So, nine months on, I would like to know the status of the funded and planned replacement of the footbridge at Earley Station, assuming careful consideration has been given to provision of access (i.e. lifts, stair lifts or ramps) as required by relevant legislation (e.g. Disability Discrimination Act 1995).

Answer:

As you probably know, WBC has commenced a project to replace the WBC owned footbridge which links Nightingale Road in Woodley to the Earley Station forecourt (but not to the platforms). The project is currently at the detailed design stage and for the avoidance of doubt will be Equalities Act compliant with both ramp and stair access. Network Rail were approached as part of this design process to seek their collaboration specifically around incorporating access onto their platforms. Unfortunately, Network Rail have informed the Council that they are not interested in a collaboration at this time, and consequently we are unable to include this element within this project. Ultimately it is Network Rail's responsibility to ensure that access to their platforms are compliant with the Equalities Act, and whilst we, as a Council, are willing to collaborate, we are unable to compel them to undertake the works.

Supplementary Question:

I am very concerned about the state of the bridge. If you went and had a close look at it yourself, you would see that there is significant and advanced spoiling of the concrete uprights and sections. It is good to hear that it is in detailed design stages. It is disappointing to hear that it is not being picked up by Network Rail, but it is obviously not in their funding programme for the next 5 years. Could the Council incorporate the features into the design so that at some future stage perhaps, disabled access could be allowed?

Supplementary Answer:

We can certainly look at that Mike.

86. PETITIONS

There were no petitions submitted.

87. REVIEW OF MEMBERS' ALLOWANCES BY THE INDEPENDENT REMUNERATION PANEL (IRP)

The Council considered the Review of Members Allowances by the Independent Remuneration Panel.

Bob Nancarrow, Chairman of the Independent Remuneration Panel, introduced the report. He thanked his fellow Panel members; Diana Anderson, Angela Slade, Ian Newlove and David Harwood for their work and their time.

He indicated that the Panel had been formed in November 2019. It had met 15 times, with most of these meetings being held virtually. The IRP had met with a number of Members to hear their views and had issued a survey to which 34 responses had been received.

Bob Nancarrow took the Council through the report's recommendations.

It was proposed by John Halsall and seconded by John Kaiser that the recommendations within the report be agreed.

Having seen an advance copy of a proposed amendment John Halsall indicated that he did not support reducing Members Allowances. Members gave up a lot of their time to serve their communities. He felt that the allowance levels should not prove a limiting factor to those in the community who wished to become councillors.

John Kaiser thanked the IRP for their efforts.

Lindsay Ferris also thanked the IRP and indicated that the Liberal Democrats supported their recommendations. He stated that it was not the right time to change or increase Members Allowances when so many people had lost their jobs or were experiencing financial hardship as a result of the pandemic. The publication of the IRP's recommendations in the local media had been appreciated.

Andy Croy proposed the following amendment to recommendation 1. It was seconded by Rachel Burgess.

- 4) ~~No changes are made to the basic allowance for the financial years consisting of 2020/21 and 2021/22; the basic allowance be reduced to the basic allowance applicable in financial year 2010/11;~~

Andy Croy thanked the IRP for their work. He particularly welcomed the proposed changes to the dependent and carers elements of the allowances, and the stronger language around the need for sufficient IT facilities. Andy Croy indicated that Labour councillors had always set their allowances at the 2010 level.

Rachel Burgess emphasised that taxpayers money should be spent wisely.

John Halsall, the proposer of the report, did not accept the amendment to the recommendation.

Stephen Conway indicated that he did not support the amendment and the reason the IRP was an independent panel was to depoliticise the issue of Members Allowances. Members had the opportunity to choose not to take the full allowance offered to them if they wished. The Council should do all it could to enable all sections of the community to become councillors.

Pauline Helliar-Symons welcomed the IRP's proposals to amend the carers and dependent element of the allowance. She stated that she did not support the proposed amendment and that it would not save the Council a sufficient amount of money.

Carl Doran emphasised that he took the allowance at the 2010 level. He felt that the difference between that and the current level was one which most Members could accept.

Gary Cowan suggested that the Constitution be amended so that Members merely accepted the recommendations of the IRP in the future.

Andy Croy requested that recommendation 1 and recommendations 2-7 be voted on separately. This was agreed by the Mayor.

RESOLVED: That Council agree that:

- (1) No changes are made to the basic allowance for the financial years consisting of 2020/21 and 2021/22;
- (2) The £500 component of the Basic Allowance for the provision of IT should only be claimed by those Members who provide facilities which allow constituents and Officers to communicate with them by e-mail, in addition to having adequate equipment and connections to allow for effective participation in virtual meetings, and the self-certification process related to this component of the basic allowance be continued;
- (3) No changes are made to any of the existing rates for Special Responsibility Allowances;
- (4) No changes are made to the Travel and Subsistence Allowances;
- (5) No changes are made to the Mayoral and Deputy Mayoral Allowances;
- (6) The Dependent and Carers allowance be restructured to the following, from April 2021:
 - i) A maximum claimable rate of £10 per hour be instated, to rise with the national living wage rate as and when this overtakes the stated figure. This rate is claimable by Members with direct caring responsibilities, and should primarily be used for non-specialist childcare (e.g. babysitting);
 - ii) A maximum claimable rate of £20 per hour be instated, to rise by the same monetary increase as granted to part i of the Dependent and Carers allowance. This rate is claimable by Members with direct caring responsibilities, and should be used for specialist care (e.g. medically trained staff care including mental health, care for a number of young children for which a babysitter would not be appropriate, care which includes lifting or moving an adolescent or adult). An invoice, of any description, is required to claim for this rate.Both of the above are claimable up to a combined maximum of 35 hours total per month, and the carer must not be a member of the Councillor's family that lives at the same address. In exceptional circumstances, claims above the 35 hour monthly limit can be agreed with the Lead Specialist for Democratic and Electoral Services, subject to provision of suitable evidence.
- (7) During the next municipal year, when a review of Members' Allowances is not required, the IRP are given permission to publish a press release in local news and via WBC media sources, with administrative support from Democratic Services Officers. The content of this piece will focus on the views of Panel members, both before and after appointment to the Panel, on Members' Allowances and the work of a Councillor.

88. CARE AND SUPPORT PROCUREMENT

The Council considered a report regarding the Care and Support Procurement.

It was proposed by Charles Margetts and seconded by Richard Dolinski that the recommendations set out within the report be agreed.

Charles Margetts stated that the Council wished to move its home care and supported living services into a procurement framework. The total value of these contracts was £14million per annum (£74million over 5 years, allowing for inflation). During 2018/19, 1,860 people had received support and care services commissioned by the Council and 1,320 had received the support within their own home. Traditionally sourcing suppliers had been split between the Council and Optalis, with the majority of procurement being done by Optalis. When the brokerage function had moved inhouse in December 2019, it had provided an opportunity to look at this area and find a better, more efficient system. The framework would be public, on the Council's website, and would set out the standards expected of the Council's providers. Charles Margetts went through some the standards that providers would be expected to meet.

Richard Dolinski emphasised the importance of supporting residents to remain independent in their own homes and the community for as long as possible, and not within residential care homes. He highlighted the responsibilities of the local authority under the Care Act. The Care and Support Procurement Framework would strengthen the Council's position to deliver even better outcomes for residents.

David Hare thanked Adult Social Care Officers for their work on the report. He felt that the framework would allow more economical commissioning of high-quality services for vulnerable adults.

Andy Croy commented that the main cost of care was staff salaries. He expressed concern that if suppliers were squeezed in any way, this could have a negative impact on the workers. He went on to question why the framework had not been presented to Overview and Scrutiny prior to its presentation to Council.

Charles Margetts indicated that evidence suggested that there would not be downward pressure on carers' wages. The procurement framework would be publicly available on the Council's website, but he was happy for the implementation to be scrutinised.

RESOLVED: That Council gives approval for:

- 1) Officers proceeding with the Support and Care procurement, as set out in Appendix 1 to the report;
- 2) Officers creating a compliant framework, from which to call off support and care packages;
- 3) The Director of Adult Social Services having delegated authority to approve business cases to enter into call off agreements with successful organisations for individual or block contracts where price and quality benefits are achieved.

89. COUNCIL TAX BASE 21/22

The Council considered the Council Tax Base 21/22.

It was proposed by John Kaiser and seconded by John Halsall that the recommendation within the report be accepted.

John Kaiser advised that the number of homes subject to council tax had increased by 1.75%. Establishing the number of homes subject to council tax enabled the Borough and Town and Parish councils to set their precepts.

Lindsay Ferris stated that within the council tax base there was a 1% allowance for non-payment of council tax, the same level as the previous year. However, he felt that there was a greater pressure on council tax collection this year as a result of the pandemic, and questioned whether the 1% was sufficient.

John Kaiser commented that he had been assured by Officers that 1% would be adequate.

RESOLVED: That the proposed Council Tax Base, for the whole area and by Parish, as set out in the report, be agreed.

90. COUNCIL TAX REDUCTION SCHEME 2021/22

The Council considered the Council Tax Reduction Scheme 2021/22.

It was proposed by John Kaiser and seconded by John Halsall that the recommendations within the report be agreed.

John Kaiser advised that it was proposed that the carers allowance be disregarded in the award calculation of the Council Tax Reduction Scheme, meaning more carers would be able to access the financial resources. The exclusion from council tax would also be extended to care leavers up to the age of 25, which would take effect from April 2021.

Sarah Kerr was pleased to note the disregarding of carers allowance income in council tax reduction assessments, and the removal of council tax for care leavers up to the age of 25. She indicated that in the UK there were 900,000 unpaid carers who relied on carers allowance and who received just £67.25 a week, the lowest benefit of its kind.

Disregarding the carers allowance from the calculation was therefore the right thing to do. Sarah Kerr went on to state that the consultation on the council tax reduction scheme had been very confusing and asked why views on child maintenance and child benefit had been included in one question, when they were two different matters. Consultations needed to be sufficiently clear. With regards to the exemption of care leavers from council tax, whilst positive, this measure had been requested some time ago by the Corporate Parenting Board.

Rachel Burgess welcomed the proposals relating to care leavers and carers allowance but felt that they could have been put in place much earlier. She questioned why only one of the seven proposals considered, proposed an increase to support. In addition, she stated that previously the savings levels that recipients were allowed to have, had been reduced from £16,000 to £4,000, reducing the number of those who were eligible for the scheme. The amount available to the scheme had also reduced since 2013. Rachel Burgess questioned whether other measures could be put in place such as the back dating of claims.

Pauline Helliar-Symons and Emma Hobbs welcomed the removal of council tax for care leavers up to the age of 25, and indicated that this had first been raised by the Children Services Overview and Scrutiny Committee, but at that time there had not been sufficient funding to put the scheme in place.

Andy Croy commented that the consultation had received a large number of responses, many of them positive, and that it was important to give residents a scheme which met their needs.

Prue Bray reemphasised that it had taken some time for the proposals around care leavers and the carers allowance to be brought in. She felt that there was more that could be done but things were moving in the right direction.

John Halsall commented that at a time of national emergency he was pleased to be able to help vulnerable residents.

Carl Doran questioned the relevance of John Halsall's speech in relation to the item.

In accordance with rule 4.2.15.4, Chris Bowring requested a recorded vote. This was agreed.

FOR	AGAINST	ABSTAIN
Parry Bath		Keith Baker
Rachel Bishop Firth		Shirley Boyt
Laura Blumenthal		Rachel Burgess
Chris Bowring		Andy Croy
Prue Bray		Carl Doran
Jenny Cheng		Malcolm Richards
UllaKarin Clark		
Stephen Conway		
Gary Cowan		
Richard Dolinski		
Lindsay Ferris		
Michael Firmager		
Paul Fishwick		
Jim Frewin		
Maria Gee		
Guy Grandison		
Charlotte Haitham		
Taylor		
John Halsall		
David Hare		
Pauline Helliar-Symons		
Emma Hobbs		
Graham Howe		
Clive Jones		
John Kaiser		
Sarah Kerr		
Dianne King		
Abdul Loyes		
Tahir Maher		
Charles Margetts		
Adrian Mather		
Ken Miall		
Andrew Mickleburgh		
Stuart Munro		

Gregor Murray		
Barrie Patman		
Angus Ross		
Daniel Sargeant		
Imogen Shepherd-DuBey		
Rachelle Shepherd-DuBey		
Caroline Smith		
Chris Smith		
Wayne Smith		
Bill Soane		
Alison Swaddle		
Simon Weeks		

Upon being put the vote, it was:

RESOLVED: That Council agree the proposed Council Tax Reduction Scheme for 2021/22 and that:

- 1) a local CTR scheme for 2021/22 be adopted on the same basis as the 2020/21 scheme with the addition of disregarding Carers Allowance in the award calculation;
- 2) the full disregard currently allowed for War Widows and War Disability Pensions be continued from 1st April 2021 in respect of the Prescribed and Local Council Tax Reduction Scheme and Housing Benefit schemes
- 3) funds be made available to the hardship fund, known as Section 13a (S13a) scheme, for those who cannot pay their council tax liabilities.
- 4) Members note the linkages to the broader Anti-Poverty strategy of both the Council Tax Reduction Scheme and the S13a scheme.

91. TIMETABLE OF MEETINGS

The Council considered the Timetable of Meetings for 2021/22.

It was proposed by John Halsall and seconded by John Kaiser that the timetable of meetings be agreed.

John Halsall indicated that during the first lockdown meetings had initially been suspended and these had been restarted as soon as possible. Briefing meetings had taken place between the Group Leaders whilst meetings were suspended to keep Members updated. Meetings were now taking place successfully via Microsoft Teams. He went on to state that during the last two years the budget had been taken through Overview and Scrutiny. It was anticipated that physical meetings would begin at some stage, and that some would remain virtual, whilst others would be run as hybrids.

John Kaiser supported the timetable of meetings. He commented that the Council sought to provide support and services and seeking to find secrecy in mistakes made by Officers and Members, undermined this. He encouraged Members to participate in meetings and the decision-making process.

Lindsay Ferris questioned the relevance of John Kaiser's speech in relation to the item.

Clive Jones commented that there was rarely sufficient time to complete all the business on a Council meeting agenda, and that this was worsened if agreement was not given to extend the meeting to 11pm. He felt that this stifled debate and referred to some of the Motions which had not been heard due to time constraints. Clive Jones suggested that there should be another Council meeting to allow more business to be completed.

Guy Grandison referred to the importance of scrutiny. He chaired the Community and Corporate Overview and Scrutiny Committee, which had scrutinised the budget, and had had to schedule a number of extraordinary meetings in order to enable this. He thanked Officers for increasing the number of meetings in the proposed timetable as a result.

Gary Cowan commented that an extra Council meeting was needed to ensure that more business was completed, in the interest of residents.

Alison Swaddle commented that Council meetings now began at 7pm instead of 7.30pm. She felt that this should be sufficient to enable Council meetings to be completed by 10.30pm.

Jim Frewin suggested that an extra Council meeting be scheduled in either June or October.

John Halsall commented that a lot had already been done to expedite the Council meeting process including starting the meeting at 7pm and deleting some agenda items. He felt that an additional Council meeting would not solve issues.

RESOLVED: That the timetable of meetings be agreed.

92. MEMBER QUESTION TIME

In accordance with the agreed procedure the Mayor invited Members to submit questions to the appropriate Members

92.1 Sarah Kerr asked the Executive Member for Resident Services, Communications and Emissions the following question:

Question

What action has been taken so far with regards to implementing PM 2.5 monitoring across the Borough following the air pollution motion that this Council passed earlier this year?

Answer

I am very pleased to say that since passing this Motion the Council has been successful in securing funding from DEFRA to pay for an Eco Travel Officer whose responsibilities will include promoting sustainable transport, reducing NO₂ levels, improving air quality, and continuing our proactive work in developing our action plans for Air Quality Management areas.

The Council is also preparing to roll out its plan for non-idling zones across the Borough. You may have already seen the results of the school's poster competition, which are currently being positioned in the highest effected areas of our road network.

Since passing the PM 2.5 Motion we have been working towards to understand how better

to monitor levels of particulate matter across the Borough. We believe that Reference Equivalent Monitors are the best solution to ongoing monitoring. It is our intention to install these in our Air Quality Management areas in Peach Street and in the Twyford Crossroads.

We are also considering where additional indicative monitors should be installed in other areas of the Borough. Likely areas would be around the Air Quality Management areas and in other areas where the DEFRA predicted maps predicted that PM 2.5 levels could be highest. A bid has been submitted through the 2021/22 MTFP to fund this monitoring equipment.

In addition to this, you should also be aware that the Council is currently rolling out technology upgrades through its highways ITS project to deliver intelligent signalisation that can both reduce congestion and improve air quality.

Finally, I am pleased to confirm our involvement in the University of Reading Adept Live Lab programme that will see the adoption of digital technologies across Berkshire's highways network. 30 additional air sensors are being installed by the University of Reading to monitor how smarter traffic management could improve air quality. The results of this should also help create a dynamic Public Health tool that will enable us and our neighbouring authorities to make better traffic management decisions and air pollution interventions. I believe that this is a significant level of progress in the short time period since the Motion was passed.

Supplementary Question:

Can you confirm that once the monitoring starts should levels of PM 2.5 in any place in the Borough be in excess of the World Health Organisation recommended maximum level of 10 micrograms per cubic metre, urgent action will be taken to reduce it to below that level?

Supplementary Answer:

To be honest we have not discussed yet, local air pollution targets. Personally, I want to see and understand what the situation with PM 2.5 and other air pollutants are across the Borough so that we can take action in the highest zones that we have. We need to set local air quality targets, I completely agree with you on that, but what those should be at the moment we have not discussed. I am open to a conversation in terms of what those should be and how we progress to much more stringent targets locally.

92.2 Pauline Helliar-Symons asked the Executive Member for Environment and Leisure the following question:

Question:

We have heard a lot on social media and in the newspapers about your proposed Waterproof Green Recycling Bags to keep our paper/card dry. Please can you explain in plain English how and when you propose to deliver these bags to the residents so that they can start using the bags to help to increase our recycling rates?

Answer:

The plan is that the new recycling bags to keep paper and card dry to maximise recycling and reduce costs will be delivered to residents with the annual blue bag delivery in February and March of this year. This will be accompanied by a communications campaign to help residents to use the bags as soon as they receive them.

The recycling bags have been manufactured within the agreed timescales abroad, but there are international shipping challenges, the bags are coming all the way from Vietnam, which are being experienced due to Covid and Brexit. The Council's officer team is working very hard to ensure that the bags are shipped so that these timescales can be met.

Supplementary Question:

There have been a number of reports about the roadside litter bins overflowing with litter. Can you please clarify what is being done to resolve that?

Supplementary Answer:

Because our residents are working from home and other people are home, they are taking walking exercises and our roadside bins have been overfilling. We have made additional plans with John Kaiser's blessing, to make extra funds available to increase the frequency of bins being emptied to keep our environment clear of litter.

92.3 Graham Howe asked the Executive Member for Resident Services, Communications and Emissions the following question:

Question:

Reading have a Community Energy Fund, allowing charities and others to apply for grant funding to pay for solar panel installation and other green energy initiatives. This money is raised from local investors. Are Wokingham Borough Council planning to launch a similar scheme?

Answer

I am very pleased to say that a paper covering the creation of a Wokingham Community Energy Fund will be voted on by the Executive during its meeting next week.

The community energy fund is not a new concept. The Reading fund was founded in 2016 and other places that have them already include Sheffield, the City of London, Lincoln, Bristol, Islington, Oxford and Tees Valley.

Community Energy Funds serve multiple purposes. They increase the generation of renewable energy, enable sites that otherwise might not be able to afford or might not be of interest to large commercial backers to generate low-cost energy onsite and also create funds to improve communities, all underpinned by community ownership and community decision making.

The funds we are proposing would be backed by an organisation called Energy4All and initially supported by Reading Community Energy. Energy4All have been operating similar schemes since 2002 and currently do so for 28 different councils and other organisations around the country.

Energy4All, are regulated by the Financial Conduct Authority, will organise and facilitate the Community Share Offers which are used to then fund the different initiatives and installations as well as their upkeep.

Any profits made from the sale of energy, either to the National Grid or to the building operator, are then either paid as a dividend to investors or are ring fenced and used to support other sustainability efforts within communities. In recent years that dividend has typically been between 4 and 4.5% annually.

This scheme will help us reduce carbon emissions. It will help us to take additional control of our energy generation, storage and distribution. It will enable energy generation where currently there is none, and potentially provide a source of low-cost energy to some community and charity organisations.

It is a great opportunity to engage our communities and I look forward to the Executive voting on it next week, and I hope it will pass.

Supplementary Question:

What types of buildings would Councillor Murray think are most appropriate for the funding to be used from a Community Energy Fund?

Supplementary Answer:

Evidence from Reading suggests that installations typically are valued somewhere between £200 and £5,000, so it is mostly going to be small PV installations, although there are opportunities to go to larger alternative energy projects as well. As a result of that it is mostly likely to be as you say community and charities that will come forwards, charity offices, potentially churches, libraries, youth clubs, activity centres. I would love for the local Scout troops and Guide troops and everything else to come forward and get solar panels put on to their buildings as well. It will help them reduce some of their costs. It is also a great opportunity for some of our Town and Parish Councils to add some solar PV to some of their own buildings, and I know Woodley Town Council have already done that with a few of their buildings as well. I think it is a great opportunity for a load of different organisations across our Borough and I look forwards to seeing those bids come in.

92.4 Laura Blumenthal asked the Executive Member for Children's Services the following question:

Question:

What is Wokingham Borough Council doing to support schools at this difficult time?

Answer:

Since the start of the pandemic Wokingham Borough Council has provided continuous support to schools and settings via daily email briefings to headteachers with information and guidance. We also have weekly leadership roundtables for all headteachers.

We have also provided three roundtable sessions per week for key school staff, looking at things such as remote education, managing assessment etc. In the Spring we are going to look at Mental Health.

We also have a Covid Task Group which has been monitoring the impact of Covid.

The School Improvement Team and the Educational Psychology Team have worked in partnership to co-deliver the DfE Well Being for Education Return Programme which is a series of workshops and practical materials to support the Emotional and Mental Health and Well-Being of pupils and staff.

Since January we also have extraordinary round tables to address the set up of flow testing, looking at s44 Health and Safety at Work Act letters, staffing, risk assessments, and similar things.

All in all, we are in constant touch with our schools and we know what is going on, and we exchange views, and they give us intelligence on what is going on.

92.5 Rachelle Shepherd-DuBey asked the Executive Member for Highways and Transport the following question which was answered by the Leader of the Council:

Question:

What is the result of the new traffic modelling on the Winnersh Relief Road roundabout since there is now nearly triple the amount of traffic on Woodward Close not including the SEND school, since all the design and modelling was based on only the existing houses?

Answer:

It is noted that this question has been asked during the September 2020 Council meeting. At this moment in time the past answer remains unchanged, which stated;

'The consultation draft of the Local Plan Update (February 2020) proposes the allocation of land at Winnersh Farm for around 250 new homes. The proposed number of new homes was adjusted downwards to account for a potential new SEND school and the traffic it would create. Responses to the draft Local Plan Update are currently being reviewed and analysed.'

As part of the preparation of that draft Local Plan Update, a supporting transport assessment was produced and is available on the Council's website.

The assessment looked at all the junctions across the Borough and how they would be impacted under various development scenarios. The assessment considered both the new homes and the delivery of a SEND school at Winnersh Farms.

The assessment shows that the Woodward Close junction would operate at a level below which its capacity is considered to become a concern.

However, as with all proposed sites in the draft Local Plan Update, the impact and sustainability of any development will be further considered as the Local Plan Update progresses. More detailed assessment would also be required as part of the process for determining any subsequent planning application. This would include using specific 'Junction' software being used.

Supplementary Question:

There are 350 houses there not 250, so what are you planning to do about the extra 100 houses worth of traffic since no one seems to have a copy of the traffic modelling? I have asked for it several times and it has never been available.

Supplementary Answer:

I think I have replied to that Rachelle, but I am very happy to help you navigate to the traffic survey which is on the website.

92.6 Imogen Shepherd-DuBey asked the Executive Member for Highways and Transport the following question which was answered by the Leader of the Council:

Question:

I am still being questioned by residents in my ward about the accessibility to the buses on Broad Street in Wokingham. For many, even during Covid, using the buses is their only choice and their main form of transport. However, Broad Street is one of the few areas in Wokingham Borough where there are no raised kerbs, despite being one of the busiest places for bus use, which means that some people can no longer access the town independently. You would think, with all the work going on in Wokingham that there would be some funding to make it more accessible to all. So, my question is, when are we going to see a commitment to supporting people with different abilities get the raised kerbs that we desperately need?

Answer:

Providing enhanced bus stops in this location is not a simple, quick or cheap solution due to the topography of the area. There are complex constraints which prevent such enhancements being added to existing bus stop facilities without much wider works on Broad Street itself. Because the existing pavements here are very low and flat, installation of castle kerbs in this location would result in a ramped pavement (itself an accessibility issue) which would in turn lead to water draining from the pavements towards the properties rather than the gutter. Consequently, we will pick up this requirement as we progress future phases of the Town Centre Regeneration project which includes this section of Broad Street (as outlined in the Wokingham Public Realm Design and Delivery Strategy July 2013).

However, the absence of raised kerbs does not preclude people with mobility issues from accessing public transport in Broad Street. Local bus companies whose buses serve the Broad Street bus stops have policies that state that the ramp, which all of their buses are fitted with, should be deployed upon request. The ramp deployment is not just for wheelchair users. Local bus companies expect their drivers to offer assistance to anyone who requires it. If for any reason a driver does not deploy the ramp on request, this should be reported directly to the bus company so that the incident can be referred to the driver's manager.

Supplementary Question:

They are not deploying their ramps, only for wheelchair users. Quite simply are we going to get a commitment to when we are likely to see this area improved? Obviously, it has been talked about and while I understand the problems, we either need to move the buses to another location which can be improved, but there are certainly people who cannot get on and off the buses easily when the buses will not kneel low enough for the kerbs as the kerbs are really very low. Surely there is something which can be done more readily?

Supplementary Answer:

I would happily sponsor a conversation between the Officers, yourself and the Executive Member for Highways when she is back in train.

92.7 Caroline Smith asked the Executive Member for Health, Wellbeing and Adult Services the following question:

Question:

During the first lockdown the residents of Wokingham volunteered to help provide food and services to the vulnerable across the whole of Wokingham Borough, and I would like to add my thanks to the volunteers for all their help – so what did Wokingham Borough Council do when the first lockdown finished in June 2020; to continue to encourage, support and possibly increase the numbers of registered volunteers so that when another

long lockdown occurred as now, they were ready to go into immediate action to once again help the vulnerable in Wokingham?

Answer:

In the first lockdown a Voluntary and Community Sector Action Group was established, which initially met three times a week and now has continued since and now to meet twice a week with good attendance. This is led by a senior officer from WBC and consists of all the lead officers from organisations across the Borough, such as the CAB, the LINK, the Volunteer Centre, and various others. One of the products of this was One Front Door which has provided a single route for support and has been very successful from March 2020. The One Front Door was never stood down and will continue as long as is required.

During the first lock down lots of unofficial local Covid groups also sprung up. With the VCS the coordination charity Involve, supported their development and we now have 11 local Covid groups, and they are accepting referrals.

As the lockdown eased, the majority of these groups stood by to support residents across the Borough as required. The Friendship Alliance which is a VCS/ Wokingham Borough initiative to combat loneliness and isolation, took on the role of maintaining communication. The Friendship Alliance has also supported a couple of new groups which has ensured the whole Borough is covered.

The key task, to which you refer, is to ensure that we have sufficient volunteers to support the response to Covid. The Wokingham Volunteer Centre, which is a key part of the group, operates as the main contact and recruiting point for general volunteering. They respond to support the requirements and needs for volunteers across the Borough and react as the need changes. For instance, we needed more befrienders / welfare callers, and they ran an event, Volunteer Week to attract more. At the time of writing, we have always had more than enough volunteers to cover the needs of the community and the services we wished to run.

In recent times the need for volunteers has widened to provide support to the vaccination programme, which has been led by the Wokingham Volunteer Centre. The activities of some parts of the VCS have been stepped up over the winter. The approach has always been proportionate, and we have always tried to react to the changing need. We have always had more than enough volunteers to cover the services we need.

Supplementary Question:

We are not going to let any slide?

Supplementary Answer:

No, I can assure you that we are fully committed to seeing this through. One of the senior members of the Adult Social Care team leads this group and he reports directly into the Director. We need the Voluntary Sector because the bottom line is the Council cannot take on many of the tasks that the Voluntary Sector does, and also the Voluntary Sector is better at some of them than the Council would be. The vaccination call for volunteers has been an example of this and has generated nearly 500 volunteers in a very short period of time, which is more than enough basically to cover the need. We are committed to going forwards to when this is all over, and it will be some day, to learning lessons from this, learning good parts from this, and incorporating them into our thinking going forwards.

92.8 Rachel Burgess asked the Executive Member for Finance and Housing the following question:

Question:

Exempting care leavers from council tax up to the age of 25 was raised at a meeting of the Corporate Parenting Board as far back as October 2019. Why hasn't this exemption been introduced yet?

Answer:

You heard my reply tonight. It is in the Medium Term budget so it will be done.

I will give you a little bit of a background though. In 2019 it was something that I would have liked to have done at that point. We were facing a £2million overspend in Children's Services that we had to fund, and we had to fund from reserves. I did not believe at that time that it was prudent for us to do that. This year Children's Services have got themselves in a lot better shape, and this year they have come in with a very, very good performance on budget, so I believe that now is the time to introduce it. Like all these things, poverty and vulnerable people, they do need support. I will do everything I possibly can to support these people, but I will not put the financial aspects of the Council at risk.

Supplementary Question:

Thank you for your answer. I am a bit non plussed by it. I know that Councillor Clark, who is the Lead Member for Children's Services was at that meeting of 2019 of Corporate Parenting Board, as were other members of the Executive. I appreciate that there were problems with the Children's Services finances, obviously I understand that, but I also know that the amounts involved to make this change are immaterial for the Council. I do not understand why there has been a delay of almost 18 months in introducing that change. The Council has been legally responsible for these care leavers since 2018 and obviously the last 10 months or so they will have faced even more challenges. Do not forget that it is too late for some of those care leavers now. How can that long delay possibly be justified when the amounts for the Council are not material, and it is vulnerable people's lives we are talking about?

Supplementary Answer:

You may be interested to know Rachel that all the immaterial costs for the Council all add up and become material. You have to make a decision based on the facts at the time. My decision at that time, I wanted to do it, I was not prepared to extend the situation that we had in Children's Services at that point. I now find myself, because of prudent management of the finances, that we can do it, and I would have hoped to have done more had it not have been for Covid, but we are going to take another hit on Covid this year, another hit on the reserves. It is a shame because as far as I am concerned poverty is not a political issue, it is a true issue and people suffer with it. I will do whatever I can, but I will not jeopardise the financial probity of the Council because if I put myself in that situation as I have said many occasions, a broke Council cannot help anybody.

92.9 Andy Croy asked the Executive Member for Children's Services the following question:

Question:

Families with children in receipt of free school meals, where the children are now learning from home, deserve continued support.

It is evident in some parts of the country that the food parcels being provided in lieu of free school meals are totally inadequate.

For the second full week of term, can you list the items of food typically provided per child, along with their notional supermarket cost, in a typical free school meal parcel provided by the Council's contracted supplier?

Answer:

Wokingham's contracted caterer, Caterlink, has prepared boxes in line with the Food Standards and the Local Authority Caterers Association (LACA) guidelines. Our boxes are produced as fortnightly hampers and differ in volume depending on whether the child is in primary or secondary education.

For our supermarket comparison, we have assessed both Tesco and Waitrose since school catering companies, such as Caterlink, do not have the equivalent buying power that industry giants such as Tesco or ASDA would have when buying produce.

Furthermore, Caterlink aims to "source local" to reduce the carbon impact of food transportation on the global climate crisis, as well as selecting quality food for the meals, rather than standard items.

The food parcels are a standard offering from Caterlink, and we have been assured that the food parcel that we provide more than covers a lunchtime meal that they would provide if a child were in school.

Our hampers are charged at £21 per primary student and £22 per secondary student, and this includes labour costs to produce the individual hampers. The comparison cost for the contents only for primary students if purchased from Tesco would be £19.61, and £22.45 if purchased from Waitrose. For secondary hampers, the comparison cost if purchased from Tesco would be £20.78, and £23.85 if purchased from Waitrose.

We believe this represents good value for money, as the remainder of any Free School Meal funds are retained by the school, which they are able to invest in alternative ways to additionally support these vulnerable children. I would be happy to provide the comparison list in writing following Full Council so you can see the comparisons yourself.

Supplementary Question:

My question is what are you trying to hide?

Supplementary Answer:

We are not hiding anything, but I only have 2 minutes to answer your question, and I have a full list here of prices. Would you have preferred that I read the Tesco and Waitrose comparisons? Is it numbers that you want? I will send it to you.

92.10 Shirley Boyt asked the Executive Member for Children's Services the following question. Due to time constraints the following written answer was provided:

Question:

Parents of children on free school meals and others who are on low incomes are being hit by another unexpected expense during this lockdown. To enable home learning, they are having buy computer paper, printer ink, notepads, folders, and other stationery which they can ill afford. I have even heard of one mum who is writing her child's worksheets by hand

because she has no printer.

In normal times the schools would be supplying this material and I presume they have stock within the schools but not the means of distribution.

Can Councillor Clark please assure me that Council will work with schools to rectify this situation as a matter of urgency?

Answer:

Wokingham Borough Council is working directly with all schools in responding to the impact of the pandemic.

We have been in regular contact between schools and attached officers to gather intelligence to inform where and what support is required and provided guidance and signposting in respect of remote learning and meeting the standards for remote learning as set out by the government.

We have advised all schools to be mindful of the need for resources such as pens and paper and have requested that the need for home printing be avoided to ensure that all children can engage in remote learning equitably.

We are working with the voluntary and community sector on how we can further support children's remote learning during this time and will be exploring with others on the availability of hardcopy materials where necessary to support the curriculum.

We would advise that any parent that is experiencing difficulty raise this immediately with their school, so that a local solution can be found. And we will continue to support schools as I have outlined.

The ongoing wellbeing of all Wokingham learners is a key concern for us all, and I can confirm that we will continue to work with all schools in the Borough to support children's ongoing learning experience and attainment.

93. MINUTES OF COMMITTEE MEETINGS AND WARD MATTERS

93.1 Stephen Conway asked the Executive Member for Health, Wellbeing and Adult Services the following question:

Question:

I would like to thank him first of all for engaging with me on the concerns that nursery staff in Twyford have, who understandably feel rather exposed in the current pandemic. The lateral flow testing that the Council is introducing will help here I am sure, but I would be really grateful if he could explain how this will work in the case of nursery staff?

Answer:

Obviously, we have been in contact about this, and I have had emails and correspondence from nursery staff also who are concerned about this. As you said, we are launching a community based lateral flow programme, and the whole focus of this is on essential workers who cannot work from home and have to work through lockdown. So, groups eligible for this will be: nursery staff, blue light services, essential retail, postal workers, couriers, construction workers, a full list is on the website basically. The aim is to sweep up everybody who is defined as an essential worker in this lockdown.

To answer your question directly, it is going to be done initially via the Wokingham Centre which is open. Two further centres are planned which will be rolled out over the next month or so. We will look at the service and we are prepared to fund this to whatever level because we realise the importance of this. If this proves to be a runaway success, we will expand it to meet the demand as necessary. We understand how all these people are worried and nervous basically given the situation, and we want to support them. I would encourage the nursery that you are involved in to get in contact and to look for details on the website. All we are asking from people in return, and I should be very clear about this, is that lateral flow testing only has a point if it is done ideally twice weekly and at least once weekly. We are going to be asking anybody who comes forward for this service, to make that commitment, because otherwise there is no point in doing it as it just tells you at that week if you have Covid or not. It offers you no guarantee for the future, so that is what we will be asking people, but the service will be there very shortly.

93.2 Jim Frewin asked the Leader of the Council the following question:

Question:

At the last Full Council meeting in November last year, I yet again raised concerns for the safety of Grazeley residents given the number of accidents which sadly included two fatalities. Tonight, 21 January, is the fourth anniversary of the first of those fatal accidents. There is an excellent article in this week's Wokingham Today paper which articulates and demonstrates how we as a Council have responded to those dreadful incidents over the past 4 years. To be fair, we have recently resurfaced a section of highway and refreshed road markings. Other than that, we have gathered and looked at a huge amount of data. We have looked at the feasibility of a speed camera, and we have looked in conjunction with the Parish Council, at potential gateway signage. We have looked at this issue for 4 years. In the eyes of the residents, we have looked at, but not taken any action. We have left residents living in fear, and we have left residents taking their own engineering activities to protect their homes, such as reinstalling driveway gates. When can I expect to receive the written response to my supplementary question asked in November? I have waited patiently but not received it yet. And can Grazeley residents expect to see any tangible action with regards to their safety as a result of all of the looking that we have undertaken? If we are not going to do anything let us tell them, not leave them resting for 4 years.

Answer:

I am aware that this issue has been dragging on. One of the reasons, and it could be the reason, for which it has been dragging on, is that we are still awaiting a report from the Police. I do not know whether we have had it, but if you asked a supplementary in November then we should certainly reply to it. I will make sure that it is replied to, but I am very happy to sponsor a meeting between the officers, the Executive Member for Highways and yourself, to discuss this.

93.3 Clive Jones asked the Executive Member for Environment and Leisure the following question:

Question:

We have nearly 700 signatures to a Liberal Democrat petition against building on Swallow's Meadow in Hawkedon ward, which I am sure you will agree is a very good number of signatures. One of my residents has asked me if I have seen the developers' ecology report. This is the report that one of the contractors who was cutting down the trees and bushes on the site, in November, claimed, showed that there was no evidence of any wildlife living in Swallow's Meadow, not even a mouse. Absolute rubbish. Can the Executive Member for the Environment find out if Wokingham Borough Council has got a

copy of the ecology report, and if they have, will he ask them to share it with the Hawkedon ward members?

Answer:

I fully support what you say. I will look into this and I will ask the appropriate questions, and I will get back to you.

93.4 Caroline Smith asked the Leader of the Council the following question:

Question:

At the beginning of October 2020, we were informed of a Wokingham Traffic Road Order consultation which had started on 13 October, and according to the maps on the website, these TROs may adversely affect the residents of Hilmanton. The TRO consultation website has only one single document, a PDF reference POO820, which compromises of some 29 maps with no index, and we are still waiting for draft orders, statement of reasons, and an index of plans. Please can you tell me when this is going to happen?

Answer:

Genuinely Caroline I have no idea. I am prepared to take it up on your behalf or if you would like to email Pauline.

93.5 David Hare asked the Executive Member for Planning and Enforcement the following question:

Question:

In June last year Earley Town Council and the Earley Environmental Group both made submissions as part of the Local Plan Update consultation, seeking Swallow's Meadow in Hawkedon ward, to be designated as Local Green Space. I am afraid that subsequent to this the land has been sold and the new owners have indicated a wish build a supermarket and 40 new homes on this site, that had been rich in flora and fauna and a much-valued place for recreation. Given the fast pace that these unexpected events have unfolded, can the Executive Member please expedite the application for Local Green Space designation, rather than waiting for it to be considered with all the other LGS submissions?

Answer:

We can look into that David. I am very aware of this site, including the points that Clive has made and I am not aware of that report either, so I will pick up both matters.

93.6 Gary Cowan asked the Leader of the Council the following question:

Question:

An Arborfield resident asked me with the Local Plan evolving that we lost some fields that were concreted over, and as a result the Administration will not have any long grass to kick things into. I did reply that we have lots of green grass in the north they could use so it would not be a problem. I would wonder if the Leader could agree that that was an ok answer?

Answer:

I think it was a rhetorical question.

94. STATEMENTS BY THE LEADER OF THE COUNCIL, EXECUTIVE MEMBERS AND DEPUTY EXECUTIVE MEMBERS

Leader of the Council, John Halsall:

Mr Mayor, I would like to ask your permission to hold a minute's silence for those who have died during the dreadful pandemic in the UK and the hundreds of thousands of people around the world.

The Executive have had to take a couple of urgent decisions over the last couple of months. All these decisions were considered urgent because they related to the Council's response to the Covid 19 pandemic, including the requirement to distribute Government funds as soon as possible. All these decisions were taken in accordance with the Council's Constitution and with the agreement of the Mayor. In accordance with the Constitution, I am therefore reporting on those specific decisions which because of their urgency, and the fact that any delay in implementing them, could have seriously prejudiced the Council's and all the public's interest, were not subject to 'Call In'. The decisions taken at recent Executive meetings under these rules were: On 24 September the Purchase of Covid 19 tests; on 2nd December Covid Winter Grant Scheme and Additional Restrictions Grant - Discretionary Grants Scheme Phase 1, then 17 December, the Adult Social Care Covid Response.

A question was raised at the Standards Committee, by a member of the public, Mr Philip Meadowcroft, as to whether the composition of its members was in conformance with 9.1.1 of the Constitution. He was correct, there was an anomaly, and I thanked him for raising it. Genuinely it was a surprise that the Committee had been so constituted for 21 months, spanning two Annual Council meetings. Neither had any member of the Committee or Officers, nor Members, nor the Press, raised this issue previously.

At this point in the meeting, Lindsay Ferris raised a point of order, referring to section 4.2.12 d. He felt that the Standards Committee matter should be referred to Overview and Scrutiny and that the member of the public and the Council should receive a public apology. He also felt that the Leader's discussion of the matter during the Council meeting was a conflict of interest.

95. CONTINUATION OF THE MEETING

At this point in the meeting, 10.05pm, in accordance with Procedure Rule 4.2.12 (m), the Council considered a Motion to continue the meeting beyond 10.30pm for a maximum of 30 minutes to enable further business on the Agenda to be transacted. The Motion was proposed by Prue Bray and seconded by Stephen Conway.

Upon being put to the vote, the Motion was declared by the Mayor to be carried.

96. CONTINUATION OF STATEMENTS BY THE LEADER, EXECUTIVE MEMBERS AND DEPUTY EXECUTIVE MEMBERS

At this point in the meeting, Alison Swaddle indicated that the Overview and Scrutiny Management Committee had already discussed putting the Standards Committee process on to its work programme.

Leader of the Council, John Halsall (continued):

A question was raised by a member of the public, Philip Meadowcroft, as to whether the composition of its members was in conformance with 9.1.1 of the Constitution. He was correct. There was an anomaly. I have thanked him for raising it, and incidentally I have also apologised for dismissing him. Genuinely it was a surprise that the Committee had

been so constituted for 21 months, spanning two Annual Councils. Neither had any member of the Committee, nor Officers, nor Member, nor the Press raised this previously. If there is a fault it is jointly several of all. Had I been aware of the clause I would not have proposed our appointments. Indeed, immediately on being aware I corrected the membership to the rule. I have apologised to Members and Officers for this anomaly. I thank the members of the Committee, the Officers supporting the Committee and the Independent Person for all the good work that has been undertaken. The Chief Executive has assured Members that although an inconsistency existed, the appointments were made by Full Council and therefore were constitutional. The Chief Executive has also pointed out that the composition and the operation of the Standards Committee are not statutory but local preference.

I would like to thank all those who have played a part in helping those who have suffered not just the effect of the virus but the problems that have accompanied with it. This includes all carers, doctors, health staff, social care staff, emergency services, health, Police, Fire Rescue, Ambulance, teachers, school staff, charities, in short everybody who has stepped up to the plate and made it possible for life to continue in these unspeakable times. So, thank you to all of you. I would like the Council to give a round of applause for these heroes of the community without whom the world would have been a darker place.

We are continuing to face coronavirus, initially we thought it would be short. This has not been the case, however there is light at the end of the very dark tunnel with a vaccine developed here in record time. Thank you to our brilliant scientists.

We in WBC have navigated with a steady hand through the emergency, changing the way we worked, supporting all our residents and ensuring that services ran as normally as possible. Whilst this was expensive financially, it was eminently doable in the short term. Much of that which we did during the crisis we shall need to continue to do for some time. We are faced with additional challenges, the biggest and most important of is the role out of vaccinations across the Borough, and at the same time ensuring continuity in all our essential services which our residents rely on.

To this end the Council are committing to a further investment in our community to help GPs in our Borough to administer the vaccine as quickly as possible to all our residents. The investment is only possible because of the well run and excellent control that the Conservative administration has exerted over the Council's finances for many years. As such, I am pleased to announce an additional £1.2million to be made available during this financial year. The money will come from the Council's General Reserves, built up over the years despite being the lowest funded unitary in the UK. These funds will be made available not only to help the roll out of the vaccination programme but to boost and support our flytipping and anti flytipping initiative, assisting preschools, keeping the homeless and rough sleepers off the streets, and supporting charities, whom along with preschools are very much part of the vital support structure of our community. Tonight, you will hear my Executive talk about how this might be channelled to the areas needed in the community, how it is designed to help Wokingham Borough get back on its feet, repair the damage done in the past 10 months, and ensure those things which have been put on hold during the pandemic, can start to fully function again as quickly as possible. As my Deputy Leader, Executive Member for Finance and Housing has said many times, during the pandemic, reserves are like fire extinguishers, you can use them in time of need. I am sure you would agree that this is one of those and thankfully, and such like our commitment to child hunger, poverty and homelessness, the Conservative controlled Council will not be found wanting in these times when residents need support.

Lastly, please follow the Government guidelines for physical hygiene, social distancing, cover your face when required to do so, and encourage others to do so as well.

UllaKarin Clark, Executive Member for Children's Services:

I am pleased to announce that the Council is going to continue to cover the cost of free school meals during the school holidays in 2021. In respect of financial support for our schools, settings that claim their Early Years Education Grant have received 100% of this throughout the pandemic, regardless of whether the children on roll have attended or not. This continues, at least through this term. Where necessary the settings have made excellent use of the Covid Business Support Grant that our Council has made available. We recognise that in respect of private nurseries and preschools, some may be impacted by the loss of income from parents whose children are not attending due to the pandemic. To ensure that settings will still be in business once we come out of lockdown, we are therefore putting in place a new Wokingham Borough Council funded grant scheme to support such providers in their funding, and we will shortly be providing guidance on how to go about this.

As you will know, there is a Motion on tonight's agenda regarding free school meals. There are three resolutions in that Motion, calling on action from the Council, and I would like to address those. As you are aware, we are using Government grants to cover free school meals during school holidays while the pandemic continues.

At this point in the meeting, Prue Bray reminded the meeting that in accordance with rule 4.2.23, the time for Executive Member statements should not exceed 20 minutes. The Mayor agreed that Councillor Clark could complete her statement, and one other Executive Member would be allowed to give their speech.

UllaKarin Clark, Executive Member for Children's Services (continued):

We are also, and will continue to work with local organisations to make sure that no child in our Borough goes hungry. The Leader has joined me in writing to the Secretary of State for Education not just to ask for the expansion of our free school meals to be permanent for those with no recourse to public funds, but we are also going further in asking that consideration be given for an uplift in Universal Credit to make sure that no child goes without food. In addition to this we are asking that the free school meal provision for primary school children is permanently extended to include all primary school children and not just those in Reception and Year 1 and Year 2. Therefore, it would make sense for Councillor Bray to withdraw her Motion to make time for others, but if she insists on moving it, we will vote for it since we have already done everything in it. This Conservative administration will always be on the side of families and those in need.

Charles Margetts, Executive Member for Health, Wellbeing and Adult Services:

I wanted to take this opportunity to update Members on the latest situation with Covid and our efforts to support the community. You will have heard from my colleague Councillor Halsall that the Council is releasing £1.2million from its reserves to fund further steps across the Borough. I would like to detail some of these for you. This expenditure is only possible because we have managed to rebuild our reserves since the first lockdown, and it shows our commitment to follow through what we say, with what we do basically when it comes to Covid 19.

The vaccination programme which is run by the CCG has got off to a good start locally and has been underway in Wokingham since mid-December. Vaccinations are now underway

in every part of the Borough. We estimate that 90% of care home residents and over 80's have received their first dose, 54% of social care staff, and 35% of 75-79 year olds. Vaccinations have now started in some areas in the 70-74 age group. I would like to thank our GPs and their staff who are working incredibly hard for our benefit. WBC is supporting GPs by assisting with volunteers, traffic marshals and resources. I would also like to thank all the volunteers for their help with this programme as well as our partners at the Wokingham Volunteer Centre who have helped organise the programme. It is important that we are realistic, Members, going forward. Indications that we are receiving from the health service and PHE is that it is likely that the vaccination programme will continue for the next few years, and we are planning for this situation. It is key that we speed up the vaccination programme on a local and national level. WBC is committed to ensuring that all Wokingham residents are vaccinated as soon as possible, and is actively lobbying the CCG, and local MPs for more vaccines. However, there is currently a national issue with the level of supply of vaccine which is restricting the growth of the programme across some parts of the country. Our GPs have more than enough capacity to deliver the current level of vaccine that they are receiving, so it is important to build the capacity now for the day when vaccine supply is greater. WBC has secured several sites across the Borough and is ready to move them into action as soon as there is vaccine supply available to make that worthwhile. WBC is funding this plan alongside our colleagues in the NHS and will be providing staff to run it when a supply of vaccine is available. We are also under the understanding that national Government plans to open a large vaccination centre in Reading, which will be available to Wokingham residents at some point in the near future.

As you heard earlier, we are planning to launch a community based lateral flow programme. This will focus on essential workers who cannot work from home, are working, and have no choice but to come into contact with other people during this lockdown. The aim of this is to lower the risk of Covid and its transmission by identifying those who may have the infection but no symptoms, and therefore do not know that they have it. This will apply to people who are Wokingham residents and to those who work in Wokingham but live elsewhere. The priority of this programme is to restrict the spread of Covid 19. I detailed earlier that the test centres will be set up and that the Wokingham one is ready now. WBC is recruiting staff to run this programme and expects to create in excess of 40 new jobs within our community to support this. Anyone who is interested in applying for one of these positions can see the details on the website. We will have the capacity to give lateral flow tests to 800 people a day across our test centres, and will expand the operation if it comes close to capacity, but also offer a mobile targeted testing facility to support outbreaks and other Covid related testing needs in our community. I would reemphasise the point that I made earlier, that lateral flow tests only work if they are done ideally twice a week, and at least once a week. Therefore, the Council will insist that anyone who commits, come for testing every week. Details of how to obtain testing will be on the website shortly.

In conclusion, Mr Mayor, I would say that vaccinations provide a real hope for the future, however, we still have the difficult winter months to come for its effects to be felt. It is important that for the short period of time, everyone follows the full lockdown advice, maintains social distance, wear a mask when appropriate and continue to isolate properly if asked to. Case numbers are now starting to fall in Wokingham, but it is really important that we continue to work together, to ensure that that work continues, until the situation is better.

97. MOTIONS

97.1 Motion 450 submitted by Andy Croy

The Council considered the following Notice of Motion, submitted by Andy Croy, and seconded by Carl Doran.

'Council believes the Executive should commission a Citizens' Assembly on the Climate Emergency.'

A Citizens' Assembly on the Wokingham Borough response to the Climate Emergency is required to address the hard choices which need to be made if the Borough is to achieve carbon neutrality by 2030.

To be effective and credible, the Citizens' Assembly must be independent of the Executive and political parties. The Climate Emergency Action Plan (CEAP) approved by Council on 23rd July 2020 has a significant gap between the carbon savings required and the carbon savings which are identified in the CEAP.

Council also notes the serious criticisms of the CEAP contained in the Overview and Scrutiny Management Task and Finish Group full report on the CEAP presented to the Executive on 29th October 2020.

Council also supports the following statements on the Local Government Association and UK Parliament websites.

The Local Government Association website states: "A citizens' assembly is a collection of individuals selected to be representative of the wider population".

The UK Parliament website identifies several key features of a Citizens Assembly including "assembly members are representative of the wider population" and "independent facilitation: the assembly is not facilitated by the organisation that commissioned the assembly."

Links to these sources and other resources can be found here:

<https://www.wokinghamlabourparty.org/green-vision/why-we-need-a-citizens-assembly-on-the-climate-emergency/>

Andy Croy commented that there had not been meaningful engagement with the public on climate emergency. The Citizens Assembly must reflect the composition of the Borough and would act like a jury. Jury selection must be transparent and be seen to be free of bias. The Assembly could engage with a range of external experts and draw their own conclusions which the Council could benefit from. The Assembly would vote in secret on recommendations, and the Council must accept the recommendations of the Assembly.

Carl Doran commented that when the Council had declared a climate emergency, he had hoped it would directly involve residents, which he felt had not happened. He believed that a Citizens Assembly on climate emergency would help to take residents with the Council on the issue of climate emergency.

Gregor Murray commented that he agreed with the intent of the Motion, and supported engaging with the residents on climate emergency. However, Citizens Assembly was not a catch all term for engagement. It was one part of the local democratic process available

to the Council. He felt that agreeing the Motion would not give consideration to other methods available such as citizens juries, citizens advisory panels, consultations, citizens forum, focus groups, e panels, or more crowd sourcing, which could provide useful recommendations. Gregor Murray commented that it would be reckless to commit to one option without first considering the other options available. He had sought to amend the Motion so that the words 'Citizens Assembly' were substituted by the words 'Local Democratic Process' but this had been refused. He went on to comment that Extinction Rebellion favoured Citizens Assemblies at a national level but advocated a local democratic process, at local level.

Alison Swaddle agreed that it would be reckless to commit to one form of action, when the other options had not been fully explored. The Council owed it to residents to get it right as it was one of the most important things that was being undertaken for the next generation.

Tahir Maher emphasised that residents should be able to participate fully in their community and decisions that effected their life. He supported the Motion but noted that there were other options of engagement also available.

Gary Cowan and Sarah Kerr emphasised that the Motion did not preclude other options of engagement. However, John Halsall stated that he felt that the Motion did preclude other options of engagement.

Andy Croy commented that the amendment referred to by Gregor Murray would have negated the Motion. He felt that the Council had a poor record of engagement and needed to do better. He questioned what due diligence had been carried out with regards to the Climate Emergency Action Plan.

In accordance with rule 4.2.15.5, Gary Cowan requested a recorded vote, which was agreed.

For	Against	Abstain
Rachel Bishop Firth	Parry Bath	Keith Baker
Shirley Boyt	Laura Blumenthal	Malcolm Richards
Prue Bray	Chris Bowring	
Rachel Burgess	Jenny Cheng	
Stephen Conway	UllaKarin Clark	
Gary Cowan	Michael Firmager	
Andy Croy	Guy Grandison	
Richard Dolinski	Charlotte Haitham Taylor	
Carl Doran	John Halsall	
Lindsay Ferris	Pauline Helliar-Symons	
Paul Fishwick	Emma Hobbs	
Jim Frewin	Graham Howe	
David Hare	John Kaiser	
Clive Jones	Dianne King	
Sarah Kerr	Abdul Loyes	
Tahir Maher	Charles Margetts	
Adrian Mather	Ken Miall	
Andrew Mickleburgh	Stuart Munro	
Imogen Shepherd-	Gregor Murray	

DuBey		
Rachelle Shepherd-DuBey	Barrie Patman	
Caroline Smith	Angus Ross	

97.2 Motion 451 submitted by Gregor Murray

Due to time constraints this Motion was not considered.

97.3 Motion 452 submitted by Prue Bray

Due to time constraints this Motion was not considered.

97.4 Motion 453 submitted by Clive Jones

Due to time constraints this Motion was not considered.

Agenda Item 94.1

TITLE	Housing Revenue Account Budget 2021/22
FOR CONSIDERATION BY	Council on Thursday, 18 February 2021
WARD	None Specific;
LEAD OFFICER	Director Communities, Insight and Change – Keeley Clements
LEAD MEMBER	Executive Member for Finance and Housing - John Kaiser

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

The revenue and capital budgets for 2021/22 are set and tenants rent levels are set for 2021/22 to ensure sound finances and value for money in providing housing services for council tenants.

RECOMMENDATION

That Council approve:

- 1) the Housing Revenue Account budget for 2021/22 (Appendix A);
- 2) Council house dwelling rents be increased by up to 1.50% effective from April 2021 in line with the Welfare Reform and Work Act 2015;
- 3) Garage rents to be increased by 1.16% effective from April 2021 in line with Council's general fees and charges;
- 4) Shared Equity Rents to be increased by 1.13% based on September RPI, effective from April 2021;
- 5) Tenant Service Charges to be set based on cost recovery;
- 6) the Housing Major Repairs (capital) programme for 2021/22 as set out in Appendix B;
- 7) Sheltered room guest charges for 2021/22 remain unchanged at £9.50 per night per room.

EXECUTIVE SUMMARY

The proposed Housing Revenue Account (HRA) for 2021/22 is set out for consideration and recommendation to Council. An indication of the budget for 2022/23 and 2023/24 is provided for information. Proposed 2021/22 rent levels for council housing and council owned garages are also set out for recommendation to Council.

For 2021/22, the HRA will need to borrow to help fund its 70% share of capital investment into new housing stock in order to utilise the right to buy receipts. The level of reserves are expected to increase from £0.9m in 2020/21 to £1.1m in 2023/24.

BACKGROUND

HOUSING REVENUE ACCOUNT 2021/22

Housing Ring Fence

1. The Housing Revenue Account (HRA) is a ring-fenced fund. This means that the HRA must be self-financing and expenditure must be paid for by Council tenants through rent and service charges. HRA expenditure cannot be funded by council tax and similarly HRA income should not be used to pay for general fund services.

Rent Restructuring, Convergence, Housing Self Financing and the End of the Rental Reduction

2. For four years, commencing in 2016/17 the Government introduced a compulsory 1% reduction in Social and Affordable rents. There was no discretion in making this change and it applied to all council tenants. The 1% reduction was implemented in April 2016 and was followed by a further 1% cumulative reduction from April each year for the three years to 2019/20. From 2020/21 onwards, the rent reduction stopped and has been replaced with rental increases of CPI + 1% which for **2021/22 equals 1.50%** (2.70% in 20/21), although the Council will continue increasing rents to target rent when properties are re-let whilst still maintaining the compulsory rental changes. Target rent is a calculation by Government to ensure all properties of a similar nature (e.g. location, no. of bedrooms) have similar rent levels for tenants.

3. The Council has prepared a 30-year business plan for the HRA. The allocated debt is based on a notional valuation of the Council's housing stock and a 30 year notional business plan of income and expenditure. The HRA will incur an annual interest charge and principal debt repayment over the majority of the plan. Over the next three years a further £7.5m of debt is to be repaid. The estimated debt as at the 31st March 2024 is £83m, this includes a new loan to be taken out in 2021/22 to fund the 70% expenditure needed for the use of RTB receipts and borrowing to fund future years capital budgets. Revenue budget provision for debt repayment is included under the HRA principal repayments line in Appendix A.

4. The Council's 30 year business plan is being reviewed and updated to reflect known changes including the rent policy issues highlighted above. The Council will need to consider its appetite for debt over the 30 year period in light of legislative changes and the removal of the borrowing cap for local authorities. Key features of the HRA budget submission are;

- a) The HRA Capital Programme for 2021/22 will be £7.0m plus any carry forwards from 2020/21, followed by indicative budgets of £7.5m in 2022/23 and £7.8m in 2023/24. The programme assumes all retained right to buy receipts are utilised.
- b) Rental income will be based on government requirements for an increase of 1% + Consumer Price Inflation (CPI) in future years.

Garage Rents

5. It is proposed to increase garage rents by 1.16% for 2021/22 (2.38% for 2020/21) in line with the council wide increase to fees and charges.

Shared Equity Rents

6. It is proposed to increase shared equity rents by 1.13% for 2021/22 (2.43% for 2020/21) based on September RPI, effective from April 2021.

2021/22 Budget Assumptions & Risks

7. The Housing Revenue Account budget for 2021/22 is shown at Appendix A. The budget has been drawn up on a self-financing basis and reflects interest charges of £2.7m, depreciation of £3.8m as determined by the Council's 30-year business plan under the self-financing system. The 2021/22 budget also includes expenditure of £3.3m for repairs and maintenance.

The projected HRA reserve balance (see Appendix C) at 31 March 2022 will be £0.9m.

Housing Major Repairs (Capital Programme)

8. The Council is required to fund major repairs from the rental income. The intention over the 30 year business plan is to generate additional resource to help the Council meet the decent homes standard and also to invest further in the redevelopment and regeneration of the council's housing stock.

The breakdown of the funding of the £7.0m capital expenditure in 2021/22 is:

- a) Major Repairs Reserve £4.9m
- b) Right to buy receipts £0.6m
- c) Borrowing £1.5m

The proposed Housing Capital Programme is shown at Appendix B.

Consultation

9. The draft budget submission has been considered by the Tenants & Landlord Improvement Panel on 28 January 2021.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See attached reports	Yes	Revenue and Capital
Next Financial Year (Year 2)	See attached reports	Yes	Revenue and Capital

Following Financial Year (Year 3)	See attached reports	Yes	Revenue and Capital
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Other Financial Information
None

Stakeholder Considerations and Consultation
Budget proposals have been reported to the Tenants & Landlord Improvement Panel

Public Sector Equality Duty
The specific projects and programmes of work will be assessed individually prior to implementation. Rent increases follow Government legislation.

Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i>
Climate change within the HRA is being looked at on a number of levels. Housing Officers attend the Council's climate change meetings and are also members of the retro fitting working group. As we know domestic homes contribute to the emissions of the country and we will need to reduce these emissions over time. Projects will be coming forward but social housing providers are still awaiting guidance and associated funding from central government. Any future investments to meet climate change agenda will be factored into future budget papers.

List of Background Papers
Appendix A – HRA Revenue Budget
Appendix B – HRA Capital Budget
Appendix C – HRA Reserves

Contact Simon Price	Service Housing Services
Telephone 07500 951702	Email simon.price@wokingham.gov.uk

HOUSING REVENUE ACCOUNT REVENUE BUDGET

The following table sets out the revenue expenditure planned for the HRA and the estimated income.

	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000
INCOME			
Rents			
Dwelling Rents	(14,917)	(15,141)	(15,368)
Garage Rents	(249)	(254)	(259)
Commercial Rents	(2)	(2)	(2)
Total Rents	(15,168)	(15,396)	(15,629)
Fees & Charges			
Service Charges	(408)	(416)	(424)
Leasehold Charges	(123)	(125)	(128)
Other Charges for Services & Facilities	(48)	(48)	(48)
Interest on balances	(59)	(59)	(59)
Total Income	(15,806)	(16,045)	(16,288)
EXPENDITURE			
Housing Repairs	3,252	3,318	3,384
General Management	3,398	3,466	3,535
Sheltered Accommodation	231	235	240
Depreciation	Note 1	3,763	3,763
Capital Finance Interest Charge	Note 2	2,650	2,685
Voluntary Revenue Provision	Note 3	2,500	2,500
Total Expenditure	15,794	15,967	16,142
Net Expenditure / (Income)	(11)	(78)	(146)
REVENUE ACCOUNT			
Balance at Beginning of Year	(865)	(876)	(954)
Transfer (to) / from earmarked reserve	(11)	(78)	(146)
Balances at Year End	Note 4	(876)	(954)
		(1,100)	

Note 1. The contribution from HRA revenue to Major Repairs Reserve

Note 2. Based on current loan portfolio which reduce on maturity of loans

Note 3. Repayment of HRA loans taken during self financing introduction

Note 4. Reserve balances guided by assesments of financial risks

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HOUSING REVENUE ACCOUNT CAPITAL BUDGET

The following table sets out the capital expenditure planned for the HRA and the funding set aside to pay for the expenditure.

	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000
EXPENDITURE			
Estate Improvements	10	10	10
Capitalised Staffing Costs	625	625	650
Adaptations for the Disabled	500	550	600
Voids	750	750	800
Housing Purchase & New Builds	2,054	2,500	2,500
Planned & Cyclical Works	1,965	1,654	1,754
Improvements & Projects including Decent Homes	1,050	1,411	1,486
Total Capital Expenditure	6,954	7,500	7,800
FUNDED BY			
Major Repairs Reserve	(4,900)	(5,000)	(5,300)
Right to Buy Receipts	Note 1	(616)	(750)
Loan for 70% right to buy contribution	Note 2	(1,438)	(1,750)
Total Capital Funding	(6,954)	(7,500)	(7,800)
Balances at Year End	0	0	0

Note 1. Estimated receipts from right to buy sales

Note 2. Additional borrowing to support maximising right to buy receipts and capital works

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HOUSING REVENUE ACCOUNT RESERVES

APPENDIX C

5

Reserve	Policy	Estimated Level at 31 March	Benefits	Opportunity Costs
Housing Revenue Account	<p>Local Government and Housing Act 1989 section 76 (3) forbids a year end deficit on the HRA</p> <ul style="list-style-type: none"> Balance is determined by level of risk associated with the budget <p>Current recommended minimum level of reserves is approx.. £1m - minimum level</p>	<p>2022 £0.9m 2023 £1.0m 2024 £1.1m</p>	<ul style="list-style-type: none"> Provides general contingency for unavoidable and unseen expenditure or fall in income Stability for longer term planning and for meeting the decent homes standards Interest on Balances helps to reduce costs: Interest on Balances @ 1.0% = £9k 	<ul style="list-style-type: none"> Could be used to fund HRA Capital expenditure to help meet decent homes standard which would result in loss of interest £10k per £1m Could be used to fund HRA debt repayment
Major Repairs Reserve	<ul style="list-style-type: none"> Use of Capital to meet Decent Homes Standard Redevelopment and regeneration of the Council's housing stock 	<p>2022 £0.9m 2023 £0m 2024 £0m</p>	<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

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TITLE	Capital Programme and Strategy 2021-2024
FOR CONSIDERATION BY	Council on Thursday, 18 February 2021
WARD	None specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Finance and Housing - John Kaiser

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

The capital programme and strategy 2021 – 2024 sets out the capital investment for the benefit of the community and how this is funded.

RECOMMENDATION

That Council approve:

- 1) the Capital Strategy for 2021 - 2024 - Appendix A;
- 2) the three-year capital programme for 2021 - 2024 – Appendix B;
- 3) the draft vision for capital investment over the next five years - Appendix C;
- 4) the use of developer contribution funding (s106 and CIL) for capital projects as set out in Appendix D. Approval is sought up to the project budget.

EXECUTIVE SUMMARY

The Chartered Institute of Public Finance & Accountancy (CIPFA) 2018 Prudential Code sets out the requirements in relation to the setting of a Capital Strategy within Local Authorities. The key objectives of the Code are to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent, and sustainable.

Under the prudential system, individual local authorities are responsible for deciding the level of their affordable borrowing, having regard to CIPFA's Prudential Code, which has been given legislative backing. Prudential limits apply to all borrowing, qualifying credit arrangements and other long-term liabilities – whether supported by government or entirely self-financed. The system is designed to encourage authorities that need and can afford to undertake capital investment to do so within a robust framework.

Using the guidance from the Prudential Code, every year the Council produce a **Treasury Management Strategy** and a **Capital Strategy**. Both strategies are closely linked and also support the Medium Term Financial Plan. The Treasury Management Strategy is considered in a separate report.

The Capital Strategy for the three financial years from 2021 – 2024 is intended to provide a high-level overview of how capital expenditure, capital financing and treasury

management contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

The Capital Strategy is set out in **Appendix A**.

This shows investment of £446m over the next three years across:

- Roads and Transport - £160m
- Housing, Local Economy and Regeneration - £156m
- Climate Emergency - £71m
- Environment - £23m
- Internal Services - £13m
- Children Services and Schools - £12m
- Adult Social Care - £11m

BACKGROUND

Key aims of the Capital Strategy (Appendix A)

The key aims of the capital strategy are to:

- Provide a clear context within which proposals for capital expenditure are evaluated to ensure all capital investment is targeted to deliver the Council's priorities.
- Give clarity about how the Council identifies and prioritises capital requirements and proposals arising from various strategies, and how they will be managed within the limited capital resources available.
- Identify and consider options available to fund capital expenditure that minimises the ongoing revenue implications of historic capital expenditure and of any new investments.
- Establish effective arrangements for managing capital schemes including assessment of outcomes and achievement of value for money.

Capital Expenditure

Wokingham Borough Council has an ambitious capital programme which builds upon recent years of historic capital investment in the borough including regeneration of Wokingham town, new strategic roads, schools, and leisure facilities. The Council will continue to provide services and assets for residents to enjoy and to meet there needs.

The Capital Strategy is fundamental to the effective delivery of these key activities. The table below shows the planned capital expenditure for the next three years across the key activities. Note, these figures exclude any carry forwards from the current financial year.

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Roads and Transport Continuous investment in highways infrastructure to meet the needs of current and future users of the network	94.0	54.3	11.3	159.6
Housing, Local Economy and Regeneration Delivering sustainability, a strong, robust, and successful economy that stimulates opportunities for all who work and live in	72.6	64.6	18.8	156.0
Climate Emergency Commitment to reduce carbon emissions and working towards becoming a carbon neutral Council	22.2	27.2	21.6	71.0
Environment Investment and enhancement of facilities across the borough benefiting communities and resident's wellbeing	12.1	5.2	6.0	23.3

Internal Services Investment in Council assets and technology to continue to support all Council services and priorities	3.9	4.6	4.1	12.6
Children Services and Schools Dedicated in providing services and schools which ensure all children have the opportunity to achieve their goals potential	3.4	3.1	5.4	11.9
Adult Social Care An effective, high-quality care and support service to providing a better quality of life for residents	7.2	2.9	1.0	11.1
Total Capital Programme 2021/22 to 2023/24	215.4	161.9	68.2	445.5

A full breakdown of the areas above by individual scheme can be found in **Appendix B**.

The draft vision for capital investment over the next five years can be found in **Appendix C**.

Capital Resources (Funding of Capital Expenditure)

Like most Local Authorities, the Council has limited capital resources available and these are allocated to each scheme to ensure best value for money by maximising the use of grants, developer funding and capital receipts in order to minimise the need for revenue contributions and borrowing. Although borrowing does make a large portion of the capital resources, this has been calculated on a prudent, sustainable, and affordable basis. Each individual scheme is evaluated before being added to the capital programme.

The table below shows the estimated capital resources required to fund the three-year capital programme from April 2021 to March 2024.

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Supported borrowing	(165.0)	(95.2)	(32.2)	(292.4)
Developer contributions (S106 / CIL)	(26.4)	(34.2)	(8.4)	(69.0)
Capital grants	(12.1)	(13.8)	(11.5)	(37.4)
Other contributions	(6.3)	(5.8)	(6.1)	(18.2)
General fund borrowing	(3.5)	(3.6)	(3.6)	(10.7)
Additional general fund borrowing*	0.0	(6.7)	(3.7)	(10.3)
Capital receipts	(2.2)	(2.6)	(2.7)	(7.5)
Total	(215.4)	(161.9)	(68.2)	(445.5)

* Additional general fund borrowing is currently the funding gap for years 2 and 3. Through the budget process, this will be reduced to zero through using additional income (e.g. new grants or developer funding) and/or through reducing capital expenditure across the programme.

Developer Contributions

With regards to developer contributions funding. The Council's Finance Regulations require allocation of this funding to be approved. As set out in **Appendix D**, approval is sought up to the project budget for the capital scheme to allow flexibility if more funding becomes available during the year and can reduce borrowing costs. The Executive are asked to approve and recommend that Council approve the use of developer contribution funding (s106 and CIL) for capital projects as set out in Appendix D.

The capital programme drives the Treasury Management Strategy (see separate Executive and Council paper for the 18 February 2021), in terms of identifying and undertaking necessary borrowing. The graph below shows the estimated debt and debt repayment profile for the borrowing used to support the capital programme.

Supported Borrowing

A significant part of the Council's capital programme is either self-financing or makes a surplus where the income generated is greater than the cost of financing and therefore is available to fund other council services. These are referred to as "supported borrowing" in the table above.

Supported borrowing activities can be broken down as follows:

Investment in Wokingham Borough

- Regeneration. There is an ambitious programme of regeneration with the town centres of the borough. With the Council's low cost of capital and return on investment requirement compared to the private sector this allows the Council to take on and complete projects for the benefit of the local community that would otherwise not be delivered by the private sector.
- Economic Development. Likewise, the Council is able to use its resources to secure properties within town centres to ensure continued delivery of services to the community, whilst encouraging local businesses with security of tenure.
- Enabling infrastructure. The Council has always been positively proactive in delivering infrastructure in advance of developments.
- Local Employment Protection. The Council will invest to ensure local employers remain in premises and not lose economic business sites to alternative development.
- Housing. The Council has an ambitious affordable and social housing plan for the borough, delivered through its wholly owned subsidiary companies.

Invest to Save

The Council is also investing in activities which not only cover the financing costs and debt repayment for the scheme but make income each year to contribute to the costs of running the Council, reducing the burden on the local taxpayer whilst maintaining services. These are referred to as 'invest to save' funded projects, and examples are listed below:

- Leisure and sport facilities.
- Energy reduction / efficiency.
- Crematorium.
- Social care placements provision

Repayment of Borrowing

As highlighted previously, the Council continue to invest significant amounts into the capital programme generating assets such as roads, schools, housing, regeneration properties and many more. The graph below sets out the expected repayment of this debt aswell as the asset value generated.

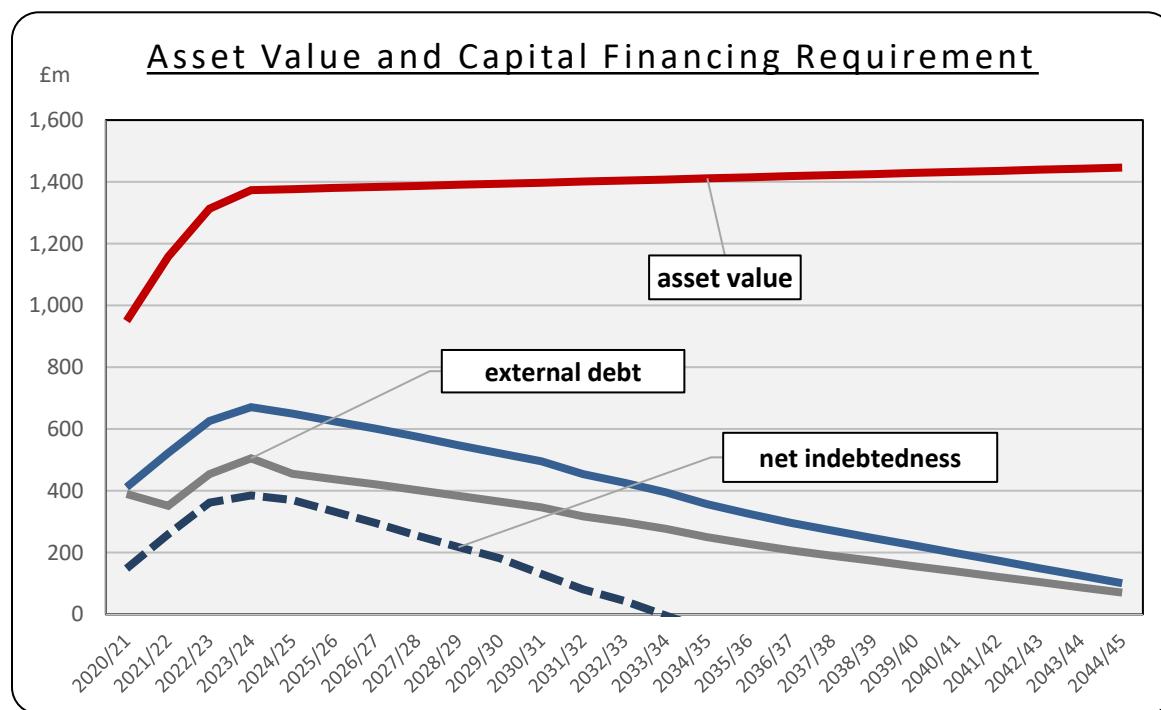
The graph includes three key lines in reference to debt:

- Capital financing requirement (CFR) - a technical calculation of historic capital expenditure less that already paid for, required to arrive at the annual level of debt repayment.
- External debt – this is the actual amount borrowed with third parties. The difference between CFR and external debt is referred to as internal borrowing.
- Net indebtedness – this is external debt less treasury (i.e. liquid) investment balances. It is important that these are considered together as treasury investments could be used to repay external debt.

The Council are expecting debt to rise over the next three years in line with the capital programme and then it is expected to reduce over time as income is generated from these projects and cost savings are realised.

CFR and external will reduce as borrowings are repaid through income and will reach a point in time when debt is fully repaid, and the ongoing income will be transferred to benefit the general fund.

The graph is based on general fund only and excludes HRA as this is ringfenced. The original CFR levels before commercialisation, forward funding and regeneration projects were approximately £100m.



FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£215.4m	Yes	Capital
Next Financial Year (Year 2)	£161.9m	Yes	Capital
Following Financial Year (Year 3)	£68.2m	Yes	Capital

Other Financial Information

Please see the attached appendices for full details.

Stakeholder Considerations and Consultation

N/A

Public Sector Equality Duty

The specific projects and programmes of work will be assessed individually prior to implementation.

Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030

As highlighted in the Capital Strategy and appendices, the Council continues to invest in Climate Emergency across a range of capital schemes.

List of Background Papers

Appendix A - WBC capital strategy

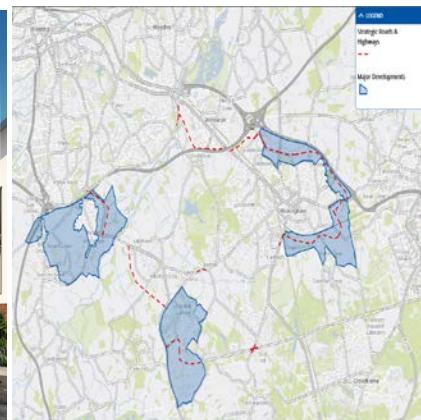
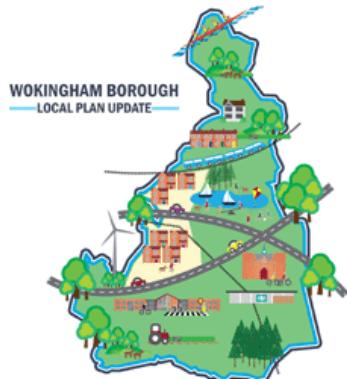
Appendix B - WBC capital programme detail

Appendix C - WBC five-year capital vision

Appendix D - WBC capital Programme to be part/fully funded by developer contributions.

Contact Mark Thompson	Service Business Services
Telephone Tel: 0118 974 6555	Email mark.thompson@wokingham.gov.uk

Capital Strategy 2021-22



**WOKINGHAM
BOROUGH COUNCIL**

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Appendices

Appendix B - Three year capital programme by key areas

Appendix C - Five year capital vision by asset type

Appendix D - Developers contributions funded schemes

1. Introduction

The Chartered Institute of Public Finance & Accountancy (CIPFA) 2018 Prudential Code sets out the requirements in relation to the setting of a Capital Strategy within Local Authorities. The key objectives of the Code are to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent and sustainable.

Under the prudential system, individual local authorities are responsible for deciding the level of their affordable borrowing, having regard to CIPFA's Prudential Code, which has been given legislative backing. Prudential limits apply to all borrowing, qualifying credit arrangements and other long-term liabilities – whether supported by government or entirely self-financed. The system is designed to encourage authorities that need and can afford to undertake capital investment to do so within a robust framework.

The Capital Strategy for the three financial years from 2021 – 2024 is intended to provide a high-level overview of how capital expenditure, capital financing and treasury management contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability.

2. The Aims of The Capital Strategy

The capital strategy aligns with the Council's priorities and key council strategies. The strategy is integrated with the Medium Term Financial Strategy and Treasury Management Strategy.

The Capital Strategy is the document that sets out the following principles:

- To drive the authority's ambitious capital programme and identifying the optimum level of investment
- Giving an outline of future commitments so that the affordability of both the long-term plan and any new proposals can be properly understood.

3. Governance Framework & Core Principles

As part of the annual budget process, the capital vision including any new capital scheme bids is reviewed. The Council develops a three-year capital programme, of which year 1 is fully funded, and years 2 and 3 have indicative funding. This forms part of the Council's Medium Term Financial Plan (MTFP) and is approved at Council in February having previously been reviewed by CCOSC.

There is a Capital Prioritisation Group consisting of senior officers from each directorate who generally have a responsibility for major capital expenditure; this is supported by the Financial Specialist team. The objective of the group is:

- To make recommendation on the use of capital contingency
- To make recommendation on carry forwards
- To ensure alignment of capital programme with Council plan objectives

Based on these evaluations the attached Capital Programme has been prepared. Members are presented with the proposed capital budget submission 2021/22 for recommendation to Council (Appendix B).

Democratic decision-making and scrutiny processes provide overall political direction and ensure accountability for investment in the Capital Programme. These processes include:

- The Council approves the vision and priorities.
- The Council is ultimately responsible for approving the Treasury Management Strategy, Capital Strategy and Capital Programme
- The Executive receives regular capital monitoring reports (on a quarterly basis), approves variations to the programme and considers new bids for inclusion in the capital programme
- Portfolio holders are assigned projects in line with their responsibilities
- Scrutiny committees can call in Cabinet reports, receive and scrutinise reports
- All projects progressing to the capital programme follow the constitution, and financial regulations
- The capital programme is subject to internal and external audit.

4. Capital Vision Planning

Wokingham Borough Council's Capital Vision is created alongside its vision for providing much of the needed housing in the borough, through its four strategic development locations.

The major development projects ongoing in the Capital Programme are: -

Arborfield Garrison major development - This development includes 3500 new homes, 2 new primary schools, a secondary school, community and local shopping facilities, sports hub and gym, open spaces and roads including the Arborfield Relief Road project, an extension of Nine Mile Ride and improvements to the California Crossroads junction and Barkham Bridge

Shinfield Parish major development – Based around the villages of Shinfield, Spencers Wood and Three Mile Cross, this development initially included 2500 new homes, 2 new primary schools, school expansion, community and local shopping facilities, sports hub, open spaces and roads including the Shinfield Eastern Relief Road project

North Wokingham major development – This development initially includes 1500 new homes, a new primary school, local community and shopping facilities in a new neighbourhood centre, enhancements to the sports hub at Cantley Park, open spaces and roads including the North Wokingham Distributor Road project

South Wokingham major development – This development includes 2500 new homes, 2 new primary schools, local shopping and community facilities, new open spaces and roads including the South Wokingham Distributor Road project

These major developments will accommodate a total of about 10,000 homes in carefully planned new or extended communities, by 2026.

Other ongoing major regeneration and development projects in the borough include: -

Gorse Ride Estate redevelopment - Working to regenerate the Gorse Ride Estate in order to provide high-quality homes in a great community.

Wokingham Town Centre Regeneration – This redevelopment provides residential housing alongside Elms Field to compliment the retail, food store, cinema, hotel and play area which have been successfully completed. In addition the provision of a new Leisure facility to replace the Carnival Pool facility, which includes a new pool and leisure facility, provision of 4 court sports hall, a new library and food/beverage offering and 55 residential apartments.

Climate Emergency – Develop solar farms to create a renewable energy infrastructure. Energy reduction projects at existing properties to make them energy efficient (e.g., LED lighting, cavity walls). Managing congestion, improving traffic flow, and reducing incidents which cause delays (including using CCTV cameras)

Work is currently underway on an updated local plan which will shape the future of Wokingham Borough. See the Council's Local Plan Update page on the Council's Web site.

<https://www.wokingham.gov.uk/planning-policy/planning-policy-information/local-plan-update/>

5. Asset Management

The overriding objective of asset management within the council is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. The council's property portfolio consists of operational property, properties held for economic development, and property held for specific community or regeneration purposes. The council has specific reasons for owning and retaining property:

- Operational purposes e.g. assets that support core business and service delivery e.g. Schools, office buildings.
- Parks, playgrounds and open spaces.
- Economic development and Regeneration, enabling strategic place shaping and economic growth.

Asset management is an important part of the council's business management arrangements and is crucial to the delivery of efficient and effective services, the ongoing management and maintenance of capital assets will be considered as part of the strategy. The asset management planning includes an objective to optimise the council's land and property portfolio through proactive estate management and effective corporate arrangements for the acquisition and disposal of land and property assets. The council will continue to realise the value of any properties that have been declared surplus to requirements in a timely manner, having regard to the prevailing market conditions.

6. Acquisition of Land And Buildings For Economic Development And Regeneration

The council will acquire land and buildings within the borough boundaries for the primary reason of economic development, regeneration or to protect local employment for residents.

The reasons for acquisition of property are primarily:

- Market and economic opportunity
- Economic development and regeneration activity in the borough
- To maintain and safeguard local employment within the borough

Any acquisition is supported by strong, robust and prudent financial business case, and signed off by the councils S151 officer in accordance with delegations approved by Council.

7. Loans

The Council has discretion to make loans for several reasons, primarily for economic development. These loans are treated as capital expenditure. In making loans the council is exposing itself to the risk that the borrower defaults on repayments. The council, in making these loans, must therefore ensure they are prudent and has fully considered the risk implications, regarding both the individual loan and that the cumulative exposure of the council is proportionate and prudent. The council will ensure that a full due diligence exercise is undertaken, and adequate security is in place. The business case will balance the benefits and risks. All loans are agreed by Executive. All loans will be subject to close, regular monitoring.

8. Capital Expenditure 2021-2024

The following table shows a breakdown of expenditure over the next three years broken down into expenditure categories:

	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Roads and Transport Continuous investment in highways infrastructure to meet the needs of current and future users of the network	94.0	54.3	11.3	159.6
Housing, Local Economy and Regeneration Delivering sustainability, a strong, robust and successful economy that stimulates opportunities for all who work and live in	72.6	64.6	18.8	156.0
Climate Emergency Commitment to reduce carbon emissions and working towards becoming a carbon neutral Council	22.2	27.2	21.6	71.0
Environment Investment and enhancement of facilities across the borough benefiting communities and resident's wellbeing	12.1	5.2	6.0	23.3
Internal Services Investment in Council assets and technology to continue to support all Council services and priorities	3.9	4.6	4.1	12.6
Children Services and Schools Dedicated in providing services and schools which ensure all children have the opportunity to achieve their goals potential	3.4	3.1	5.4	11.9
Adult Social Care An effective, high-quality care and support service to providing a better quality of life for residents	7.2	2.9	1.0	11.1
Total Capital Programme 2021/22 to 2023/24	215.4	161.9	68.2	445.5

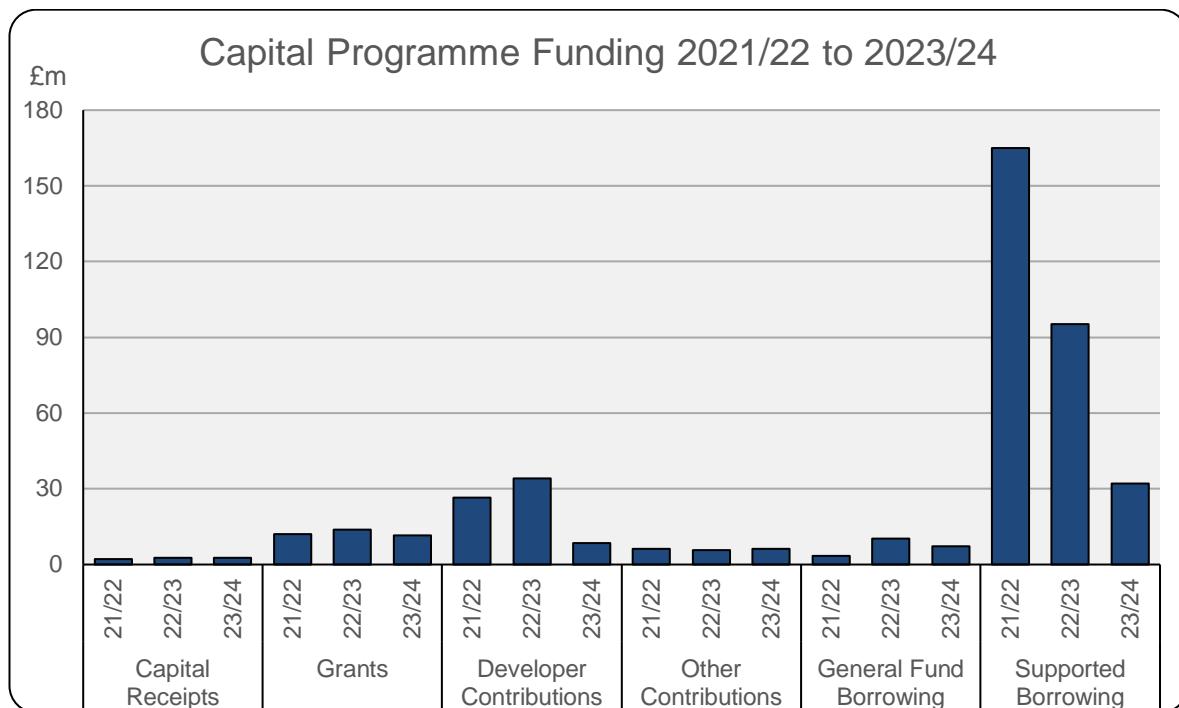
9. Capital Funding and Capital Reserves

Like most Local Authorities, the Council has limited capital resources available and these are allocated to each scheme to ensure best value for money by maximising the use of grants, developer funding and capital receipts in order to minimise the need for revenue contributions and borrowing. Although borrowing does make a large portion of the capital resources, this has been calculated on a prudent, sustainable and affordable basis. Each individual scheme is evaluated before being added to the capital programme.

The table and graph below set out the capital funding for the next three years.

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Supported borrowing	(165.0)	(95.2)	(32.2)	(292.4)
Developer contributions (S106 / CIL)	(26.4)	(34.2)	(8.4)	(69.0)
Capital grants	(12.1)	(13.8)	(11.5)	(37.4)
Other contributions	(6.3)	(5.8)	(6.1)	(18.2)
General fund borrowing	(3.5)	(3.6)	(3.6)	(10.7)
Additional general fund borrowing*	0.0	(6.7)	(3.7)	(10.3)
Capital receipts	(2.2)	(2.6)	(2.7)	(7.5)
Total	(215.4)	(161.9)	(68.2)	(445.5)

* Additional general fund borrowing is currently the funding gap for years 2 and 3. Through the budget process, this will be reduced to zero through using additional income (e.g. new grants or developer funding) and/or through reducing capital expenditure across the programme.



10. Financing Need (Borrowing)

A major source of funding for the Council's capital programme is borrowing. This is described in two forms, supported borrowing and general fund borrowing. A significant part of the Council's capital programme is either self-financing or makes a surplus where the income generated is greater than the cost of financing and therefore is available to fund other council services. These are referred to as "supported borrowing". General fund borrowing is funded through existing base budget and supports general investment to maintain Council assets and continue to provide services to customers and residents.

The table below sets out the total borrowing need for the Council. This is known as the capital financing requirement (CFR) and is an accounting concept which monitors how much capital expenditure has been incurred but not yet paid for.

It is important to note that the CFR balance does not reflect the level of debt the Council holds. Where the Council hold surplus balances such as reserves, unspent grants and working capital, this avoids the need to borrow externally, saving on interest costs. This is known as internal borrowing. Furthermore, it is important to take into account any treasury investment balances when looking at external debt to understand a more accurate debt figure.

The following tables shows the CFR balance for supported borrowing and general fund borrowing.

	Supported Borrowing			General Fund Borrowing		
	21/22	22/23	23/24	21/22	22/23	23/24
	£m	£m	£m	£m	£m	£m
Opening balance	310	415	513	110	114	124
Expenditure in year	159	118	61	8	10	8
Repayments in year	(54)	(20)	(20)	(4)	(4)	(4)
Closing balance	415	513	554	114	124	128

In the table above, it is important to note, the "expenditure in year" row is an estimate of actual capital expenditure to be incurred in the financial year and includes the impact of carry forwards from the previous year and carry forwards into future years based on historic trends. This ensure a more accurate CFR position which is important when considering investment and borrowing decisions. It will therefore be different to the amount identified as funding earlier in the report in the capital funding tables.

The following table shows the CFR balance for the housing revenue account.

	Housing Revenue Account		
	21/22	22/23	23/24
	£m	£m	£m
Opening balance	85	84	83
Expenditure in year	2	2	2
Repayments in year	(3)	(3)	(3)
Closing balance	84	83	82

In approving the inclusion of projects within the capital programme the Council ensures all the capital and investment plans are affordable, prudent and sustainable. In doing so the Council will take into account the arrangements for the repayment of debt, through a prudent Minimum Revenue Provision (MRP) policy in line with MRP guidance produced by the Ministry of Housing, Communities and Local Government. The capital financing charges and any additional running costs arising from capital investment decisions are incorporated within the annual budget and medium term financial plans. This enables members to consider the consequences of capital investment alongside other competing priorities for revenue funding.

Existing Council debt is therefore the consequence of historical capital expenditure. The council can temporarily utilise other resources in lieu of external borrowing to fund capital expenditure. This is referred to as internal borrowing.

A summary of our external and internal debt over the medium term financial plan time period, can be found in the Treasury Management Strategy approved by executive on 18 February 2021.

11. Flexible Use of Capital Receipts Strategy

Introduction

As part of the November 2015 Spending Review, the Government announced that it would introduce flexibility for the period of the Spending Review for local authorities to use capital receipts from the sale of non- Right to Buy housing stock assets to fund the revenue costs of service reform and transformation.

Guidance on the use of this flexibility was issued in March 2016 which applies to the financial years 2016/17 through to 2019/20. In the Provisional Local Government Settlement 2018/19 (announced 19 December 2017) the Government confirmed that the flexibility to use capital receipts to help meet the revenue costs of transformation will be extended for a further 3 years to April 2022. The Guidance requires local authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy.

This document constitutes the Flexible Use of Capital Receipts Strategy for Wokingham Borough Council and requests approval to use capital receipts from sale of assets to fund transformation projects, back dated to 2016/17.

The Guidance

The Guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 specified that;

- Local authorities will only be able to use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. Following the Provisional Settlement announcement 19 December 2017, the period of offer is 1st April 2016 to 31st March 2022. They may not use their existing stock of capital receipts to finance the revenue costs of reform.
- Local authorities cannot borrow to finance the revenue costs of the service reforms.
- The expenditure for which the flexibility can be applied should be the up-front (set up or implementation) costs that will generate future ongoing savings and/or transform service delivery to reduce costs or to improve the quality of service delivery in future years. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.
- In using the flexibility, the Council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice.

The Guidance provides a definition of expenditure which qualifies to be funded from the capital receipts flexibility. Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to

reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

There are a wide range of projects that could generate qualifying expenditure. The key determining criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure. Within the above definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.

The Council's Proposals

The Council intends to use the capital receipts flexibility to fund or part fund the following project, and expected savings generated by this project are set out in the table below:-

Project	Year in Capital Programme	Annual Capital Budget £m	Annual Savings £m
Continuous Improvement Programme – Adult Social Care	2019/20	£0.440m	
	2020/21	£0.580m	
	2021/22	£0.230m	
	Total	£1.250m	£0.360m
Continuous Improvement Programme – Children's and Education Services	2019/20	£0.900m	
	2020/21	£0.300m	
	2021/22	£0.050m	
	Total	£1.250m	£0.490m

Please note the 2021/22 capital budgets are from the estimated 2020/21 carry forward budgets.

The Prudential Code

The Council will have due regard to the requirements of the Prudential Code and the impact on its prudential indicators from implementing the proposed project. The capital expenditure prudential indicators will be amended and approved as appropriate.

The Council will also have due regard to the Local Authority Accounting Code of Practice when determining and including the entries required from undertaking and funding this project within the Council's Statement of Accounts.

Monitoring the Strategy

The strategy will be monitored throughout the financial year and may be updated and replaced as proposals are developed and expenditure is incurred.

12. Long Term Revenue Implications of Capital Investment Decisions

Capital investment decision making is not only about ensuring the initial allocation of capital funds meets the corporate and service priorities but ensuring the asset is fully utilised, sustainable, and affordable throughout its whole life. This overarching commitment to long term affordability is a key principle in any capital investment appraisal decision. In making its capital investment decisions the council must have explicit regard to consider all reasonable options available. Captured in the MTFP process.

13. Risk Appetite

This section considers the council's risk appetite with regard to its capital investments, i.e., the amount of risk that the council is prepared to accept, tolerate, or be exposed to at any point in time. It is important to note that risk will always exist in some measure and cannot be removed in its entirety. A risk review is an important aspect of the consideration of any proposed capital or investment proposal. The risks will be considered in line with the risk management strategies we have in place and commensurate with the council's low risk appetite. Subject to careful due diligence, the council may consider a moderately higher level of risk for strategic initiatives, where there is a direct gain to the council's revenues or the ability to deliver its statutory duties more effectively and efficiently.

14. Knowledge and Skills

The Council has professionally qualified staff across a range of disciplines including Finance, Legal and Property and follow Continues Professional Development (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

External professional advice is taken where required.

15. Training

Internal and external training is offered to members to ensure they have up to date knowledge and expertise to understand and challenge the capital and treasury decisions taken.

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CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Roads and Transport						
New roads	SCAPE - Road infrastructure (dist roads etc) intial costs	Investment in future road building / enhancement across WBC road network (including new relief roads)	71,287	35,000	2,200	108,487
	Nine Mile Ride Extension		6,419	3,310	0	9,729
	Shinfield Eastern Relief Road	Residual payments to Reading University for the completed scheme	3,491	2,751	1,308	7,550
	California Crossroads	Investment in future road building / enhancement across WBC road network (including new relief roads)	4,447	0	350	4,797
	Completed Road Schemes Retention	Completed road schemes retention	0	62	64	126
		New roads total	85,644	41,123	3,922	130,688
Improvement to existing facilities	Highways Carriageways Structural Maintenance	Rolling programme to resurfacing carriageways (roads) to repair damage and extends the life of the asset	2,280	2,280	2,280	6,840
	Bridge Strengthening	Continued enhancement to highway structures	0	3,800	0	3,800
	Warren House Embankment Stabilisation	Stabilise highways structure	0	3,000	0	3,000
	Bridge Strengthening	Continued enhancement to highway structures	225	225	225	675
	Highway Drainage Schemes	To reduce the overall degradation of the highway drainage network	200	200	200	600
	A329(M) & Drainage (Central Reserve Concrete Barrier and Carriageway Reprofiling)	Feasibility of project to improve road and drainage	350	0	0	350
	Highways Footway Structural Maintenance Programme	Enhancement to footways within the borough	100	100	100	300
	Strengthening Approach Embankments to Bridges	Continued enhancement to highway structures	0	20	20	40
	Street Lighting Column Structural Testing	Structural testing of lighting assets	20	0	20	40
		Improvement to existing facilities total	3,175	9,625	2,845	15,645

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Roads and Transports Continued..						
Service improvements	Wokingham Highways Investment Strategy (WHIS)	A "Needs Based" approach to maintaining Wokingham's highways network, aligned to the Council's and stakeholder priorities	2,968	2,300	3,419	8,687
	Highway Infrastructure Flood Alleviation Schemes	To deliver flood risk management schemes and sustainable drainage systems to reduce the risk of flooding to major highways across the borough	500	500	0	1,000
	Toutley Highways Depot Modernisation	Highways infrastructure enhancements	1,000	0	0	1,000
	Integrated Transport Schemes	Enhancement the integrated transport schemes	250	250	400	900
	Traffic Signal Upgrade Programme	Investment in highways signals	250	250	250	750
Road improvements			Service improvements total	4,968	3,300	4,069
	Safety / Crash Barriers	Improving safety / crash barriers on the highways in the borough	250	250	500	1,000
Roads and Transport Total			94,037	54,298	11,336	159,671

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Housing, Local Economy and Regeneration						
Housing delivery	WBC (Holdings) Ltd Loan	Wokingham Borough Council owned houses funding. (1-4-5 housing objective)	8,000	10,000	6,000	24,000
	Housing (Tenants Services)	Investment in the Council's housing stock (Inc. adaptations/estate improvements)	4,900	5,000	5,300	15,200
	Gorse Ride Regeneration Project	To part fund phase 2 of the Gorse Ride regeneration project	5,000	6,000	1,562	12,562
	Strategic residential portfolio	To support the growth of the Council's residential property portfolio and deliver against Housing 1-4-5 objective	5,033	6,833	0	11,866
	Purchase of council houses HRA	To replace HRA housing stock using the 1 for 1 Right to Buy receipts	2,054	2,500	2,500	7,054
	Mandatory disabled facility grants	Mandatory means tested grants for adapting the homes of people with disabilities to enable them to live independently at home	806	1,070	1,100	2,976
	Phase 2 Grovelands, Winnersh,	Environmental & accommodation improvement works, installing temporary accommodation units	2,700	0	0	2,700
	Gypsy, Roma, Traveller (GRT) Additional Pitches	Provision of additional GRT pitches as required in the Borough	1,000	0	0	1,000
	Gorse Ride Regeneration Project Management	Project management resource to deliver the Gorse Ride regeneration project	60	60	60	180
		Housing delivery total	29,553	31,463	16,522	77,538

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Service improvements	Community Investment	To build on the commercial property portfolio in line with the Council's socio-economic and sustainability agendas	28,300	26,500	0	54,800
	Commercial Portfolio - Improvement to WBC commercial properties	To ensure commercial properties are suitable for letting	0	100	100	200
		Income generation total	28,300	26,600	100	55,000
Regeneration of towns	Carnival Pool Area Redevelopment	Town centre regeneration	11,183	3,341	1,500	16,025
	Denmark Street Environmental Improvements	Improving the borough towns and parishes	0	340	470	810
	Wokingham Town Centre Regeneration Environmental Improvements		200	200	200	600
		Regeneration of towns total	11,383	3,881	2,170	17,435
New facilities	New Eco-Crematorium	To appaise, plan and develop a new eco-crematorium in Wokingham Borough	3,300	2,700	0	6,000
		New facilities total	3,300	2,700	0	6,000
Closing, Local Economy and Regeneration Total			72,536	64,644	18,792	155,973

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Climate Emergency						
Clean energy generation	Solar Farms (additional projects)	Renewable energy generation infrastructure. i.e. solar farms (fields of solar panels) feeding into a battery or grid arrangement and either us selling off the energy or using against our own consumption	6,000	6,000	6,000	18,000
	Renewable Energy Infrastructure projects		6,500	8,000	0	14,500
		Clean energy generation total	12,500	14,000	6,000	32,500
Co2 reduction	Managing Congestion	Improvement to traffic flow and reducing the likelihood of incidents on the network causing problems for congestion including use of CCTV	5,000	5,000	7,000	17,000
	Energy Reduction Projects	Energy efficiency projects at existing properties including, installing LED lighting, cavity wall & loft insulation, boiler controls, etc	1,500	1,500	1,500	4,500
	Electric Vehicle Charge Points	Installation of electric vehicle charge points	300	600	1,200	2,100
	Support Services Energy Reduction Schemes	Energy reduction schemes through various mechanisms e.g. lighting, insulation and improvements	0	500	250	750
	Waste Schemes - Recycling	Purchase of waste receptacles to enable the borough to enhance their waste / recycling	89	89	89	267
	Food Waste Collection	To provide food waste containers	20	20	20	60
	Biodiversity Capital Projects	A rolling programme aimed at enhancing the biodiversity value of various sites and other assets	25	0	0	25
	Air quality monitoring PM2.5	Air quality monitoring	20	0	0	20
		Co2 reduction total	6,954	7,709	10,059	24,722

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Climate Emergency Continued..						
Alternative transport	Feasibility and first stage of new non highway crossing (new foot and cycle structures in borough)	New foot and cycle structures in the borough	0	1,500	1,500	3,000
	Local Cycling and Walking Infrastructure Plans	Improvements for walking and cycling in borough	300	1,200	1,200	2,700
	Greenways	A network of quiet commuting and leisure routes for pedestrians and cyclists	874	742	1,000	2,616
	Wokingham Borough Cycle Network	Investment in cycle networks in the borough	500	1,000	1,000	2,500
	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	737	737	737	2,210
	A327 Cycleway	Investment in cycle networks in the borough	250	350	0	600
	Byways	Foot/bridal/cycle ways enhancement in the borough	100	0	0	100
84	Bus Stop Infrastructure Works to Support North Arborfield SDL Bus Strategy	Transport infrastructure enhancement	0	0	30	30
		Alternative transport total	2,761	5,529	5,467	13,756
Climate Emergency Total			22,215	27,238	21,526	70,978

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Environment						
New facilities	Carnival Pool Leisure Facilities Redevelopment	The redevelopment of the leisure centre	10,000	0	0	10,000
	New pool at Arborfield	A development of a new swimming pool	0	1,000	6,000	7,000
	Sports Provision to Serve North & South SDL's	Investment in a new sport provision	1,750	4,080	0	5,830
	New facilities total		11,750	5,080	6,000	22,830
Improvement to existing facilities	Borough Wide Non SDL Play Area Enhancement Project	To renovate, refurbish and replace existing play areas at various locations across the Borough	310	0	0	310
	Leisure Centre Refurbishments/upgrades across the borough (x5 facilities)	The enhancement of existing leisure facilities	75	75	75	225
	Improvement to existing facilities total		385	75	75	535
Environment Total			12,135	5,155	6,075	23,365

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Internal Services						
98 Service improvements	Central Contingency	For allocation to schemes if required	1,976	1,958	2,000	5,934
	Microsoft E5	Continued enhancement in IT network	473	553	648	1,674
	Communications and Engagement	Support the capital and regeneration programme	250	250	250	750
	Laptop Refresh	This project refreshes the Council's Laptop estate on a 4 year life cycle	0	0	350	350
	Network Hardware Replacement		100	100	100	300
	Smart Phone refresh		0	300	0	300
	New Website - Content Management System		0	200	0	200
	Customer APP for Council Tax and Selected services		0	160	0	160
	ADFS replacement with Azure AD adoption		0	80	80	160
	Cyber Security Improvements		50	50	50	150
	Telephony Improvements - Move to teams		0	150	0	150
	IT Infrastructure: WAN connectivity		100	0	0	100
	Laptops		50	50	0	100
	Replace wireless access points		80	0	0	80
	PCI Payment Scheme compliance		80	0	0	80
	Intranet refresh		0	60	0	60
	Security and encryption at remote sites		50	0	0	50
	Waterford / Shute End Fibre		40	0	0	40
	Replace 3rd party access to WBC estate		30	0	0	30
	Contract register		30	0	0	30
	Intruder Detection IDS and Intruder Prevention IPS		25	0	0	25
	Web application firewall		20	0	0	20
	Split external VLAN to own switches		0	15	0	15
	Investment in social listening software		10	0	0	10
		Service improvements total	3,364	3,926	3,478	10,768

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Councils detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Internal Services Continued..						
Improvement to existing facilities	Maintaining an enhanced level of IT infrastructure	The continued development and upkeep of the Councils customer digital assets and infrastructure	300	300	300	900
	Property Maintenance and Compliance		200	350	350	900
		Improvement to existing facilities total	500	650	650	1,800
Internal Services Total			3,864	4,576	4,128	12,568

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Children Services and Schools						
New facilities	Sixth Form Expansion	Provide additional places throughout the borough to meet need for additional sixth form places	0	0	3,500	3,500
	Multifaceted Placement Hub	To provide a setting to meet the needs of vulnerable children	1,250	0	0	1,250
	Care Leaver accommodation		0	1,200	0	1,200
	Basic Needs Secondary - Additional Places	Extension / new build projects to provide additional places throughout the Borough to meet need	0	500	500	1,000
	Winnersh Farm SEN School	New build project to serve identified need for special education needs places in borough	750	0	0	750
	Arborfield / Barkham primary school		75	50	30	155
	Shinfield West primary school	Furniture, fittings & Equipment to meet need of additional places throughout the Borough	50	30	30	110
	Montague Park primary school		34	34	11	79
	Matthews Green primary school		0	0	38	38
		New facilities total	2,159	1,814	4,109	8,082
Improvement to existing facilities	Schools Urgent Maintenance	Urgent capital planned improvements and suitability issues	630	630	630	1,890
	Schools Devolved Formula	Specific government grant to carry out capital works, controlled by schools	389	389	375	1,153
	School Kitchens	Improve various school meals kitchens including delivery of the universal free school meal programme	100	100	100	300
	ICT Equipment for children in care	Purchase / replace equipment that is provided to children in care in line with our children in care pledge	22	22	22	66
		Improvement to existing facilities total	1,141	1,141	1,127	3,409
Service improvements	Capitalisation of Business Analysts and Report Developers	Investment in Business Analysts part of continued change programme	138	138	138	414
		Service improvements total	138	138	138	414
Children Services and Schools Total			3,438	3,093	5,374	11,905

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

Appendix B

The following table sets out by the key areas, the Council's detailed Capital Programme by scheme for the next 3 years.

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Adult Social Care						
Service improvements	Older People's Dementia Home	Manage the future demand by investing in additional supported living accommodation	3,500	0	0	3,500
	Adult Social Care - Community Equipment	Support statutory duty to provide prevention, reduction and delay of long term care and support through the provision of equipment.	756	787	819	2,362
	Learning Disability Outreach and Overnight Respite Centre	Address the need for either a new or refurbished respite facility for people with a learning disability and / or autism	1,000	800	0	1,800
	Learning Disability Demand Management	Manage the future demand by investing in additional supported living accommodation	600	1,200	0	1,800
	Learning Disability Accommodation Transformation	Creation of additional supported living accommodation to support our learning disability strategy.	1,200	0	0	1,200
	Connected care	Integration of health and social care ICT systems	100	100	100	300
		Service improvements total	7,156	2,887	919	10,962
Improvement to existing facilities	H&W urgent maintenance & refurbishment	Urgent maintenance / refurbishment of the Health and Wellbeing estate to retain the function and value of the assets and to meet health and safety issues	50	50	50	150
		Improvement to existing facilities total	50	50	50	150
Adult Social Care Total			7,206	2,937	969	11,112
TOTAL CAPITAL PROGRAMME			215,431	161,940	68,199	445,571

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5 YEAR CAPITAL VISION 2021/22 to 2025/26

Appendix C

The following table sets out by key area, the Council's capital vision for the next five years.

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000
Roads and Transport Continuous investment in highways infrastructure to meet the needs of current and future users of the network	94,037	54,298	11,336	18,067	17,593	195,331
Housing, Local Economy and Regeneration Delivering sustainability, a strong, robust and successful economy that stimulates opportunities for all who work and live in	72,536	64,644	18,792	14,760	16,956	187,688
Climate Emergency Commitment to reduce carbon emissions and working towards becoming a carbon neutral Council	22,215	27,238	21,526	6,126	6,126	83,229
Environment Investment and enhancement of facilities across the borough benefiting communities and residents wellbeing	12,135	5,155	6,075	75	75	23,515
Internal Services Investment in Council assets and technology to continue to support all Council services and priorities	3,864	4,576	4,128	3,890	3,990	20,448
Children Services and Schools Dedicated in providing services and schools which ensure all children have the opportunity to achieve their goals potential	3,438	3,093	5,374	10,855	7,360	30,120
Adult Social Care An effective high-quality care and support service to providing a quality of life which residents need	7,206	2,937	969	840	876	12,828
Total Capital Programme 2021/22 to 2025/26	215,431	161,940	68,199	54,613	52,975	553,158

5 YEAR CAPITAL VISION 2021/22 to 2023/24 BY SUB CATEGORY

The following table sets out in further detail by key area sub category, the Council's Capital Programme for the next five years.

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000
Roads and Transport						
New roads	85,644	41,123	3,922	654	0	131,342
Improvement to existing facilities	3,175	9,625	2,845	2,825	2,825	21,295
New Facilities	0	0	0	66	88	154
Service improvements	4,968	3,300	4,069	13,773	14,180	40,290
Road improvements	250	250	500	750	500	2,250
Roads and Transport Total	94,037	54,298	11,336	18,067	17,593	195,331
Housing, Local Economy and Regeneration						
Housing delivery	29,553	31,463	16,522	14,660	16,856	109,054
Service Improvements	28,300	26,600	100	0	0	55,000
Income Generation	0	0	0	100	100	200
Regeneration of towns	11,383	3,881	2,170	0	0	17,435
New facilities	3,300	2,700	0	0	0	6,000
Housing, Local Economy and Regeneration Total	72,536	64,644	18,792	14,760	16,956	187,688
Climate Emergency						
Clean energy generation	12,500	14,000	6,000	0	0	32,500
Co2 reduction	6,954	7,709	10,059	1,859	1,859	28,440
Alternative transport	2,761	5,529	5,467	4,267	4,267	22,289
Climate Emergency Total	22,215	27,238	21,526	6,126	6,126	83,229
Environment						
New facilities	11,750	5,080	6,000	0	0	22,830
Improvement to existing facilities	385	75	75	75	75	685
Environment Total	12,135	5,155	6,075	75	75	23,515

5 YEAR CAPITAL VISION 2021/22 to 2023/24 BY SUB CATEGORY CONT..

	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000
Internal Services						
Service improvements	3,364	3,926	3,478	3,240	3,340	17,348
Improvement to existing facilities	500	650	650	650	650	3,100
Internal Services Total	3,864	4,576	4,128	3,890	3,990	20,448
Children Services and Schools						
New facilities	2,159	1,814	4,109	9,591	6,096	23,769
Improvement to existing facilities	1,141	1,141	1,127	1,126	1,126	5,661
Service improvements	138	138	138	138	138	690
Children Services and Schools Total	3,438	3,093	5,374	10,855	7,360	30,120
Adult Social Care						
Service improvements	7,156	2,887	919	790	826	12,578
Improvement to existing facilities	50	50	50	50	50	250
Adult Social Care Total	7,206	2,937	969	840	876	12,828
Total Capital Programme 2021/22 to 2025/26	215,431	161,940	68,199	54,612	52,975	553,158

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APPROVAL OF S106 AND CIL FUNDING 2021/24

Appendix D

The table shows the capital programme schemes which have been identified to be part/fully funded by developers contributions.

As per the finance regulations, the Executive are asked to approve the allocation of Section 106 and CIL funding up to the value of the total budget of each scheme.

Project Description	Total Budget (2021 - 2024)	2021/22 Budget	2022/23 Budget	2023/24 Budget	Total Estimated Developer Contribution Funding	Total Estimated Other Funding
	£,000	£,000	£,000	£,000		
SCAPE - Road infrastructure (distributor & strategic roads)	108,487	71,287	35,000	2,200	100%	0%
Gorse Ride Regeneration Project	13,812	6,250	6,000	1,562	91%	9%
Nine Mile Ride Extension	16,148	12,838	3,310	0	60%	40%
Shinfield Eastern Relief Road	7,549	3,491	2,751	1,307	100%	0%
Sports Provision to Serve North & South SDL's	6,420	2,340	4,080	0	91%	9%
California Crossroads	6,077	5,727	0	350	73%	27%
Greenways	3,226	1,484	742	1,000	81%	19%
Wokingham Borough Cycle Network	2,500	500	1,000	1,000	100%	0%
Feasibility and first stage of new non highway crossing (new foot and cycle structures)	3,000	0	1,500	1,500	50%	50%
Public Rights of Way Network	2,882	1,409	737	737	48%	52%
Gypsy, Roma, Traveller (GRT) Additional Pitches	1,600	1,600	0	0	63%	38%
Denmark Street Environmental Improvements	1,511	701	340	470	36%	64%
Wokingham Town Centre Regeneration Environmental Improvements	600	200	200	200	67%	33%
Carnival Pool Leisure Facilities Redevelopment	10,000	10,000	0	0	3%	97%
Sixth Form Expansion	3,750	250	0	3,500	5%	95%
Gorse Ride Regeneration Project Management	180	60	60	60	100%	0%
Furniture, fittings & Equipment for Additional places - Shinfield West FFE	189	84	64	41	66%	34%
Primary strategy - Arborfield / Barkham Primary school FFE	2,380	2,300	50	30	3%	97%
Completed Road Schemes Retention	766	641	62	64	8%	92%
Borough Wide Non SDL Play Area Enhancement Project	840	840	0	0	5%	95%
Bus Stop Infrastructure Works to Support North Arborfield SDL Bus Strategy	30	0	0	30	100%	0%
Total	191,947	122,001	55,895	14,051	60%	40%

The figures above show all the planned CIL and S106 funded expenditure including forward funded schemes

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Agenda Item 94.3

TITLE	Treasury Management Strategy 2021-2024
FOR CONSIDERATION BY	Council on Thursday, 18 February 2021
WARD	None specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Finance and Housing - John Kaiser

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

Agree the treasury management procedures, limits, and objectives for 2021/22.

Effective and safe use of our resources to deliver service improvements and service continuity through the management of the council's cash flow and investments while funding the capital programme.

RECOMMENDATION

Council is asked to:

- 1) approve the Treasury Management Strategy as set out in Appendix A including the following additional Appendices;
 - Prudential Indicators (Appendix B)
 - Annual Investment Strategy 2021/22 (Appendix C)
 - Minimum Revenue Provision (MRP) policy (Appendix D)
- 2) note that the Audit Committee agreed the Treasury Management Strategy on 3 February 2021;
- 3) note the cumulative financial impact on the Council of its borrowing activities equates to a net credit to the general fund for the taxpayer of £13.64 per band D equivalent at end of 2021/22 and noting this credit increases to £62.86 at the end of 2023/24.

EXECUTIVE SUMMARY

The Chartered Institute of Public Finance & Accountancy (CIPFA) 2018 Prudential Code sets out the requirements in relation to the setting of a Treasury Management Strategy within Local Authorities. The key objectives of the Code are to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent and sustainable.

Under the prudential system, individual local authorities are responsible for deciding the level of their affordable borrowing, having regard to CIPFA's Prudential Code, which has been given legislative backing. Prudential limits apply to all borrowing, qualifying credit arrangements and other long-term liabilities – whether supported by government or

entirely self-financed. The system is designed to encourage authorities that need and can afford to undertake capital investment to do so within a robust framework.

Using the guidance from the Prudential Code, every year the Council produce a **Treasury Management Strategy** and a **Capital Strategy**. Both strategies are closely linked and also support the Medium Term Financial Plan. The Capital Strategy is considered in a separate report.

This report outlines the expected treasury activity for the forthcoming year and includes prudential indicators relating specifically to Treasury Management for the next three years.

Further reports are produced during the year: a mid-year monitoring and a year-end outturn.

A key requirement of this report is to explain both the risks and the management of the risks associated with the treasury management activity.

Treasury Management Strategy

The Executive are asked to recommend the Treasury Management Strategy as set out in Appendix A including the following appendices;

- Prudential Indicators (Appendix B)

These are primary indicators designed to ensure the key objectives of the Prudential Code are met and that local authorities' capital investment plans are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice.

These are summarised below and consist of limits and performance indicators for categories of Affordability and Prudence.

Prudential Indicators	2021/22 £m	2022/23 £m	2023/24 £m
<u>Affordability</u>			
<u>Limits</u>			
Authorised Limit	729	852	905
Operational Boundary	677	789	838
<u>Performance Indicators</u>			
Gross external borrowing – General Fund + HRA	427	529	580
% of internal borrowing to CFR	29%	30%	25%
Ratio of financing costs to net revenue stream	1.0%	0.4%	0.3%
Ratio of financing costs to net revenue stream HRA	16.5%	16.1%	15.1%
<u>Prudence</u>			
Maturity structure of borrowing	See Appendix C		

In relation to % of internal borrowing to CFR, although no set % is advised in the Prudential Code, the guideline across the industry is between 25% and 35% and depends very much on each local authorities circumstances and approach. Wokingham will aim to work within the guidelines of 25% and 35%.

The ratio of financing costs to net revenue stream calculation does not include any surplus income generated from assets which the Council have borrowed for. Although a statutory indicator, it is important to consider all the income as highlighted in the table below on the net credit to the general fund.

- Annual Investment Strategy 2021/22 (Appendix C)

This sets out the investment parameters that the Council treasury service will work within when making decisions. The CIPFA Code and MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's investment priorities will be security first, liquidity second, then return.

- Minimum Revenue Provision (MRP) policy (Appendix D)

The policy in which the Council set aside a prudent revenue provision each year to repay historic capital spend also known as the capital financing requirement.

Net credit to general fund

The executive are asked to note and recommend to Council to note the cumulative financial impact on the Council of its borrowing activities equates to a net credit to the general fund for the taxpayer of £13.64 per band D equivalent at end of 2021/22 as shown in the table below. Over the medium term, these credits will increase as the housing, local economy and regeneration projects deliver more surplus income over and above financing costs.

	2021/22	2022/23	2023/24
Net Annual Credit £m	£1.0m	£3.9m	£4.7m
Divide by Council Tax Base (no. of band D equivalent properties)	73,297.1	74,030.1	74,770.4
Credit to general fund per band D property	£13.64	£52.68	£62.86

BACKGROUND

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations is to ensure that the Council has sufficient available cash to manage its day-to-day operations. By planning this daily cashflow the treasury service is able to invest short term surplus balances in suitable low-risk counterparties, which provide security of the investment and the appropriate liquidity before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing requirement of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans or using core balances. On occasion, debt previously drawn may be restructured to achieve a better financial position.

Details of the Council's capital spend plans are set out in the **Capital Strategy** document. As capital spend impacts on treasury management, key highlights from the capital strategy are included in the treasury management strategy (Appendix A) and summarised below;

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Roads and Transport	94.0	54.3	11.3	159.6
Housing, Local Economy & Regeneration	72.6	64.6	18.8	156.0
Climate Emergency	22.2	27.2	21.6	71.0
Environment	12.1	5.2	6.0	23.3
Internal Services	3.9	4.6	4.1	12.6
Children Services and Schools	3.4	3.1	5.4	11.9
Adult Social Care	7.2	2.9	1.0	11.1
Total Capital Programme 2021/22 to 2023/24	215.4	161.9	68.2	445.5

The capital programme proposed for the next three years is prudent and affordable as per the principles of the treasury management code of practice. The proposed funding of the programme is summarised below;

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Supported borrowing	(165.0)	(95.2)	(32.2)	(292.4)
Developer contributions (S106 / CIL)	(26.4)	(34.2)	(8.4)	(69.0)
Capital grants	(12.1)	(13.8)	(11.5)	(37.4)
Other contributions	(6.3)	(5.8)	(6.1)	(18.2)
General fund borrowing	(3.5)	(3.6)	(3.6)	(10.7)
Additional general fund borrowing*	0.0	(6.7)	(3.7)	(10.3)
Capital receipts	(2.2)	(2.6)	(2.7)	(7.5)
Total	(215.4)	(161.9)	(68.2)	(445.5)

* Additional general fund borrowing is currently the funding gap for years 2 and 3. Through the budget process, this will be reduced to zero through using additional income (e.g. new grants or developer funding) and/or through reducing capital expenditure across the programme.

ANALYSIS OF ISSUES

Borrowing Position

An important part of the treasury management strategy is to highlight the level of borrowing need. This is known as the capital financing requirement (CFR) and is an accounting concept which monitors how much capital expenditure has been incurred but not yet paid for.

The housing revenue account also has a CFR which is shown in Appendix A. This CFR is ringfenced and repaid through tenants rental income. This is estimated to be £83m for 2021/22.

A major source of funding for the Council's capital programme is borrowing. This is described in two forms, supported borrowing and general fund borrowing. A significant part of the Council's capital programme is either self-financing or makes a surplus where the income generated is greater than the cost of financing and therefore is available to fund other council services. These are referred to as "supported borrowing". General fund borrowing is funded through existing base budget and supports general investment to maintain Council assets and continue to provide services to customers and residents.

A summary of the general fund CFR for the next three financial years is estimated below.

	Supported Borrowing			General Fund Borrowing		
	21/22	22/23	23/24	21/22	22/23	23/24
	£m	£m	£m	£m	£m	£m
Opening balance	310	415	513	110	114	120
Expenditure in year	159	118	61	8	10	8
Repayments in year	(54)	(20)	(20)	(4)	(4)	(4)
Closing balance	415	513	554	114	120	124

In the table above, it is important to note, the "expenditure in year" row is an estimate of actual capital expenditure to be incurred in the financial year and includes the impact of carry forwards from the previous year and carry forwards into future years based on historic trends. This ensures a more accurate CFR position which is important when considering investment and borrowing decisions. It will therefore be different to the amount identified as funding earlier in the report in the capital funding tables.

It is important to note that the CFR balance does not reflect the level of debt the Council holds. Where the Council hold surplus balances such as reserves, unspent grants and working capital, this avoids the need to borrow externally saving on interest costs. This

is known as internal borrowing. Furthermore, it is important to take into account any treasury investment balances when looking at external debt to understand a more accurate debt figure.

The table below sets out the annual cost of serving this borrowing and the income generated through the assets which have been borrowed for. Over the next three years, the income generated from these assets will give **an increasing net credit to the general fund**.

	2021/22	2022/23	2023/24
	£m	£m	£m
General Fund – Minimum Revenue Provision Repayment (MRP) and Interest	8.3	8.2	8.3
<u>Less</u> contributions towards financing costs (MRP repayment + Interest) from following areas:			
- Treasury investments	(1.4)	(1.1)	(1.2)
- Housing, Local Economy and Regeneration	(4.8)	(6.4)	(6.5)
Net Annual Financing Cost (MRP repayment + Interest)	2.1	0.7	0.6
<u>Include</u> additional income over and above the contributions shown above:			
- Commercial investments	(2.2)	(3.5)	(3.8)
- Town centre regeneration	(0.9)	(1.1)	(1.5)
Net annual <u>credit</u> to the general fund	(1.0)	(3.9)	(4.7)
Net annual credit £m	£1.0m	£3.9m	£4.7m
Divide by Council Tax Base (no. of band D equivalent properties)	73,297.1	74,030.1	74,770.4
Credit to general fund per band D property	£13.64	£52.68	£62.86

Repayment Of Borrowing

As highlighted previously, the Council continue to invest significant amounts into the capital programme generating assets such as roads, schools, housing, regeneration properties and many more. The graph below sets out the expected repayment of this debt aswell as the asset value generated.

The graph includes three key lines in reference to debt;

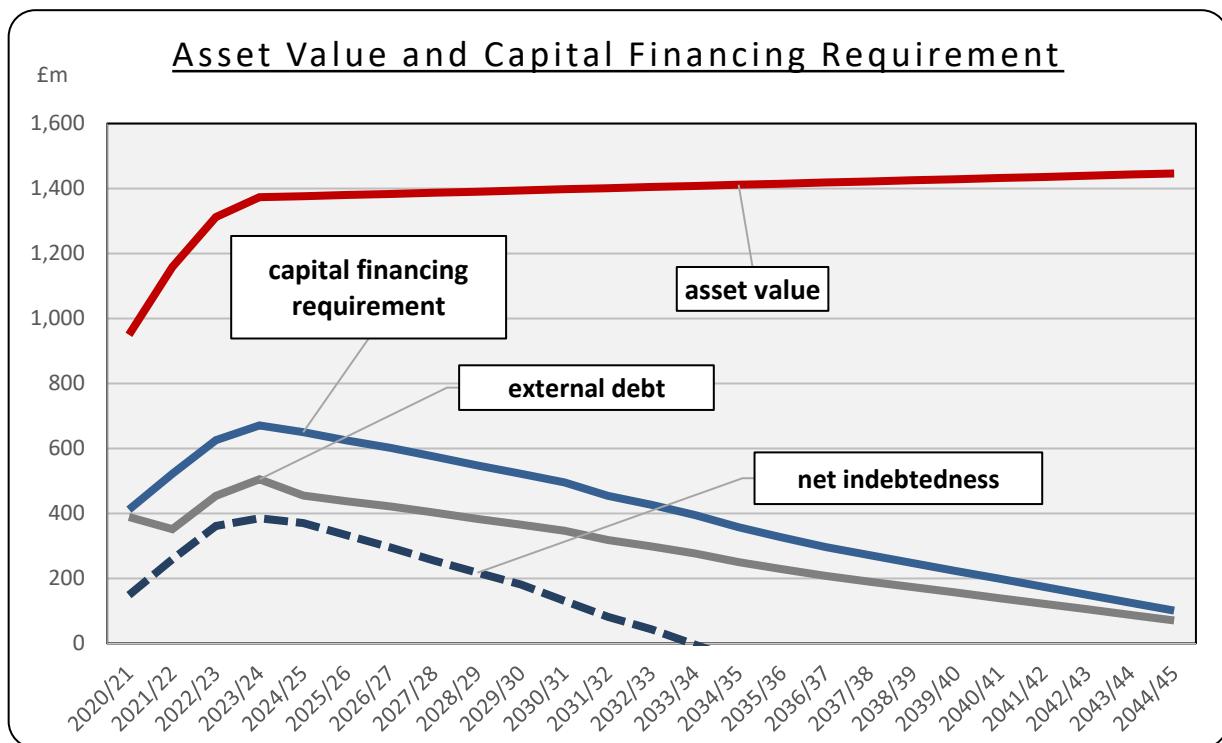
- Capital financing requirement (CFR) - A technical calculation of historic capital expenditure less that already paid for, required to arrive at the annual level of debt repayment.

- External debt – this is the actual amount borrowed with third parties. The difference between CFR and external debt is referred to as internal borrowing.
- Net indebtedness – this is external debt less treasury (i.e. liquid) investment balances. It is important that these are considered together as treasury investments could be used to repay external debt.

The Council are expecting debt to rise over the next three years in line with the capital programme and then it is expected to reduce over time as income is generated from these projects and cost savings are realised.

CFR and external debt will reduce as borrowings are repaid through income and will reach a point in time when debt is fully repaid and the ongoing income will be transferred to benefit the general fund.

The graph is based on general fund only and excludes HRA as this is ringfenced. The original CFR levels before commercialisation, forward funding and regeneration projects were approximately £100m.



The asset value used in the graph above are calculated using the total asset value from the Council's balance sheet, and an estimate of capital expenditure over the next three years. This new methodology is different to the asset value calculation used last year whereby only the asset values from new borrowing was included. This new methodology is more accurate and reflects all asset values that either have been or will be funded from an element of borrowing.

The above graph is summarised in the table below. After the first three years, the expectation is that the CFR, external debt and net indebtedness will start to reduce as repayments of borrowing start to increase, capital receipts and developer funding are received.

	2021/22	2022/23	2023/24	2024/25	2025/26
	£m	£m	£m	£m	£m
CFR (a)	529	633	678	650	625
Less internally funded (b)	171	171	166	169	171
External debt – general fund only (c= a+b)	358	462	512	481	454
Less treasury investments (d)	93	93	120	111	120
Net indebtedness (e = c - d)	265	369	392	370	334

Key Changes to the Strategy

The Council is recommending changes to the investment strategy as explained on page 5 of Appendix A. The changes are designed to enhance the options available to the treasury team for daily management of cash funds, short term investing and borrowing.

These include:

- The option to be able to open a deposit account, with our transactional bank provider which will increase capacity to invest money in the short term (increase liquidity), particularly during current times of cashflow uncertainty.
- To increase the money market (liquid funds) limit from £5m to £10m which will increase capacity to invest money in the short term (increase liquidity), particularly during current times of cashflow uncertainty.
- The option to issue a local authority bond to raise borrowing as an alternative to traditional markets such as PWLB.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	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	Yes	Revenue
Next Financial Year (Year 2)	• Credit to general fund equal to band D property - £13.64	Yes	Revenue
Following Financial Year (Year 3)	• Credit to general fund equal to band D property - £52.68	Yes	Revenue

Other Financial Information

Capital spend plans are outlined in further detail in the Capital Strategy which is available within the agenda pack for the 18 February 2021 Executive meeting and will be available on the Council's website once approved.

Stakeholder Considerations and Consultation

None

Public Sector Equality Duty

An Equality Impact Assessment is not required for this report

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

None

List of Background Papers

Appendix A - Treasury Management Strategy

Appendix B - Prudential & Treasury Management Indicators 2021/22 to 2023/24

Appendix C - Annual Investment Strategy

Appendix D - MRP policy

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Treasury Management Strategy 2021-22



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1. Introduction

The Chartered Institute of Public Finance & Accountancy (CIPFA) 2018 Prudential Code sets out the requirements for all local authorities to set an annual Treasury Management Strategy. The key objectives is to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent and sustainable.

Under the prudential system, individual local authorities are responsible for deciding the level of their affordable borrowing, having regard to the Code. Prudential limits apply to all borrowing, qualifying credit arrangements and other long-term liabilities – whether supported by government or entirely self-financed. The system is designed to encourage authorities that need and can afford to undertake capital investment to do so within a robust framework.

This report has been written using guidance from the Prudential Code, and has the Council's **Capital Strategy report**. Both strategies are closely linked and also support the Medium Term Financial Plan.

This report outlines the expected treasury activity for the forthcoming year and includes prudential indicators relating specifically to Treasury Management for the next three years. A key requirement of this report is to explain both the risks and the management of the risks associated with the treasury service.

The Strategy for 2021/22 covers two main areas:

Treasury Management activities

- treasury management policy statement
- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the investment strategy
- the borrowing strategy
- policy on use of external service providers
- reporting arrangements and management evaluation

Capital activities

- the capital plans and the prudential indicators
- the minimum revenue provision (MRP) policy

2. Treasury Management Policy Statement

Wokingham Borough Council Treasury Management Policy Statement for 2021/22 is:

- The Council defines our treasury management activities as:
The management of the Council's investments and cash flows, banking, money market and capital market transactions, the effective control of the risks associated with above mentioned activities and the pursuit of optimum performance consistent with those risks.
- The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
- The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

Factors that shape the Treasury Strategy



Policy on use of external service providers

The Council use financial advisers Link Asset Services, to advise and support our treasury management practices, policies, investment and borrowing strategy.

When making investment or borrowing decisions, the Council have access to treasury brokers to ensure we achieve best value for money in our treasury deals.

3. Governance and Monitoring

The Deputy Chief Executive confirms that the treasury service will comply with the strategy set out within this document and any breaches to limits and prudential indicators will be reported to the Audit Committee as part of the two further statutory reports that are produced during the year: a mid-year monitoring report and a year-end outturn report.

During the year, the finance team engages in the following governance activities:

- capital monitoring (forecast expenditure) is reported to Executive on a quarterly basis
- analysis of income projections for all funding assumptions
- cashflow review and forecasting
- treasury training including staff continuous professional development (CPD)
- financial modelling to support investment / borrowing strategy
- regular meetings with treasury advisors

4. Updates to Treasury Management Strategy

To request the following amendments to the 2021/22 Treasury Management Strategy:

- to be able to open a deposit account, with our transactional bank provider increasing the capacity to invest money in the short term (increase liquidity), particularly during current times of cashflow uncertainty.
- increase to the money market limit from £5m to £10m, increasing capacity to invest money in the short term (increase liquidity), particularly during current times of cashflow uncertainty.
- option to issue a local authority bond to raise borrowing as an alternative to traditional markets such as PWLB.

5. The Council's Capital Expenditure and Financing 2021/22

The Council undertakes capital expenditure on long term assets. These activities may either be:

- financed in year, immediately through the application of capital or revenue resources (capital receipts, capital grants, capital contributions and revenue contributions etc.), which has no resulting impact on the Council's borrowing need or:
- funded by borrowing (internal or external)
 - internal borrowing - is the use of the internal cash reserves of the Council to fund the cashflow requirement for its capital expenditure.
 - external borrowing - is the use of loans from outside organisations to fund the cashflow requirements for its capital expenditure. For example, borrowing from other local authorities or the Public Works Loans Board.

The capital expenditure plan is a key driver of the treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirmation of the Capital Programme.

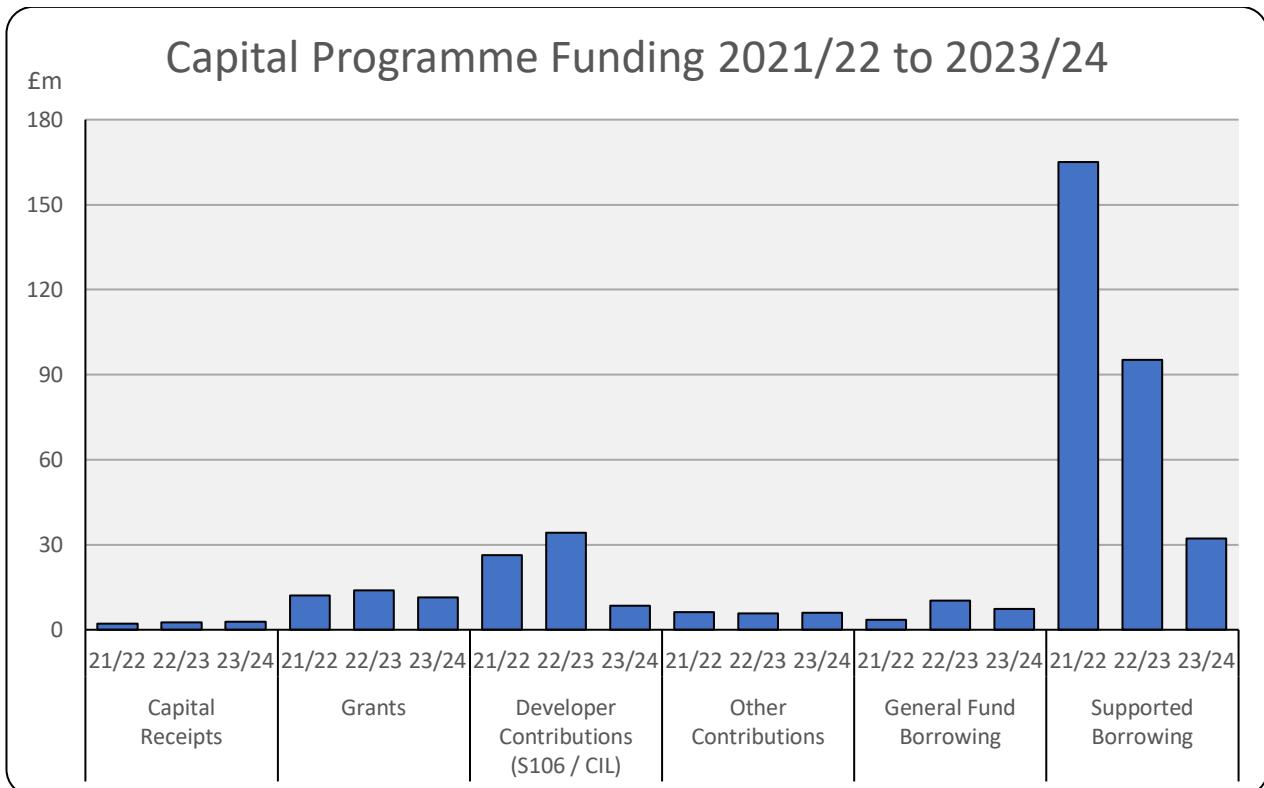
The table below sets out the capital programme for the next three years by key area. Full details of the Capital Programme can be found in the Capital Strategy and the Medium Term Financial Plan.

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Roads and Transport	94.0	54.3	11.3	159.6
Housing, Local Economy & Regeneration	72.6	64.6	18.8	156.0
Climate Emergency	22.2	27.2	21.6	71.0
Environment	12.1	5.2	6.0	23.3
Internal Services	3.9	4.6	4.1	12.6
Children Services and Schools	3.4	3.1	5.4	11.9
Adult Social Care	7.2	2.9	1.0	11.1
Total Capital Programme 2021/22 to 2023/24	215.4	161.9	68.2	445.5

The capital programme proposed for the next three years is prudent and affordable as per the principles of the treasury management code of practice. The proposed funding of the programme is summarised below;

	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Supported borrowing	(165.0)	(95.2)	(32.2)	(292.4)
Developer contributions (S106 / CIL)	(26.4)	(34.2)	(8.4)	(69.0)
Capital grants	(12.1)	(13.8)	(11.5)	(37.4)
Other contributions	(6.3)	(5.8)	(6.1)	(18.2)
General fund borrowing	(3.5)	(3.6)	(3.6)	(10.7)
Additional general fund borrowing*	0.0	(6.7)	(3.7)	(10.3)
Capital receipts	(2.2)	(2.6)	(2.7)	(7.5)
Total	(215.4)	(161.9)	(68.2)	(445.5)

* Additional general fund borrowing is currently the funding gap for years 2 and 3. Through the budget process, this will be reduced to zero through using additional income (e.g. new grants or developer funding) and/or through reducing capital expenditure across the programme.



Supported borrowing is where a direct repayment source has been identified to cover the cost of borrowing, for example invest to save schemes (covered from the future income generation or cost reductions), and many projects under Housing, Local Economy and Regeneration classification. Another example is forward funding developer contributions, where borrowing will be repaid from future developer contributions to be received.

The Capital Financing Requirement (CFR)

The Capital Financing Requirement (CFR) is the total historic outstanding capital expenditure which has not yet been paid for from resources (e.g. Capital receipts or grants). Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

A major source of funding for the Council's capital programme is borrowing. This is described in two forms, supported borrowing and general fund borrowing. A significant part of the Council's capital programme is either self-financing or makes a surplus where the income generated is greater than the cost of financing and therefore is available to fund other council services. These are referred to as "supported borrowing". General fund borrowing is funded through existing base budget and supports general investment to maintain Council assets and continue to provide services to customers and residents.

The table below shows the estimated CFR for supported borrowing and general fund borrowing over the next three years.

	Supported Borrowing			General Fund Borrowing		
	21/22	22/23	23/24	21/22	22/23	23/24
	£m	£m	£m	£m	£m	£m
Opening balance	310	415	513	110	114	120
Expenditure in year	159	118	61	8	10	8
Repayments in year	(54)	(20)	(20)	(4)	(4)	(4)
Closing balance	415	513	554	114	120	124

In the table above, it is important to note, the "expenditure in year" row is an estimate of actual capital expenditure to be incurred in the financial year and includes the impact of carry forwards from the previous year and carry forwards into future years based on historic trends. This ensure a more accurate CFR position which is important when considering investment and borrowing decisions. It will therefore be different to the amount identified as funding earlier in the report in the capital funding tables.

As mentioned above, supported borrowing are related to capital projects which are self-financing and / or income generating. For the types of supported borrowing, a breakdown of the CFR is shown below.

	Supported Borrowing		
	21/22	22/23	23/24
	£m	£m	£m
Invest to save	209	274	310
Town centre regeneration	86	90	84
Wokingham housing companies	35	44	51
Developer contributions forward funded	85	105	109
Closing balance	415	513	554

The tables on the previous page are referred to as the “general fund” position and exclude the Housing Revenue Account (HRA) CFR because this is ringfenced and funded entirely from tenants rental income.

The HRA CFR for the next three years is estimated below.

	Housing Revenue Account		
	21/22	22/23	23/24
	£m	£m	£m
Opening balance	85	84	83
Expenditure in year	2	2	2
Repayments in year	(3)	(3)	(3)
Closing balance	84	83	82

The in-year increase in the borrowing requirement is due to the Council's ambitious Capital Programme which includes invest to schemes (these schemes will be able to create a saving and pay for the financing costs), many are Housing, Local Economy and Regeneration schemes, which will reduce over time when capital receipts are recovered, or loans repaid. To be able to provide the infrastructure such as roads and facilities that the borough needs the council is continuing to forward fund schemes. These will decrease again as developer contributions are received. The CFR is also reduced each year by the minimum revenue provision (MRP) (see section 6). Part of the Council's financial strategy is based on diversifying income streams, by growing revenue generating assets through its housing companies and other strategic investments.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the Capital Programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the Capital Programme and cash flow requirements. The Council does not borrow all this money externally but uses some of its internal cash reserves to fund this expenditure (this approach saves the council on interest costs). This is referred to as "internal borrowing". This means that the Council's capital financing requirement is higher than its external borrowing figures. External borrowing may be sourced from bodies such as the Public Works Loan Board [PWLB], the money markets and other types of funding (local authorities, bonds etc.).

The CFR is estimated to reduce over the next 25 to 30 years to the pre 2011/12 level of £100m. 2011/12 is used as a benchmark because this was the level of balance before the housing, regeneration, and forward funded projects.

This reduction is shown on the graph on the next page.

As highlighted previously, the Council continue to invest significant amounts into the capital programme generating assets such as roads, schools, housing, regeneration properties and many more. The graph below sets out the expected repayment of this debt aswell as the asset value generated.

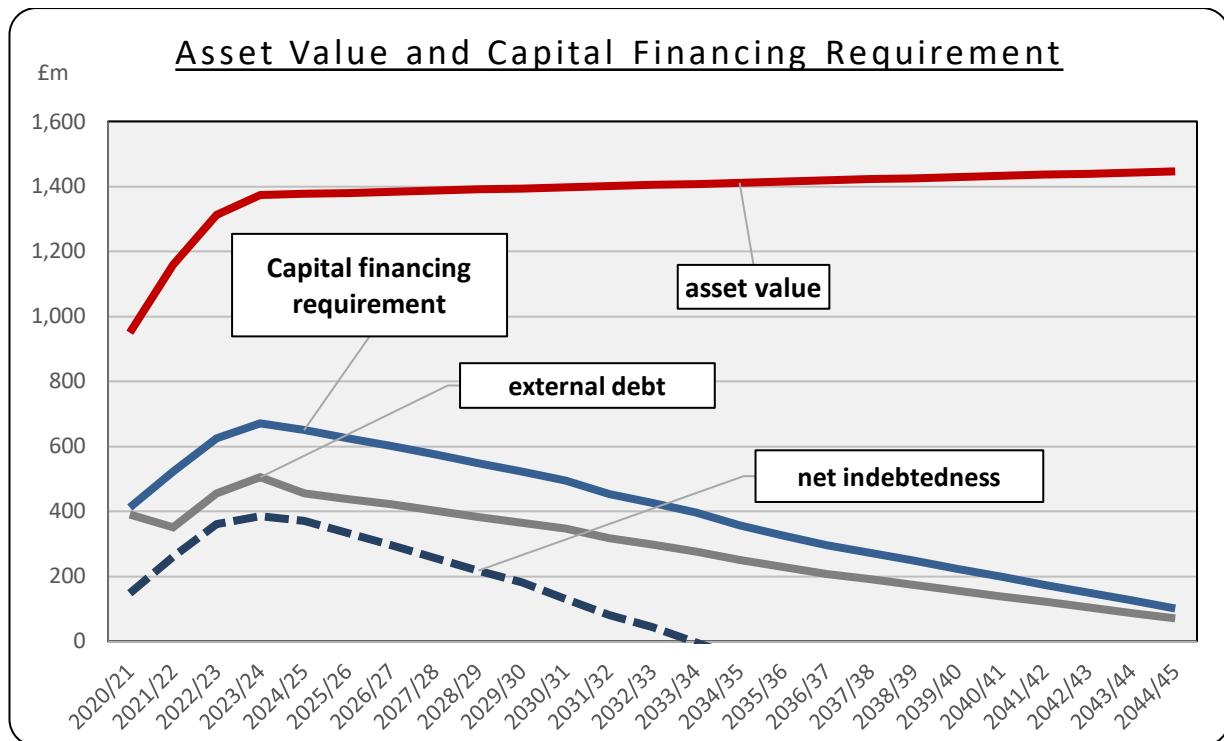
The graph includes three key lines in reference to debt:

- Capital financing requirement (CFR) - A technical calculation of historic capital expenditure less that already paid for, required to arrive at the annual level of debt repayment.
- External debt – this is the actual amount borrowed with third parties. The difference between CFR and external debt is referred to as internal borrowing.
- Net indebtedness – this is external debt less treasury (i.e. liquid) investment balances. It is important that these are considered together as treasury investments could be used to repay external debt.

The Council are expecting debt to rise over the next three years in line with the capital programme and then it is expected to reduce over time as income is generated from these projects and cost savings are realised.

CFR and external debt will reduce as borrowings are repaid through income and will reach a point in time when debt is fully repaid, and the ongoing income will be transferred to benefit the general fund.

The graph is based on general fund only and excludes HRA as this is ringfenced.



The asset value used in the graph above are calculated using the total asset value from the Council's balance sheet, and an estimate of capital expenditure over the next three years. This new methodology is different to the asset value calculation used last year whereby only the asset values from new borrowing was included. This new methodology is more accurate and reflects all asset values that either have been or will be funded from an element of borrowing.

The original CFR levels before commercialisation, forward funding and regeneration projects were approximately £100m.

6. Minimum Revenue Provision (MRP) Policy Statement

The Council is required to pay off an element of the accumulated General Fund underlying borrowing each year (the 'CFR') through a revenue charge known as the Minimum Revenue Provision (MRP). The Council is also permitted to undertake additional voluntary payments known as Voluntary Revenue Provision (VRP).

The Ministry for Housing, Communities and Local Government (MHCLG) regulations have been issued which require the full Council to approve a MRP Statement in advance of each financial year. The decision on the amount of MRP lies with the Council although a prudent provision must be made. **The Council is recommended to approve the MRP Statement which can be found in Appendix D.**

Principles of the guidance have been reflected in the Council's strategy now the guidance has been finalised. However where we identify an alternative prudent and more pertinent MRP policy, we are permitted to follow that instead.

For 2021/22 Wokingham Borough Council's MRP policy will follow the main MHCLG principles, except in some instances. The table below summarises areas where WBC are planning to divert from the guidance.

Expenditure type	WBC MRP charging policy
Freehold land	maximum 60 years using asset life as a guide
Bridges	maximum 60 years using asset life as a guide
Housing, Local Economy and Regeneration a) assets that can be disposed of for appreciation	10% of maximum 15 years asset life
Housing, Local Economy and Regeneration b) all other assets	range of 5 to 40 years (depending on life of asset type)
Loan Capital in WBC holdings	no charge - loan secured by company assets
Forward Funding Schemes	no charge – developer contributions are used to repay principle

Housing, Local Economy and Regeneration - a) assets that can be disposed of for appreciation – 10% for a maximum of 15 years asset life. This is a prudent contingency for assets which can be disposed of for appreciation, if they reduce in value when sold, to cover any loss on disposal.

7. Balance Sheet Projections

The balance sheet projection is a financial model used to help understand the current and future levels of external and internal borrowing in relation to the CFR estimates and the underlying cash balances. It is not required in the Prudential Code however is consider best practice to do and helps to ensure our borrowing is prudent, affordable and sustainable.

With support from our financial advisors Link Asset Services, we produce a balance sheet review on a quarterly basis. One of the key performance indicators identified in the strategy is the ratio of internal borrowing to CFR. The industry benchmark is a ratio of 25% - 35%. This ratio is important as it indicates if the Council can take on capital expenditure without the need to secure borrowing at the point of expenditure. This helps ensure borrowing costs are minimised. The balance sheet review will calculate the ratio for the current year and future years.

The balance sheet review looks at;

- CFR position
- Level of investment balance
- External debt requirement
- Working capital position
- Level of reserves

8. External Borrowing and Compliance with Treasury Limits and Prudential Indicators for Debt

We have looked at the overall Capital Programme (above) but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

Further detail on each of these indicators is included in Appendix B.

Authorised limit – Limit beyond which borrowing is prohibited and needs to be set and revised by Council and should reflect a level of borrowing which, while not desired, could be afforded but may not be sustainable.

Operational boundaries limit – Limit of borrowing which is deemed prudent and affordable whilst allowing the Council to fund its capital programme plan.

Gross external borrowing – borrowing with external parties which attract an interest charge (e.g. PWLB).

% of internal borrowing to CFR – percentage of the use of the internal cash reserves of the Council to fund the cashflow of its capital expenditure (internal borrowing) over the 'total historic outstanding capital expenditure which has not yet been paid for from capital resources' (capital financing requirement).

Maturity structure of borrowing – time period when loans borrowed will be required to be repaid.

Ratio of financing costs to net revenue stream - The ratio of the financing costs against the net revenue expenditure.

The Council is asked to approve the following prudential indicators in the table below:

Prudential Indicators	2021/22 £m	2022/23 £m	2023/24 £m
Affordability			
Limits			
Authorised Limit (Note: CFR*120%)	729	852	905
Operational Boundary (Note: CFR *110%)	677	789	838
Performance Indicators			
Gross external borrowing – General Fund + HRA	427	529	580
% of internal borrowing to CFR	29%	30%	25%
Ratio of financing costs to net revenue stream	1.0%	0.4%	0.3%
Ratio of financing costs to net revenue stream HRA	16.5%	16.1%	15.1%
Prudence			
Maturity structure of borrowing	See Appendix C		

9. Investment Strategy

The treasury management team ensure the cash flow is adequately planned, with surplus monies being invested in suitable low risk counterparties, providing adequate liquidity initially before considering maximising investment return. The return on investments contributes to the Council's budget for both the general fund and housing revenue account.

Annual investment strategy

CIPFA Code and the MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking a rate of return, or yield. The Council's investment priorities are security first, liquidity second, then return.

The Council will only invest its surplus funds in accordance with its time and monetary limits for institutions on the Council's counterparty list.

Time and monetary limits for institutions on the Council's counterparty list

	* Minimum credit criteria / colour band*	Money Limit	Max. maturity period
DMADF – UK Government	UK sovereign rating	£20M	3 months
UK Government gilts	UK sovereign rating	£5m	1 year
UK Government Treasury bills	UK sovereign rating	£5m	1 year
Money market funds	AAA	£10m	Liquid
Local authorities	N/A	£10m	5 year
Term deposits with banks and building societies**	AA	£5m	Liquid
Term deposits with building societies	A-	£5m	Liquid
CDs or corporate bonds with banks and building societies	AA	£5m	Liquid

Note*: The credit criteria shown here is Fitch credit ratings agencies long term ratings. When using the credit rating the Council will use the lower of the three credit rating agencies. (See appendix C)

Note **for each banking group the following limits will apply, dependent on the rating of the Parent Bank (i.e. Lloyds group)

- AAA : £7m with a maximum average duration of 1 year
- AA- : £5m with a maximum average duration of 6 months

The annual investment strategy can be found in Appendix C.

Wherever possible the Council will not invest in funds returning negative rates of interest.

Changes to investment strategy for 2021/22

The strategy requests the approval of the following changes to the Investment Strategy:

- to be able to open a deposit account, with our transactional bank provider increasing capacity to invest money in the short term (increase liquidity), particularly during current times of cashflow uncertainty.
- increase the money market limit from £5m to £10m, increasing capacity to invest money in the short term (increase liquidity), particularly during current times of cashflow uncertainty.

Treasury investment projections

The Council assesses future investment projections, so as to maintain an operational cash balance so that it is able to manage its planned future day-to-day cashflow, without the requirement of short-term borrowing. Once planned short term expenditures are covered, treasury will look to invest in the longer term (plus 1 year).

The table below shows the Council's treasury investment projections for the next three years.

	2021/22 £m	2022/23 £m	2023/24 £m
Loans to council owned companies	37	44	46
Loans to local authorities / fund managers	79	79	86
Total	116	123	132

Estimated investment return rates for treasury investments

Investment returns are likely to remain low during 2021/22 but are expected to rise gradually over the next 3-5 years. There remains a lot of uncertainty in terms of the global and national economy and the longer terms impact from Covid-19.

	Interest forests							
	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022
Bank rate	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Cash flow management

The Council's officers maintain a detailed cash flow forecast for each coming year revising it as more information is available. This informs the short-term investments. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Long term investment strategy is based on the Council's Medium Term Financial Strategy.

Non-treasury investments

Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the MHCLG Guidance, the Council may also make loans and investments for service purposes or where the local authority is setting up local authority owned companies. Such loans and investments will be subject to the Council's normal approval processes for revenue and capital expenditure and need not comply with this Treasury Management Strategy.

The Council will acquire land and buildings within the borough boundaries for the primary reason of economic development, regeneration or to protect local employment for residents and has to take on external debt to pay for these, the minimum revenue provision and the cost of debt financing is expected to be covered from any income streams generated by the acquisition.

THE COUNCIL WILL NOT BORROW TO ACQUIRE ASSETS PRIMARILY FOR FINANCIAL RETURN.

The previous commercial properties investment made before changes to the PWLB borrowing regulations will be retained until the optimum point for disposal in accordance with the strategy agreed by Council on 23 November 2017. This strategy is currently being revised by the Council's Property Service. Where these investments have treasury or MRP implications this strategy will be followed.

Investment performance benchmarking

Prior to investing funds the Council is required to ensure that it follows the following indicators to achieve security, liquidity and return (in this order).

.

Performance Benchmark	2021/22	2022/23	2023/24
Review of investment strategy to be undertaken during year	Yes	Yes	Yes
Bank overdraft limit	£0m	£0m	£0m
Liquid short-term deposits available with a week's notice of at least	£5m	£5m	£5m
Weighted average life benchmark is expected to be 0.25 years, with a maximum of 0.5 years.	0.5 Years	0.5 Years	0.5 Years

10. Borrowing Strategy

In order to fund the capital programme highlighted earlier in the strategy, the Council will be required to borrow. Depending on the cashflow position of the Council at the time, borrowing will vary from short term (due to a requirement for liquidity), or over a longer period so as to fund a major project.

The following factors are to be considered when making borrowing decisions;

- Need for short term or long term borrowing.
- Forecast ratio of Internal / External borrowing.
 - i) Internal borrowing - is the use of the internal cash reserves of the Council to fund its capital expenditure
 - ii) External borrowing - is the use of loans from outside the organisations to fund its capital expenditure
- Maturity Structure - link maturity payment dates to when other income receipts due to be received to match against the repayment of debt (part of the long- term cash-flow).
- View of the interest rate market.

Once a decision is made on the type of borrowing required, the Council will look to borrow from the following places (in no particular order):

- PWLB (Public Works Loans Board)
- Local Authorities.
- Financial Institutions (e.g. banks, pensions funds)
- Municipal Bonds Agency (MBA) borrowing – Local Government Funded Agency, raises funds from selling municipal bonds to lend to local authorities
- Issuance of Local Authority Bonds (from Wokingham Borough Council) – Council issue bonds on bond market

Changes to the borrowing strategy for 2021/22

For 2021/22, the following change is being made to the borrowing strategy:

- Option to issue a local authority bond to raise borrowing as an alternative to traditional markets such as PWLB.

11. Appendices

- Appendix B – Prudential & Treasury Management Indicators 2021/22 to 2023/24
- Appendix C - Annual Investment Strategy
- Appendix D - MRP Policy

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Prudential & Treasury Management Indicators 2021/22 to 2023/24

These are primary indicators designed to ensure the key objectives of the Prudential Code are met and that local authorities' capital investment plans are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice.

Capital Expenditure

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

The Council's Capital programme is summarised below as the required prudential indicators for capital expenditure.

<u>Capital Programme Expenditure</u>	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m
Roads and Transport	94.0	54.3	11.3	159.6
Housing, Local Economy and Regeneration	72.6	64.6	18.8	156.0
Climate Emergency	22.2	27.2	21.6	71.0
Environment	12.1	5.2	6.0	23.3
Internal Services	3.9	4.6	4.1	12.6
Children Services and Schools	3.4	3.1	5.4	11.9
Adult Social Care	7.2	2.9	1.0	11.1
Total Capital Programme	215.4	161.9	68.2	445.5

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of funding resources results in a borrowing need.

Capital Programme Funding

	2021/22	2022/23	2023/24	Total
	£m	£m	£m	£m
Supported borrowing	(165.0)	(95.2)	(32.2)	(292.4)
Developer contributions (S106 / CIL)	(26.4)	(34.2)	(8.4)	(69.0)
Capital grants	(12.1)	(13.8)	(11.5)	(37.4)
Other contributions	(6.3)	(5.8)	(6.1)	(18.2)
General fund borrowing	(3.5)	(3.6)	(3.6)	(10.7)
Additional general fund borrowing*	0.0	(6.7)	(3.7)	(10.3)
Capital receipts	(2.2)	(2.6)	(2.7)	(7.5)
Total	(215.4)	(161.9)	(68.2)	(445.5)

* Additional general fund borrowing is currently the funding gap for years 2 and 3. Through the budget process, this will be reduced to zero through using additional income (e.g. new grants or developer funding) and/or through reducing capital expenditure across the programme.

A major source of funding for the Council's capital programme is borrowing. This is described in two forms, supported borrowing and general fund borrowing. A significant part of the Council's capital programme is either self-financing or makes a surplus where the income generated is greater than the cost of financing and therefore is available to fund other council services. These are referred to as "supported borrowing". General fund borrowing is funded through existing base budget and supports general investment to maintain Council assets and continue to provide services to customers and residents.

Capital Financing Requirement

The Capital Financing Requirement (CFR) is any capital expenditure above, which has not been funded (resulting in a borrowing need). The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which reduces the borrowing need in line with our MRP policy. The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include the financing of the asset and so the Council is not required to separately borrow for these schemes.

The following table shows the total CFR for the general fund and therefore excludes the Housing Revenue Account (HRA) which is shown separately further below.

CFR : General fund	Total		
	21/22	22/23	23/24
	£m	£m	£m
Opening balance	420	529	633
Expenditure in year	167	128	69
Repayments in year	(58)	(24)	(24)
Closing balance	529	633	678

This can be broken down further into supported and general fund borrowing.

CFR : General fund	Supported Borrowing			General Fund Borrowing		
	21/22 £m	22/23 £m	23/24 £m	21/22 £m	22/23 £m	23/24 £m
Opening balance	310	415	513	110	114	120
Expenditure in year	159	118	61	8	10	8
Repayments in year	(54)	(20)	(20)	(4)	(4)	(4)
Closing balance	415	513	554	114	120	124

Supported borrowing consists of different types of supported borrowing which are broken down further below. As described earlier, these are either self-financing or makes a surplus where the income generated is greater than the cost of financing and therefore is available to fund other council services.

CFR : Supported borrowing	Total		
	21/22	22/23	23/24
	£m	£m	£m
Invest to Save	209	274	310
Town Centre Regeneration	86	90	84
Wokingham Housing Ltd	35	44	51
Developer contribution forward funded	85	105	109
Closing balance	415	513	554

The following table shows the CFR balance for the HRA. Due to the ringfenced nature of the HRA, the CFR is shown separately to the general fund.

CFR : HRA	Total		
	21/22	22/23	23/24
	£m	£m	£m
Opening balance	85	84	83
Expenditure in year	2	2	2
Repayments in year	(3)	(3)	(3)
Closing balance	84	83	82

External Debt

The Operational Boundary

This is the limit beyond which external borrowing and long-term liabilities are not normally expected to exceed. In most cases, this would be linked to the CFR, but may be lower or higher depending on the levels of actual borrowing and the ability to fund under-borrowing by other cash resources.

	2021/22 £m	2022/23 £m	2023/24 £m
Operational boundary for total debt	677	789	838

Note: calculation CFR *110%

A 10% adjustment is added to the CFR balance in order to calculate the operational boundary. This is deemed prudent enough to cover any fluctuations in borrowing levels throughout the year.

Authorised limit

This is the maximum level of borrowing. It represents a limit beyond which external borrowing is prohibited.

	2021/22 £m	2022/23 £m	2023/24 £m
Authorised limit for total debt	729	852	905

Note: calculation CFR *120%

A 20% adjustment is added to the CFR balance in order to calculate the authorised limit. This is deemed prudent enough to cover any fluctuations in borrowing levels throughout the year.

Affordability

To assess the affordability of a council's capital programme, the following indicators provide an indication of the impact of the capital investment plans on the Council's overall finances.

Ratio of financing costs to net revenue stream

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

General Fund

2021/22 2022/23 2023/24

Percentage of Financing Costs to Net Revenue Stream	1.0%	0.4%	0.3%
-----------------------------------------------------	------	------	------

The decrease in is due to the following reasons:

- Repayment of forward funded borrowing on receipt of developers' contributions.
- Repayment of invest to save schemes as savings/income is received.
- Investments returns from Council companies.

Housing Revenue Account (HRA)

2021/22 2022/23 2023/24

Percentage of Financing Costs to Net Revenue Stream	16.5%	16.1%	15.1%
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The decrease is due to reduction in financing costs as loan repayments are made.

Maturity structure of borrowing

The table below shows the current maturity structure of borrowing forecast as at 31 March 2021. The Council will aim to match the maturity structure of borrowing with the expected profile of when income will come in to repay borrowing.

Long Term Borrowing	31st March 2021	
		£m
Less than 1 year		253
Between 1 and 2 years		63
Between 2 and 5 years		13
Between 5 and 10 years		25
Between 10 and 15 years		42
Between 15 and 20 years		0
Between 20 and 25 years		4
Between 25 and 30 years		1
More than 30 years		43
	Total	444

Note: Less than a year borrowing will be replaced with a mixture of new external debt and internal borrowing. The treasury service through the use of its cashflow constantly review its debt and will endeavour to get the best rates available while looking at the long and short term picture of anticipated receipts and payments.

Investment treasury indicator and limit

Total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

	2021/22	2022/23	2023/24
Upper limit for principal sums invested for longer than 365 days	£m	£m	£m
Principal sums invested for longer than 365 days	60	60	60

ANNUAL INVESTMENT STRATEGY

The CIPFA Code and MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's investment priorities will be security first, liquidity second, then return.

The council may invest its surplus funds in accordance with its time and monetary limits for institutions on the Council's counterparty list, as shown below.

	Fitch Long term Rating	Moody's	Standard & Poors	Money Limit	Time Limit
Banks 1 higher quality	F1+/AAA	P-1Aaa	A-1+/AA-	£5m	365 days
Banks 1 medium quality	F1+/AA-	P-1Aa3	A-1+/AA-	£3m	365 days
Building Societies				£2m	6 Months
Debt Management Office Account (DMADF)	-	-	-	£20m	3 Months
Guaranteed Organisations	-	-	-	£2m	3 Months
Other local authorities	-	-	-	£10m	5 years
Other Institution Limits (Money Market Funds, Gilts and Supranational investments)	-	-	-	£10m	365 days

Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Deputy Chief Executive (S151 Officer) will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary.

Credit Rating criteria:

Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list.

- Banks a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):
 - i. Short term – F1+ (Fitch), P-1 (Moody's), A-1+ (Standard and Poor's)
 - ii. Long term – AA (Fitch), Aa2 (Moody's), AA (Standard and Poor's)
- Building societies. Subject to a minimum asset size of £5bn and meeting a minimum credit rating of A-.
- UK Government: including Money market funds – the Council and its Fund Managers will use AAA rated funds.

Bank criteria

The Council will only use good credit quality banks which:

- are UK banks; and/or
- are non-UK and domiciled in a country which has a minimum sovereign long- term rating of AAA (in house team only)
- Group Limits – For each banking group the following limits will apply, dependent on the rating of the Parent Bank
 - AAA : £7m with a maximum average duration of 1 year
 - AA- : £5m with a maximum average duration of 6 months

Other institutions

Gilts and the Debt Management Account Deposit Facility (DMADF)

- Local authorities, parish councils etc.
- Supranational institutions – multilateral investment organisations such as the World Bank or European Investment Bank (sometimes used by the Fund Managers)

Note: investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council applies its principles to all investment activity. In accordance with the Code, the Director of Corporate Services has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained above in this Appendix and in the body of the treasury strategy statement found in Appendix A.

SPECIFIED INVESTMENTS:

These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are low risk assets where the possibility of loss of principal or investment income is very low. These would include sterling investments with:

- The UK Government (such as the Debt Management Office, UK Treasury Bills or a gilt with less than one year to maturity).
- Supranational bonds with less than one year to maturity.
- A local authority, parish council or community council.
- Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This covers a money market fund rated AAA by Standard and Poor's, Moody's or Fitch rating agencies
- A body that has been awarded a high credit rating by a credit rating agency (such as a bank or building society) this covers bodies with a minimum short term rating of F1+ (or equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.

NON-SPECIFIED INVESTMENTS:

Non-specified investments are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

a.	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. The Guaranteed Export Finance Company {GEFCO})</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure, and these bonds usually provide returns above equivalent gilt edged securities. However, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>
b.	Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.
c.	Building societies which are subject to a minimum asset size of £5billion and meeting a minimum credit rating of A-. These investments will be restricted to a maximum period of 6 months and £2m per institution.
d.	NatWest Bank for the provision of Banking Services. The Council is limited to daylight exposure only (i.e. the flow of funds in and out during the day), with a maximum limit of 1 working day.

e.	A body which has been provided with a government issued guarantee for wholesale deposits within specific timeframes. Where these guarantees are in place and the government has a AAA sovereign long term rating these institutions will be included within the Council's criteria, temporarily until such time as the ratings improve or the guarantees are withdrawn. Monies will only be deposited within the timeframe of the guarantee. In addition to this, a maximum limit of £2m with a maximum duration of 3 months is also set.
f.	Eligible Institutions for the HM Treasury Credit Guarantee Scheme initially announced on 13 October 2008, with the necessary ratings required. These institutions have been subject to suitability checks before inclusion and have access to HM Treasury liquidity if needed.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	* Minimum credit criteria / colour band	Money Limit	Max. maturity period
DMADF – UK Government	UK sovereign rating	£20M	3 months
UK Government gilts	UK sovereign rating	£5m	1 year
UK Government Treasury bills	UK sovereign rating	£5m	1 year
Money market funds	AAA	£10m	Liquid
Local authorities	N/A	£10m	5 years
Term deposits with banks and building societies	AA	£5m	Liquid
CDs or corporate bonds with banks and building societies	A-	£5m	Liquid
Corporate bond funds	AA	£5m	Liquid

Other investment categories:

a.	Share capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.
b.	Loan capital in a body corporate.
c.	Property funds – The use of these instruments can be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. This Authority will seek guidance on the status of any fund it may consider using.

Accounting treatment of investments

The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

The monitoring of investment counterparties

The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Asset Services as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded after an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Corporate Services, and if required new counterparties which meet the criteria will be added to the list.

Use of external fund managers

It is the Council's policy to use external fund managers for part of its investment portfolio. The fund managers will use both specified and non-specified investment categories and are contractually committed to keep to the Council's investment strategy, which will be defined in an updated Treasury Management Strategy post fund manager's appointment. The performance of each manager is reviewed at least quarterly by the Director of Corporate Services.

2021/22 Wokingham Borough Council MRP Policy

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement (CFR) through a revenue charge (the minimum revenue provision - MRP), and it is also allowed to undertake additional voluntary payments (voluntary revenue provision - VRP).

MHCLG regulations have been issued which require the full Council to approve a MRP Statement in advance of each financial year. The decision on the level of MRP lies with the Council although a prudent provision must be made. The Council is recommended to approve the following MRP Statement:

For capital expenditure incurred before 1 April 2008, the MRP policy will be:

- an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all borrowing (including PFI and finance leases) the MRP policy will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction).

This option provides for a reduction in the borrowing need over approximately the asset's life. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

Repayments included in annual PFI or finance leases are applied as MRP.

Wokingham will follow the statutory guidance, except in some instances, as disclosed below. Final guidance was issued by the Secretary of State under section 21(1A) of the Local Government Act 2003. Under that section local authorities are required to "have regard" to this guidance.

For some investment assets WBC believes it would be overly prudent to charge MRP in line with the draft guidance, as it would stop the Council making an investment which could otherwise strengthen its financial position, due to an artificial self-implemented restriction.

For assets which WBC or one of its subsidiary companies own that can be disposed of for appreciation, we will make a 10% charge for MRP over 15 years.

Alternative prudent assumptions will be used in the following circumstances.

Expenditure type	WBC MRP charging policy
Freehold land	maximum 60 years using asset life as a guide
Bridges	maximum 60 years using asset life as a guide
Housing, Local Economy and Regeneration a) assets that can be disposed of for appreciation	10% of maximum 15 years asset life
Housing, Local Economy and Regeneration b) all other assets	range of 5 to 40 years (depending on life of asset type)
Loan Capital in WBC holdings	no charge – loan secured by company asset
Forward Funding Schemes	no charge – developer contribution are used to repay principle

For freehold land and bridges, we have opted to increase the charge to a maximum of 60 years, as this gives a more realistic useful life of these asset types.

Housing, Local Economy and Regeneration - a) assets that can be disposed of for appreciation – 10% for a maximum of 15 years asset life. This is a prudent contingency for assets which can be disposed of for appreciation, if they reduce in value when sold, to cover any loss on disposal.

Based on the Council' latest estimates of its Capital financing of its CFR on 31st March 2021 the budget for MRP and voluntary overpayments (VRP) has been set as follows:

Estimated MRP/VRP	2021/22	2022/23	2023/24
	£m	£m	£m
MRP (minimum repayment provision)	(3)	(3)	(4)
PFI Principal Charge	(1)	(1)	(1)
Contribution from invest to save schemes	(1)	(2)	(2)
Repayment of forward funded programmes by developer contributions*	(13)	(14)	(8)
Repayment of Loan Principle (eg. capital receipts)	(42)	(8)	(12)
	(60)	(28)	(27)

Note * this is on receipt of the developer contributions linked to the forward funded schemes.

Impact of IFRS 16 Changes

The MRP Policy above covers the treatment for finance leases. The accounting changes from IFRS 16 – Leases, which apply from 1st April 2021 will not change how the current MRP policy accounts for lease payments. The potential change will be for material operating leases being restated as finance leases which will affect the CFR balance and the estimated MRP payments. Any new leases undertaken from 1st April 2021 may also have an impact on the estimated balances above. The Council are currently reviewing all leases to ensure correct accounting treatment for 2021/22.

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Agenda Item 94.4

TITLE	Medium Term Financial Plan 2021-2024 - Revenue Budget Submission 2021/22
FOR CONSIDERATION BY	Council on Thursday, 18 February 2021
WARD	None specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Finance and Housing - John Kaiser

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

For Council to approve the Medium Term Financial Plan (MTFP) for 2021/24 including the proposed revenue budget submission for 2021/22.

RECOMMENDATION

Council is recommended to approve:

- 1) the Medium Term Financial Plan (MTFP) 2021/24, including the budget submission for 2021/22;
- 2) the statutory resolution that sets out the 2021/22 council tax levels (as set out in Appendix A to the report) (*to be provided on the day once all provisional figures are confirmed*);
- 3) that in the event that there are any changes to the provisional precept of the Fire Authority or parishes, arising from their precept setting meetings being held before the end of February, the Deputy Chief Executive (S151 Officer) is delegated authority to enact all relevant changes to the MTFP, Statutory Resolution and council tax levels.

EXECUTIVE SUMMARY

Members are presented with the Medium Term Financial Plan for 2021/24 including the proposed revenue budget submission for 2021/22 for recommendation to Council. (*Due to the size of this document a copy has been circulated separately to all Members. A copy can also be obtained from the Council's website or on request from Democratic Services*).

BACKGROUND

The Local Government Act 2003 requires the Chief Finance Officer (Deputy Chief Executive) to report to Members as part of the budget setting process. The report will highlight the key financial and service risks contained in the 2021/22 budget proposals. This will be presented to Council on the 18 February 2021 as part of the MTFP.

BUSINESS CASE

The Chief Financial Officer's report contains issues, risks and strategic considerations in respect of Revenue and Capital.

The Medium Term Financial Plan covers both the revenue and capital budgets required to deliver the priorities of the Council over the next three years.

The net revenue budget for 2021/22 is approximately £132m excluding capital and internal recharges. The Council needs to set a balanced budget in the context of this. The budget requirements for 2022/23 and 2023/24 will be shown in the plan as indicative figures only.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

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

Other Financial Information

None

Stakeholder Considerations and Consultation

The revenue budget submission represents the budget needed to deliver the strategic objectives and priorities of the Council.

Public Sector Equality Duty

The specific projects and programmes of work will be assessed individually prior to implementation.

Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030

The MTFP includes budget allocation to deliver improvements in climate change.

List of Background Papers

- Appendix A – Summary of Budget Movements 2021/22
- Appendix B – Report by the Community and Corporate Overview and Scrutiny Committee's - Scrutiny of the Budget Setting Process 2021-22 and the Medium Term Financial Plan 2021-24
- Medium Term Financial Plan 2021-2024

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Agenda Item 95.

TITLE	Treasury Management Mid-Year Report 2020-21
FOR CONSIDERATION BY	Council on Thursday, 18 February 2021
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers
LEAD MEMBER	Executive Member for Finance and Housing - John Kaiser

PURPOSE OF REPORT (INC STRATEGIC OUTCOMES)

Effective borrowing and investments to optimise the resource position for the Council and provide strong financial standing.

RECOMMENDATION

Council is recommended to note:

- 1) Appendix A, the Treasury Management Mid-Year report which was agreed at Audit Committee on 23rd November 2020;
- 2) that all approved indicators set out in the Treasury Management Strategy have been adhered to and that prudent and safe management has been maintained;
- 3) the table below which shows the net benefit per council tax payer, from the income generated less the financing costs on all borrowing to date equates to £7.20 which is 0.47% of the average band D council tax charge. This credit provides income to the Council to invest in its priority services.

EXECUTIVE SUMMARY

This report provides a summary of the Treasury Management operations during the first six months of 2020/2021. It is presented for the purpose of monitoring and review, in accordance with Council's treasury management practices. The Council adhered to all agreed prudential indicators. This includes ensuring the necessary liquidity to deliver on the day-to-day operations of the Council. There are two aspects of treasury performance: debt management which relates to the Council's borrowing and cash investment which relates to the investment of cash balances.

Appendix A is the Treasury Management Mid-Year report which was agreed at Audit Committee on 23rd November 2020. Key highlights to note from this report are:

- **The annual cost of servicing this borrowing that falls to the local taxpayer is £7.52 per council tax band D property for 2020/21.**
- **Net indebtedness after cash balances is £83m at end of September.**
- **Realisable asset value of £496m at end of September, meaning an asset to net indebtedness ratio cover of 6:1.**

Cost of Financing Debt

The table below shows the gross financing costs of servicing the external borrowing. Gross financing costs reflect the annual interest costs payable and an amount for Minimum Revenue Provision (MRP). To understand the true cost of this, it is important to take into account the income from treasury investments, contributions from 'invest to save' schemes, income from investment / commercial properties which all contribute to reducing the annual cost of this financing.

Furthermore, for completeness and transparency, the table from Appendix A (shown below) has been extended to show the additional income the Council receives from our assets which contributes towards the funding of key services the Council provide. This is the income over and above the amount used to contribute towards the financing costs of the borrowing.

	£,000	£,000
App A		
General Fund - Financing Cost (including MRP provision)	£7,784	£7,784
<u>Less</u> contributions towards financing costs from following areas:		
- Treasury investments	(£815)	
- Commercial investments	(£2,820)	
- Town centre regeneration	(£2,536)	
- Housing companies	(£568)	
- Invest to save schemes	(£503)	
	<u>(£7,242)</u>	
Net Annual Financing Cost	£542	
<u>Include</u> additional income over and above the contributions shown above:		
- Commercial investments as at 30 Sep 20	(£1,061)	
- Town centre regeneration*	(£0)	
	<u>(£1,061)</u>	
Net Annual <u>Benefit</u> to the taxpayer	<u>(£519)</u>	
Net Annual Benefit £,000	£519	
Divide by Council Tax Base (no. of band D equivalent properties)	72,036.5	
Benefit per band D property - £	£7.20	

* Income from this investment goes to repay its costs. When the scheme is fully operational, the surplus income is expected to be c£2m per annum. Over the fulness of time when debt is fully repaid, the surplus will be in the region of £5m - £6m per year.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See other financial information	Yes	Revenue
Next Financial Year (Year 2)	Not applicable	Yes	Revenue
Following Financial Year (Year 3)	Not applicable	Yes	Revenue

Other Financial Information

- net benefit per council tax payer, from the income generated less the financing costs on all borrowing to date equates to £7.20 which is 0.47% of the average band D council tax charge. This income is used by the Council to continue to provide priority services for the borough residents.
- total external general fund debt is £324m and the Council's net indebtedness after cash balances is £83 million.
- the Council's realisable asset value of £496m, of which its commercial assets is estimated at £192m.

Stakeholder Considerations and Consultation

None

Public Sector Equality Duty

This is a report on the performance of the Treasury service of the Council and is not requesting any funding or service changes that would impact on any members of the community and thus has no equalities impact.

Climate Emergency – *This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030*

Not applicable

List of Background Papers

None

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Agenda Item 32.

TITLE	Treasury Management Mid - Year Report 2020-21
FOR CONSIDERATION BY	Audit Committee on 23 November 2020
WARD	None Specific;
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

Effective borrowing and investments to optimise the resource position for the Council and provide strong financial standing.

RECOMMENDATION

- 1) Audit Committee to support this report and recommend it to Executive. (*Executive will then be asked to recommend the report to Council*).
- 2) To note all approved indicators set out in the treasury management strategy have been adhered to and that prudent and safe management has been maintained.
- 3) To note that the net cost per council tax payer for the financing of all borrowing to date equates to £7.52 which is 0.4% of the average Band D council tax charge.
- 4) To note that the total external general fund debt is £324m, which reduces to £83m after taking into account cash balances (net indebtedness).
- 5) To note the Council's realisable asset value of £496m, of which its commercial assets is estimated at £192m.

SUMMARY OF REPORT

This report provides a summary of the Treasury Management operations during the first six months of 2020/2021. It is presented for the purpose of monitoring and review, in accordance with Council's treasury management practices. The Council adhered to all agreed prudential indicators. This includes ensuring the necessary liquidity to deliver on the day-to-day operations of the Council. There are two aspects of treasury performance: debt management which relates to the Council's borrowing and cash investment which relates to the investment of cash balances.

Key highlights to note are:

- **The annual cost of servicing this borrowing that falls to the local taxpayer is £7.52 per council tax band D property for 2020/21.**
- **Net indebtedness after cash balances is £83m at end of September.**
- **Realisable asset value of £496m at end of September, meaning an asset to net indebtedness ratio cover of 6:1.**

A detailed breakdown of the Council's performance in these areas is summarised below.

Cost of Financing Debt

The table below shows the gross financing costs of servicing the external borrowing. Gross financing costs reflect the annual interest costs payable and an amount for Minimum Revenue Provision (MRP). To understand the true cost of this, it is important to take into account the income from treasury investments, contributions from 'invest to save' schemes, income from investment / commercial properties which all contribute to reducing the annual cost of this financing. **Taking these factors into account, for the general fund the net financing costs of servicing this debt that falls to the local taxpayer is £7.52 per council tax band D property as set out below.**

	£,000	£,000
General Fund - Financing Cost (including MRP provision)		£7,784
<u>Less</u> contributions towards financing costs from following areas:		
- Treasury investments		(£815)
- Commercial investments		(£2,820)
- Town centre regeneration		(£2,536)
- Housing companies		(£568)
- Invest to save schemes		(£503)
		(£7,242)
Net Annual Cost		£542
Net Annual Cost £,000		£542k
Divide by Council Tax Base (no. of band D equivalent properties)		72,036.5
Cost per band D property - £		£7.52

Council's Net Indebtedness

Net indebtedness represents the underlying debt position the Council holds. The table below shows how this is calculated.

	31st Mar '20 £m	30th Sept '20 £m
General Fund - Capital Financing Requirement	£329	£449
<u>Less</u> Internal funded borrowing	(£125)	(£125)
External Debt Total	£204	£324
<u>Less</u> Cash investment balances	(£123)	(£241)
Net Indebtedness Total	£81	£83

As at 30th September 2020, total external borrowing for the general fund was £324m and treasury investments were £241m resulting in net indebtedness of £83m. The HRA

borrowing is excluded from this calculation as it is a ringfenced account with external borrowing funded from housing tenants.

The increase in both external debt and cash investments represents the differing nature of external debt and cash investments, external debt is long term and based on supporting the approved capital programme spend as expected. Short term investments which are based on cash balances at a point in time. Cash balances have improved during the first six months of the year due to government grants being paid upfront to help the impact from Covid-19. In addition, capital spend has been slower during the first 6 months of the year with spend expected to pick up over the remainder of the year. External borrowing has also been increased to take advantage of historically low interest rates and to ensure our internal borrowing remains at a prudent level. Internal borrowing is 28% of total capital financing requirement which is broadly in line with the range of 25%-30% suggested by our treasury management advisors. This figure was 38% at 31st March '20.

Despite historically low interest rates, the Council are expecting to have no material variances against budget for debt costs and investment income. The final position and performance against prudential indicators will be reported in the outturn report.

External borrowing is within the prudential limits set in the treasury management strategy. The Authorised Limit (maximum external borrowing allowed) was set at £533m, the forecast year end external borrowing (including HRA) position of £391m represents only 73% of this limit.

The council continues to manage its debt in the most financially effective way whilst adhering to statutory requirement including the CIPFA's Prudential Code.

Asset Value

Whilst it is important to understand the net borrowing for the Council, it is also essential to consider the asset value that this borrowing generates as part of the Council's capital programme. Using the value of assets from our annual accounts plus estimated asset spend this year to date, the asset value for the council is £974m at 30th September 2020. Realisable asset value is based on annual accounts valuation and any individual disposal would seek to maximise the receipt to the Council at the time of sale.

	£m	£m
Asset Value as per balance sheet*		£974
<u>Less:</u>		
Highways & Transport assets	(£176)	
Schools assets	(£285)	
Other non-realisable assets	(£17)	
		£478
Value of Realisable Assets		£496
Of which are:		
Operational Assets	£304	
Commercial Assets	£192	
- Wokingham Town Centre Regeneration	£76	

- Property Investment Group	£70	
- Housing Company	£47	

Asset Ratios

Taking the value of realisable assets and dividing by the external borrowing or net indebtedness gives a good indication of the debt cover our assets provide.

- Value of Realisable Assets ratio to External Borrowing – 1.53:1
- Value of Realisable Assets ratio to Net Indebtedness – 5.98:1

Investment of Cash Balances

Cash flow balances vary significantly throughout the year due to differences in timing of income (council tax, developer contributions, grants, etc.) and timing of expenditure (running costs - revenue, and investment in assets and services – capital). During times when the council holds cash balances, investments will be made based on security, liquidity, and yield (in this order). Due to the uncertainty around Covid-19, whilst the council have been fortunate with the cashflow support from central government (e.g. grants paid earlier than planned) we have kept more investments on a short term and secure basis across the first 6 months of year and will continue over the coming months. This has ensured the liquidity is available to meet Covid-19 pressures however has meant returns on investments are lower due to the duration of the investment and lower risk counterparties (e.g. lending to other local authorities).

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	See other financial information.	Yes	Revenue
Next Financial Year (Year 2)	Not applicable	Yes	Revenue
Following Financial Year (Year 3)	Not applicable	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

- the net cost per council tax payer for the financing of all borrowing to date equates £7.52 which is 0.4% of the average Band D council tax charge.
- total external general fund debt is £324m and the Council's net indebtedness after cash balances is £83 million.
- the Council's realisable asset value of £496m, of which its commercial assets is estimated at £192m.

Cross-Council Implications

None

Public Sector Equality Duty

This is a report on the performance of the Treasury service of the Council and is not requesting any funding or service changes that would impact on any members of the community and thus has no equalities impact.

Reasons for considering the report in Part 2

Not applicable

List of Background Papers

None

Contact Bob Watson – Head of Finance Telephone No Tel: 0118 974 6151 07801 664389	Service Business Services Email bob.watson@wokingham.gov.uk
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Agenda Item 96.

TITLE	Re-designation of Polling Places
FOR CONSIDERATION BY	Council on 18 February 2021
WARD	Coronation, Hurst, Norreys, Remenham, Wargrave and Ruscombe, Shinfield South
LEAD OFFICER	Andrew Moulton, Assistant Director Governance

OUTCOME / BENEFITS TO THE COMMUNITY

To ensure that polling places are available to enable applicable residents to cast their votes at elections to be held during 2021.

RECOMMENDATION

That Council agree for any elections held in 2021 that:

- 1) The Baptist Church Hall, Fairmead Road, Shinfield be designated as the polling place for polling district SCW in Shinfield South Ward instead of Shinfield Parish Hall;
- 2) Wargrave Pavilion be designated as the polling place for polling district RBM in Remenham, Wargrave and Ruscombe Ward instead of Hare Hatch Village Hall;
- 3) St John's Church, Woodley be designated as the polling place for polling district KCM in Coronation Ward instead of St John's Ambulance, HQ, Woodley;
- 4) Hurst Village Hall be designated as the polling place for Polling District HAM in Hurst Ward instead of the Mobile Unit at Warren Public House, Hurst;
- 5) The Cornerstone, Norreys Avenue Wokingham be designated as the polling place for polling districts WFW and WGW1 in Norreys Ward instead of Norreys Evangelical Church;
- 6) The Assistant Director Governance be delegated authority, in consultation with the relevant Ward Member(s), to re-designate any polling place in the Borough which becomes unavailable because of issues related to the Covid-19 pandemic.

SUMMARY OF REPORT

For the following reasons alternative venues are required to be designated as polling places in order that residents in those areas can cast their votes at the forthcoming elections:

- Due to ongoing building works Shinfield Parish Hall will not be available to be used as a polling place for polling district SCW.
- Because of health and safety concerns related to Covid-19 the Trustees of Hare Hatch Village Hall are not taking any further bookings therefore that venue will also not be available to be used as a polling place for polling district RBM.

- All St John's Ambulance buildings have been closed nationally therefore the St John's Ambulance HQ in Woodley is unlikely to be available for the May elections as a polling place for polling district KCM.
- The mobile unit used in the car park at the Warren Public House in Hurst does not meet current Covid guidance therefore is not a suitable polling place for polling district HAM.
- Norreys Evangelical Church is currently being used as the storage and collection point for the distribution of food parcels therefore it is unlikely to be available as a polling place for polling districts WFW and WGW1.

Background

Section 18 of the Representation of the People Act 1983 places a duty on each Borough Council to divide its area into ‘Polling Districts’ and to designate a ‘Polling Place’ for each Polling District.

All the Borough’s polling places, which were previously designated by Council, have been contacted to ascertain their availability for elections in May 2021. Please find below those polling places who have stated that they will be unavailable and the reasons why. It is therefore necessary for alternative venues to be designated as polling places in order that residents in those areas can cast their votes.

Shinfield Parish Hall

Shinfield Parish Hall has been the polling place for the SCW polling district of Shinfield South Ward for several years. The Parish Council has confirmed that, due to ongoing building works, the Parish Hall is unavailable for the May elections.

The Baptist Church Hall, Fairmead Road, Shinfield has been viewed and found to be the most suitable alternative venue. It is a well-known venue that has good facilities, ample parking, and is on a bus route. It is therefore proposed to designate the Baptist Church Hall as the polling place for any elections to be held in 2021.

The Ward Members have been consulted on the change of venue and have not raised any objections to the alternative proposed.

Hare Hatch Village Hall

Hare Hatch Village Hall has been the polling place for the RBM polling district of Remenham, Wargrave and Ruscombe Ward for several years. Due to health and safety concerns related to Covid-19, the Trustees of the Village Hall are not taking any further bookings at present. Therefore, that venue will also not be available to be used as a Polling Place for 2021 elections.

Unfortunately, there are very few alternative venues within the RBM polling district and, although it is some distance away, Wargrave Pavilion, which is already used as a polling place for RDM polling district of the Ward, is being proposed as the alternative venue.

The Ward Members have been consulted on the change of venue and have not raised any objections to the alternative proposed.

St John’s Ambulance HQ, Woodley

St John’s Ambulance HQ has been the polling place for the KCM polling district of Coronation Ward for several years. Due to all St John’s Ambulance buildings being closed nationally because of the Covid-19 pandemic it is unlikely to be available for the forthcoming elections. In order to provide electors with certainty and as much advance warning as possible of where they will be able to vote, there is a need to identify an alternative venue for the elections.

St John's Church, which is situated next door to St John's Ambulance HQ, is proposed as the alternative venue. It has good facilities, ample parking and has provision for disabled access.

The Ward Members have been consulted on the change of venue and have not raised any objections to the alternative proposed.

Mobile Unit, Warren Public House

A mobile unit, set up in the car park of the Warren Public House, has been the polling place for the HAM polling district of Hurst Ward for a number of years. Unfortunately, the mobile unit used does not meet current Covid guidance and therefore an alternative venue is required.

There are no suitable alternative venues within the HAM polling district and therefore Hurst Village Hall, which is the polling place for HBM, HCM and TBM polling districts, is the only suitable alternative venue for the forthcoming elections.

The Ward Member has been consulted on the change of venue and has not raised any objections to the alternative proposed.

Norreys Evangelical Church

Norreys Evangelical Church, which has been the polling place for polling districts WFW and WGW1 in Norreys Ward for a number of years, has recently advised that as Share Wokingham is currently using the premises to prepare food parcels, they are no longer able to guarantee the Council's booking for the May elections. In order to provide electors with certainty and as much advance warning as possible of where they will be able to vote there is a need to identify an alternative venue for the elections.

In order to minimise the disruption to electors, The Cornerstone, Norreys Avenue is being proposed as the alternative venue. It is close to Norreys Church so electors in the Ward are already used to travelling to this general location for polling.

Parking had been raised as a possible concern, however, it has been established that cars may be parked in the shared car park on the far side of Norreys Avenue. One disabled space is available at The Cornerstone and other vehicles may be brought on site to set down or pick-up users.

The Ward Members have been consulted on the change of venue and have not raised any objections to the alternative proposed.

Re-Designation of Polling Places during Covid-19 Pandemic

Due to the elections being delivered against the backdrop of evolving public health restrictions, it is possible that there may be a need to re-designate other polling places at short notice. Currently, either a Council or a Special Council Executive Committee meeting would need to be convened to make such a decision, however, the delay caused in setting up such a meeting could cause uncertainty for the affected electors. It is therefore proposed that for any elections held in 2021 the Assistant Director Governance, Andrew Moulton, be given authority, in consultation with the relevant Ward Member(s), to re-designate a polling place if it becomes unavailable due to the Covid-19

pandemic. This would also cover any by-elections that may need to be held during 2021.

This would enable the Elections Team to notify affected residents about the change of polling place as quickly as possible.

Analysis of Issues

In designating Polling Places, certain rules have to be followed by the Council under the 1983 Act. These include that:

- (i) all electors must be given 'such reasonable facilities for voting as are practicable in the circumstances'
- (ii) so far as is reasonable and practicable, only places which are accessible to electors who are disabled should be designated, and ...
- (iii) the Polling Place should be within the Polling District except where special circumstances make it desirable to designate an area wholly or partly outside the Polling District.

Consideration of the above rules have been taken into account when considering alternative venues.

There is a risk to the Council if it chooses not to designate the best venue as a polling place.

These changes will be advertised as required by legislation.

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	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

There are no financial implications associated with this report.

Cross-Council Implications

None

Public Sector Equality Duty

A completed Equality Impact Assessment is attached as Appendix A.

List of Background Papers

Representation of the People Act 1983

Contact Andrew Moulton	Service Governance
Telephone No 07747777298	Email Andrew.moulton@wokingham.gov.uk

Equality Impact Assessment (EqIA) form: Initial impact assessment

If an officer is undertaking a project, policy change or service change, then an initial impact assessment must be completed and attached alongside the Project initiation document.

EqIA Titular information:

Date:	4 February 2021
Service:	Democratic and Electoral Services
Project, policy or service EqIA relates to:	Re-designation of Polling Places
Completed by:	Anne Hunter
Has the EqIA been discussed at services team meeting:	No
Signed off by:	Andrew Moulton
Sign off date:	4 February 2021

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1. Policy, Project or service information:

This section should be used to identify the main purpose of the project, policy or service change, the method of delivery, including who key stakeholders are, main beneficiaries and any associated aims.

What is the purpose of the project, policy change or service change , its expected outcomes and how does it relate to your services corporate plan:

Shinfield Parish Hall, in Shinfield South Ward, Hare Hatch Village Hall in Remenham, Wargrave and Ruscombe Ward, St John's Ambulance HQ in Coronation Ward, and Norreys Evangelical Church in Norreys Ward are currently designated as polling places in those areas. Unfortunately these venues will not be available for the forthcoming elections therefore there is a need to re-designate alternative polling places. In addition the mobile unit at Warren Public House, Hurst is not suitable to meet Covid social distancing restrictions. Therefore there is a need to re-designate an alternative polling place. This will ensure that electors in these areas will be able to cast their votes.

Outline how you are delivering your project, policy change or service change. What governance arrangements are in place, which internal stakeholders (Service managers, Assistant Directors, Members ect) have/will be consulted and informed about the project or changes:

Local Ward Members have been consulted on possible alternative venues and any proposed venues have been reviewed to ensure that they meet the criteria as set out in the Representation of the People Act 1983.

Outline who are the main beneficiaries of the Project, policy change or service change?

Electors in the SCW polling district of Shinfield South Ward, the RBM polling district of Remenham, Wargrave and Ruscombe Ward, the KCM polling district of Coronation Ward, the HAM polling district of Hurst Ward and the WFW and WGW1 polling districts in Norreys Ward.

Outline any associated aims attached to the project, policy change or service change:

The aim of the project is to ensure that electors in the relevant wards are provided with alternative polling places where they will be able to cast their votes on any elections held during 2021.

2. Protected characteristics:

There are 9 protected characteristics as defined by the legislation:

- Race
- Gender
- Disability
- Gender re-assignment
- Age
- Religious belief
- Sexual orientation
- Pregnancy/Maternity
- Marriage and civil partnership:

To find out more about the protected groups, please consult the EQIA guidance.

3. Initial Impact review:

In the table below, please indicate whether your project, Policy change or service change will have a positive or negative impact on one of the protected characteristics. To assess the level of impact, please assign each group a Positive, No, Low or High impact score:

For information on how to define No, low or high impact, please consult the EQIA guidance document.

If your project is to have a positive impact on one of the protected groups, please outline this in the table below.

For details on what constitutes a positive impact, please consult the EQIA guidance.

Protected characteristics	Impact score	Please detail what impact will be felt by the protected group:
Race:	No	None of the proposed alternative venues would affect persons with this protected characteristic specifically.
Gender:	No	None of the proposed alternative venues would affect persons with this protected characteristic specifically.
Disabilities:	Positive	The venues have been viewed to ensure that they are accessible for people with a disability.
	Negative	Some alternative venues may mean that residents will have to travel further to their polling place
Age:	Possibly negative	Some alternative venues may mean that elderly or infirmed residents will have to travel further to their polling place
Sexual orientation:	No	None of the proposed alternative venues would affect persons with this protected characteristic specifically.
Religion/belief:	No	None of the proposed alternative venues would affect persons with this protected characteristic specifically.

Gender re-assignment:	No	None of the proposed alternative venues would affect persons with this protected characteristic specifically.
Pregnancy and Maternity:	Positive	The proposed alternative venues are accessible for people using prams or buggies.
Marriage and civil partnership:	No	None of the proposed alternative venues would affect persons with this protected characteristic specifically.

Based on your findings from your initial impact assessment, you must complete a full impact assessment for any groups you have identified as having a low or high negative impact. If No impact, or a positive impact has been identified, you do not need to complete a full assessment. However, you must report on this initial assessment and it must receive formal approval from the Assistant Director responsible for the project, policy or service change.

Initial impact assessment approved by...Andrew Moulton.

Date: 4 February 2021.

Agenda Item 97.

TITLE	Changes to the Constitution
FOR CONSIDERATION BY	Council on 18 February 2021
WARD	None Specific
LEAD OFFICER	Andrew Moulton, Assistant Director, Governance

OUTCOME / BENEFITS TO THE COMMUNITY

Reviewing the Council's Constitution on a regular basis ensures that it is relevant and fit for purpose.

RECOMMENDATION

That Council agree the following changes to the Constitution, as recommended by the Monitoring Officer via the Constitution Review Working Group:

- 1) that Section 5.1.11 Consideration of Other Matters Referred to the Executive be amended as set out in Paragraph 1 of the report;
- 2) that Sections 6.1.2, 6.2.1, 8.4.1, 8.6.1 8.7.1 and 9.1.1 be amended as set out in Paragraph 2 of the report;
- 3) that Sections 4.2.9.5 Scope of questions [Council – Public Questions], 4.2.10.5 Scope of questions [Council – Member Questions], 5.4.29 Scope of questions [Executive – Public Questions] and 5.4.37 Scope of questions [Executive – Member Questions] be amended as set out in Paragraph 3 of the report;
- 4) that Section 12 Financial Regulations Appendix A – Statement of Material Decisions, be amended as set out in Appendix 1 to the report;
- 5) that amendments be made to Section 13 Procurement and Contract Rules and Procedures, as set out in Appendix 2 to the report;
- 6) that amendments be made to Section 13 Procurement and Contract Rules and Procedures, as set out in Appendix 3 to the report.

SUMMARY OF REPORT

Chapter 1.1.4 of the Council's Constitution states that the Monitoring Officer will monitor and review the operation of the Constitution to ensure that its aims and principles are given full effect.

The report contains revisions to a number of areas in the Constitution which were discussed by the Constitution Review Working Group (CRWG) at their meeting on 1 February 2021.

Background

SECTION 5 - EXECUTIVE

5.1.11 Consideration of other items by the Executive

1. There is no longer a requirement for the Executive as a body to agree its forward programme within a meeting of the Executive. It is therefore proposed that 5.1.11 Consideration of Other Matters Referred to the Executive, be amended as follows. The Executive Forward Programme would continue to be agreed by Executive Members and be published on the Council's website within the required time periods.

5.1.11 Consideration of Other Matters Referred to the Executive

The Executive shall be responsible for:

- ~~d) approving for publication a Forward Programme of Executive business, comprising at least four months work and to be published at least one month in advance of the start of the period the programme covers;~~
- ~~d-e) taking the lead role in reviewing and implementing action in respect of the performance of all Council services;~~
- ~~e-f) considering reports from the Overview and Scrutiny Committees;~~
- ~~f-g) receiving quarterly reports monitoring the Council's budgets.~~

Committees

2. In order to achieve political balance across all committees it is sometimes necessary to amend the size of certain committees at Annual Council. It is proposed to remove reference to the specific number of Members on a committee so that changes to the Constitution are not required should the size of a committee be amended in future to meet the requirements of political proportionality.

The following amendments are therefore proposed:

6.1.2 Membership of the Overview and Scrutiny Management Committee

The Overview and Scrutiny Management Committee shall comprise 12 non-Executive Members of the Council appointed at the Annual Council Meeting subject to the rules of Political Balance. The size of the Committee will be as agreed by Council.

6.2.1 Appointment of Overview and Scrutiny Committees

The Council shall establish the following Overview and Scrutiny Committees:

- a) Children's Services Overview and Scrutiny Committee - 8 Members
- b) Community and Corporate Services Overview and Scrutiny Committee - 8 Members
- c) Health Overview and Scrutiny Committee - 10 Members

The size of the Committees will be as agreed by Council.

8.4.1 Function and Composition of the Licensing and Appeals Committee

The Licensing and Appeals Committee is composed of 14 Members of the Authority appointed annually by the Council. The size of the Committee will be as agreed by Council and appointments shall be subject to the rules of political balance.

8.6.1 Function and Composition of the Personnel Board

The Personnel Board is shall comprise seven Members of the Authority, appointed by the Council in accordance with the rules of political balance. The size of the Board will be as agreed by Council.

8.7.1 Function and Composition of School Transport Appeals Panel

The School Transport Appeals Panel shall comprise of a pool of six Members of the Authority, be appointed by the Council in accordance with the rules of political balance. The size of the Appeals Panel will be as agreed by Council.

9.1.1 Composition and Membership [Standards Committee]

At the Annual Council meeting the Council will establish a Standards Committee which will be composed of:-

- a) *six-elected Members of Wokingham Borough Council, the composition of which will be subject to the rules of Political Balance and as agreed by Council. Only and only one of those elected Members can be a Member of the Executive...*

Scope of Questions

3. It is proposed that it be clarified that a question can be rejected if it is substantially the same as a question which has been put at or submitted to the meeting or a meeting of Council, Executive and other Committees, in the last 6 months. The following amendments are therefore proposed.

4.2.9.5 Scope of questions [Council – Public Questions]

The Chief Executive and/or Mayor/Chairman may reject a question if it:

- c) *is substantially the same as a question which has already been put at or submitted to the meeting or at a meeting of the Council or Executive or any other Committee, in the past six months;*

4.2.10.5 Scope of questions [Council – Member Questions]

The Chief Executive and/or Mayor/Chairman may reject a question if it:

- c) *is substantially the same as a question which has been put at or submitted to the meeting or at a meeting of the Council or Executive or any other Committee in the past six months; or*

5.4.29 Scope of questions [Executive – Public Questions]

The Chief Executive and/or the Leader may reject a question if it:

- c) *is substantially the same as a question which has already been put at or submitted to the meeting or at a previous meeting of the Council or Executive or any other Committee in the past six months;*

5.4.37 Scope of questions [Executive – Member Questions]

The Chief Executive and/or Leader may reject a question if it:

- c) *is substantially the same as a question which has been put at or submitted to a meeting of the Council or Executive or any other Committee in the past six months;*

SECTION 12 FINANCIAL REGULATIONS

4. It is proposed that Appendix A – Statement of Material Decisions be updated for clarification purposes and to make it easier to use. The proposed revised Appendix A – Statement of Material Decisions, is attached at Appendix 1 to the report.

SECTION 13 PROCUREMENT AND CONTRACT RULES AND PROCEDURES

Removal of EU and related references in Procurement and Contract Rules and Procedures (PCRP) in light of end of UK Transition Period

5. The PCRP were written and updated to align with the PCR 2015, which in turn were subject to the relevant EU legislation. As of 31st December 2020, 23:00 hours, the UK left the European Union. Although a Trade Deal has been achieved and updated UK regulations are likely to follow, current guidance from the UK Central Government at this time merely replaces EU-relevant references with UK-relevant ones as outline in policy notes. As such, officers have proposed a number of minor changes to reflect the new commercial position that the UK has moved into. All changes relating to the updates of the references to OJEU/FTS, and further explanation, are laid out in Appendix 2 to the report. Changes are shown in bold italics or struck through.

Further changes may be required in time once subsequent guidance has been provided from Central Government.

8. Officers have also proposed a number of additional amendments to Section 13 Procurement for clarification purposes. These, and further explanation, are set out in Appendix 3 to the report. Amendments are shown in bold italics or struck through.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

There are no financial implications associated with this report.

Cross-Council Implications

None

Public Sector Equality Duty

This report has had due regard to the public sector equality duty and where applicable and available has included information relating to impacts upon people with protected characteristics and inequality.

List of Background Papers

Council's Constitution

Contact Madeleine Shopland**Telephone No** Tel: 0118 974 6319**Service** Democratic Services**Email**

madeleine.shopland@wokingham.gov.uk

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APPENDIX 1

CURRENT MATERIAL DECISION TEMPLATE

Appendix A



STATEMENT OF MATERIAL DECISIONS

General Managers are required to complete a Statement of Material Decisions for all material decisions within the Financial and Procurement & Contract Regulations (see 12.1.3).

Name: _____
General Manager of: _____
Date: _____

DECISION SHEET

Nature of Decision (eg Virement): _____

Decision: _____

Effective Date of Decision: _____

Reason for Decision (incl. Demonstration of VFM): _____

Alternative Options Considered and Rejected at Time of Decision: _____

Risk Assessment & Action Taken to Mitigate Risk: _____

Supporting Documentation to Decision and Location Held (attach if possible): _____

Name of Budget Manager / Responsible Officer: _____

When completed template should be filed on the WBC staff network (Z drive\Finance\Material Decisions\.....)

NB Filenames should be in the format: [Name – yyyy mm dd] - eg: Graham Ebers 2010 06 01

APPENDIX 1

PROPOSED MATERIAL DECISION TEMPLATE



**WOKINGHAM
BOROUGH COUNCIL**

STATEMENT OF MATERIAL DECISIONS

APPENDIX 1

The relevant budget holder or corresponding Service Manager/Assistant Director is required to complete a Statement of Material Decision for all material decisions, i.e. any action that is contrary to, or specifically required by, any part of WBC's Constitution.

In particular:

- in accordance with Constitution 12.1.3, Virements;
- waiver of any part of the Procurement and Contracts Rules and Procedures (Constitution Section 13); and
- in accordance with Constitution 13.3.3.2, acceptance of tenders exceeding £500k.

Department Issuing the Material Decision

Department		
Officer Completing this Form	Name	
	Position	
Effective Date of the Decision		

Type of Decision

Please 'checkmark' the applicable box:

Procurement	<input type="checkbox"/>	<i>If yes, complete sections 1 and 3 only</i>
Finance	<input type="checkbox"/>	<i>If yes, complete sections 2 and 3 only</i>
Does this require a new/modified Equality Impact Assessment?		<input type="checkbox"/>

Nature of the Decision

Please 'checkmark' the relevant box below and add a brief description of the reason(s) for the requested waiver in Decision Details

Virement	<input type="checkbox"/>	
Waive Procurement Rules	<i>Contracts with Total Ascertainable Value up to £50,000.</i>	<input type="checkbox"/>
	<i>Contracts with Total Ascertainable Value between £50,000 and the Relevant EU Threshold.</i>	<input type="checkbox"/>
Award Approval for Contract with Total Ascertainable Value greater than £500,000.		
Exclusion of a tenderer from a procurement process due to their involvement in pre-market engagement.		
Other – Briefly specify here:	<input type="checkbox"/>	

Section 1 – Material Decision Relating to the Application of the Procurement and Contracts Rules and Procedures

Nature of the Decision <i>Enter brief details of the type of decision (e.g. Waive Rule x.x / direct award to ...).</i>	
Nature of the Contract <i>Specify type of contract (goods, services or works), value and term.</i>	
Background and Reasons for the Decision	

APPENDIX 1

<i>Enter here any relevant information to explain the existing situation and why this decision is necessary.</i>	
Procurement Advice <i>State the name of the Procurement Specialist with whom you have discussed this matter and provide a short summary of their advice or attach/append any written advice you have obtained.</i>	
Appraisal of Options <i>List all alternative options considered and provide justification for their rejection.</i>	
Risk Assessment <i>State risks in order of severity – high, medium or low. Outline any identified risks and suggested risk management/mitigation approach.</i>	
Statutory Notices	<p>There is a statutory obligation to publish award information in certain places, depending on the nature and the size of the procurement.</p> <p>Please tick the box to confirm that you understand your obligations. <input type="checkbox"/></p>

Section 2 – Material Decision Relating to the Application of the Finance Regulations

Nature of the Decision <i>Enter brief details of the type of decision (e.g. virement, write off of uneconomic debts etc.)</i>	
Background and Reasons for the Decision <i>Enter here any relevant information to explain the existing situation and why this decision is necessary.</i>	
Finance Advice <i>State the name of the Finance Specialist with whom you have discussed this matter and provide a short summary of their advice or attach/append any written advice you have obtained.</i>	
Cost Code / Centre	

Section 3 – Additional Specialist Advice Sought

Advice <i>State the name of the Specialist with whom you have discussed this matter and provide a short summary of their advice or attach/append any written advice you have obtained (e.g. HR, Legal, IMT).</i>	
Supporting documents <i>List all attached/appended documents.</i>	

Approval by Director

Signature	
Director Name	
Directorate	
Date of Approval	

When signed, email the named Finance/Procurement Specialist to file the document in the folder Z:\Finance\Material Decisions\.....

APPENDIX 1

NB Filenames must be formatted [Director Name – yyyy mm dd - subject], e.g.:
Graham Ebers – 2007 08 01 – Virement for Commercial Property

APPENDIX 2

13.1 Purpose and Significance

- 13.1.1

These Procurement and Contract Rules and Procedures (“PCRs”) provide a compliance framework for managing the Council’s expenditure on goods, services and works and are, in effect, the instructions of the Council to ALL officers for undertaking expenditure on behalf of the Council. For the avoidance of doubt: responsible individuals ([Rule 13.2.3.1](#)) must not commit to expenditure unless these PCRs have been followed.

These procurement rules and procedures are made in accordance with section 135 of the Local Government Act 1972

All references to GPA refer to the Government Procurement Agreement of the World Trade Organisation, of which the UK is now a member in its own independent right. All references to FTS refer to the Find a Tender Service, the UK’s procurement portal for international advertising of contract opportunities. equivalent of OJEU.

- 13.1.2

d) is open, fair, transparent and fully compliant with EU public procurement legislation and UK Law, as laid out in the Public Contracts Regulations 2015 (“PCR2015”) and associated policy notes

13.3 The Procurement and Contract Rules

- 13.3.1.1 (* under table)

These figures are aligned to the OJEU GPA Threshold Values (as set out in Appendix One) and will be amended as and when the Threshold Values change.

- 13.3.2.1

Goods & Services <u>Contract Value</u>	Below OJEU GPA Threshold			Above OJEU GPA
	< £5k	£5k - £50k	£50k – OJEU £189k	> OJEU £189k
Approved business case for the procurement at the appropriate level			✓	✓
Fully compliant OJEU PCR process Any applicable process may be utilised.				✓
Pre-qualification questionnaire (SQ) (Restricted Process)	prohibited	prohibited	prohibited	✓
Invitation to Tender (ITT)			✓	

<i>Open (single step) process</i>				
<i>Quick Quotes process¹, with credit check & references</i>		✓ <i>(min 3 quotes)</i>		
<i>Simple quotation and Purchase Order</i>	✓			
<i>Support teams to be notified before start of procurement undertaking</i>			<i>Relationship Managers & if >£100k SLS</i>	<i>SLS & Procurement</i>
<i>Formal specification & evaluation criteria</i>			✓	✓
<i>Simplified specification & evaluation</i>	<i>(if necessary)</i>	✓		
<i>All documents available on the date of publication of notice or advertisement</i>		<i>if advertised</i>	✓	✓
<i>Publish in OJEU FTS²</i>				✓
<i>Advertise in Contracts Finder² (within 24 hrs of 1st advert anywhere else)</i>		<i>>£25k if advertised anywhere</i>	✓	✓
<i>Formal tender evaluation process</i>			✓	✓
<i>Award notified in FTS² / OJEU^A</i>				✓
<i>Award notified in Contracts Finder²</i>		<i>if >£25k</i>	✓	✓
<i>Signed contracts lodged with SLS</i>			✓	✓
<i>Standstill period</i>			<i>recommended</i>	✓
<i>Complete Reg84 Report</i>				✓

- 13.3.2.1

Schedule 3 Services Contract Value	<i>Below OJEU GPA</i>			<i>Above OJEU GPA</i>
	<i>< £5k</i>	<i>£5k - £50k</i>	<i>£50k to OJEU £663k</i>	<i>> OJEU £663k</i>
<i>Light Touch Regime (“LTR”)</i>				✓
<i>Any appropriate process may be used</i>			✓	✓

¹ If you wish to advertise your Quick Quote, use the ‘Create Project’, ‘Advertised Quotation (<50K)’ process

² Handled automatically by the e-Procurement system

^A Any procurement that was advertised on OJEU prior to 31 December 2020 23:00 must have its award notice and all subsequent notices of amendment etc. also published in OJEU, despite formal transition from the EU being completed

Quick Quotes <i>Process³, with credit check and references for selected supplier</i>		Min 3 Quotes		
Formal specification & evaluation criteria		✓	✓	✓
Simple quotation and Purchase Order	✓			
Support teams to be notified before start of procurement undertaking			<i>Relationship Managers & if >£100k SLS</i>	<i>SLS & Procurement</i>
All documents available on the date of publication of notice or advertisement		<i>if advertised</i>	✓	✓
Advertise in OJEU FTS – contract notice or PIN ⁴				✓
Advertise in Contracts Finder ⁴ (within 24 hrs of 1st advert anywhere else)		> £25k, if advertised anywhere	✓	✓
Pre-qualification questionnaire (SQ) (Restricted Procedure)	prohibited	prohibited	<i>Optional (but prohibited below £189k)</i>	✓
Invitation to Tender (ITT)			✓	
Formal tender evaluation process			✓	✓
Publish contract award notices ⁴ (can publish notices grouped quarterly)		<i>If > £25k</i>	✓	✓
Standstill period			<i>recommended</i>	✓
Complete Reg84 Report				✓

- 13.3.2.3

Works Contract Value	<i>Below OJEU Threshold GPA</i>			<i>Above OJEU GPA</i>
	< £5k	£5k - £50k	£50k – OJEU £4,733k	> OJEU £4,733k
Approved business case for the procurement at the appropriate level			✓	✓
Full OJEU PCR process				✓
Invitation to Tender (ITT)			✓ (if not Construction Line)	✓
Optional Constructionline "Tender"		✓	✓ (if no ITT)	n/a

³ If you wish to advertise your Quick Quote, use the 'Create Project', 'Advertised Quotation (<50K)' process

⁴ Handled automatically by the e-Procurement system

<i>Pre-qualification questionnaire (SQ) (Restricted Process)</i>		<i>prohibited</i>	<i>Optional (but prohibited below £189k)</i>	✓
<i>Quick Quotes process³, credit check and references for selected supplier</i>		<i>Min 3 Quotes</i>		
<i>Simple quotation and Purchase Order</i>	✓			
<i>Support teams to be notified before start of procurement undertaking</i>			<i>Relationship Managers & if >£100k SLS</i>	<i>SLS & Procurement</i>
<i>Formal specification & evaluation criteria</i>			✓	✓
<i>Simplified specification & evaluation</i>	<i>(if necessary)</i>	✓		
<i>All documents available on the date of publication of notice or advertisement</i>		<i>if advertised</i>	✓	✓
<i>Publish in OJEU FTS.⁵</i>				✓
<i>Advertise in Contracts Finder⁵ (within 24 hrs of 1st advert anywhere else)</i>		<i>> £25k, if advertised anywhere</i>	✓	✓
<i>Formal tender evaluation process</i>			✓	✓
<i>Award notified in FTS⁵ / OJEU^B</i>				✓
<i>Award notified in Contracts Finder⁵</i>		<i>If > £25k</i>	✓	✓
<i>Signed contracts lodged with SLS</i>			✓	✓
<i>Standstill period</i>			<i>recommended</i>	✓
<i>Complete Reg84 Report</i>				✓

⁵ Handled automatically by the e-Procurement system

^B Any procurement that was advertised on OJEU prior to 31 December 2020 23:00 must have its award notice and all subsequent notices of amendment etc. also published in OJEU, despite formal transition from the EU being completed

13.4 Overview of Procurement Process Selection

- 13.4.2

1	2	3	4	5		
Type	Above / below OJEU GPA	Procurement Size	Available Corporate Contract	Available Framework Agreement	Default Process	Optional Processes available
Goods & Services	Above	> £189k	Yes	n/a	Corporate Contract	
			No	Yes	Framework Contract	
				No	Full OJEU PCR Process	①②[③④]
	Below	£50k – £189k	Yes	n/a	Corporate Contract	
			No	Yes	Framework Contract	
				No	Above £50k Process	①⑤[③④]
		£5k - £50k	Yes	n/a	Corporate Contract	
			No	Yes	Framework Contract	
				No	Above £5k Process	Table 3.2.1
		£0k - £5k	Yes	n/a	Corporate Contract	
			No	Yes	Framework Contract	
				No	£5k Process	⑥

1	2	3	4	5		
Type	Above / below OJEU GPA	Procurement Size	Available Corporate Contract	Available Framework Agreement	Default Process	Optional Processes available
Schedule 3 Services	Above	> £663k	Yes	n/a	Corporate Contract	
			No	Yes	Framework Contract	
				No	Light Touch Regime	

			Yes	n/a	Corporate Contract	
		< £663k	Yes	Framework Contract		
			No	Tender Process		(1)(2)(3)(4)(5)
			No	Approved Supplier List		(6)

1	2	3	4	5		
Type	Above/below OJEU GPA	Procurement Size	Available Corporate Contract	Available Framework Agreement	Default Process	Optional Processes available
Works	Above	> £4,733k	No	Yes	Framework Contract	
				No	Full OJEU PCR Process	(1)(2)[(3)(4)]
	Below	£5k – £4,733k	Yes	n/a	Corporate Contract	
				Yes	Framework Contract or > £50k Process	(1)(2)(3)(4)(5) Table 3.2.3
			No	No	> £50k Process	
				No	£5k - £50k Process	
		< £5k	Yes	n/a	Corporate Contract	
			No	n/a	Purchase Order	(6)

No.	Optional Processes
(1)	Open Procedure
(2)	Restricted Procedure (above OJEU Goods and Services Threshold £189k£189k only)
(3)	Competitive Procedure with Negotiation (by exception only)
(4)	Competitive Dialogue (by exception only)
(5)	Framework or Dynamic Purchasing System (DPS)
(6)	Approved Supplier / Provider List

- APPENDIX ONE – OJEU THRESHOLD VALUES

Threshold	Euro	GBP (2020 conversion)	Display Value	Bookmark name
Goods & Services	€ 214,000	£ 189,330	£189k	GSthreshold
Schedule 3	€ 750,000	£ 663,540	£663k	S3threshold
Works (Schedule 2)	€ 5,350,000	£ 4,733,252	£4,733k	WORKSthreshold
Concessions	€ 5,350,000	£ 4,733,252	£4,733k	Cthreshold

The **EC GPA** procurement thresholds for application of the Public Contracts Regulations 2015 are fixed for a 2 year period (1st January – 31st December); the values are subject to change on the 1st January of every even year (i.e. 2020, 2022, 2024...).

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APPENDIX 3

Correction of the name of the relevant department due to a restructure. The Procurement and Contracts team currently is part of the Business Services and Finance department

13.1 Purpose and Significance

13.1.4

- a) Procurement **and Contracts** team (~~part of Strategy and Commissioning Support~~) for day-to-day advice in respect of the operation of these rules and procedures;

Clarification on the application of exemptions under the Public Contracts Regulations 2015

13.2.1.6

Rule 13.2.1.6 currently contains an obligation for officers to demonstrate value for money where they are applying exemptions from the normal procurement process. It is proposed that the wording of this rule be amended to clarify how this is to be achieved by officers recording the specific circumstances and the reasons for the recommended approach in a business case and seeking approval at the relevant level.

13.2.1.6

Wherever Public Contracts Regulations 2015 (UK Law) allows for exemptions from the normal processes for above threshold procurements, the analogous exemptions are allowed from the normal PCRP processes for below threshold procurements. This does not remove the obligation on Officers to demonstrate Value for Money and to meet the fundamental need for transparency. A business case needs to be developed for each application of an exemption and Rule 13.3.1.1 – Procurement Business Case (including options appraisal) applied. Accordingly, regardless of the process followed, every contract with a total ascertainable value exceeding £5,000 must be recorded in Wokingham Borough Council's contracts register. Contact Procurement for advice about each individual case.

Update on the wording on the current procurement rules regarding e-procurement

13.2.3 Responsibilities and Compliance

13.2.3.1

It is proposed that the wording of 13.2.3.1 be amended to better reflect current circumstances. The existing wording was introduced prior to the implementation of the e-procurement software and needs to be updated to highlight the use of the electronic procurement.

13.2.3.1

*The PCRPs apply to every officer of the Council and anyone acting on its behalf. It is the responsibility of Directors to ensure that the Rules and Procedures are adhered to. The use of e-Procurement **became** is a statutory requirement for qualifying tenders from 18 October 2018; WBC officers ~~intends that~~ **should therefore manage** all relevant procurements ~~will be managed by~~ **using** the Council's e-Procurement system from May 2018 onwards.*

Missing reference to an existing rule in another section of the Constitution

Rule 5.1.9.4 of the Constitution imposes a limit on the Executive authority to incur expenditure. This is reflected in the business case approvals level, however, a reference to the relevant rule in section 5 section is missing. It is proposed that such a reference is added in the relevant column of the table for clarity.

Chapter 13.3 – The Procurement and Contract Rules

13.3.1.1 – Procurement Business Case (including options appraisal)

The table covering business case approval levels has been modified to include a reference to the relevant rule in the last column.

Currently Constitution rule 5.1.9.4 – Limit on Executive Authority to Incur Expenditure is explicitly reflected within the process descriptions of Chapter 13 – Procurement and Contract Rules and Procedures but without a reference to this rule. This change will ensure that Officers proposing procurements are aware of the levels of scrutiny and approval required of business cases at all levels of expenditure and can easily refer to the relevant rule in section 5 – The Executive.

A new row is proposed to be added in the table below to clarify the Dynamic Purchasing Systems and Framework Agreements business case approval levels, introduced with the proposed changes of the same rule.

13.3.1.1 – Procurement Business Case (including options appraisal)

	<i>No formal business case required</i>	<i>Assistant Director & Director Approval</i>	<i>Executive Approval (see Note 1 below)</i>	<i>Full Council Approval (Rule 5.1.9.4)</i>
<i>Goods and Services</i>	< £50k	£50k - £500k	> £500k	<i>Annual Value >£5M or TAV >£25M (if Capital >£15M)</i>
<i>Schedule 3 Services</i>	< £50k	£50k - £615k	> £615k	
<i>Works</i>	< £50k	£50k - £4,551k	> £4,551k	
<i>DPS/FA set up only</i>	<i>N/A</i>	<i>≤£500k</i>	<i>>500k</i>	<i>N/A</i>

Approval of Business Cases for setting up a dynamic purchasing system (DPS) or framework agreement (FA)

Chapter 13.3 – The Procurement and Contract Rules

13.3.1.1 – Procurement Business Case (including options appraisal)

Currently there is an obligation for officers to develop a business case for all procurements with total ascertainable value greater than £50,000 (Rule 13.3.1.1).

DPSs and FAs are not public contracts but methods of procuring resulting in the conclusion of an agreement with a number of economic operators. The purpose of these is to have in place a list with pre-qualified capable suppliers, to whom subsequent contracts can be awarded, when a specific need has to be met. At the point of the conclusion of the FA or setting up the DPS, no financial commitment is made and no actual spend is incurred, nor committed. An estimate of the potential/indicative spend over

the life of the FA or DPS has to be provided but spend is only actual expenditure at the time of procuring individual contracts (also known as call-off contracts) under the DPS/FA. The cost to the Council for delivery of a contract and actual financial commitment would only take effect once the FA or DPS is used to award a contract for specific services/works/goods via a call-off process.

In the absence of a specific provision in the PCRP, which clarifies the business case requirement in the case of a DPS or FA, the rule 13.3.1.1 would apply, creating the need for a business case to be developed and approved at the relevant financial authority level at the point of DPS or FA procurement, as well as for every contract procured under the DPS or FA where the value exceeds £50K. This leads to duplication of effort and adds unnecessary delay in the procurement process, negatively affecting the efficiency of the procurement under a DPS or FA, whose main purpose is increased speed of the procurement process and ease of access to the list of pre-qualified suppliers. To mitigate this effect while maintaining appropriate level of governance, officers propose that business cases for procurement of DPS and FAs to be approved by the relevant Director or Executive, respective of the estimated spend.

13.3.1.1

*A formal business case is required for any **the procurement of individual contracts** with a total value above £50k (Rule 13.2.2 for estimating value) with the varying levels of approval shown in the table below. For the purposes of this rule, dynamic purchasing system and framework agreement are not considered contracts and have their own requirements (outlined below)."*

TABLE

*These figures are aligned to the **OJEU GPA Threshold Values** (as set out in Appendix One) and will be amended as and when the Threshold Values change.

Note 1 The default option is Executive approval.

In exceptional circumstances, where this is not practical and delay will have negative financial consequences, approval by two Executive Members is allowed. This will usually be the Executive Member for the relevant service area and the Executive Member with responsibility for Finance, unless the relevant service is Finance, in which case approval must be carried out in conjunction with the Deputy Leader of the Council, or if the Deputy Leader is the Executive Member with responsibility for Finance, or is unavailable, in which case the approval must be carried out in conjunction with the Leader of the Council (Rule 5.5.1 g). An explanation of the exceptional circumstances must be included within the Individual Executive Member Decision report.

In the case of the procurement of a dynamic purchasing system or framework agreement, officers are required to develop a business case outlining the overall procurement strategy, providing justification of the selected procurement method and highlighting the main benefits and risks associated with this method of procurement. All business cases for DPS and FA with estimated value up to and including £500K require Director's approval; Executive approval is required if the total ascertainable value of the DPS or FA is estimated to be greater than £500K. Rule 13.3.1.1 will apply to procurement of call-off contracts from either an internal or third party DPS/FA, unless a different governance mechanism has been proposed and approved in the DPS/FA business case or via a separate business case at the relevant level of authority.

All Business cases should include the following elements in an appropriate form:

- a) a brief justification linked to service or corporate objectives;

- b) vision and description of objectives to be achieved / specific need to be addressed;
- c) appraisal of options;
- d) statement of benefits and justification of expenditure, including financial costs and benefits, where relevant over the life of the contract. (Works business cases should include a financial feasibility assessment in terms of investment payback, return on investment or discounted cash flow value);
- e) timetable;
- f) procurement approach and commentary;
- g) source and approval of funding and whether it is revenue or capital;
- h) overall approvals as indicated in table above;
- i) Any specialist opinion/sign off, as appropriate (e.g. IMT and/or Business Change for any purchase of software, Finance, Procurement etc.)

The value of a Business Case shall not be distorted or split with the aim of avoiding any threshold. The exact nature of any Business Case will vary depending on the requirements of the services being procured but all should consider the elements listed above to an appropriate degree. In consultation with Procurement, Directorates may design their own templates and requirements for Business Cases, in particular where regularly recurring or rapid procurements are required.

Further guidance on the production of a Business Case is available from Procurement.

Correction on updated references

Chapter 13.3 – The Procurement and Contract Rules

13.3.3.1 Overview of Contract Terms and Conditions

The term “procurement cards” is no longer used and credit cards used for corporate purchases are now referred to as “corporate credit cards”. Clarity regarding when a contract should instead be used/procured has also been included in order to align with earlier rules.

Modify the table covering contractual terms and the note:

13.3.3.1

<i>Contract Value</i>	<i>Duration</i>	<i>Procurement Cards Corporate Credit Cards</i>	<i>Standard Purchase Order Terms</i>	<i>Template Contract</i>	<i>Formal Contract Terms (via SLS)</i>	<i>Suppliers' Terms</i>
<i>< £50k</i>	<i><12mth</i>	✓	✓	<i>if necessary</i>		<i>By exception and only with input</i>
	<i>>12mth</i>	<i>n/a</i>	✓	<i>if necessary</i>		

£50k – £100k	any	n/a	n/a	✓		of Shared Legal Solutions
>£100k	any	n/a	n/a	n/a	✓	

Note

Services may have **Procurement Cards Corporate Credit Cards**, which can be utilised for low value, low risk, one off transactions, subject to the individual spending limit on the card. All ongoing / recurring requirements should be procured under a purchase order and/or an appropriate contract.

Chapter 13.3 – The Procurement and Contract Rules

13.3.3.2 Acceptance of Tenders and Signing of Contracts

Following an introduction of new names of the Directorates, the following corrections are suggested:

13.3.3.2

Directors may only accept a tender which falls outside these criteria subject to consultation with ~~Director of Finance & Resources (Chief Finance Officer) (Section 151 Officer)~~ Deputy Chief Executive (Chief Finance Officer/Section 151 Officer) or nominated Deputy, if delegated to, and if applicable, the Head of Human Resources and Organisation Development Operations with regard to Transfer of Undertakings (Protection of Employment) Regulations [TUPE], as a Material Decision.”

Clarification regarding Obligations for Recording Contracts (Re-insertion)

Chapter 13.3 – The Procurement and Contract Rules

13.3.4.1 Recording of Contract / Tender Information

Previously, greater clarity was stated regarding the Transparency obligations the Council and its officers are obliged to provide under the Local Government Transparency Code 2015. Following a recent exercise sponsored by CLT, it was found at least over £5 million worth of annual contract expenditure had not been recorded on the Central Database, therefore reinsertion of previously removed wording may better clarify officers' responsibilities.

13.3.4.1

All Contracts awarded by other means and exceeding £5,000 must be entered into the Council's e-Procurement system (Contracts Register) following award. It is the responsibility of the relevant Assistant Director to ensure that contract information is recorded and kept up-to-date.

The details will be made directly available to the public, via the WBC external website, as required by the Local Authorities Transparency Code 2015.

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