



**WOKINGHAM  
BOROUGH COUNCIL**

# **Medium Term Financial Plan 2018/2019**

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

# WOKINGHAM BOROUGH COUNCIL MEDIUM TERM FINANCIAL PLAN

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

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# CHIEF FINANCE OFFICER'S STATUTORY REPORT

## 1. Introduction

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

## 2. Strategic Overview

### ***Government's Autumn Budget November 2017***

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

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

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

### ***Other financial notifications***

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

### ***Local Government Finance Settlement (LGFS) December 2017***

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

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

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

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

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

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

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

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

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

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

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

### **Negative Revenue Support Grant (RSG)**

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

### **Adult Social Care (ASC)**

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

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

### **Regeneration and strategic developments**

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

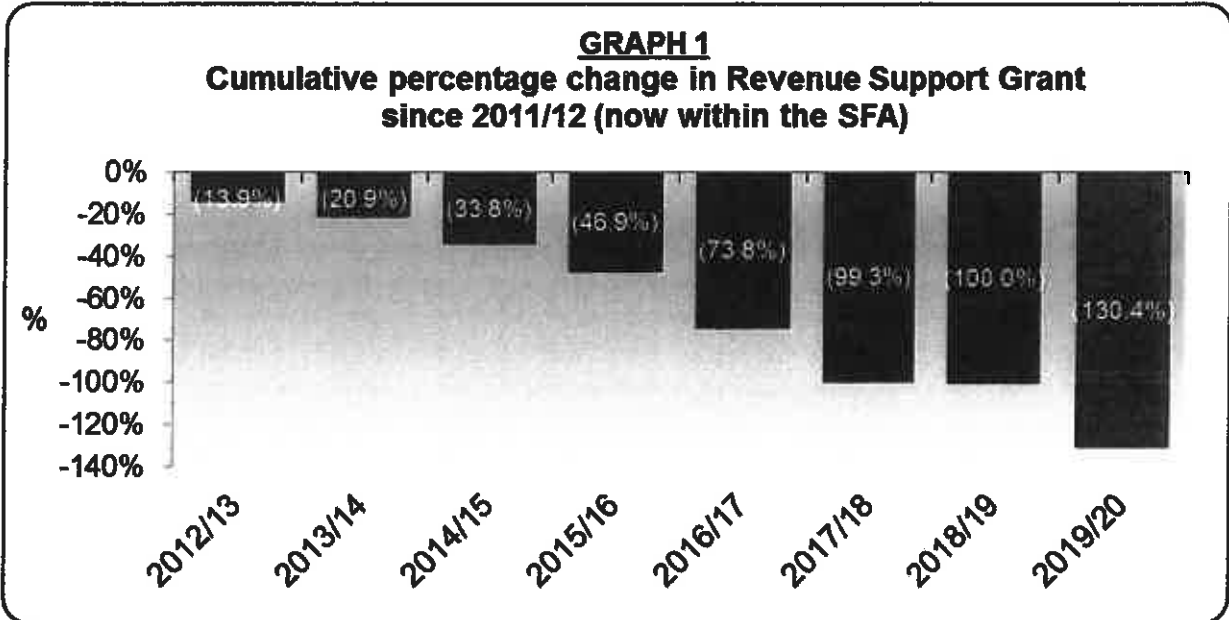
## **3. Analysis of Reductions in Government Funding**

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

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

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

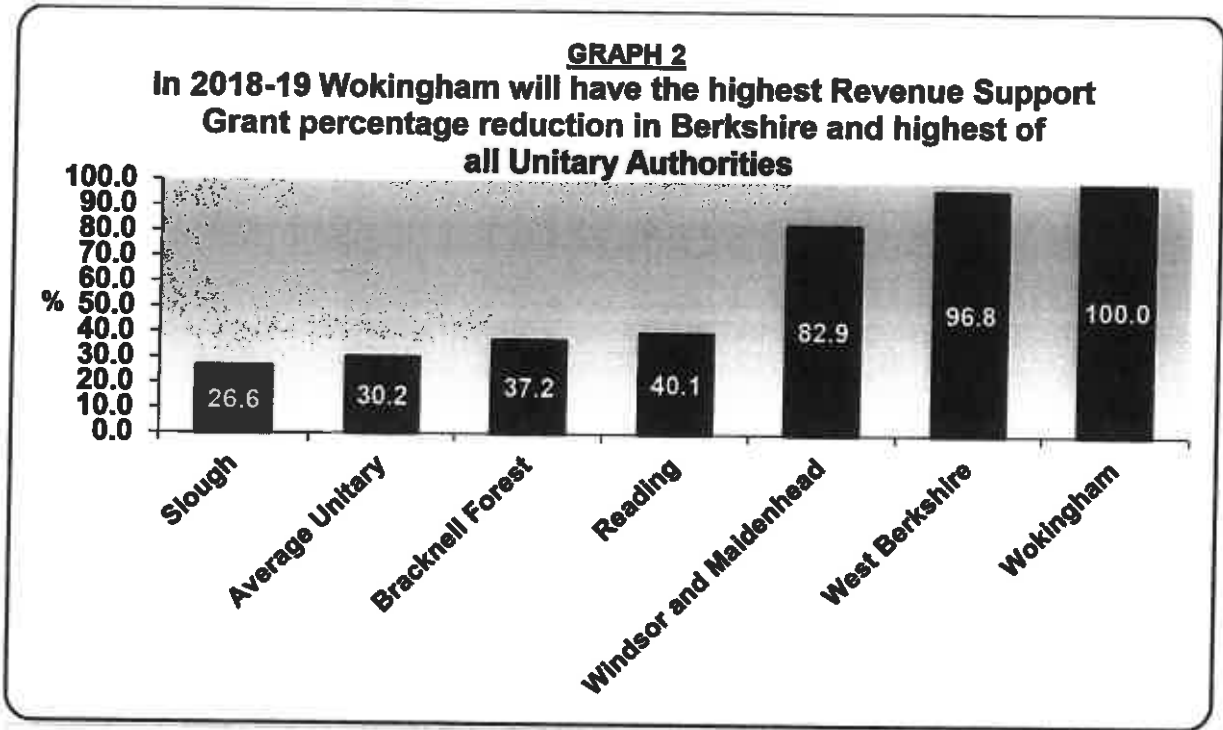
The graph below shows the cumulative reductions in grant for Wokingham.



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

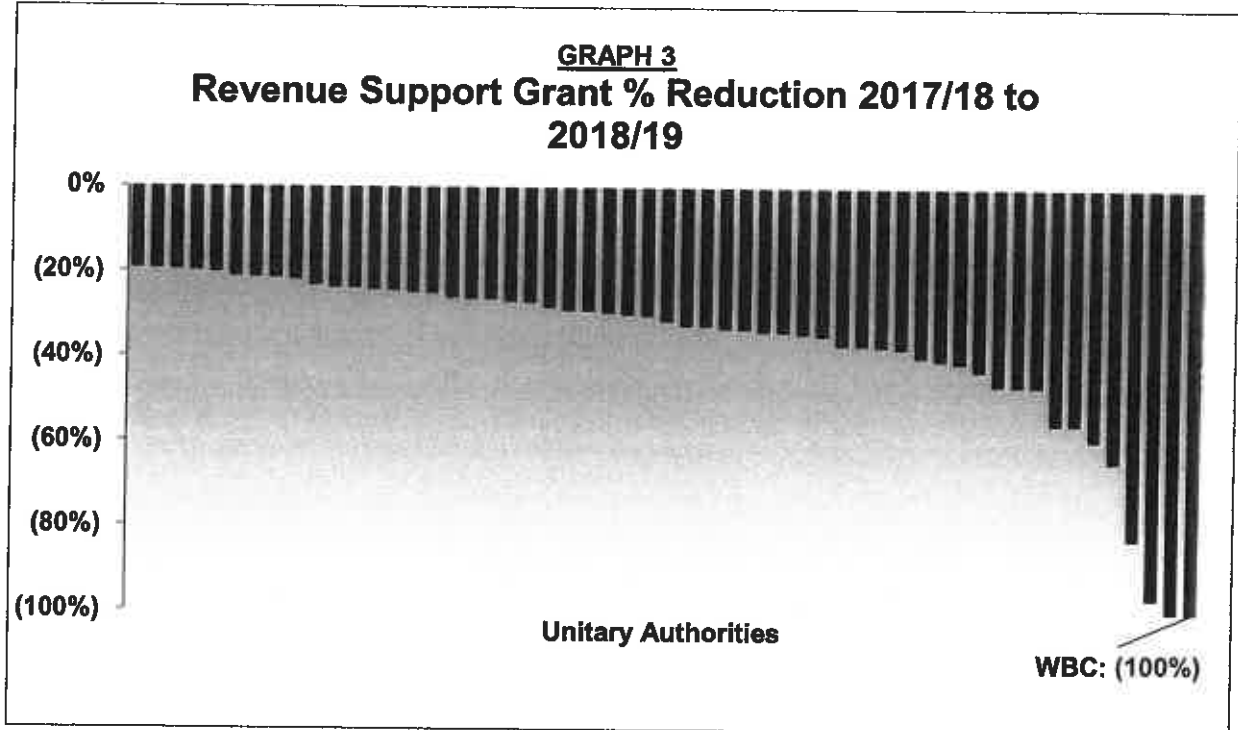
	£m
<b>WBC 2018/19 net expenditure budget</b>	<b>113.4</b>
Less Rolled in Grants from services to Formula Grant	(12.5)
Less discount re inflation since 2010/11 (based on CPI)	(21.5)
Less discount re growth in council tax base since 2010/11	(10.1)
<b>Net expenditure budget 2018/19 discounted to 2010/11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

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

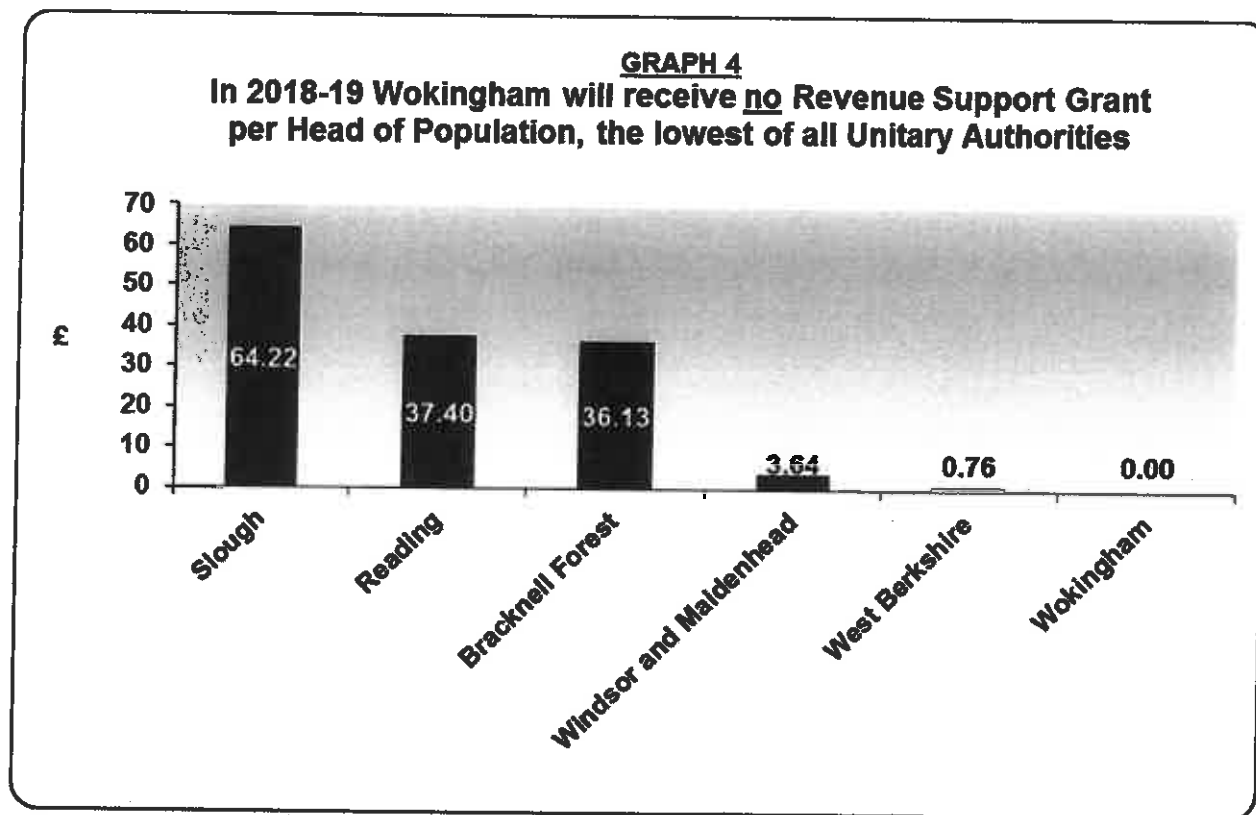


**NOTE:** This and following RSG graphs do not take into account the passporting of RSG through business rates for authorities in 100% retention pilots, which artificially suggests some authorities have no RSG

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

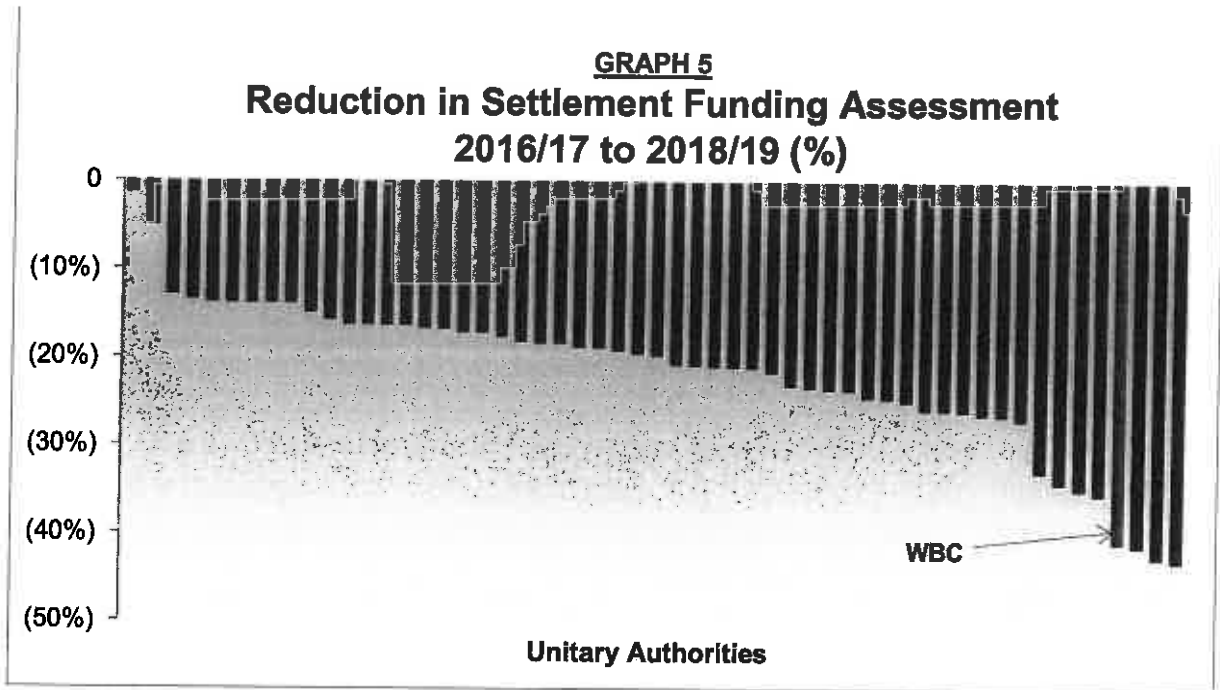


The graph below calculates the RSG for 2018/19 on a per head basis to enable a like for like comparison. The Wokingham figure is £0 per head, as it receives no RSG. It reveals a huge change from historic years, with Wokingham now receiving no RSG for local services.

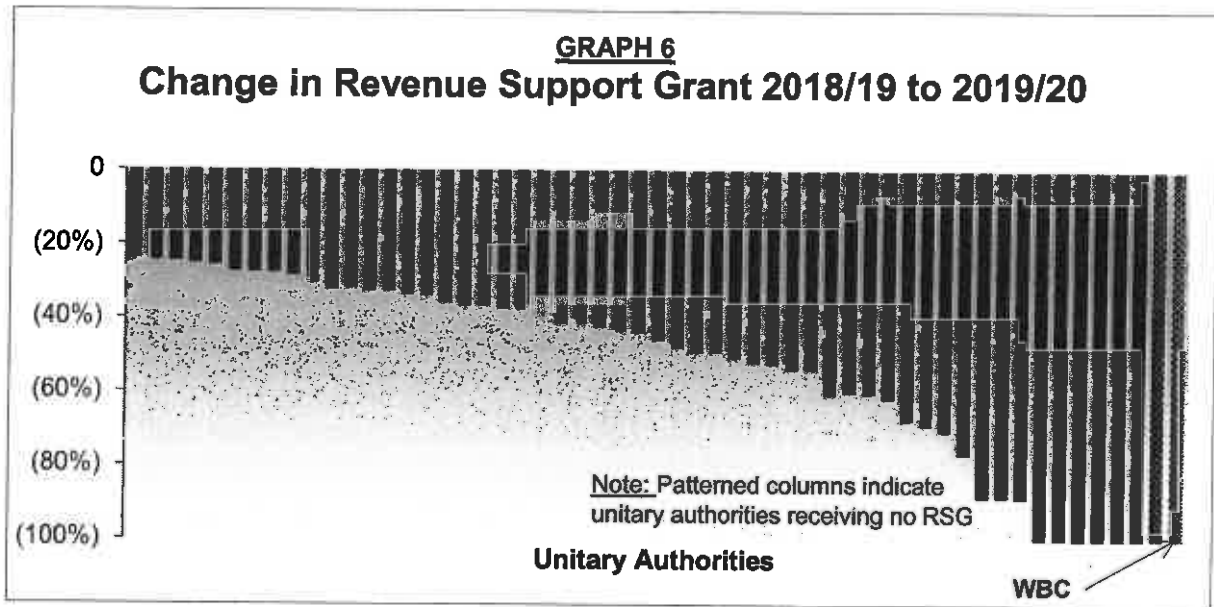


The above reductions are also reflected in respect of settlement funding assessment (SFA), which comprises retained business rates and RSG. Comparing 2016/17 to 2018/19, Wokingham do not have the largest reduction of all unitary authorities, although it is the fourth worst at 41%, compared to the 43%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





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

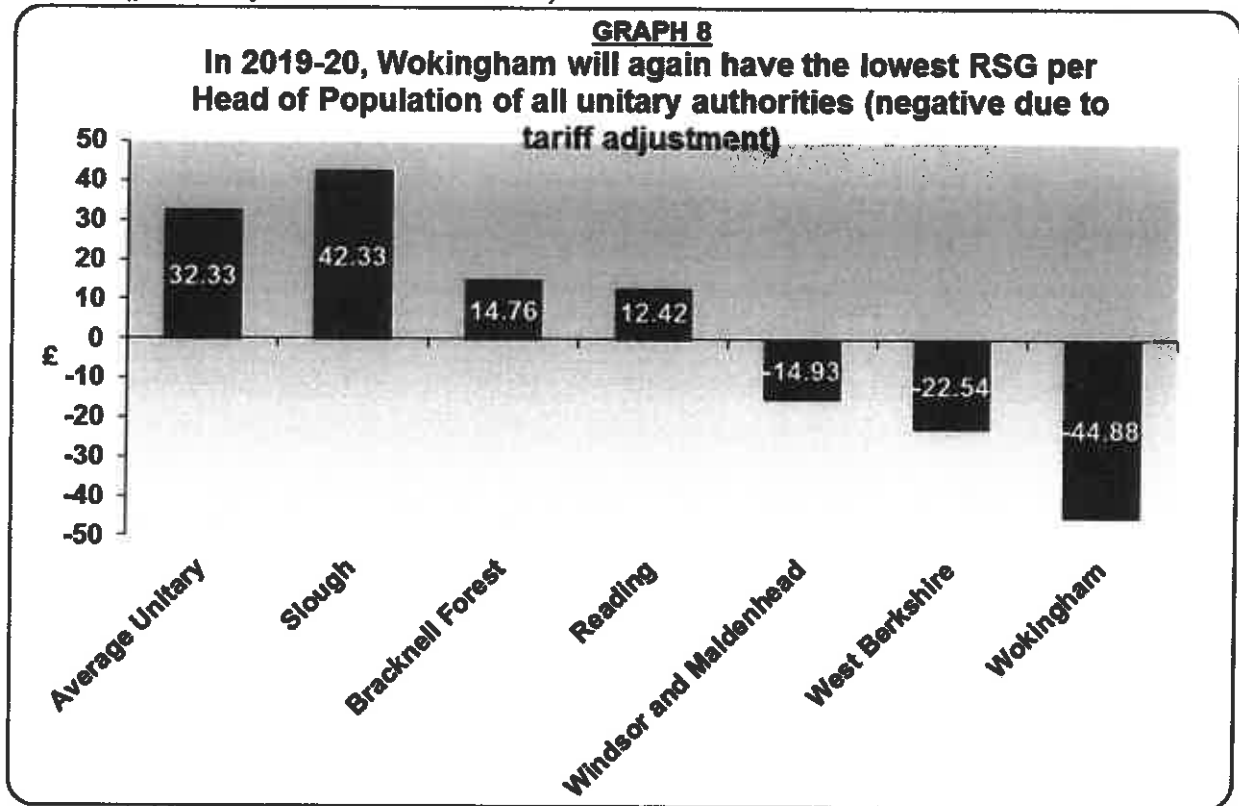


When looking at the four year horizon of the Settlement, the picture is bleak for Wokingham. For 2018/19 Wokingham's RSG is £0. A negative RSG is introduced in 2019/20 when all the RSG has been removed. This negative RSG is enacted through a 'special' increase to the business rates tariff, which increases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

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



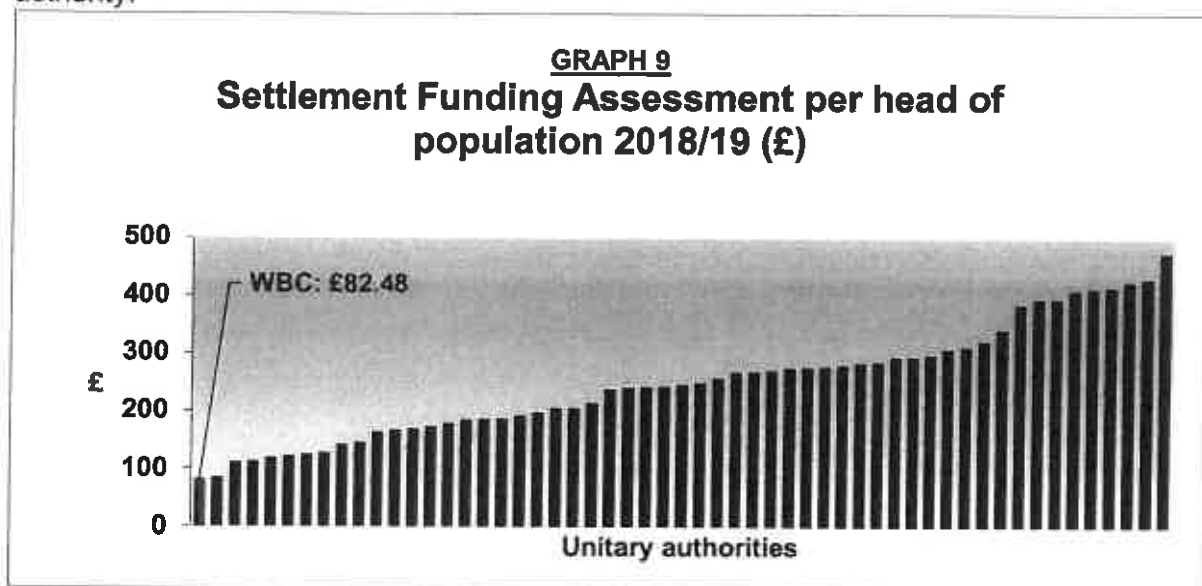
The graph below shows the specific impact by 2019/20 on a per head basis of the reductions in RSG (previously called Formula Grant).



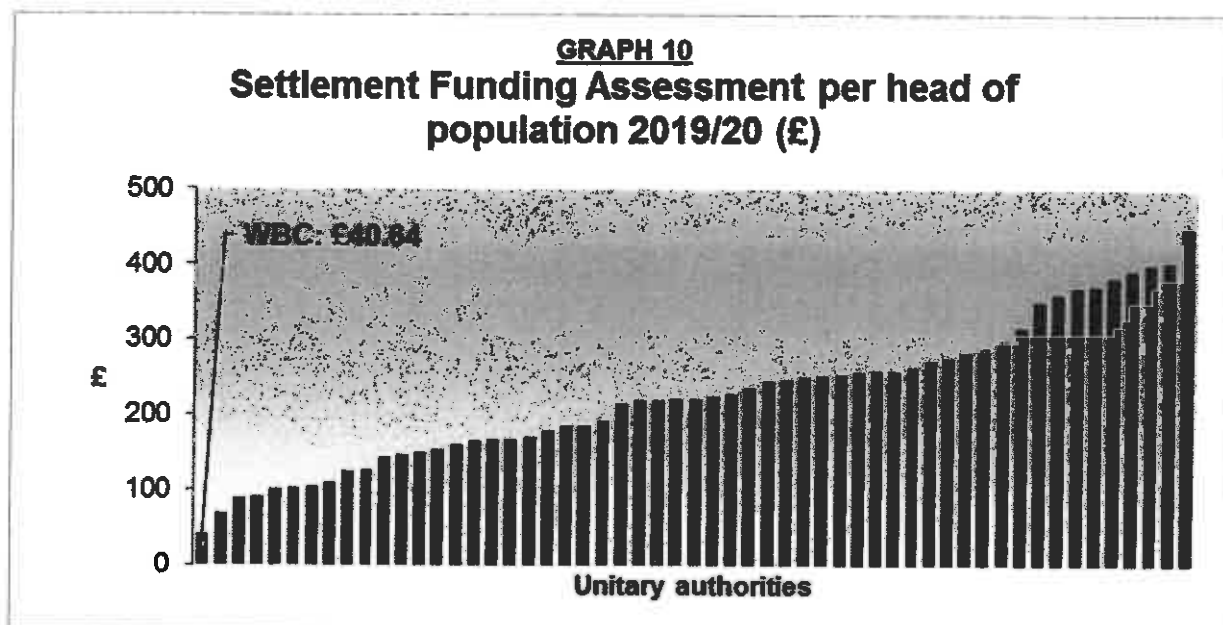
### Settlement Funding Assessment (SFA)

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

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

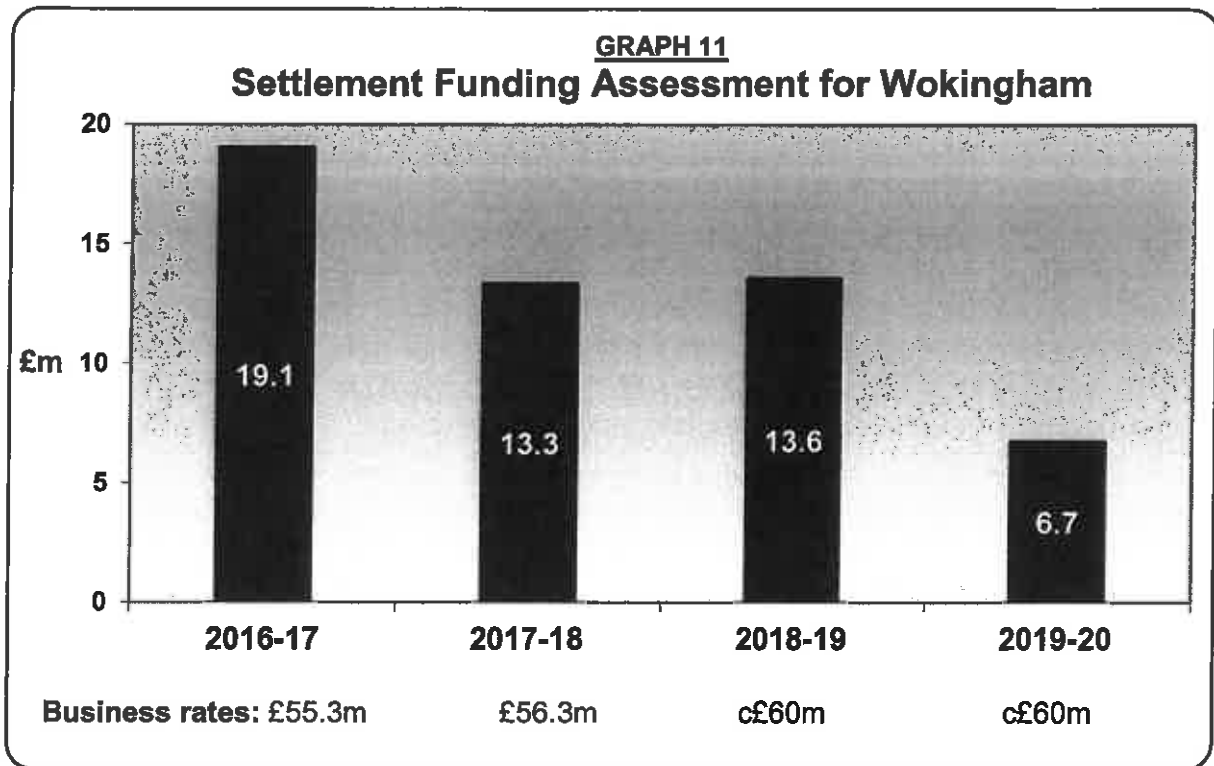


The graph below shows the position for 2019/20 and confirms that Wokingham remains the lowest funded, well below the unitary average, and less than 10% of the highest funded unitary authority. It also shows a dramatic reduction in funding compared to 2018/19.

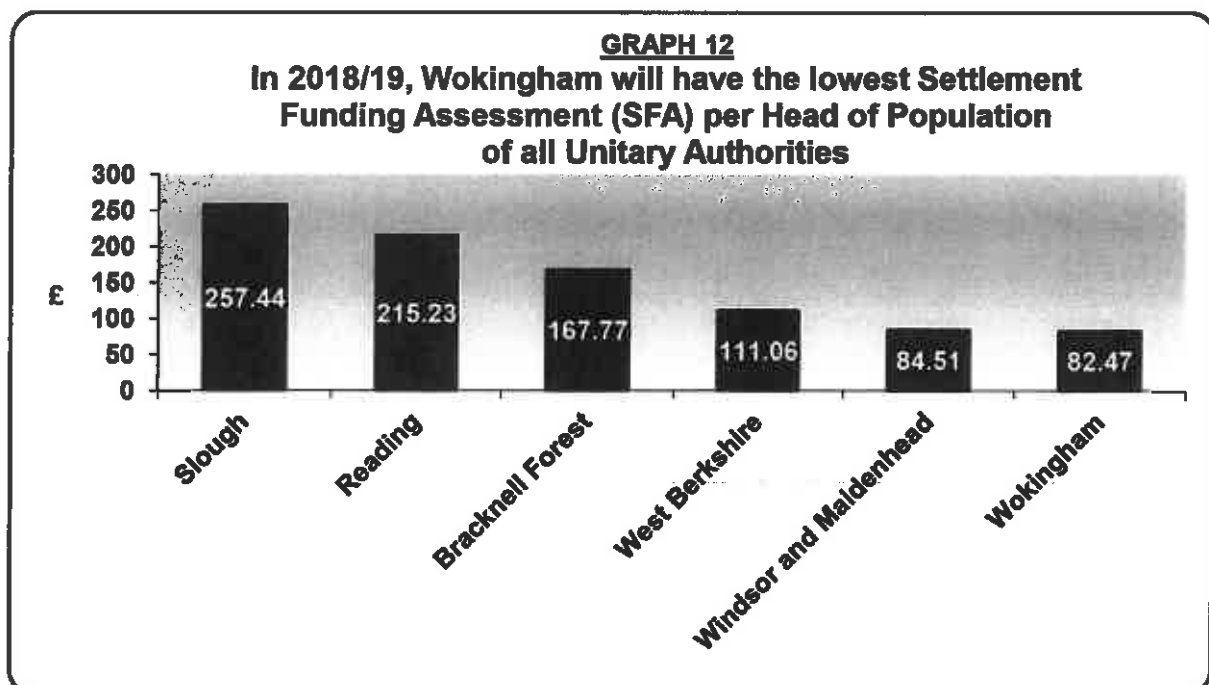


The graph below shows the settlement funding assessment for Wokingham over time. The slight increase in 2018/19 is a result of inflationary increases in business rates, and our

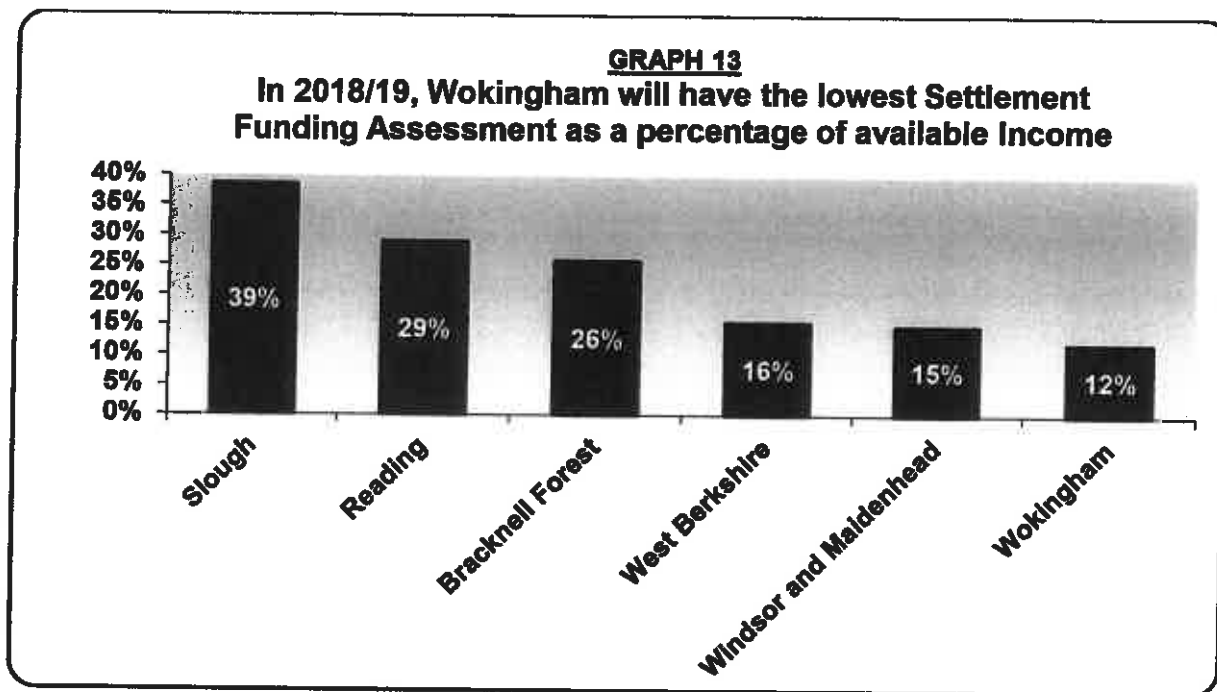
relatively low cash level reduction in revenue support grant, as negative RSG was not implemented for 2018/19. This decision has not continued for 2019/20, with the settlement including a tariff adjustment in 2019/20, implementing the negative RSG. The cumulative changes from £19.1m in 2016/17 to £7.0m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



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



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

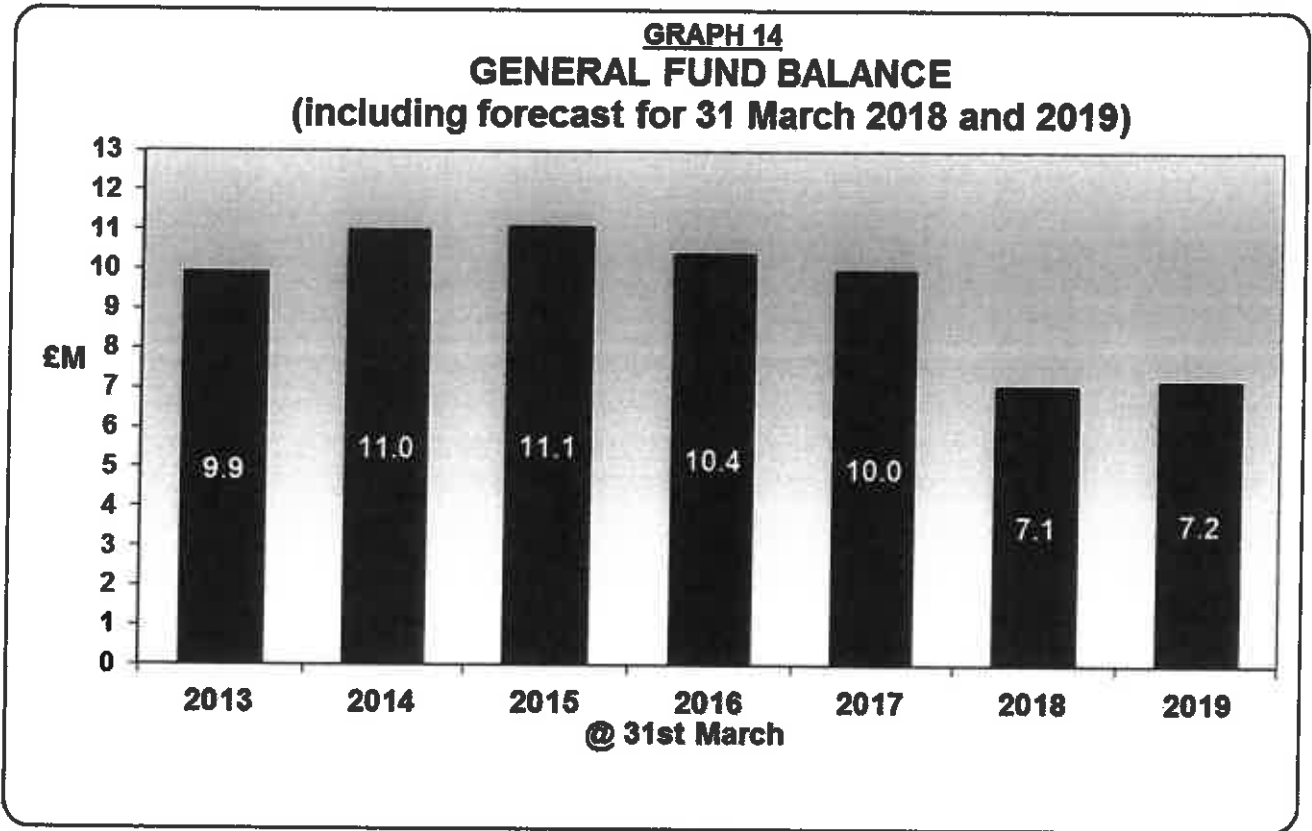


In 2018/19, Wokingham will receive the lowest percentage of SFA grant as a share of its total income, of any unitary authority. Wokingham will receive 12%, compared to some unitary councils for which government grants will fund over 70%, and an average of 32%. As a result, the percentage of expenditure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

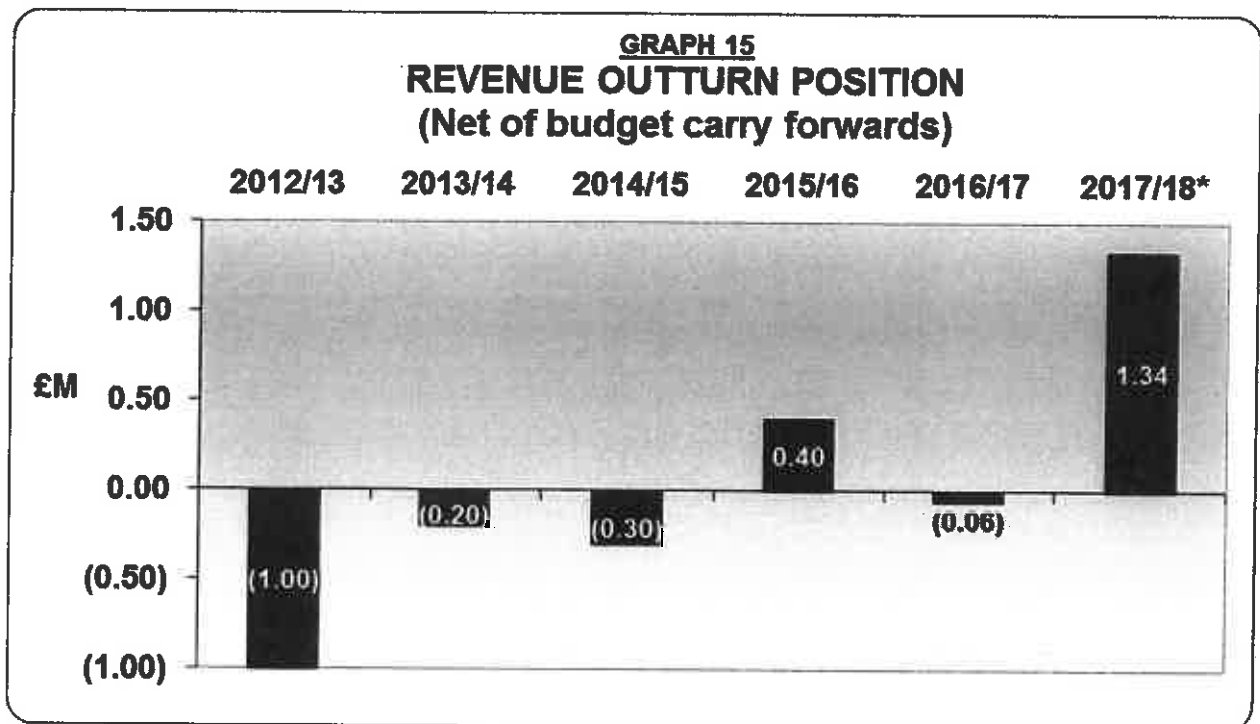
#### **4. General fund balances (GFB)**

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

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



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



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

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

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

## 5. Other balances

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

## 6. Council tax

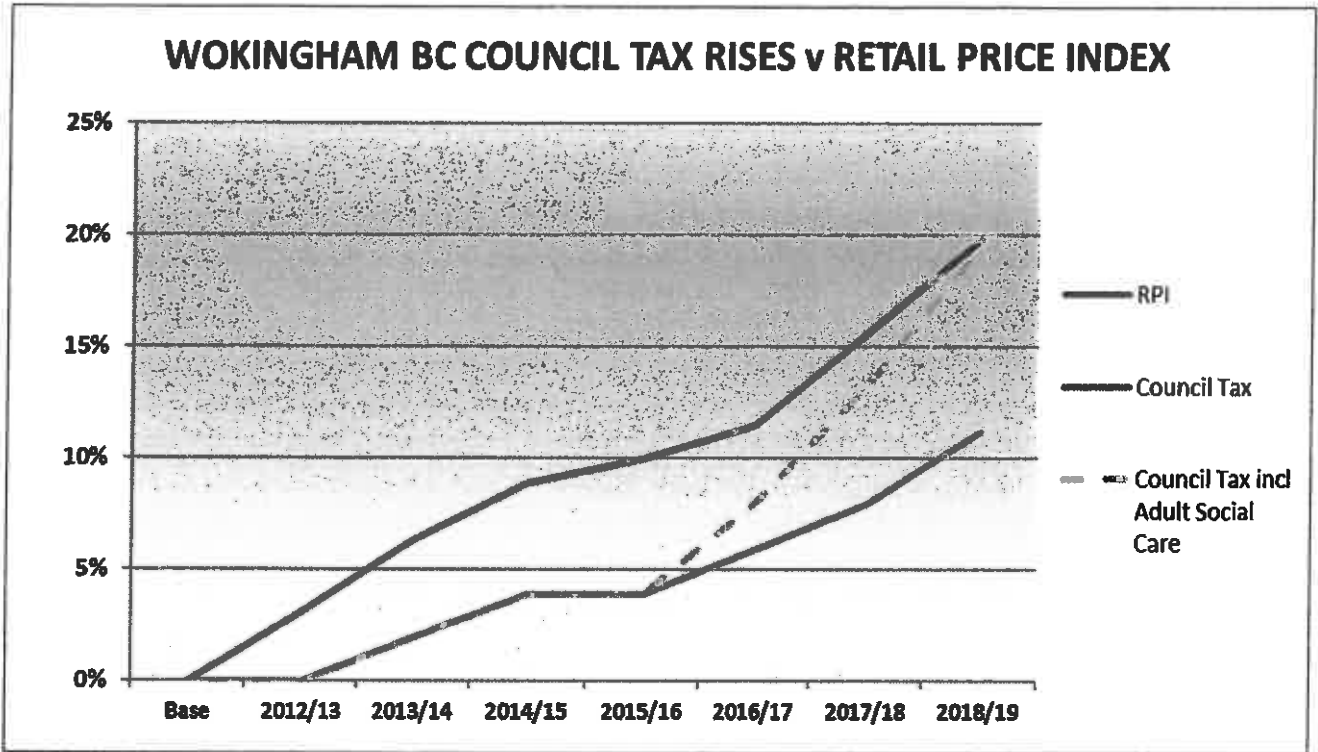
Funding is fixed by the Government and therefore increases in service funding affects the level of council tax that must be levied. This is a major area of tension in every budget setting year; the increase in council tax versus the quality and level of service delivery. This is a particularly difficult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

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

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

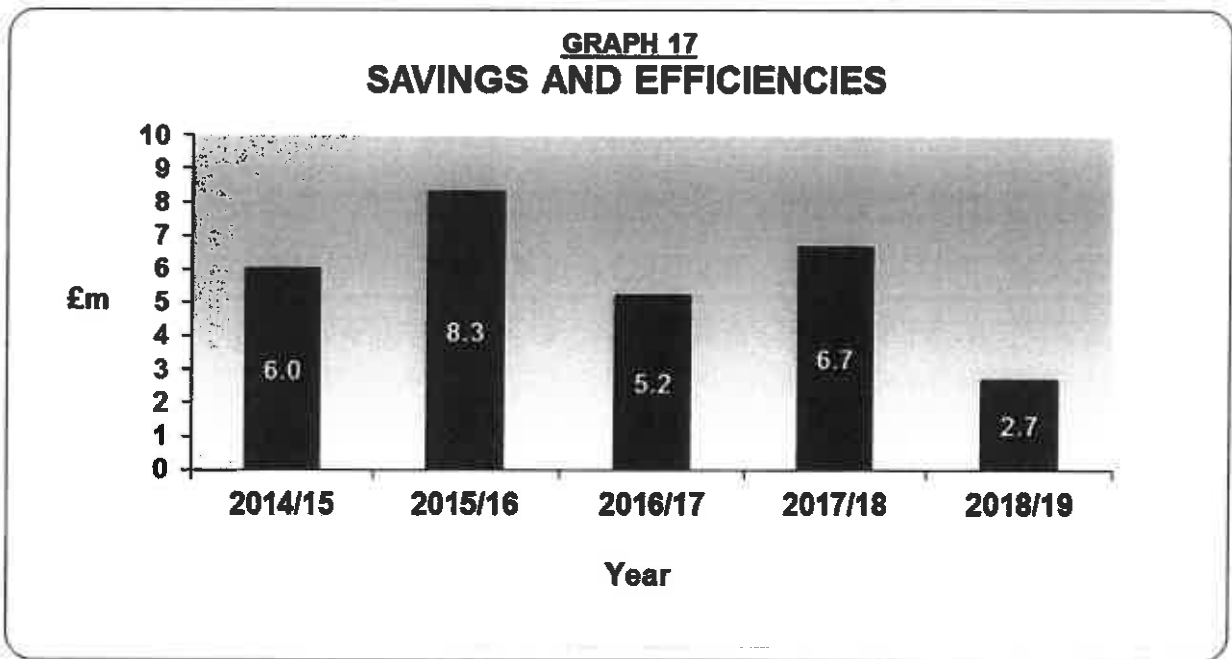
\* OBR November 2017 forecast of 2018 RPI

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



**Savings**

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

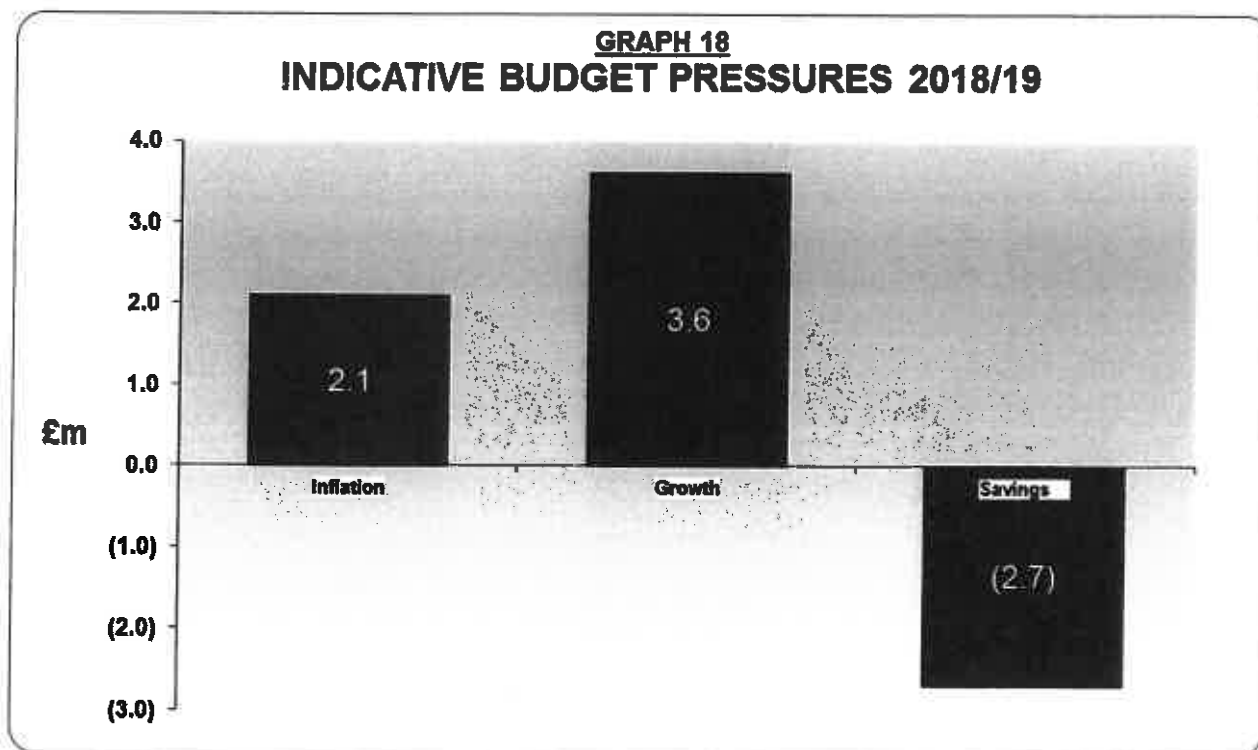


The savings shown above reflect the savings made for each financial year.



## 7. Budget pressures

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



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

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

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

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

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

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

### ***21<sup>st</sup> Century Council***

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

### ***Statutory costs of care***

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

### ***Demand led budgets***

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

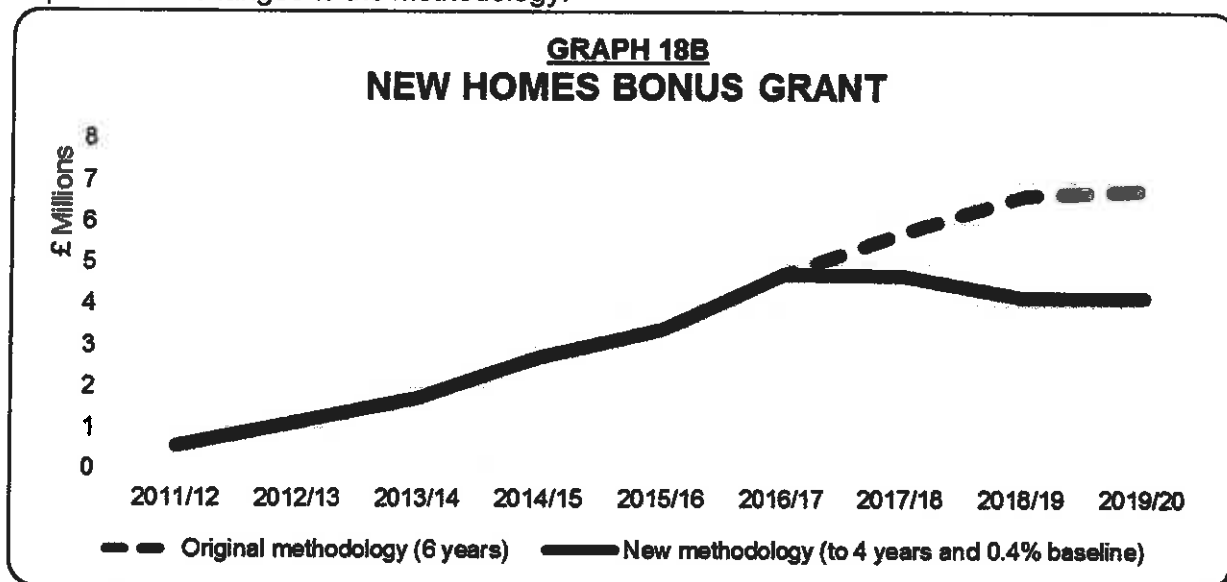
### ***Funding the Council's ambitions for regeneration***

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

### ***New Homes Bonus (NHB)***

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

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



### ***Impact of the economic environment***

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

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

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

## ***Sustainability***

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

### ***Localisation of business rates, business rates revaluation and council tax***

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

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

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

## **9. Capital**

### **Capital strategy**

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

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

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

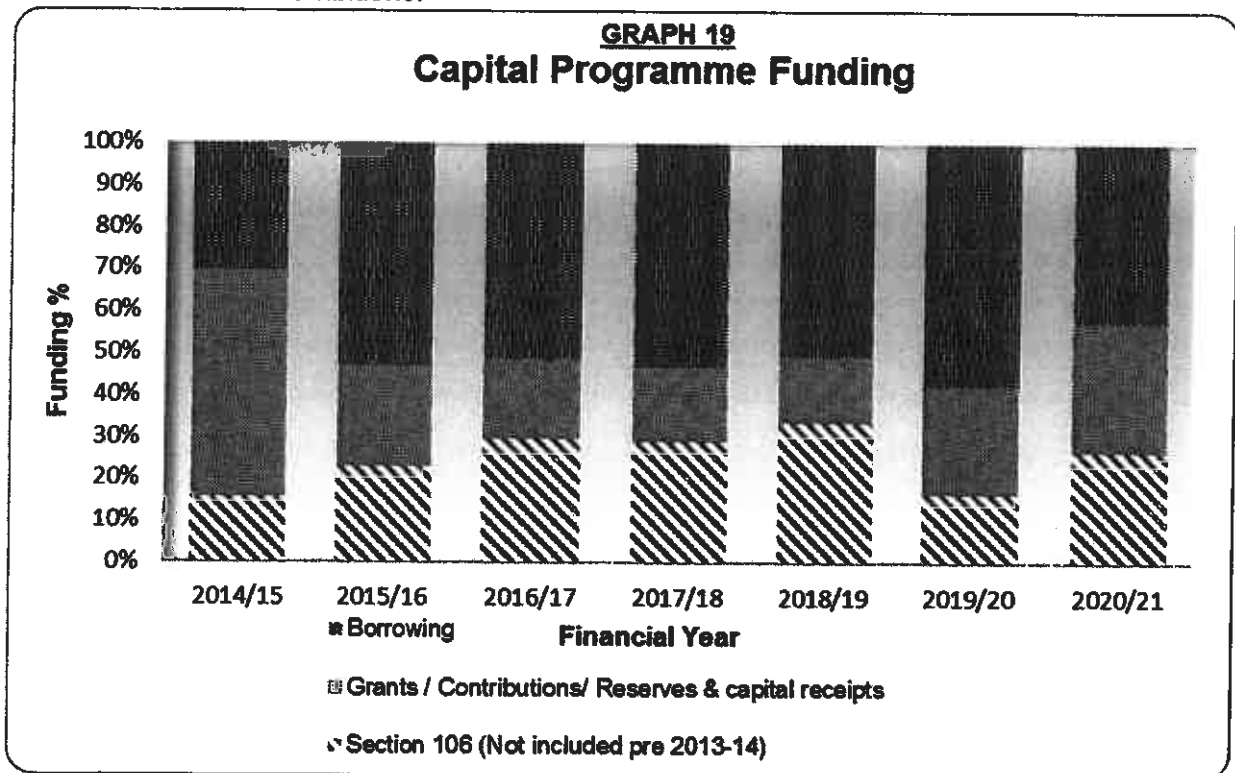
## Capital programme

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

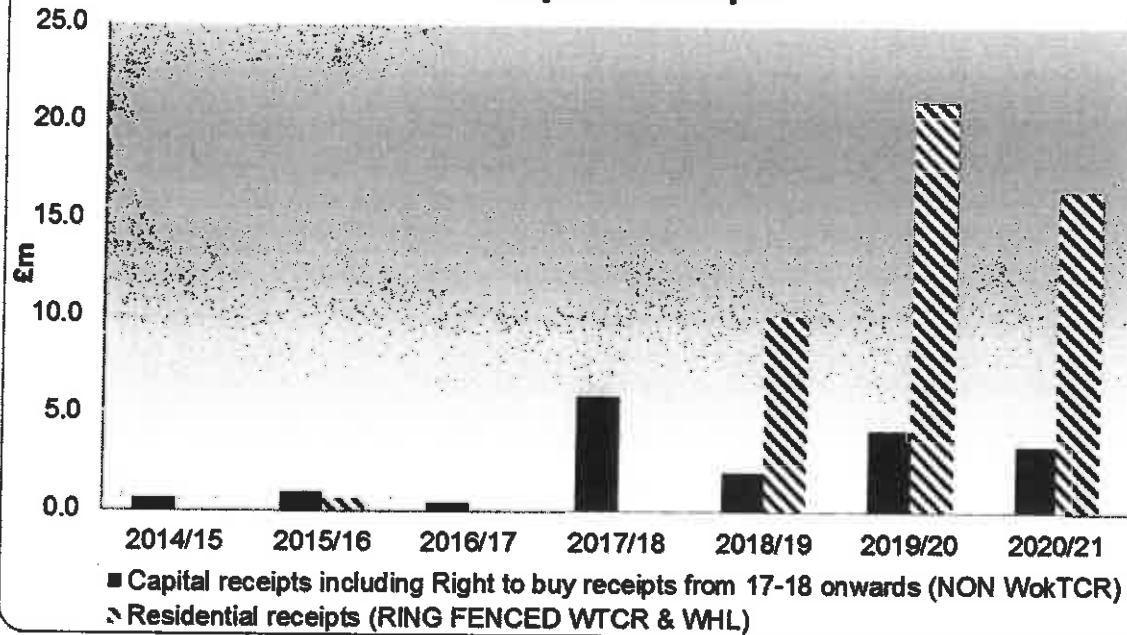
The capital programme over the next three years will include existing asset investment (predominantly school buildings and infrastructure assets) and schemes that seek to deliver the council's vision.

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

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



**GRAPH 20  
Capital Receipts**



**Note: Receipts for the current and future years are estimates**

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

### ***Capital resources and borrowing outlook***

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

### ***Town centre regeneration***

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

### ***Capital receipts and contributions***

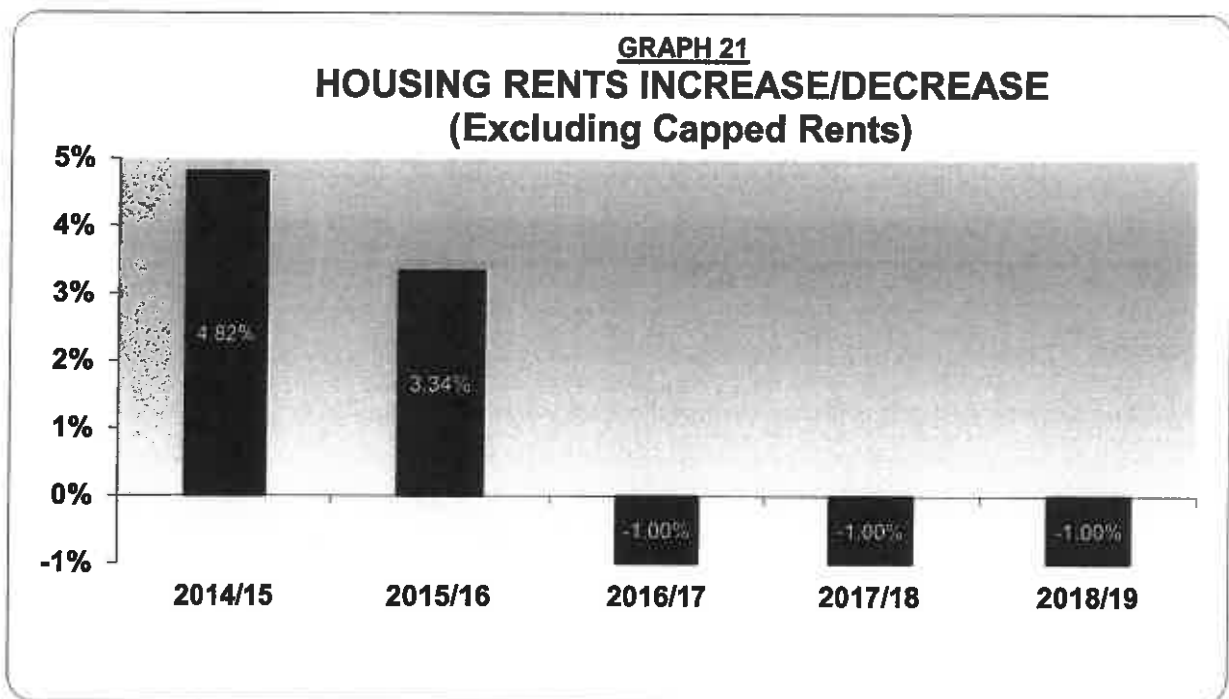
Significant costs relating to the development of SDLs are in respect of building major roads and schools. Developer contributions through S106 contributions or Community Infrastructure Levy are key to funding these and minimising the burden on general council capital resources. Given the size of the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

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

## 10. Housing Revenue Account (HRA)

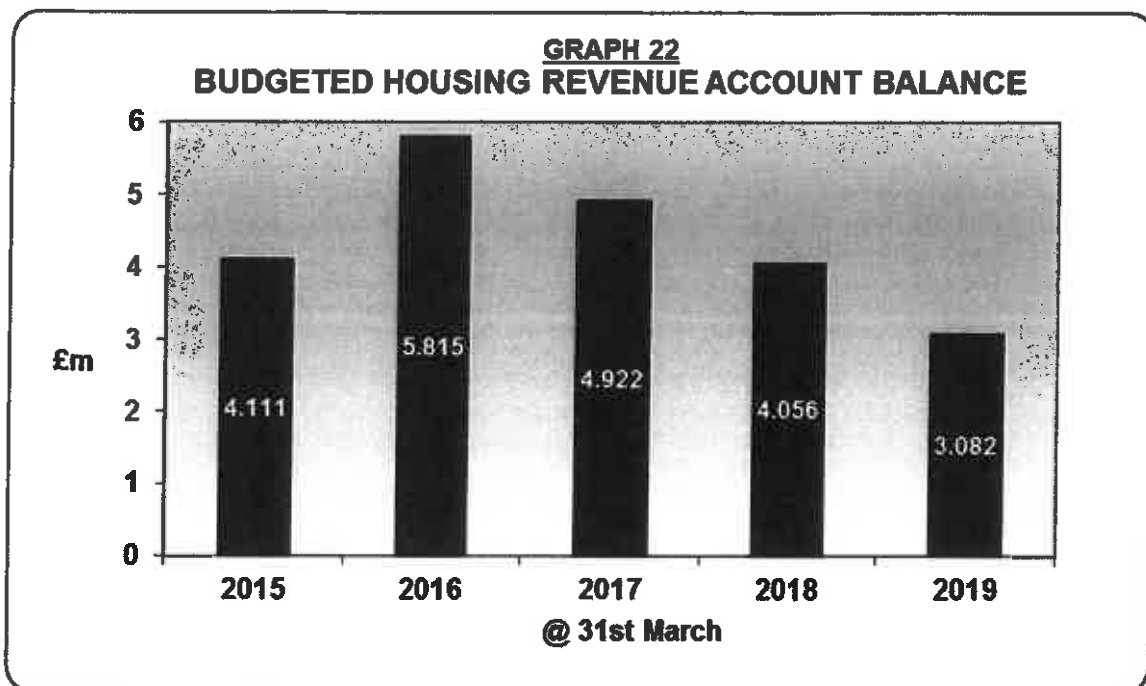
The HRA is a ring-fenced account and as such has no impact on the level of council tax. The money spent maintaining the council's housing stock (valued at approximately £195m) and providing a service to council tenants is mainly funded by housing rents paid by council tenants. Gross expenditure on the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

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



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

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



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

## 11. Schools

### The Dedicated Schools Grant (DSG)

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

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

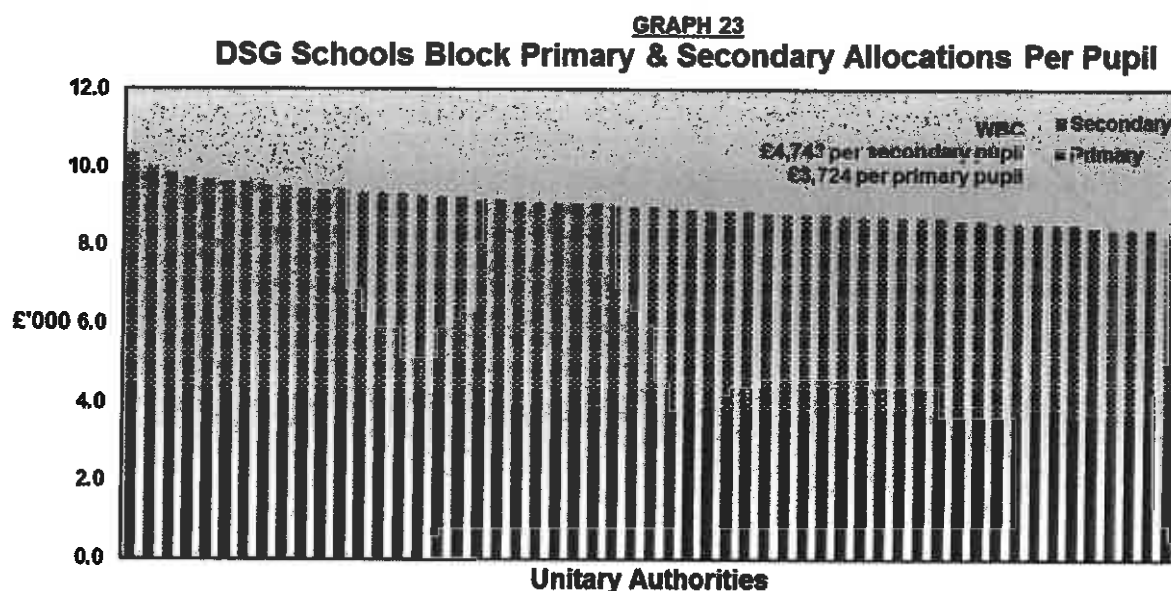
Following release of the School Grant figures by the Department for Education (DfE) in December, it has been confirmed that Wokingham has received an increase of 2.3% in its 2018-19 budget allocation, equating to an additional £2.2m to support schools and education in the borough. While the national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



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

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

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

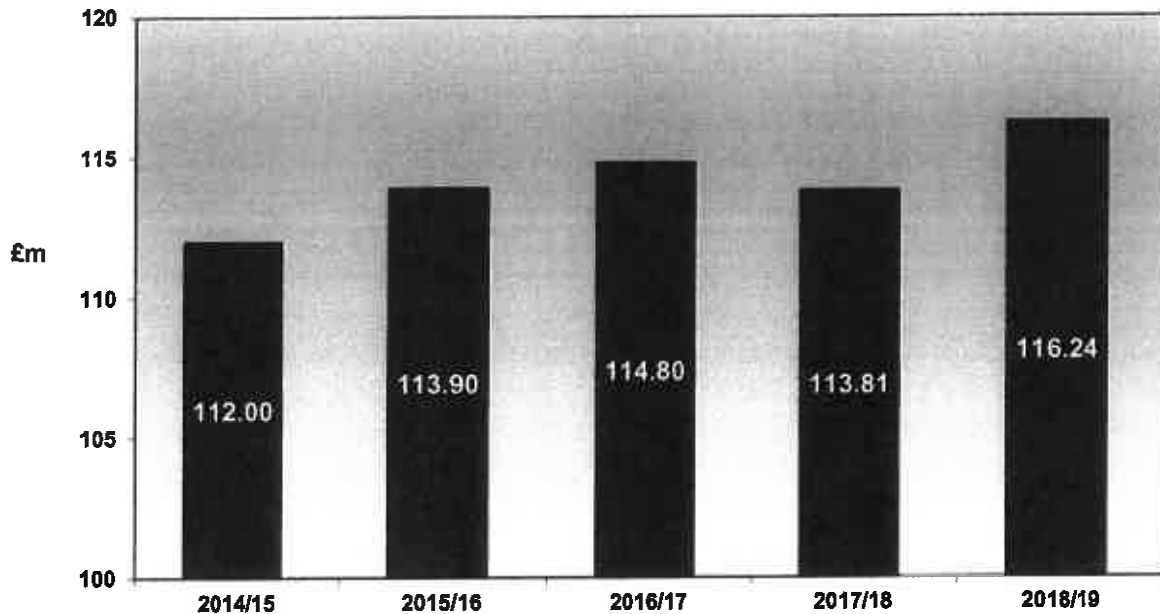


### DSG and the national funding formula

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

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

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



## **12. Local Authority Trading Companies**

### **Optalis Ltd**

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

### **Wokingham Housing Companies**

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

### **Graham Ebers**

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

### 13. Glossary

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

## Reserves and Balances

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

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

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

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

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

<b>Developer contributions, Community Infrastructure Levy (CIL) and Revenue to Capital Contributions</b>	<ul style="list-style-type: none"> <li>• Money received from developers as part of their development obligations and CIL fees from 2015/16 onwards.</li> <li>• A time lag exists between receipt and design/delivery of schemes.</li> </ul>	<ul style="list-style-type: none"> <li>• There is no policy on the level of balances due to the nature of the contributions</li> <li>• Where possible contributions should be used to fund schemes identified within the 3-year capital programme / 10-year capital vision</li> <li>• All contracts are unique to each developer and will vary depending on the nature of the particular project and may be subject to planning permissions etc.</li> <li>• Balances may increase due to restrictions on how contributions may be spent, and matching these to schemes within the capital programme</li> </ul>	2017 £23.8m 2018 £28.3m 2019 £33.7m 2020 £39.4m 2021 £28.5m	<ul style="list-style-type: none"> <li>• Interest on Contributions helps to reduce costs to the taxpayer: Interest on Balances @ 0.5% = £119k</li> </ul>	<ul style="list-style-type: none"> <li>• Monies can only be used for purposes specified in the agreement</li> <li>• Contributions might be time restricted therefore if not utilised may need to be repaid to the developer</li> </ul>
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### Ring Fenced Reserves:

<b>Housing Revenue Account (HRA)</b>  <b>(Statutory)</b>	Resources available to meet future running costs for council houses	<ul style="list-style-type: none"> <li>• Local Government and Housing Act 1989 section 76 (3) forbids a year end deficit on the HRA</li> <li>• Balance is determined by level of risk associated with the budget</li> <li>• Min 5% of gross expenditure</li> <li>• Current recommended minimum level of reserves is £0.9m</li> </ul>	2017 £4.9m 2018 £4.2m 2019 £3.0m 2020 £1.8m 2021 £1.9m	<ul style="list-style-type: none"> <li>• Provides general contingency for unavoidable or unforeseen expenditure or fall in income</li> <li>• Stability for longer term planning and for meeting the decent homes standard</li> <li>• Interest on Balances helps to reduce costs: Interest on Balances @ 0.5% = £24k</li> </ul>	<ul style="list-style-type: none"> <li>• Could be used to fund HRA Capital expenditure to help meet decent homes standard which would result in loss of interest £5k per £1m</li> <li>• Could be used to fund HRA debt repayment</li> </ul>
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Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
<b>Major Repairs Reserve</b> <b>(Statutory)</b>	This records the unspent balance of HRA Capital projects	<ul style="list-style-type: none"> <li>Use of Capital to meet Decent Homes Standard</li> <li>Redevelopment and regeneration of the council's housing stock</li> </ul>	2017 £3.6m 2018 £0.9m 2019 £0.0m 2020 £0.0m 2021 £0.0m	<ul style="list-style-type: none"> <li>Provides capital to invest in stock to meet the government's Decent Homes Standard policy</li> <li>Provides general contingency for unavoidable or unseen expenditure</li> </ul>	<ul style="list-style-type: none"> <li>Will be used to fund HRA capital expenditure to help meet decent homes standard</li> </ul>
<b>Specific School Reserves (ISB)</b> <b>(Earmarked Reserves)</b>	To resource expenditure directly delegated to schools	<ul style="list-style-type: none"> <li>The estimates are based on the existing number of schools and do assume any further transfers to academies, which would impact upon these estimates.</li> </ul>	2017 £2.8m 2018 £1.7m 2019 £1.5m 2020 £1.3m 2021 £1.1m	<ul style="list-style-type: none"> <li>Provides general contingency for unavoidable or unseen expenditure</li> <li>Offset any deficit balance in DSG reserve</li> <li>Interest on Balances helps to reduce costs: Interest on Balances @ 0.5% = £14k</li> </ul>	<ul style="list-style-type: none"> <li>School reserves are ring fenced to schools</li> </ul>
<b>Central Costs (Dedicated Schools Grant)</b> <b>(Earmarked Reserves)</b>	To resource expenditure not directly delegated to schools	<ul style="list-style-type: none"> <li>Risk assessments of budgets suggests £0.3m minimum</li> <li>To enable stability in longer term financial planning</li> <li>To improve education standards</li> </ul>	2017 £1.4m 2018 £0.9m 2019 £0.8m 2020 £0.8m 2021 £0.8m	<ul style="list-style-type: none"> <li>Provides general contingency for unavoidable or unseen expenditure</li> </ul>	<ul style="list-style-type: none"> <li>DSG is ring fenced</li> </ul>



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

These reserves are held for specific accounting reasons

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

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

Reserves include:

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

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

## GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2018/19

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

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

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

## GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2018/19

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

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

## GRAND SUMMARY - FORECAST BUDGETS 2019/21

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

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

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

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

## GRAND SUMMARY - GENERAL FUND "PROFIT AND LOSS"

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

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

# **SERVICE OUTPUTS – KEY FACTS AND FIGURES**

## **Chief Executive**

### **Strategic Property & Commercial Assets**

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

## People Services

### Children

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

## **Education**

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



## Adults

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

## **Integrated Mental Health**

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

## **Locality & Customer Services**

### **Customer & Localities**

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

### **Delivery & Infrastructure**

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

## Place

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

## Corporate services

### Business Services

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

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

## **Governance**

### **➤ Audit & Investigation**

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

### **➤ Democratic & Electoral Services:**

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

## **Strategy & Commissioning**

### **➤ Strategy & Commissioning**

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

### **➤ Procurement**

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

### **➤ Housing**

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

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



## SERVICE BUDGETS

### CHIEF EXECUTIVE BUDGET 2018/21

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

#### Explanation of Movement from 2017/18 to 2018/19

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

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

**Note 3.** Internal recharges subject to further review after implementation of 21<sup>st</sup> Century phase 2.

## CORPORATE SERVICES BUDGET 2018/21

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

### Explanation of Movement from 2017/18 to 2018/19

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

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

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

**Note 4.** Budget transfer from another department £800k

**Note 5.** Budget transfer from another department £730k

## CUSTOMER AND LOCALITIES BUDGET 2018/21

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

### Explanation of Movement from 2017/18 to 2018/19

**Note 1.** £82k budget transfers to another department

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

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

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

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

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

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

## PEOPLE SERVICES BUDGET 2018/21

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

### Explanation of Movement from 2017/18 to 2018/19

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

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

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

Budget transfer to another department (£438k) 21<sup>st</sup> Century Programme

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

Special Items – £30k increased homelessness within the borough

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

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

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

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

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

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

Special Items £100k MASH Programme increase in service provision

**Note 7.** Budget transfer to another department (£698k) 21<sup>st</sup> Century Programme

Special Items £50k Project Manager Improvement and change programme

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

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

## Summary of Budget Movements 2018/2019

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

## Summary of Budget Movements 2018/2019

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

## Summary of Budget Movements 2018/2019

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



**THREE YEAR BUDGET FORECAST**

	2018/19 £'000	2019/20 £'000	2020/21 £'000
<b>Growth</b>			
<b>Corporate Service</b>			
ICT step change in contractual costs	100	100	100
Inability to pass on credit card transaction fees to customers following new regulations	90	90	90
<b>Customer Localities</b>			
Berkshire record office - libraries	25	25	25
Bus service - meeting community needs	31	53	53
Highway drainage increased maintenance costs due to additional network length	15	30	45
Highway structures -major refurbishments/strengthening	10	20	30
Highways maintenance - carriageways and footways	39	78	117
Revenue implications of integrated transport capital scheme	21	42	63
Statutory building control service base budget deficiency	75	75	75
Street lighting energy and maintenance Growth	67	67	67
Waste and recycling - increase in property numbers and contract renewal	45	572	1,072
Winter service - increased maintenance costs due to additional network length	10	20	30
<b>People Services</b>			
Care packages - increases in volumes and rates	1,032	1,891	2,628
Deprivation of Liberty Safeguarding Pressures	393	393	393
Increase in independent fostering agencies	0	60	126
Increase in in-house fostering	249	591	1,050
Increase in looked after children	175	350	350
Increase in unaccompanied asylum seeking children	0	77	164
Increased homelessness within the borough	125	125	125
Review of staying put allowances	153	209	209
Transitional children - children entering adult social care - increase in demand	536	1,156	1,156
Use of extra care facilities to aid rehabilitation (Birches & Fosters)	370	370	370
<b>Total Growth</b>	<b>3,561</b>	<b>6,391</b>	<b>8,328</b>
<b>Savings</b>			
<b>Chief Executive</b>			
21st century council - staff saving	(750)	(2,000)	(2,000)
New income generation commercial assets	(50)	(150)	(350)
One public estate	(50)	(50)	(50)
<b>Corporate Service</b>			
Business rates - increased base	(350)	(350)	(350)
Concessionary fares - changes to scheme	(30)	(30)	(30)
Wokingham housing group dividend	(100)	(200)	(400)
<b>Customer Localities</b>			
Countryside service increased income	0	(50)	(50)
Grants to Town/Parishes phased out over 5 years	(20)	(40)	(60)
Highways and transport – service efficiencies	(50)	(100)	(150)
Implementing self-service within libraries	0	(13)	(13)
Public protection shared service	(55)	(55)	(55)
Street lighting energy and maintenance saving	(96)	(96)	(96)
Waste and recycling contract	0	(500)	(1,000)
<b>People Services</b>			
Further review and application for Continued Health Claims	(225)	(425)	(425)
Health and social care integration	(149)	(261)	(261)
Recommissioning of the leisure contract	(200)	(200)	(200)
Reduction in independent fostering agencies	(74)	(74)	(74)
Reduction in residential care placements	(143)	(666)	(866)
Review value for money on high cost packages	(200)	(300)	(300)
Slower intake of unaccompanied asylum seeking children	(25)	(25)	(25)
<b>Total Savings</b>	<b>(2,567)</b>	<b>(5,535)</b>	<b>(6,755)</b>

### THREE YEAR BUDGET FORECAST

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

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

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

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

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

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

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

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

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

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

# GENERAL FUND RESERVES – POLICY STATEMENT

## 1 Definition / Purpose

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

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

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

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

## 2 Policy (Criteria for Calculating Fund Requirement)

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

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

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

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

## 3 Budget Risk Analysis

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

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

**2017/18 Budget**  
**£'000**

**2018/19 Budget**  
**£'000**

**Income**

**General Fund**

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

**67,051**

**62,820**

**Dedicated Schools Grant**

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

**99,809**

**89,424**

**Housing Revenue Account**

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

**16,530**

**16,112**

**183,390** Total Income

**168,355**

**Expenditure**

**General Fund**

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

**196,522**

**189,222**

**Dedicated Schools Grant**

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

**99,809**

**89,424**

**Housing Revenue Account**

16,530	Housing Revenue Account	16,112
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**16,530**

**16,112**

**312,861** Sub Total Expenditure

**294,758**

17,436 Less: depreciation 12,962

4,821 Less: special items 2,738

**22,257**

**15,700**

**290,605** Total Expenditure

**279,058**

**107,214** Net Expenditure

**110,702**

**Notes**

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

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

## HOUSING REVENUE ACCOUNT BUDGET 2018/19

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

**Note 1** The contribution from HRA to Major Repairs Reserve

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



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

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

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

# HOUSING REVENUE ACCOUNT RESERVES - POLICY STATEMENT

## 1 Definition / Purpose

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

The balance serves two additional purposes:-

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

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

This excludes any capital balances.

## 2 Policy (Criteria for Calculating Fund Requirement)

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

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

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

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

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

## 3 Budget Risk Analysis

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

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

## SCHOOLS BLOCK BUDGET - presented to Schools Forum 17 January 2018

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

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

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

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

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

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

# CAPITAL PROGRAMME 2018/21 and Prudential Indicators

## 1 Process

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

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

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

## 2 Capital Programme

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

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

## 3 Capital Funding

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

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

## 4 Capital Vision

### Capital Strategy

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

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

## 5 Prudential Indicators

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

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

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

The Treasury Management Prudential Indicators are set as:

Interest Rate Exposures	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000
Limits on fixed interest rates:				
· Debt only	180,000	228,,200	292.600	324,600
· Investments only	(80,000)	(80,000)	(80,000)	(80,000)
<b>Total</b>	<b>100,000</b>	<b>148,200</b>	<b>212,600</b>	<b>244.600</b>
Limits on variable interest rates				
· Debt only	40,000	40,000	40,000	40,000
· Investments only	(40,000)	(40,000)	(40,000)	(40,000)
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Maturity Structure of Fixed Interest Rate Borrowing

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

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

**CAPITAL SERVICE BUDGETS**

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

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

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



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

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

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

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

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

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

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

**ESTIMATED CAPITAL RESOURCES STATEMENT**

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

**ESTIMATED CAPITAL RESOURCES STATEMENT**

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

**Notes**

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

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

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

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

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

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

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

# **CAPITAL RESERVES – POLICY STATEMENT**

## **1 Definition / Purpose**

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

Any surplus resources will be held in the following:

- Capital receipts reserve
- Capital grants and contributions unapplied reserve

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

## **2 Criteria for Calculating Fund Requirement**

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

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

Funding streams available to the council consists of:

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

10-YEAR CAPITAL VISION

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

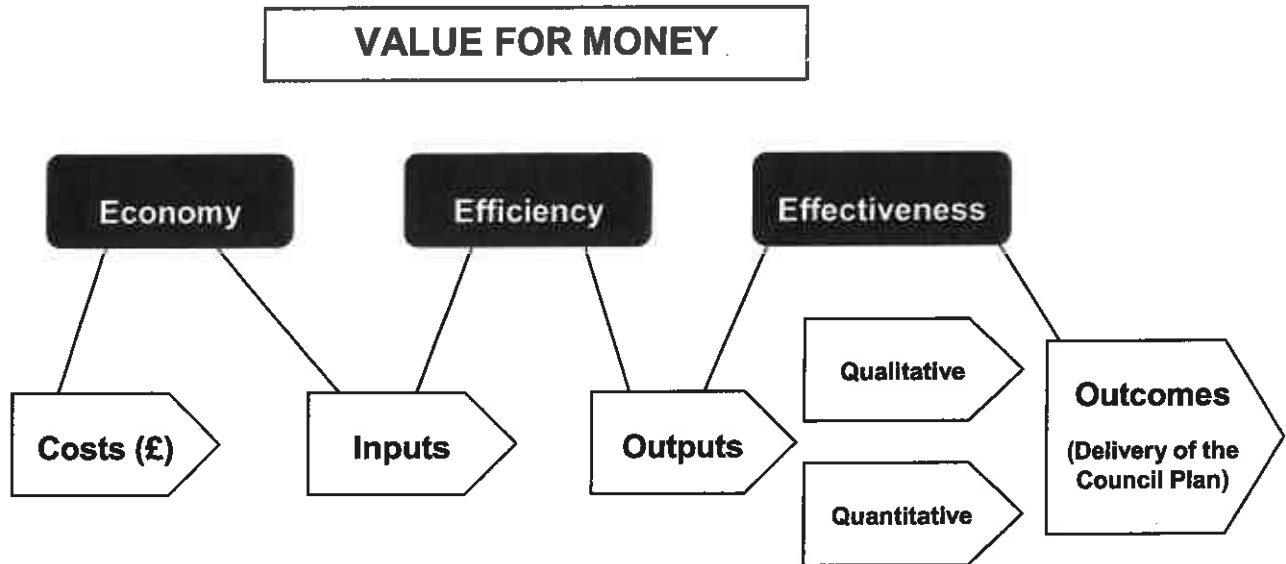
Note: The 10 year vision can found on asppendix D of the 2018/21 Capital Programme and strategy to be approved by Executive on the 22 Febuary 2018. This report can be found on Wokingham Borough Council's Website at the following link:

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



## VALUE FOR MONEY

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



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

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

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

## KEY ACTIVITY DATA

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

Note - Building Control units based on 3 way Shared Service

# COUNCIL TAX BACKGROUND INFORMATION

## 1 Council Tax – Valuation Bands

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

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

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

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

## 2 Council Tax – Exempt Dwellings

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

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

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

### **3 Council Tax - Discounts**

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

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

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

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

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

### **4 Council Tax – People with Disabilities**

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

### **5 Council Tax - Reduction**

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

### **6 Council Tax – Premium**

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

### **7 Council Tax Base**

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

From this figure an adjustment is made:

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

The resulting figure is the Band D equivalent Tax base.

## 8 Council Tax Rate

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

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

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

## 9 Precepts and Collection Fund Surplus / Deficit

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

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

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

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

## PARISH PRECEPTS 2018/19

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

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

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

## COUNCIL TAX BY BAND AND PARISH 2018/19

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

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

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

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

## **BUDGET MANAGEMENT PROTOCOL**

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

### **Roles & Responsibilities:**

#### **Budget Manager**

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

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

#### **Directors**

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

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



### **Corporate Leadership Team**

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

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

### **Members**

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

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

### **S151 Officer (Chief Finance Officer)**

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

## **BUDGET MANAGEMENT - ESSENTIAL PRACTICE FOR BUDGET MANAGERS**

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

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

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

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

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

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

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

# Glossary of Terms

## **Adult Social Care (ASC) Precept**

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

## **Apprenticeship Levy**

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

## **Autumn Statement**

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

## **Business Rates Retention Scheme (BRRS)**

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

## **Care Act 2014**

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

## **Community Infrastructure Levy (CIL)**

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

## **Core Spending Power**

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

## **Council Tax Freeze Grant**

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

**Dedicated Schools Grant (DSG)**

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

**Education Services Grant (ESG)**

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

**Formula Grant**

The previous name for Revenue Support Grant (RSG).

**Local Government Funding Settlement**

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

**Medium Term Financial Plan (MTFP)**

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

**Ministry of Housing, Communities & Local Government (MHCLG)**

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

**National Funding Formula**

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

**New Homes Bonus**

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

**Northern Powerhouse**

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

**Precept**

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

### **Prudential Code**

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

### **Revenue Support Grant (RSG)**

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

### **'Rolled-in' Grant**

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

### **Section 106 Contributions**

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

### **Settlement Funding Assessment (SFA)**

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

### **Strategic Development Locations (SDLs)**

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

### **Summary of Budget Movements**

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

### **Unitary Authority**

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