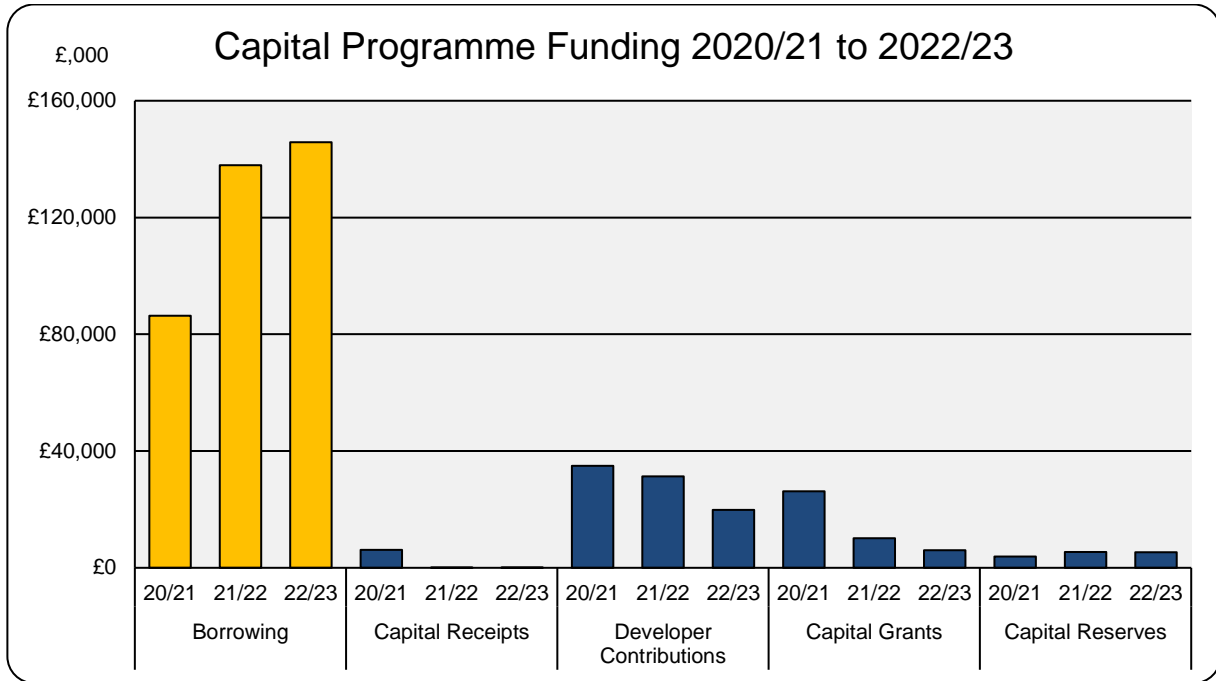


PAGE CHANGES FOR MEDIUM TERM
FINANCIAL PLAN

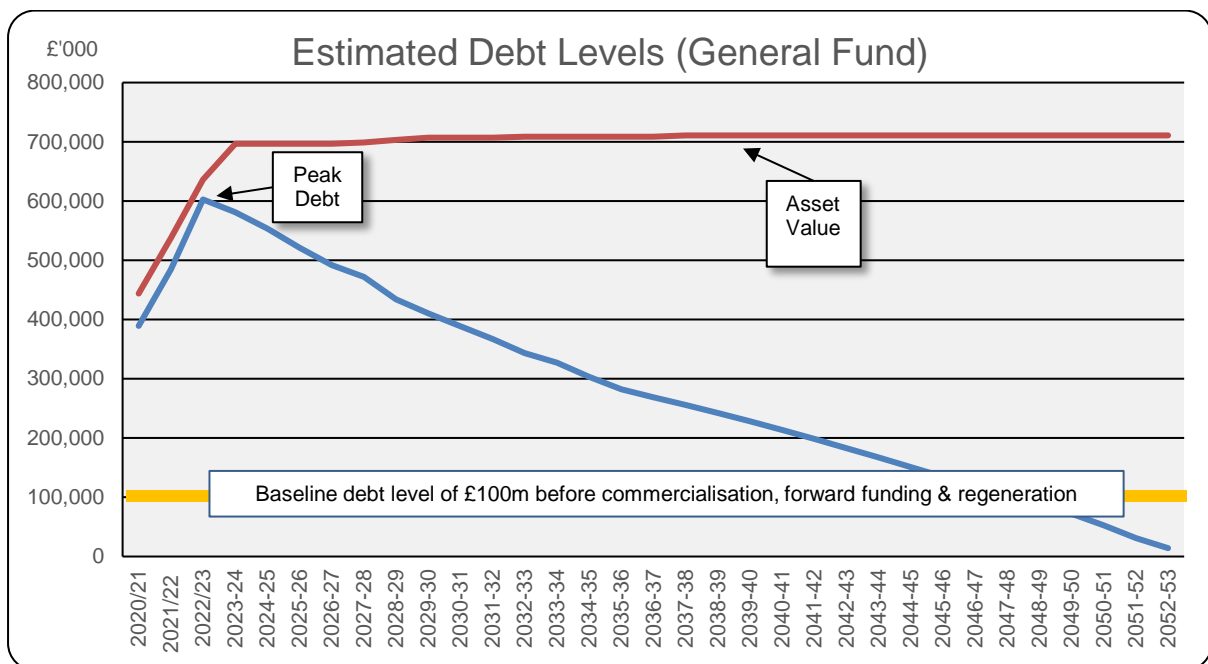
PAGE 21 OF MTFP – ADDITIONAL LINE (ASSET VALUE) ADDED TO LINE GRAPH

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 borrowing and developer contributions as the Council embarks on its ambition to develop its four strategic development locations, regenerate the borough and reduce our impact on the climate.

The graph below shows how the capital programme will be funded over the next 3 years.



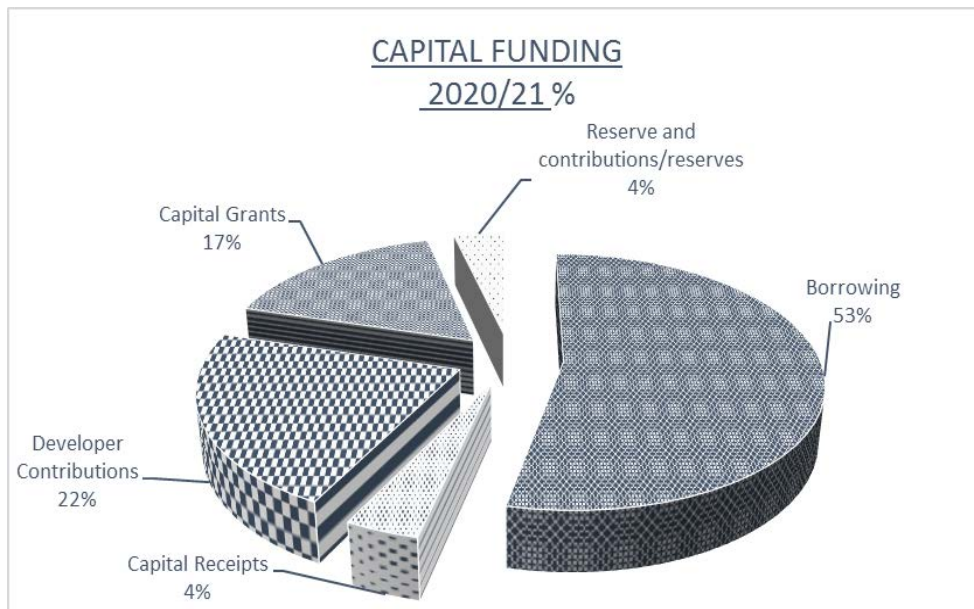
The following graph shows the estimated general fund debt levels (excludes Housing Revenue Account) for the Council over the next 33 years. The initial increase in debt is driven by the Council's capital programme. Debt is then repaid over the next 30 years to bring debt levels back to a funded baseline level of approx. £100m (pre 2011/12 debt levels).



3 Capital Funding

The anticipated funding for the Capital Programme over the next three years is detailed in the capital resource statement.

The proposed capital budget for 2020/21 is £157.3m. It is proposed that this be funded by a combination of the funding sources shown below:



	2020/21 £m	2021/22 £m	2022/23 £m
Borrowing	84.3	135.9	143.3
Developer Contributions	34.7	30.7	19.8
Capital Grants	26.2	8.1	6.0
Capital Receipts	6.2	0.2	0.1
Contribution from reserves	6.0	7.5	7.9
Total available resources	157.3	182.3	177.1

Notes

The borrowing requirement is increasing over the next 3 years to fund the capital programme
 This peak debt from the MTFP period will be reduced to pre 2011-12 levels within 28 years

4 Capital Strategy

A 10 year capital strategy has been developed with the aims of delivering the strategic ambitions of the council, improving the services provided for residents and supporting the most vulnerable people in our community. 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 use of external funding where possible.

PAGES 83 TO 85 OF MTFP – FIGURES IN TABLES BELOW UPDATED

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 are to provide a framework for decision making. It highlights through the prudential indicators the level of capital expenditure, the impact on borrowing / investment levels and the overall controls in place to ensure the activity remains affordable, prudent and sustainable.

The Prudential Indicators and limits for 2020/21 to 2022/23 are set as:

General Fund & HRA	2019/20 Estimated Outturn £m	2020/21 Budget £m	2021/22 Budget £m	2022/23 Budget £m
Authorised limit	421.6	533.0	646.5	763.7
Operational boundary for external debt	421.6	494.4	599.1	713.1
External borrowing*	276.1	325.7	399.7	476.2
Internal borrowing*	150.9	142.6	171.8	200.6
% of internal borrowing to CFR**	34%	29%	29%	29%
Ratio of financing costs to net revenue stream – General Fund	2.5%	2.4%	2.3%	2.3%
Ratio of financing costs to net revenue stream – HRA	18.23%	19.11%	19.12%	18.47%

Note * the sum of external and internal borrowing cannot exceed the authorised limit it can however exceed for a short time the operational boundary

** Recommended level from the council's treasury advisors (Link asset services)

The ratios above are explained in the treasury management strategy 2020/21 and are used in the creation of the Council's short term and long term cash flows. These ratios are monitored and reviewed throughout the year to inform and amend the Council's management of its debt and investments

Wokingham Borough Council Capital Financing Requirement (CFR)

The Capital Financing Requirement reflects the Council's underlying need to borrow for a capital purpose. It shows the total estimated capital expenditure that has not been resourced from capital or revenue sources. This requirement will eventually be met by revenue resources through the Minimum Revenue Provision mechanism. The Council's CFR from 2019/20 to 2022/23 is demonstrated in the table below.

General Fund & HRA	2019/20 Estimated Outturn £'m	2020/21 Budget £m	2021/22 Budget £m	2022/23 Budget £m
Estimated opening balance	335.2	421.6	462.8	564.1
Net capital expenditure funded by borrowing	98.3	84.8	135.1	142.5
MRP charge / loan repayments	(11.9)	(43.6)	(33.8)	(36.2)
Closing Balance	421.6	462.8	564.1	670.5

PAGES 83 TO 85 OF MTFP – FIGURES IN TABLES BELOW UPDATED

Capital Financing Requirement (CFR) by Category

For monitoring purposes, the CFR is split by categories in the following table. Depending on the category, the CFR will be reduced (i.e. spend is financed) at differing amounts and time periods.

	2019/20 Estimated Outturn £m	2020/21 Budget £m	2021/22 Budget £m	2022/23 Budget £m
Invest to save**	18.5	39.4	58.8	72.3
Commercial activities (excludes Town centre)**	61.6	92.5	122.4	152.0
Town Centre Regeneration**	84.9	69.5	85.4	86.8
Wokingham Housing Ltd**	15.6	19.2	25.6	34.0
Infrastructure	102.4	109.9	113.7	115.7
Developer contributions forward funded*	53.2	49.0	79.1	134.1
Housing Revenue Account	85.4	83.3	79.1	75.6
	421.6	462.8	564.1	670.5

Notes

*Developer contributions forward funded will be repaid once the developer contribution have been received

** These types of borrowing will be repaid using capital receipts, additional income and savings

A full breakdown of the prudential indicators, Investment strategy and borrowing strategy can be found the Treasury Management Strategy 2020/21.

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 2019/20 and 2020/21 are set out below.

Precept	2019/20 £	Band D £	2020/21 £	Band D £	Increase %
Police and Crime Commissioner for Thames Valley	14,476,050	206.28	15,580,054	216.28	4.85
Royal Berkshire Fire Authority	4,651,305	66.28	4,869,667	67.60	1.99

PAGE 111 OF MTFP – PARISH PRECEPTS ALL ADDED

PARISH PRECEPTS 2020/21

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	<u>2019/20</u>	COUNCIL TAX BAND D	TAX BASE	<u>2020/21</u>	COUNCIL TAX BAND D
		PARISH PRECEPT £			PARISH PRECEPT £	
Arborfield & Newland	1,292.30	105,020	81.27	1,304.60	95,123	72.91
Barkham	1,687.10	54,858	32.52	1,830.10	59,722	32.63
Charvil	1,411.90	48,684	34.48	1,417.40	51,443	36.29
Earley	11,894.10	881,817	74.14	11,957.00	978,271	81.82
Finchampstead	5,933.30	153,698	25.90	6,031.20	162,600	26.96
Remenham	326.30	24,919	76.37	329.50	25,913	78.64
Ruscombe	498.80	33,725	67.61	528.20	32,000	60.58
St. Nicholas Hurst	1,064.40	41,600	39.08	1,082.70	43,400	40.08
Shinfield	5,656.80	412,500	72.92	6,295.90	459,100	72.92
Sonning	817.60	37,187	45.48	829.00	38,046	45.89
Swallowfield	1,069.90	20,530	19.19	1,074.60	20,620	19.19
Twyford	3,011.80	85,360	28.34	3,029.90	107,620	35.52
Wargrave	2,119.60	184,373	86.98	2,130.20	191,047	89.69
Winnersh	4,117.70	137,314	33.35	4,214.20	156,862	37.22
Wokingham Town	15,513.80	853,332	55.00	16,032.60	921,552	57.48
Wokingham Without	3,232.40	180,409	55.81	3,290.40	199,990	60.78
Woodley	10,528.80	1,123,528	106.71	10,659.00	1,203,188	112.88
TOTAL	70,176.60	4,378,855	62.40	72,036.50	4,746,496	65.89

$$\text{Council Tax Band D} = \frac{\text{Parish Precept}}{\text{Tax Base}}$$

COUNCIL TAX BY BAND AND PARISH 2020/21

The table below shows the total average council tax by band including a breakdown of how this is calculated.

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Average Council Tax	1,261.95	1,472.27	1,682.59	1,892.91	2,313.55	2,734.19	3,154.86	3,785.82
WBC plus average Parish	1,072.69	1,251.47	1,430.25	1,609.03	1,966.59	2,324.15	2,681.72	3,218.06
Average Parish	43.93	51.25	58.57	65.89	80.53	95.17	109.82	131.78
Police Authority	144.19	168.22	192.25	216.28	264.34	312.40	360.47	432.56
Fire Authority	45.07	52.58	60.09	67.60	82.62	97.64	112.67	135.20
Adult social care precept*	89.74	104.70	119.65	134.61	164.52	194.44	224.35	269.22
Wokingham Borough Council excluding ASC precept	939.02	1,095.52	1,252.03	1,408.53	1,721.54	2,034.54	2,347.55	2,817.06
Wokingham Borough Council total	1,028.76	1,200.22	1,371.68	1,543.14	1,886.06	2,228.98	2,571.90	3,086.28

* Percentage increases based on total 2019/20 council tax level, as per legislation

The table below shows the parish precept for each band and individual Town / Parish Council.

Band	A	B	C	D	E	F	G	H
Parish Precepts	£	£	£	£	£	£	£	£
Arborfield & Newland	48.61	56.71	64.81	72.91	89.11	105.31	121.52	145.82
Barkham	21.75	25.38	29.00	32.63	39.88	47.13	54.38	65.26
Charvil	24.19	28.23	32.26	36.29	44.35	52.42	60.48	72.58
Earley	54.55	63.64	72.73	81.82	100.00	118.18	136.37	163.64
Finchampstead	17.97	20.97	23.96	26.96	32.95	38.94	44.93	53.92
Remenham	52.43	61.16	69.90	78.64	96.12	113.59	131.07	157.28
Ruscombe	40.39	47.12	53.85	60.58	74.04	87.50	100.97	121.16
St. Nicholas Hurst	26.72	31.17	35.63	40.08	48.99	57.89	66.80	80.16
Shinfield	48.61	56.72	64.82	72.92	89.12	105.33	121.53	145.84
Sonning	30.59	35.69	40.79	45.89	56.09	66.29	76.48	91.78
Swallowfield	12.79	14.93	17.06	19.19	23.45	27.72	31.98	38.38
Twyford	23.68	27.63	31.57	35.52	43.41	51.31	59.20	71.04
Wargrave	59.79	69.76	79.72	89.69	109.62	129.55	149.48	179.38
Winnersh	24.81	28.95	33.08	37.22	45.49	53.76	62.03	74.44
Wokingham Town	38.32	44.71	51.09	57.48	70.25	83.03	95.80	114.96
Wokingham Without	40.52	47.27	54.03	60.78	74.29	87.79	101.30	121.56
Woodley	75.25	87.80	100.34	112.88	137.96	163.05	188.13	225.76

The table below shows the total council tax for each band and individual Town / Parish Council.

Band	A	B	C	D	E	F	G	H
Total Council Tax	£	£	£	£	£	£	£	£
Arborfield & Newland	1,266.63	1,477.73	1,688.83	1,899.93	2,322.13	2,744.33	3,166.56	3,799.86
Barkham	1,239.77	1,446.40	1,653.02	1,859.65	2,272.90	2,686.15	3,099.42	3,719.30
Charvil	1,242.21	1,449.25	1,656.28	1,863.31	2,277.37	2,691.44	3,105.52	3,726.62
Earley	1,272.57	1,484.66	1,696.75	1,908.84	2,333.02	2,757.20	3,181.41	3,817.68
Finchampstead	1,235.99	1,441.99	1,647.98	1,853.98	2,265.97	2,677.96	3,089.97	3,707.96
Remenham	1,270.45	1,482.18	1,693.92	1,905.66	2,329.14	2,752.61	3,176.11	3,811.32
Ruscombe	1,258.41	1,468.14	1,677.87	1,887.60	2,307.06	2,726.52	3,146.01	3,775.20
St. Nicholas Hurst	1,244.74	1,452.19	1,659.65	1,867.10	2,282.01	2,696.91	3,111.84	3,734.20
Shinfield	1,266.63	1,477.74	1,688.84	1,899.94	2,322.14	2,744.35	3,166.57	3,799.88
Sonning	1,248.61	1,456.71	1,664.81	1,872.91	2,289.11	2,705.31	3,121.52	3,745.82
Swallowfield	1,230.81	1,435.95	1,641.08	1,846.21	2,256.47	2,666.74	3,077.02	3,692.42
Twyford	1,241.70	1,448.65	1,655.59	1,862.54	2,276.43	2,690.33	3,104.24	3,725.08
Wargrave	1,277.81	1,490.78	1,703.74	1,916.71	2,342.64	2,768.57	3,194.52	3,833.42
Winnersh	1,242.83	1,449.97	1,657.10	1,864.24	2,278.51	2,692.78	3,107.07	3,728.48
Wokingham Town	1,256.34	1,465.73	1,675.11	1,884.50	2,303.27	2,722.05	3,140.84	3,769.00
Wokingham Without	1,258.54	1,468.29	1,678.05	1,887.80	2,307.31	2,726.81	3,146.34	3,775.60
Woodley	1,293.27	1,508.82	1,724.36	1,939.90	2,370.98	2,802.07	3,233.17	3,879.80