

Medium Term Financial Plan 2021/2022

Including Revenue Budget Forecast & Capital Budget
Forecast to 2023/2024



WOKINGHAM
BOROUGH COUNCIL

WOKINGHAM BOROUGH COUNCIL MEDIUM TERM FINANCIAL PLAN 2021/22

(Inc. Revenue Budget Forecast & Capital Budget Forecast to 2023/24)

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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 is intended to discharge this responsibility and provides a strategic overview of the Council's financial position as a context before making specific considerations on the 2021/22 budget.

The budget setting process starts early in the previous financial year with a focus on areas which require budget growth to meet growing demands and areas which can deliver savings through efficiencies and additional income generation. A budget submission process is undertaken to ensure budget bids can be challenged in the context of the Council's aims and objectives. To enhance transparency and budget setting engagement, this year's process has again included consultation with the Community & Corporate Overview & Scrutiny Committee (CCOSC). Information provided at CCOSC is also available to the public.

A robust budget must be a balanced budget whereby total expenditure and total income match. Any change in the annual budget in relation to spend pressures must be balanced by service efficiencies and where appropriate council tax increases.

2. The financial standing of the Council

Heading into the 2021/22 financial year, the financial standing of the Council remains robust. This has been achieved through good financial management, through which the Council has built up financial resilience and sustainability, despite years of austerity resulting in reductions in Central Government funding.

Following the start of the Covid-19 pandemic, the Council have reacted quickly to enhance financial management during the crisis. The Council's finance staff have worked closely with Directors and key stakeholders to challenge and update forecasts based on a continually changing climate.

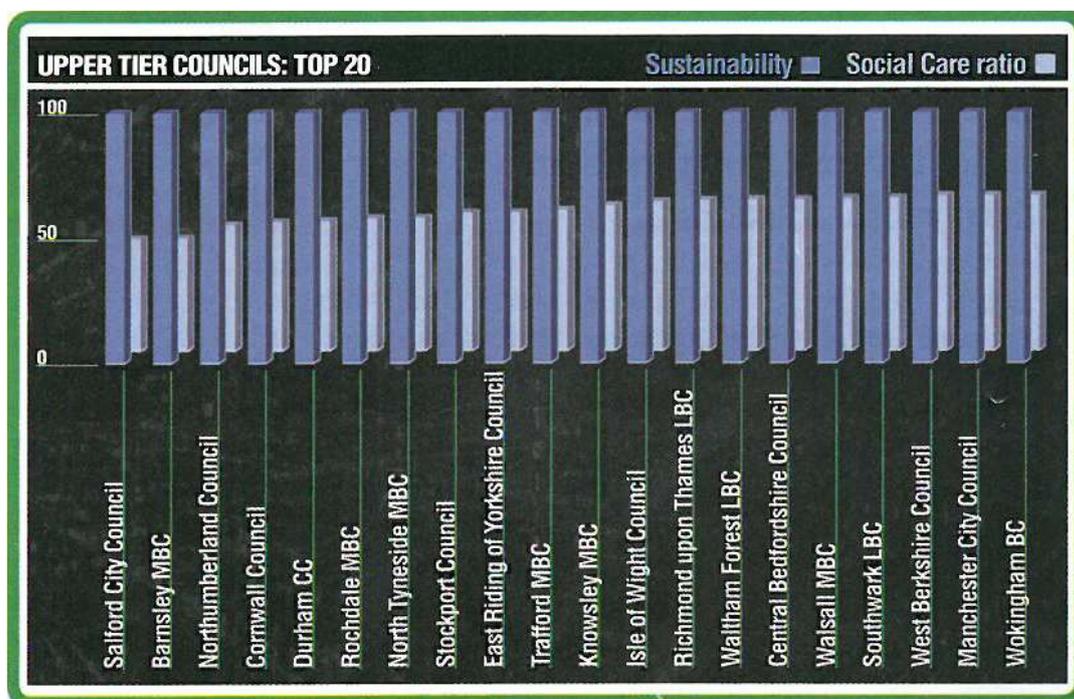
Enhanced financial management arrangements have included:

- Ensuring there is clarity with regards to genuine expenditure decisions with regard to Covid-19 related spend (as opposed to the necessity to discharge our statutory responsibilities).
- Seeking to maximise opportunities to deliver on MTFP savings plans, recognising that staff remain significantly diverted to the Covid response phase.
- Exploring reduced expenditure opportunities arising as a result of Covid-19 or otherwise, including a review of Special Items.
- Maintaining a weekly financial review of the Covid-19 impact including collection rates and Direct Debit failure rates on major income streams.
- Initiating an early MTFP review process tailored to identify areas of relative financial certainty and high-risk areas of greater ambiguity.
- Reviewing non-General Fund balances to assess risks and potential options to transfer balances to the General Fund reserve (if the General Fund position becomes perilously low).

- Continuing to make representations for additional funding through Government Returns, Regional Conference calls and MPs.

CIPFA Resilience Index

In December 2019, CIPFA published their financial resilience tool which highlighted key financial indicators such as reserves sustainability, external debt and social care ratios based on the 2018/2019 financial year. The index shows a council's position on a range of measures associated with financial risk. The selection of indicators has been informed by the extensive financial resilience work undertaken by CIPFA over the past four years, public consultation and technical stakeholder engagement. Wokingham have been rated in the top 20 of upper tier councils for financial sustainability (source: 9 January 2020 – The Management Journal). Although Wokingham have been rated highly for financial sustainability (measured by ability to maintain reserve balances), the Council still face significant challenges and risks in the future which are outlined in this report and throughout the Medium Term Financial Plan (MTFP). Also included in the graph is the social care ratio which shows the annual social care spend as a ratio against total spend. Social care is seen by CIPFA as an area of financial risk for all local authorities which is why this is included alongside sustainability.



Source – The MJ – 9th January 2020

3. How Council services are funded.

Council services can be broken down across four key financial areas known as:

- Revenue (also known as General Fund) – expenditure in providing day-to-day services.
- Capital – expenditure in assets that generate economic benefits greater than one year.
- Housing Revenue Account (HRA) – ringfenced expenditure across the local authority housing stock.
- Dedicated Schools Grant (DSG) – ringfenced expenditure across maintained schools, early years and high needs services.

Revenue (General Fund)

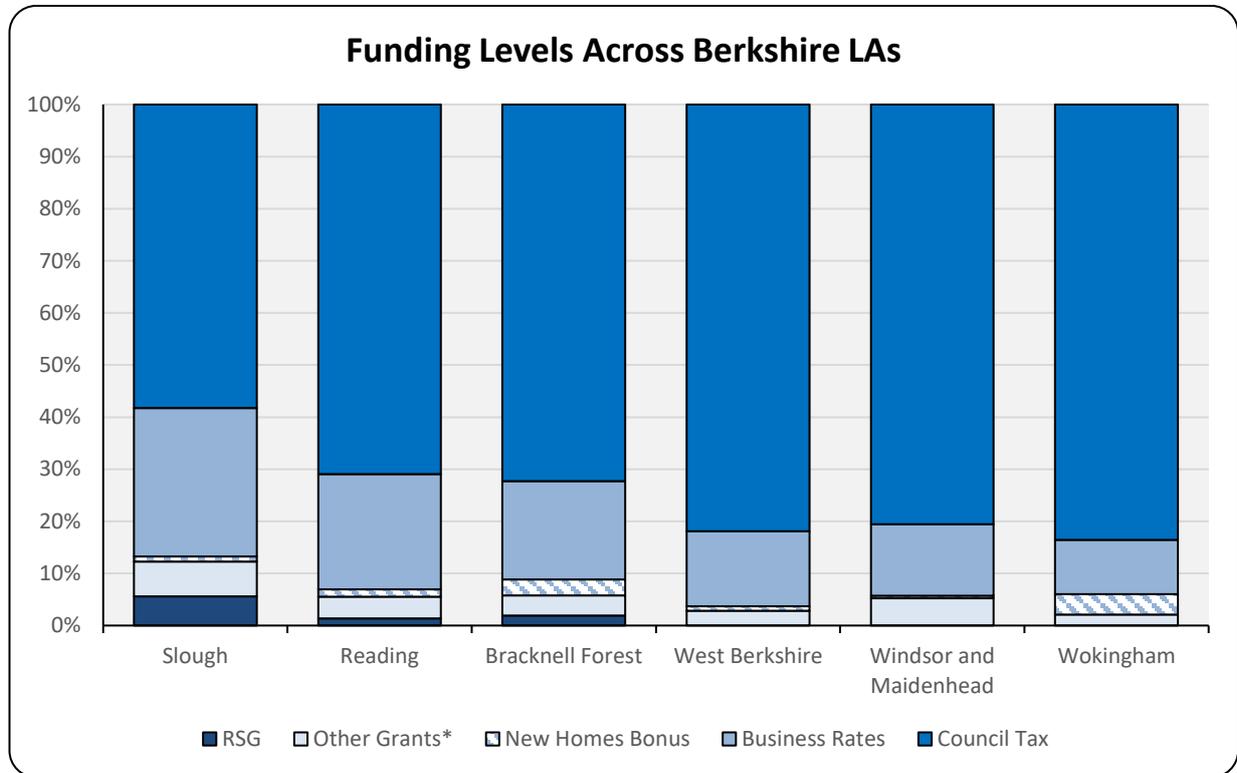
Expenditure in relation to providing the day-to-day services of the Council is referred to as revenue spend. Further information on where this money is spent is highlighted throughout the Medium Term Financial Plan. Funding of this revenue expenditure is determined through the local government finance settlement and consists of:

- Settlement Funding Assessment (SFA)
 - Revenue Support Grant (RSG)
 - Retained Business Rates
- Council Tax
- New Homes Bonus

Local authorities up and down the country have continued to push for a fairer funding review and long-term finance settlements to provide sustainable long-term funding. Due to Covid-19, this funding review has been delayed by a further year to 2022/23, meaning the local government finance settlement 2021/22 is for one year only as opposed to a four-year funding settlement. This means that there is still much uncertainty around future settlements in terms of duration and the actual amount of funding Wokingham will receive. Consequently, it has been difficult to make definite determinations about budgets in 2022/23 and 2023/24, but with government money being allocated to ringfenced departments (e.g. DoHSC, DfE and MoD) it is likely that local government will once again experience a reduced real-term settlement going forward, and therefore must budget accordingly. This context means it is extremely important the Council takes a prudent approach in its budget setting proposals for the 2021-2024 medium term financial plan.

As a result of numerous years of local government funding driven by a formula that is skewed toward deprivation factors (as opposed to recognising the basic cost of providing services) and reductions in centrally funded grants based on percentage reductions to previous years, Wokingham Borough Council has been for many years the lowest funded unitary authority (per head of population) in the country. A consequence of this is that Wokingham Borough Council's local services are deemed in the finance settlement to have the majority funded by its council taxpayers. Whilst the average unitary authorities receive revenue support grant and retained business rates to fund around 32% of their service costs, Wokingham receives only 10%.

The graph below highlights the imbalance of funding requirements across the six Berkshire authorities. Based on the core spending assumptions from central government in the finance settlement, Wokingham has the majority of funding expected to come from council tax as opposed to Slough for example, who receive more revenue support grant and can retain more business rates funding.

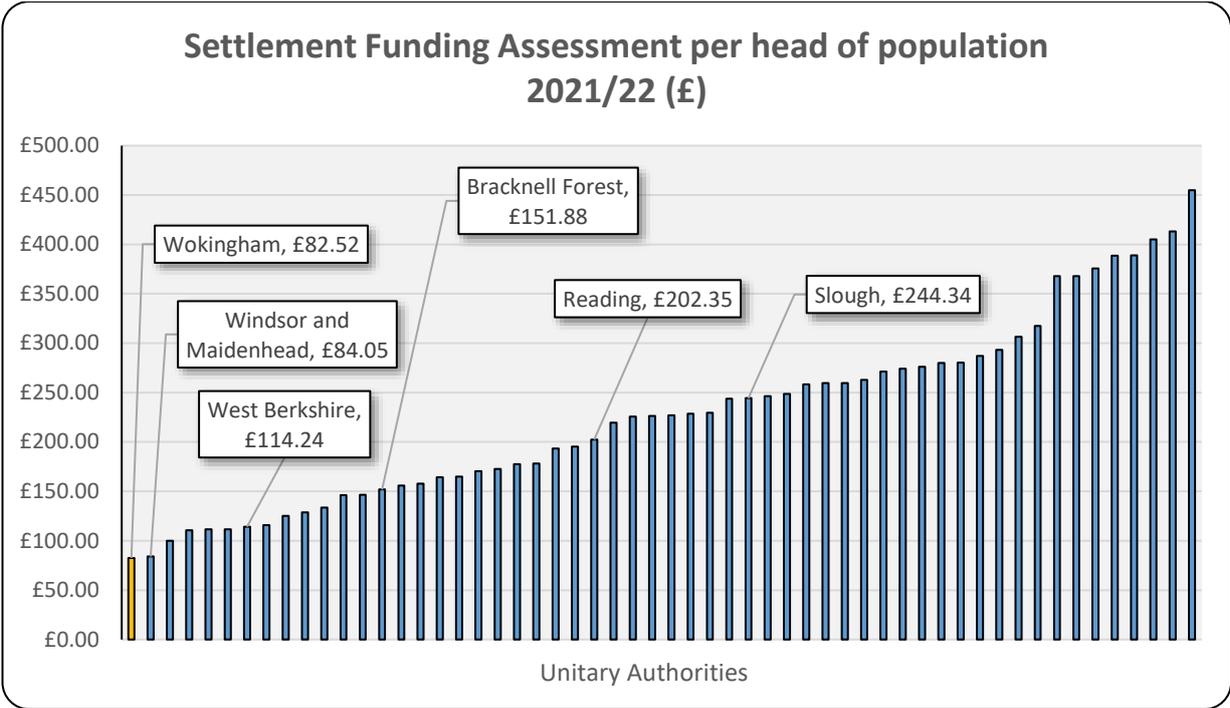


Settlement Funding Assessment (SFA)

The SFA is a calculation consisting of the sum of baseline funding level (BFL) and the revenue support grant (RSG). The BFL represents Wokingham’s share of business rates retained income (£14.1m) and the RSG represents a grant from government to help fund services within Wokingham (£Nil).

Wokingham’s total SFA will remain at £14.1m in 2021/22, compared to £19.1m in 2016/17, a reduction of 26.2%, or £5.0m. Wokingham’s SFA has remained close to £14.1m since 2017/18 after the reduction in 2016/17. This means our baseline funding level and therefore retained business rates have not seen any inflationary increases.

The graph below shows the position for 2021/22 in terms of SFA funding per head of population and confirms that Wokingham is the lowest funded unitary authority, well below the unitary average, and less than 19% of the highest funded unitary authority:



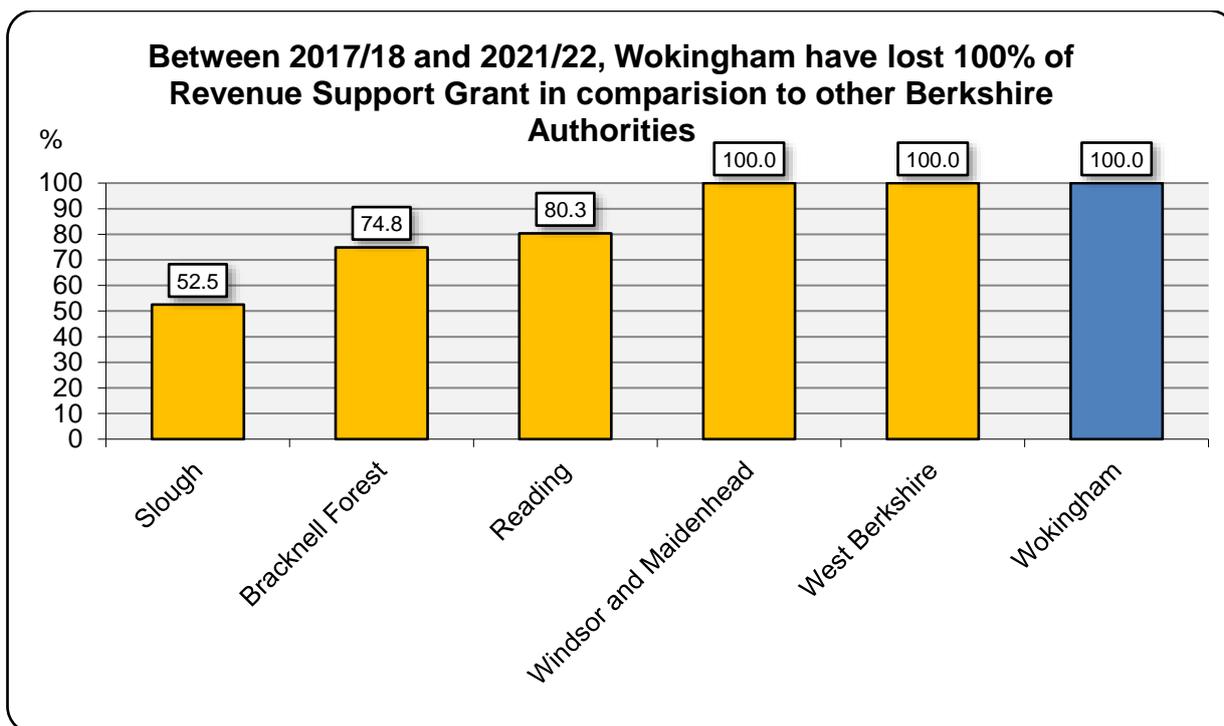
Wokingham will receive the SFA per head of £82.52, which is significantly lower than the unitary authorities’ average. It is also less than half the funding of two of the Berkshire authorities.

Revenue Support Grant (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) with Wokingham facing reductions in grant yearly and the complete removal of this grant since 2018/19.

The percentage changes in Government Funding since 2012/13 are shown below. Following the December 2010 Local Government Finance Settlement, Wokingham suffered a reduction in RSG for the first time in 2011/12, that is followed by reductions cumulatively as shown in the graph below. In 2018/19 and 2019/20 RSG had reduced to zero. It was expected that by 2019/20 the grant would be cut still further with some authorities required to pay a ‘negative RSG’. However, following consistent representations made by this authority, we have been informed again through the finance settlement that negative RSG will not be enacted in 2021/22 (similar to 2020/21). The funding position is unclear from 2022/23 onwards and Wokingham will need to continue to make representations regarding the new methodology for financing local authorities to ensure we secure a fair and viable ongoing funding settlement from the Government.

The graph below compares the RSG reductions by 2021/22 across Berkshire Councils.



A growing number of councils now no longer receive RSG. Wokingham was one of the first to lose all its RSG funding.

Retained Business Rates

As mentioned above, the other element of the SFA is business rates. The SFA sets a baseline funding level for retained business rates (£14.1m for 2021/22). For 2021/22, similar to 2020/21, Wokingham will be able to retain 74% of business rates with the Government receiving 25% and Berkshire Fire Authority 1%. Due to the government's assessment of what funding the Council needs to deliver services, a tariff payment is then applied against the 74% business rate income we receive thus bringing retained business rates to approximately 20% of what we collect. Due to the continued delays from Central Government, the future arrangements of business rates funding beyond 2021/22 create a degree of uncertainty and risk, making longer term financial planning more difficult.

Council Tax

Funding is fixed by the Government and therefore increases in service funding affect 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 because a high proportion of the Council's services are statutory with escalating costs driven by increasing client needs and numbers.

In recent years, the government has capped council tax increases to under 2% (excluding the adult social care precept) and any increase above this would require a local referendum funded by the local taxpayer. For 2018/19 and 2019/20 an exception was given where the referendum cap was increased to under 3%. Since 2020/21, this additional flexibility has been removed with increases reducing back to the 2% cap before a local referendum is required.

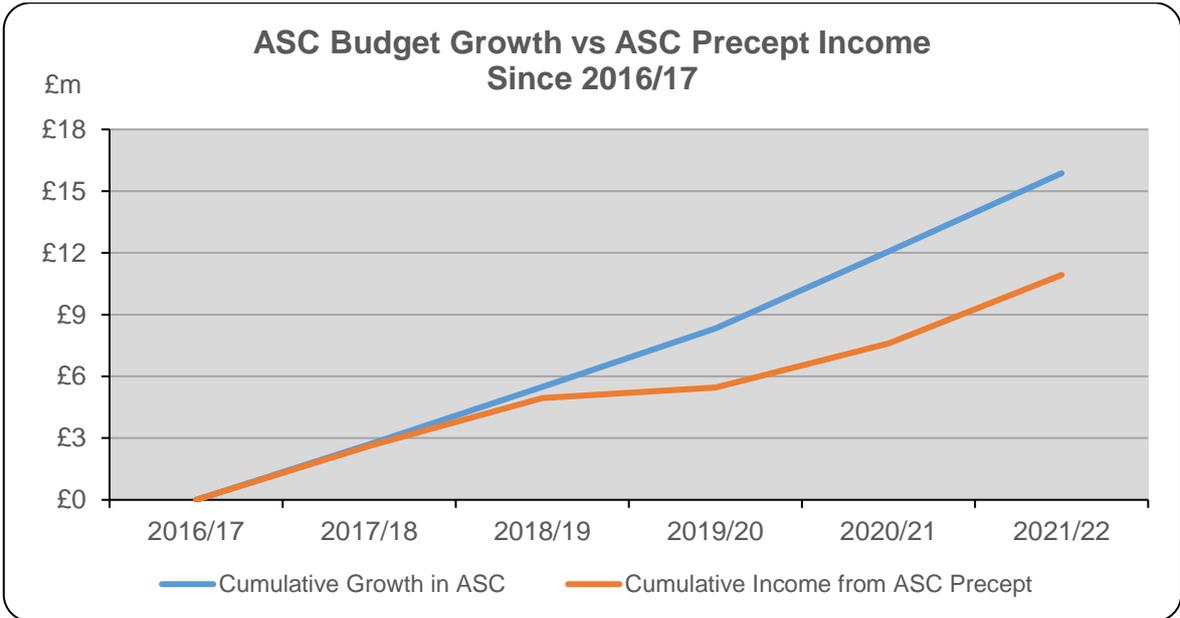
The expenditure pressures for council tax increases above inflation are similar each year: client increases (particularly in social care); increase in statutory requirements (e.g. recycling, standards of care); unavoidable expenditure increases above inflation (e.g. maintenance contracts, social care contracts, etc.) and pressures to improve services from both the public and the Government. Since 2016/17 the increases have exceeded the inflation level, but this is due to the government’s calculations which assume both inflationary increases to council tax and an additional adult social care increase to council tax.

Adult Social Care (ASC) Council Tax Precept

The Government’s continuing aim is that health and social care should 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 long-promised Green Paper on Social Care continues to be delayed.

In recognition of the continually increasing statutory care costs faced by local authorities an ASC council tax precept of up to 3% has been introduced to cover a two-year period for 2021/22 and 2022/23 replacing the previous scheme that permitted a 2% increase in 2020/21 and prior to this a 6% increase over a 3-year period. It is unknown what will be in place beyond 2022/23 but this will no doubt be a key consideration in any future sustainable Local Government funding system.

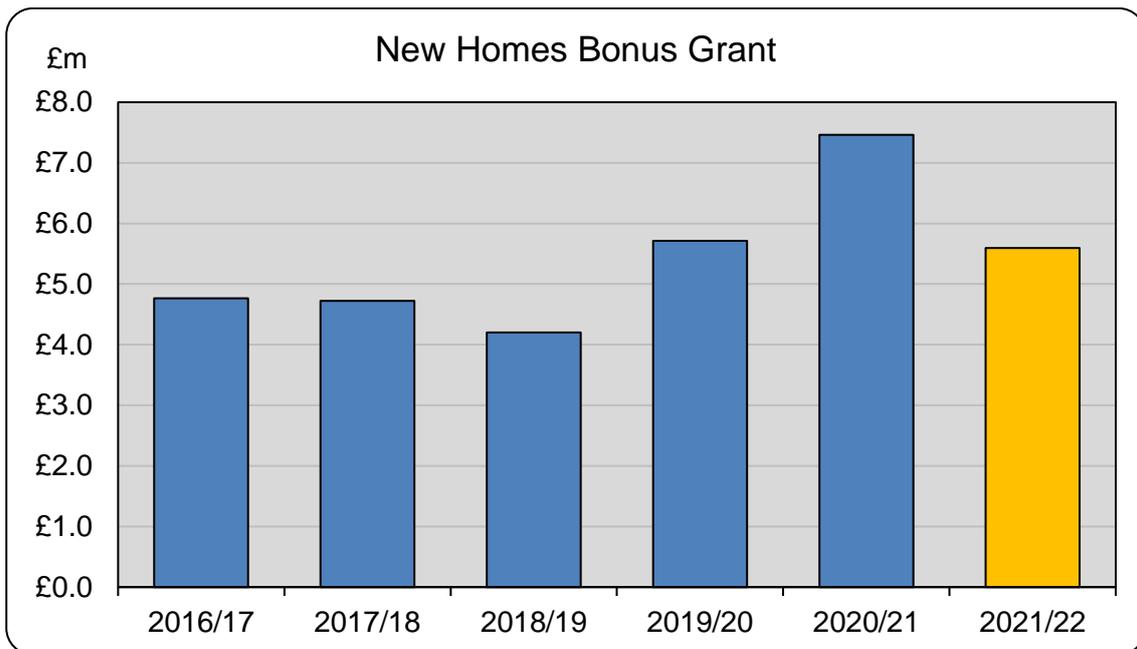
The graph below compares the annual budget growth and inflation demands in adult social care services and the additional funding that is raised through the adult social care council tax precept. Adult social care growth continues to increase above inflation due to an increasing ageing population, more complex care requirements and unit cost increases driven by national living wage increases for example. The difference is funded through service efficiencies and general council tax increases.



New Homes Bonus (NHB)

New homes bonus (NHB) is a unringfenced grant awarded to local authorities based on how many new homes have been delivered. The intention of the grant was to encourage housing growth across the country. The calculation mechanism has changed over the years since it was introduced with much less reward for additional house building now. The Autumn Statement 2015 proposed changes to the NHB which made the scheme less attractive for Wokingham by reducing the length of payments from six years to four. From 2021/22, Wokingham will be rewarded for 1 year only with legacy payments also being honoured, 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.

The Council is now set to receive £5.6m in NHB in 2021/22, down from £7.5m NHB in 2020/21. The graph below shows the amount of new homes bonus received.

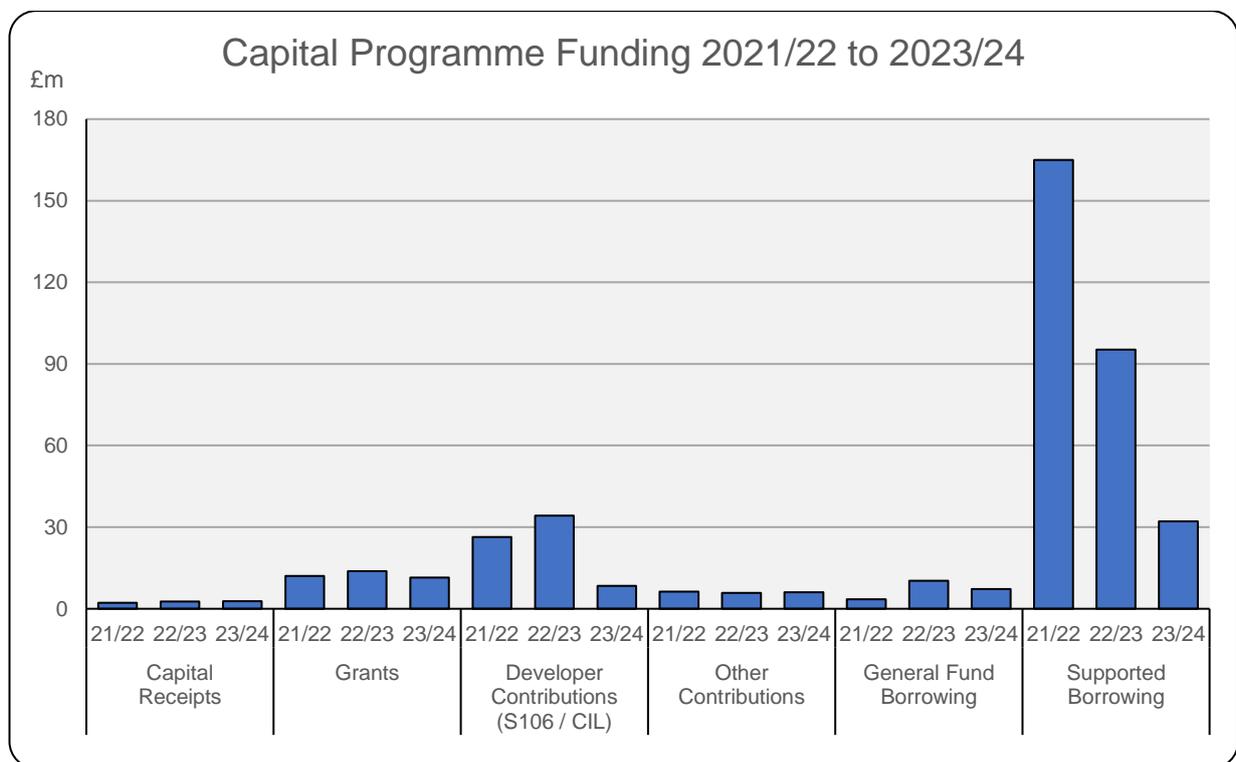


Capital

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 (CIL); and attracts new funding sources where available (particularly through the bidding for Government grants).

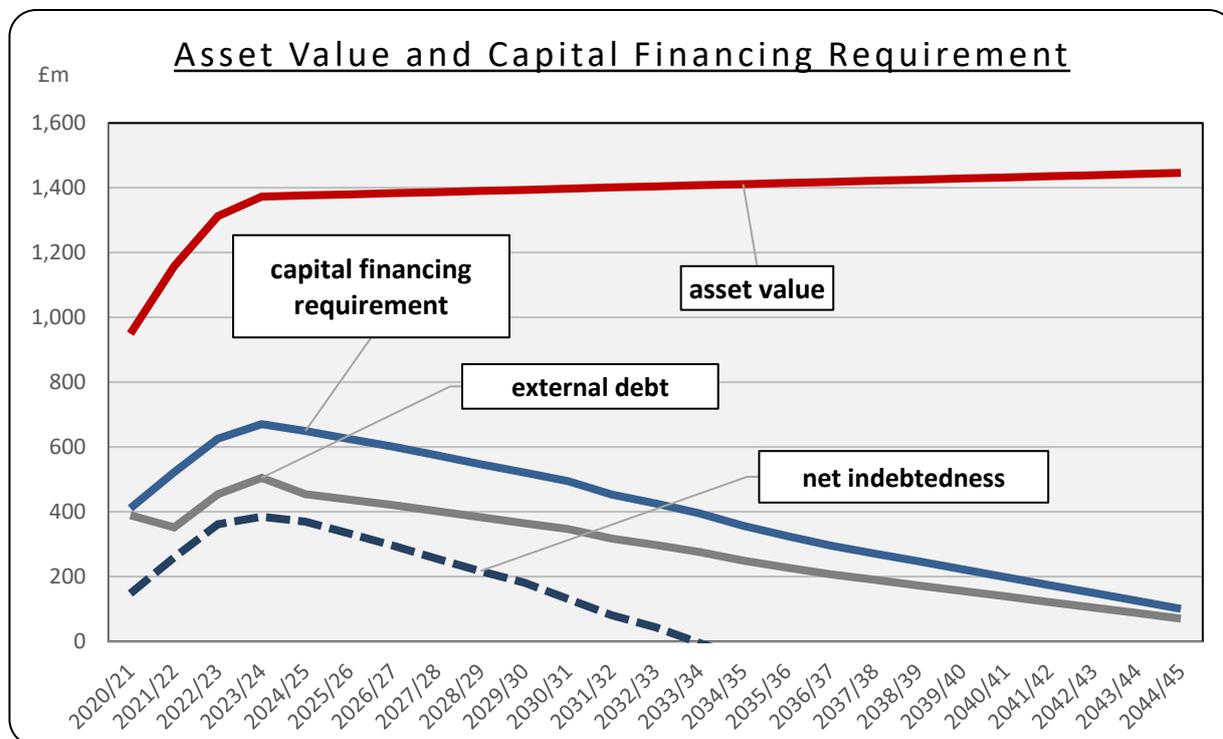
Under the prudential code, all authorities can borrow as much as they require to fund their capital programme provided it is affordable, prudent, and sustainable. A large proportion of Council borrowing is deemed as “supported” borrowing ensuring there is a direct repayment method identified meaning the cost of borrowing does not impact on the council taxpayer. These include investment to generate future cost reductions / income generation and forward funded investment to be recovered from developer contributions.

The graph below shows how the capital programme will be funded over the next 3 years. The major funding source will be supported borrowing which relates to borrowing upfront where a direct repayment source has been identified whereas general fund borrowing is funded through existing revenue base budget.



As the Council continues to borrow over the short to medium term period, debt levels will increase. The level of debt is considered affordable and sustainable as required by the CIPFA prudential code. All capital projects are supported by detailed business cases which include where appropriate how supported borrowing will be repaid. The following graph shows the estimated general fund debt levels (excludes Housing Revenue Account due to ringfenced nature) for the Council over the medium to long period. The initial increase in debt is driven by the Council’s capital programme but then debt is repaid over the next 20 to 25 years to bring debt levels back to a funded baseline level of approximately £100m (pre 2011/12 debt levels).

Included in the graph is the capital financing requirement (CFR) which is a technical calculation of historic capital expenditure less that already paid for, required to arrive at the annual level of debt repayment.



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

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

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

Further information on the funding of the capital programme is set out in the Capital Strategy and the Treasury Management Strategy.

Housing Revenue Account (HRA)

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 should be beneficial to the Council and its tenants in the longer term both regarding retaining income and generating capacity to invest in the housing stock.

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. From 2020/21, rent increases will be in line with CPI + 1%. The real terms reduction in the HRA forecast rental income over the past 4 years 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.

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Annual rent change (%)	-1%	-1%	-1%	-1%	2.7%	1.5%

The main funding source for the HRA revenue is rental income and is expected to be in the region of £15m for 2021/22.

For capital spend, this is funded from the major repairs reserve, right to buy receipts and borrowing. Under accounting rules, an amount equal to the depreciation charge is transferred from the HRA revenue reserve into the major repairs reserve to contribute towards capital expenditure.

Dedicated Schools Grant (DSG)

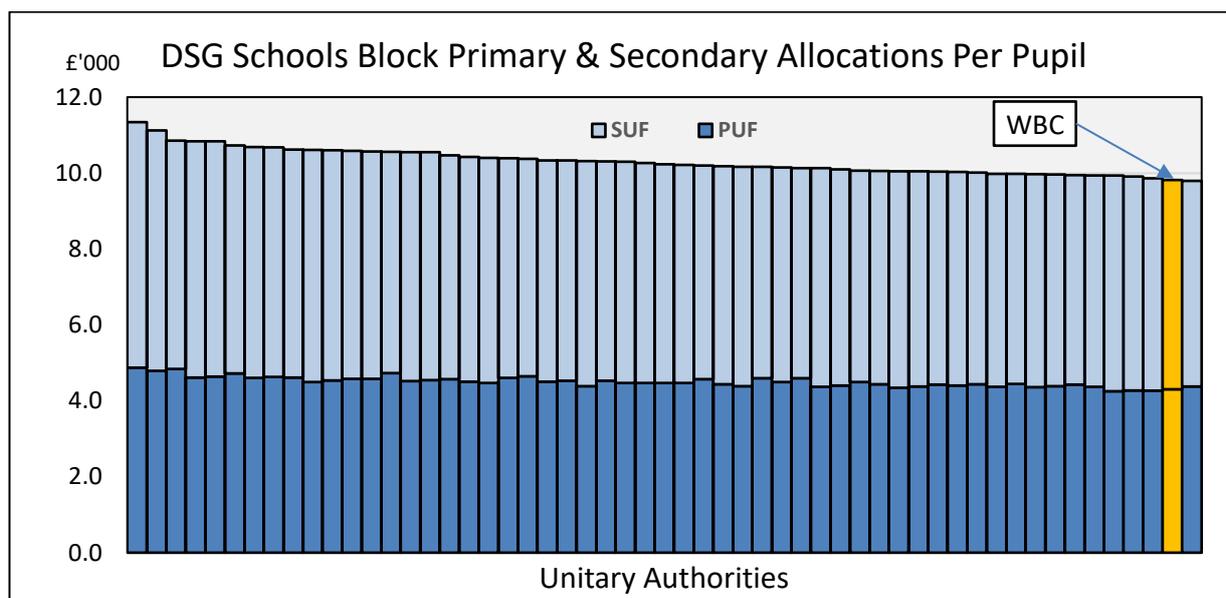
The Council receives DSG annually from the Department for Education (DfE) and it must be used in support of the schools' budget as defined in the Early Years and Schools Finance (England) Regulations 2018. The purpose of the schools' budget is defined in legislation as the provision of primary and secondary education.

The amount for 2021/22 was notified to the authority by the DfE in December 2020. However, a proportion of this amount is in respect of free schools and must be paid to them. The actual DSG allocation available to the Council for 2021/22 is £158.13m, compared to £143.12m in 2020/21. The increase to 2021/22 is accounted for by increased funding on both two-unit costs, one for primary unit cost (PUF) and one for secondary unit cost (SUF). 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.

Across the four blocks in the DSG, funding has increased for 2021/22. This much need funding increase is welcomed by the Council and all of our schools and will help contribute to the day-to-day funding of services.

Block	2020/21 £,000	2021/22 £,000	Change £,000	Change %
Schools Block	110,496	123,079	12,583	+11.4%
High Needs Block	20,522	22,802	2,280	+11.1%
Early Years Block	11,169	11,302	133	+1.2%
Central School Services Block	937	945	8	+0.9%

The actual 2021/22 PUF is £4,306 and SUF is £5,512 estimated per pupil compared to £3,954 (PUF) and £5,093 (SUF) in 2020/21. Wokingham continues to receive one of the lowest funding amounts of all unitary authorities.



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 are that a number of them may lose out as there is less ability for the Council to target funding to any school. 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 SEND pressures on the overall budget which may reduce the money available for allocation. For the 2020/21 and 2021/22 financial years, schools will continue to be funded through the local authority funding formula. From 2022/23, the Government proposes to introduce the National Fair Funding formula and the DfE have confirmed they will consult on national funding formula during 2021.

4. Council Expenditure

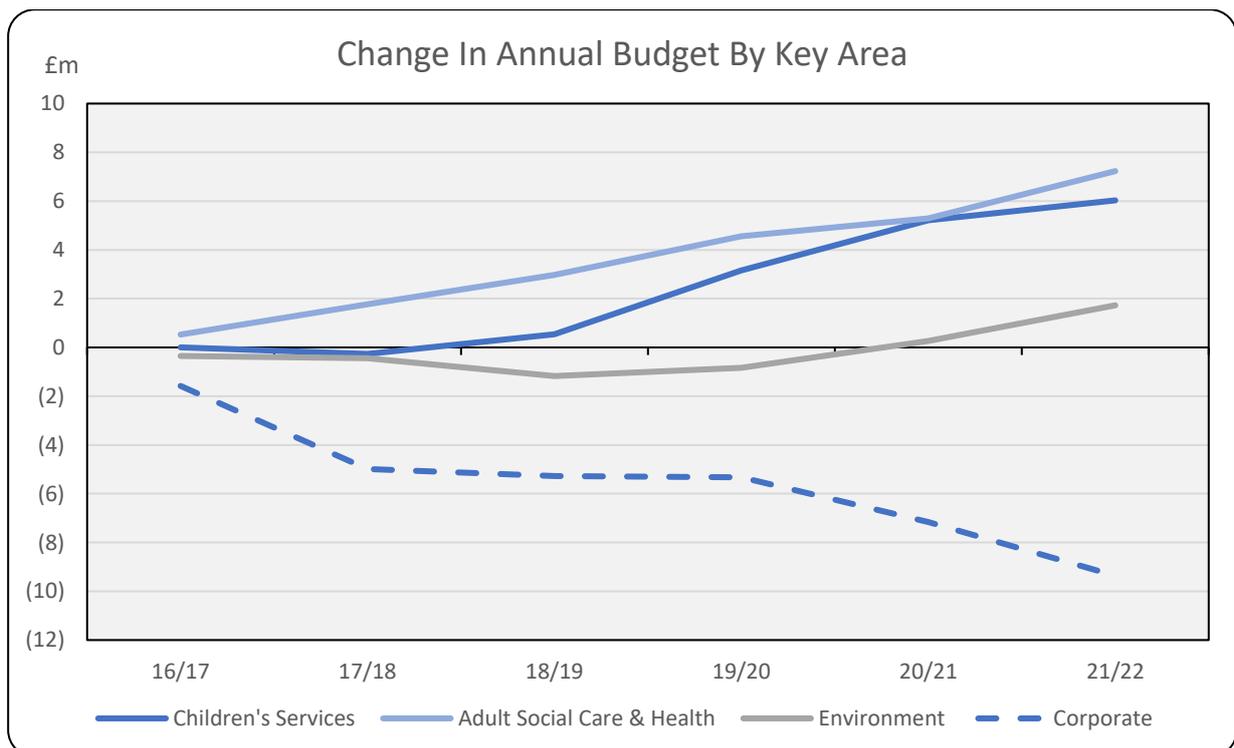
For 2021/22, the Council is planning to spend in the region of £600 million across revenue, capital, housing revenue account and dedicated school grants services.

Revenue

Revenue expenditure covers the day to day running of services across the Council. For 2021/22, the Council will spend approximately £204m across these services. This is known as gross expenditure. Service specific grants and income will reduce this spend to a net expenditure in the region of £132m.

Across the many varied and complex services the Council provides, there will be pressures and risks as well as efficiencies and opportunities. The budget process aims to capture these to ensure the budget set is prudent and robust.

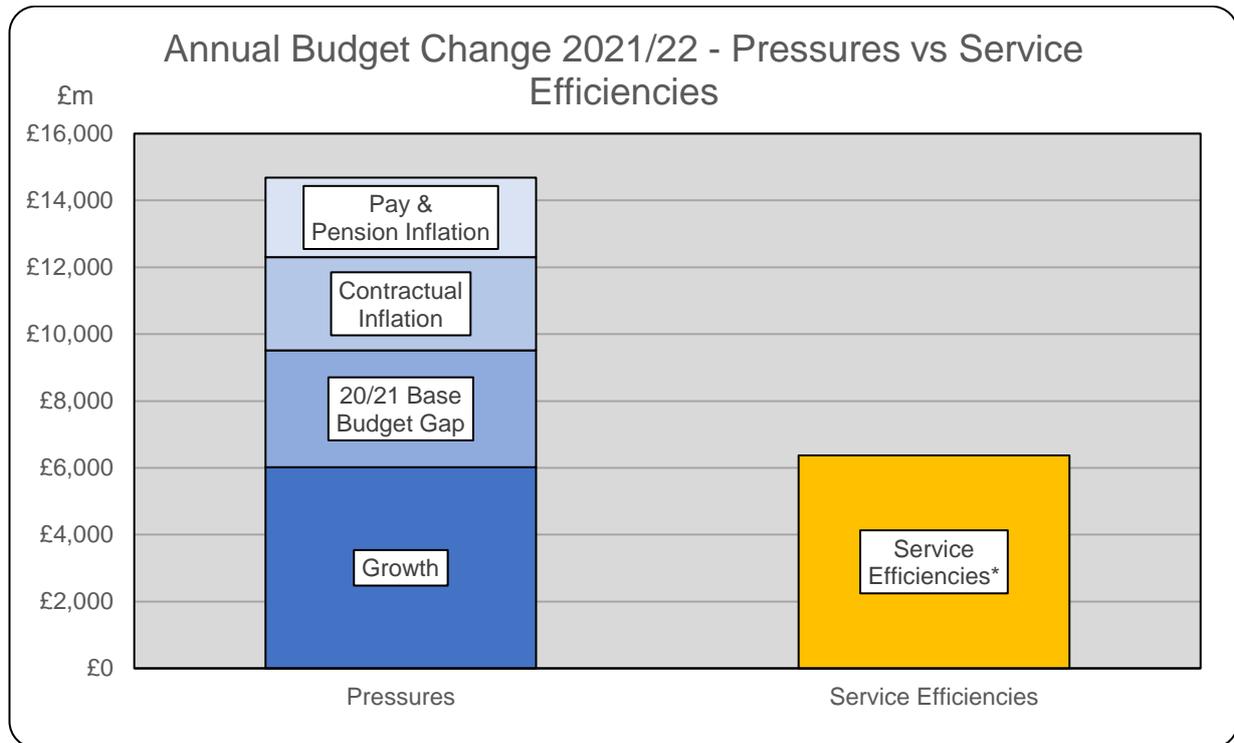
The graph below shows the cumulative change in annual budget across four key areas of Children's Services, Adult Social Care & Health, Environment (known as place & growth directorate) and Corporate services (known as resources & assets directorate). Whilst the graph shows cost pressures across the social care areas, the Council has managed to offset many of these through efficiencies and income generation within Corporate services.



Note – graph excludes Communities, insight and change (CIC) directorate as newly formed in 20/21.

A robust budget must be a balanced budget whereby total expenditure and total income match. Any change in the annual budget in relation to spend pressures must be balanced by service efficiencies and where appropriate council tax increases.

The annual change in budget is shown below. For 2021/22, the total pressures outweigh the service efficiencies. The difference will be required to be funded via council tax rises. The detail budget changes have formed part of the information provided to CCOSC throughout the budget process.

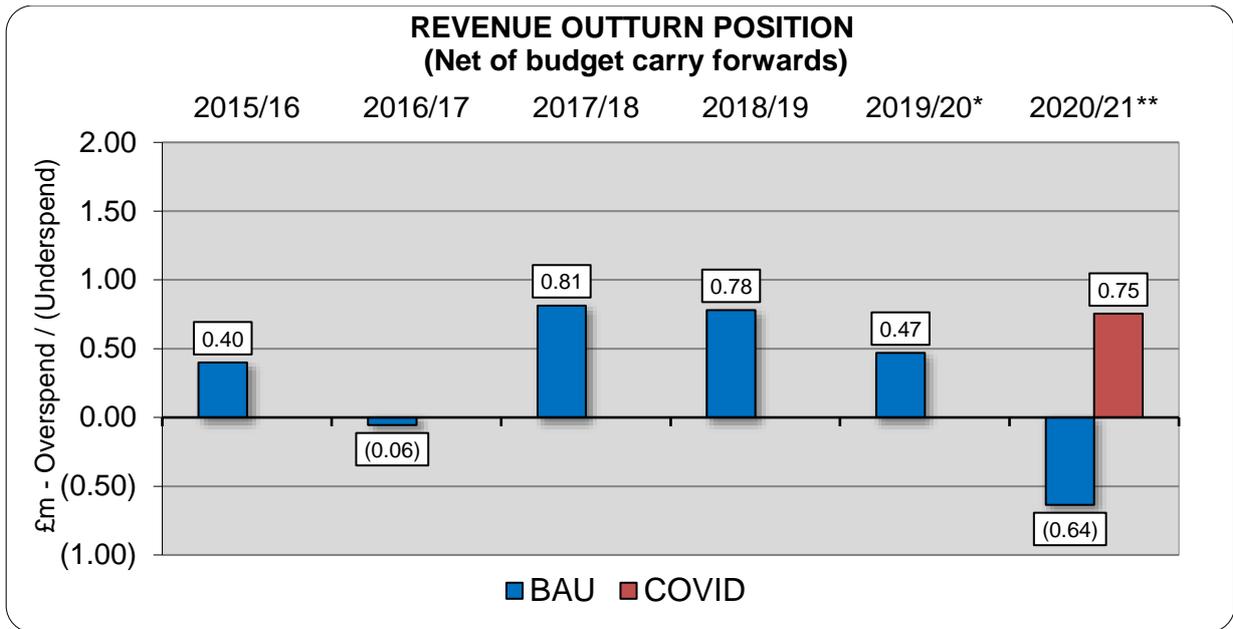


* Service Efficiencies are designed to reduce costs whilst maintaining services to the public.

Revenue monitoring position

Over the past number of financial years, the Council has faced a number of demand led pressures during the year. These underlying pressures are considered as part of the budget process. The forecast budget variance in 2021/22 currently shows a combined overspend of £0.12m from business as usual (BAU) budgets (£0.64m savings) and impact of Covid-19 (£0.75m pressure) compared to the budget approved in February 2020, based on December 2020 monitoring.

The graph below shows an improving trend in reducing the demand led pressures through in year management action plans as well as addressing pressures when setting the following year budget. This strong financial management has allowed the Council to meet demands whilst maintain prudent reserve balances. 2020/21 has been a unique year in which Covid-19 has brought upon extra pressure not expected. The Council continues to lobby for additional funding to cover the financial impact from Covid-19.

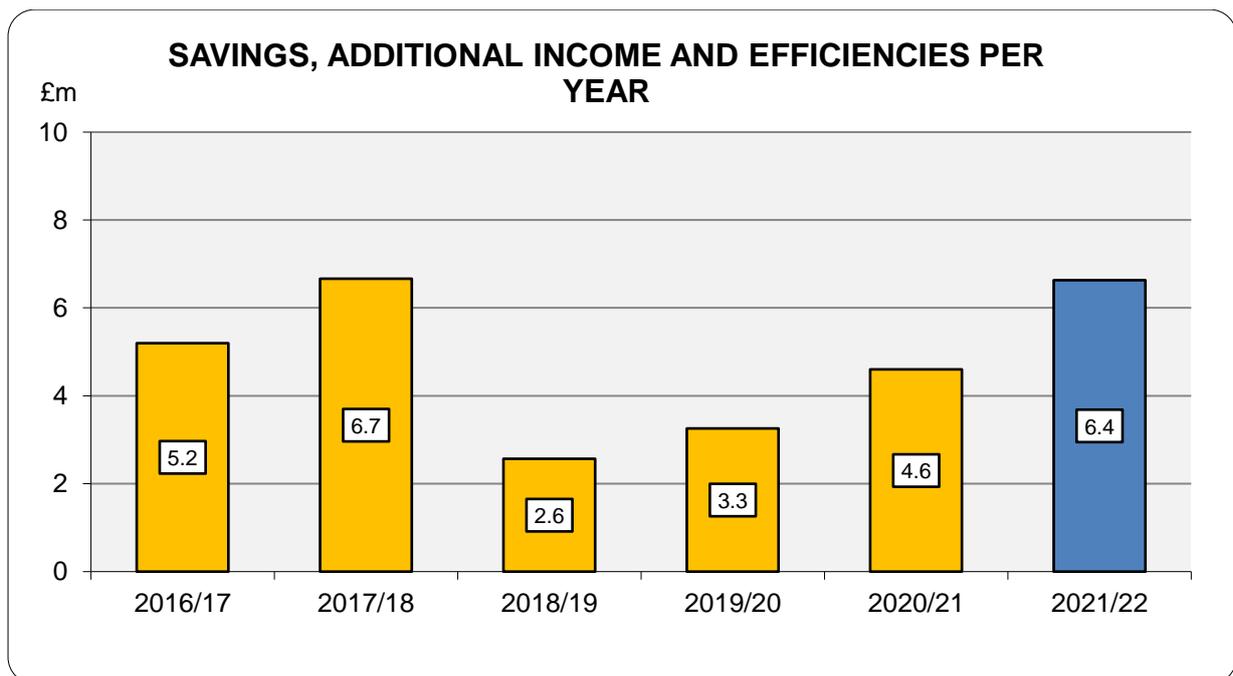


Further information is available in the quarterly revenue monitoring reports reported to Executive and available on the Council's website.

Service efficiencies

As highlighted in the graph in the introduction of this report, efficiencies and income generation are required to meet the changing pressures in growth, inflation, and demand for services.

The total savings, efficiencies and income generation that have been identified in setting the council tax in previous years are shown below. It equates to over £28.8m over the six years. Efficiencies are used to fund growth, inflation and reductions in Government grants whilst allowing the Council to maintain frontline services.



The savings shown above reflect the budgeted savings made for each financial year (or planned savings in the case of 2021/22).

Net expenditure over time

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 £34.0m (32%) between 2010/11 and 2021/22 meaning the Council are delivering services more cost effectively.

	£m
WBC 2021/22 net expenditure budget	132.5
Less reduction in grants for services now part of formula grant	(12.5)
Less discount re inflation since 2010/11 (based on CPI)	(31.8)
Less discount re growth in council tax base since 2010/11	(17.0)
Net expenditure budget 2021/22 discounted to 2010/11 Prices (a)	71.2
WBC 2010/11 net expenditure budget (b)	105.2
Reduction in expenditure since 2010/11 (b – a)	£34.0m (32%)

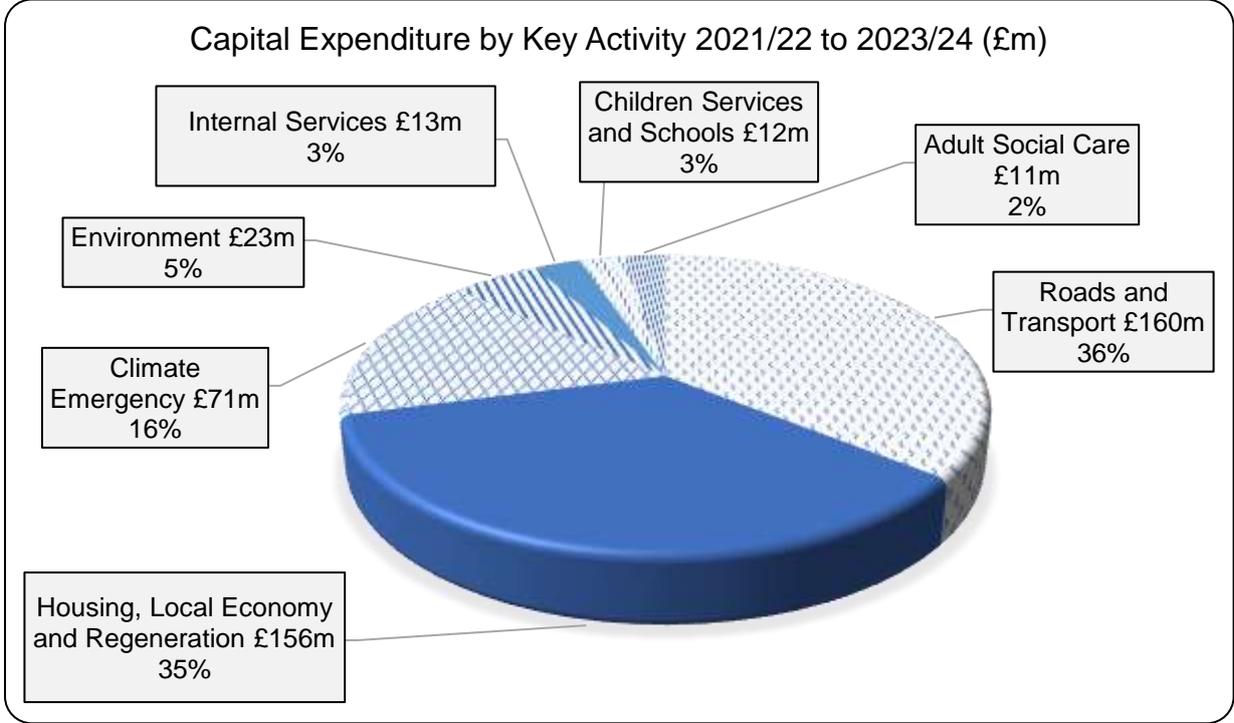
Capital

A five-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.

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 graph below shows the capital expenditure planned for the next 3 years by key activity area. In total the Council plans to invest £446m over the next 3 years.



As highlighted above, significant investment is planned across roads and transport, housing, local economy, and regeneration.

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.

Housing Revenue Account

The HRA is a ringfenced 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 £223m) and providing a service to Council tenants is mainly funded by housing rents paid by Council tenants. Gross revenue expenditure on the HRA is in the region of £16m per year and is predominately in the areas of;

- capital financing - £5.2m
- investment in capital works - £3.8m
- housing and general management - £3.4m
- repairs and maintenance - £3.3m

Capital expenditure for 2021/22 on the HRA is focused on the following areas;

- housing purchases & new builds - £2.1m
- planned & cyclical works - £2.0m
- improvements & projects include decent homes - £1.1m
- managing void properties - £0.8m
- adaptations for the disabled - £0.5m

Dedicated Schools Grant (DSG)

As outlined in the previous section, the DSG funding is based on 4 blocks and therefore expenditure mirrors these 4 blocks and includes;

- Schools Block – expenditure on day to day running of schools.
- High Needs Block – expenditure on high needs including independent special schools. This area has seen significant financial pressures due to growing demand and complexity in cases.
- Early Years Block – expenditure in relation to providing to early year settings including funding for free entitlement for 2, 3 and 4 year olds.
- Central Schools Services Block – expenditure in relation to statutory services such as school admissions and education support services.

The High Needs Block is a separate block of funding to support those young people with SEND requirements. This has been underfunded by central government for the past few years and, when combined with the increased demand and out-of-borough placements, has meant that the account has operated in a deficit position since 2017/18. Whilst this is permitted under regulation in the short term, it is not an ideal scenario nor sustainable in the medium to long term; the Council is now taking significant steps to reduce this deficit going forward, although this will take some capital investment to reduce the future revenue pressures.

5. Reserves

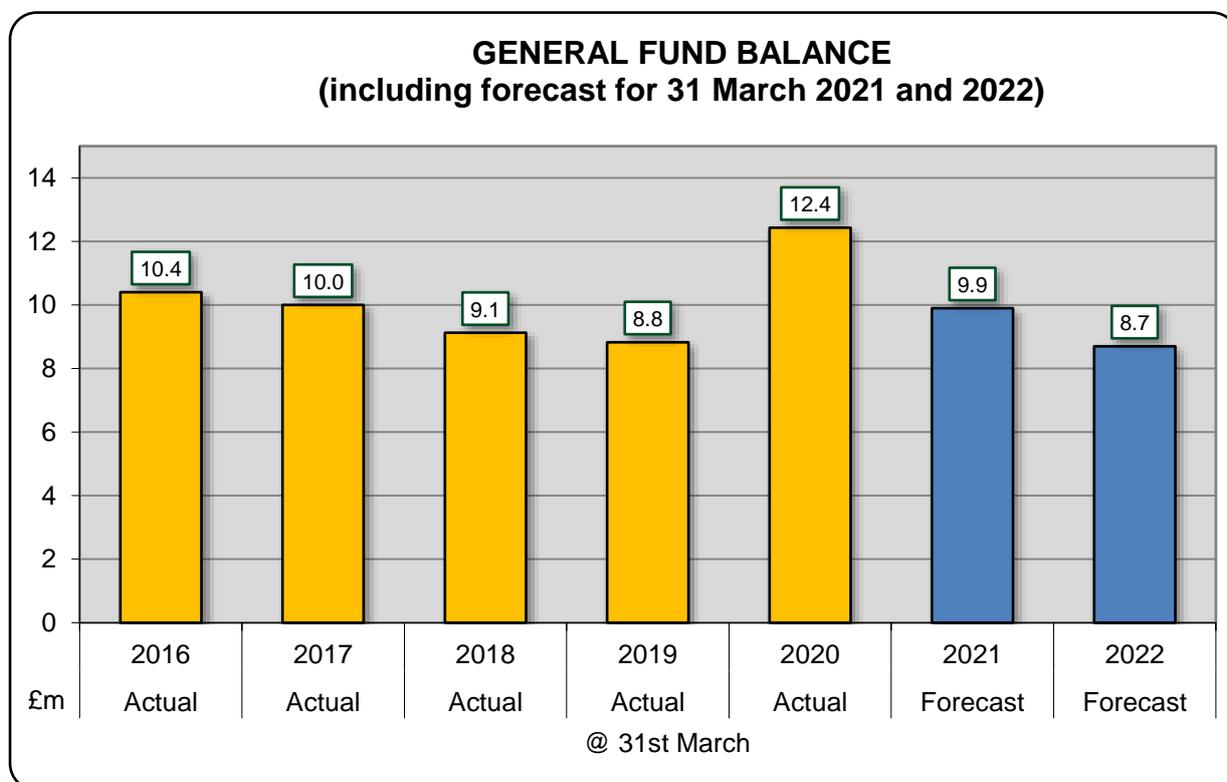
Reserves are required as a contingency to meet unforeseen spending requirements and to provide stability in medium term financial planning (e.g. by using balances to contain growth in future years).

- General Fund Balance (Revenue)
- Capital
- HRA
- DSG

General Fund Balance

The level of general fund balances is informed by a budget risk analysis. This approach was introduced in 2003/04 when the Council agreed the policy on reserves and balances. The budget risk analysis is included annually in the medium-term financial plan. The graph below shows actual GFBs at 31 March 2020 and a forecast for 31 March 2021 and 31 March 2022. The expected reduction for 31 March 2021 is as a result of in year supplementary estimates and carry forwards across directorates.

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; dependency on future commercial income and capital contributions; risks around business rate receipts, and the level of retained business rates.



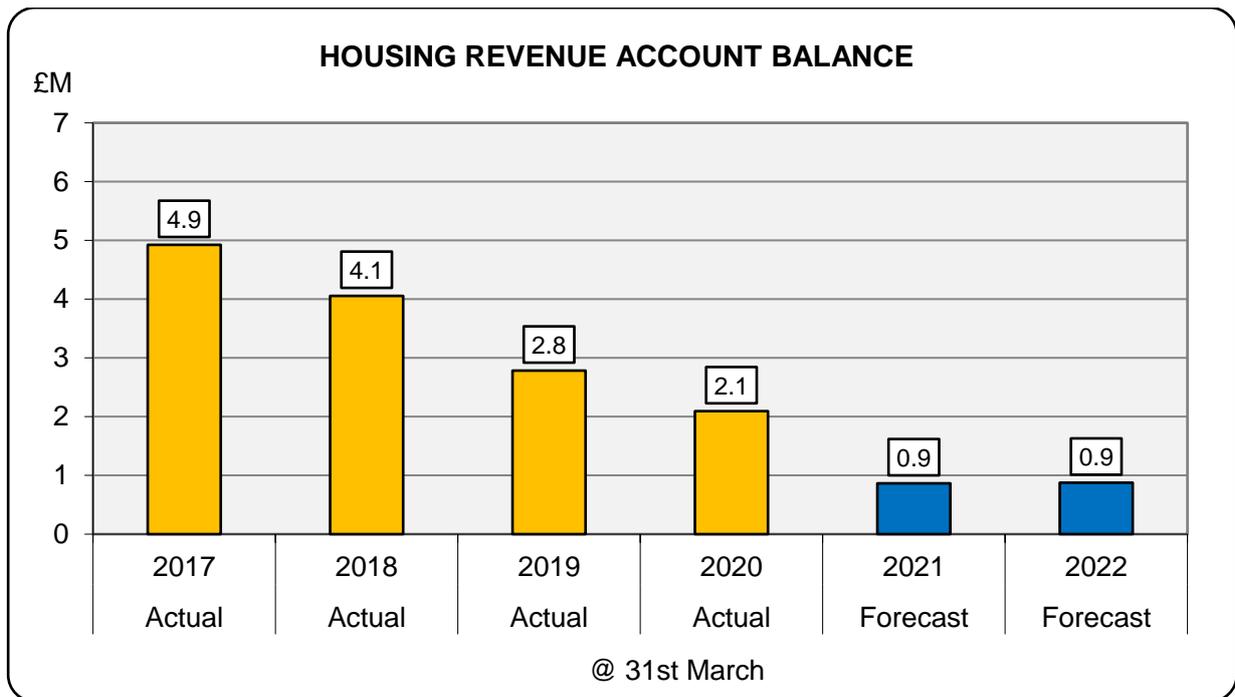
Capital

The Council holds various reserves for capital spend in the form of capital grants and contributions. Due to the nature of capital spend and multi-year projects, some reserves will be held but will be allocated to funding future year capital projects. The Council continuously review all capital funding each financial year to ensure grants are used where possible ahead of borrowing to reduce the capital financing costs (e.g. principle repayment + interest).

Housing Revenue Account (HRA)

Similar to the general fund balance, the level of HRA balance is informed by a budget risk analysis. Due to the nature of the HRA being a ringfenced account where the main source of income is tenants' rental income, holding prudent reserves remains important to act as a contingency to meet unforeseen spending requirements or income reductions and to provide stability in medium term financial planning.

HRA balances are forecast to remain at prudent levels. The reducing balances seen below since 2017 have been driven by the impact of reducing rent levels and additional investment in the capital programme. Reserves are expected to increase to £1.1m in 2023/24.



Dedicated Schools Grant (DSG)

As highlighted earlier, the Council has faced significant pressures over the past four years in relation to the High Needs Block, combined with underfunding from the government the Council is now holding a deficit reserve of £6.12m in this area. We are currently working with the DfE to form a recovery plan for this. Recent guidance from CIPFA confirmed that this deficit reserve should be held as an unusable reserve and therefore not the responsibility of the council taxpayer to fund.

The Council also holds approximately £3m in school reserves which are held to act as a contingency to offset future pressures and or put towards capital investment within schools.

Other Balances

The Council holds other earmarked 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.

Many of the earmarked reserves are held for specific purposes such as developer funding for future maintenance of assets, grants received in advance and equalisation funds to smooth annual changes on demand led areas such as waste and recycling. Other reserves include interest equalisation and forward funding which are linked to the capital programme where infrastructure is delivered ahead of receipt of developer funding.

Further information is available in section 2 of the medium-term financial plan under reserves and balances.

6. Major financial considerations (risks and opportunities)

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 has been undertaken for 2021/22 and is detailed in the MTFP. This identifies budgets where there remains a risk of overspending. The budget risk analysis is used as a guide to determine the level of general fund balance required.

The budget proposal is considered in the round to be a safe budget. However, 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 major areas that may impact on future revenue resources are:

Covid-19 pandemic

The financial impact of Covid-19 has been felt significantly in 2020/21 but its effects will undoubtedly flow into future years. All areas of the Council's finances (Revenue, Capital, DSG, HRA) are impacted by the pandemic, some to a greater extent than others. The Council's Revenue Account has been most significantly impacted but, with careful budget management and Government support the Revenue Monitoring indicates that the Council will close down with only a small net expenditure variance to budget. Although there is provision for the financial effects of Covid-19 in 2021/22, a close monitoring of the position will continue in the same way as 2020/21.

Future local government finance settlement

With the announcement of a one-year finance settlement rather than a four-year settlement for 2021/22, the future funding levels remains unclear. This context means it is extremely important the Council takes a prudent approach in its budget setting proposals for the 2021-2024 medium term financial plan.

Key risks of future funding settlement;

- Revenue support grant becomes negative (already proposed but not enacted in previous 2 years)
- New homes bonus funding is removed
- Allocation formula based on resources / needs rather than cost of providing services (e.g. higher cost of living in South East)

In line with last year, the December 2020 finance settlement proposed that the government would forgo the additional tariff (colloquially known as negative RSG) in 2021/22 (originally forecast at £7.14m in the four-year settlement and with inflation would equal £7.8m). This is a considerable risk for the Council as the government produces its new methodology for the 'fairer-funding' of local government. Furthermore, the two key considerations within the proposed new methodology are "needs" and "resources" and Wokingham are likely to rank lowest on both in terms of government support.

As previously mentioned, the new homes bonus is also likely to be removed and this would cost the Council up to approximately £6m per annum.

It is clear from this substantial risk that the Council must remain extremely cautious with regard to its ongoing base-line funding; the outcome of this review will not be known until late in 2021.

Town centre regeneration

The Council has invested significantly in the regeneration of Wokingham Town Centre. The objective of this scheme is to regenerate the town, with the socioeconomic benefits of this, and generate a source of income to fund Council services across the borough. There is of course risk associated with the scale of this investment and risks have been mitigated through a process of pre-lets and establishing a risk reserve over numerous years. The scheme has now moved to a positive financial position, in that committed income from rents now exceeds the cost of borrowing. This reduces its financial risk profile and may enable funds to be released back from the risk reserve but such a transfer will be kept under review for now whilst the impact of Covid-19 is fully understood.

Commercialisation

The Council's budgets have shown an increasingly commercialised approach over the years. This in effect means that innovative, 'business like' Value for Money initiatives are encouraged across all Council services. This is as much about generating new income streams through the establishment of Companies or through asset acquisitions, as it is about early intervention, prevention, and demand management. It is essential that the Council is able to continue such financial endeavours, particularly in the context of its position as the lowest funded Unitary Authority per head in the country. Commercial activities will of course recognise and adhere to new laws and regulations, including those recently introduced in accessing Public Work Loans Board (PWLB) loans.

Companies

The Council have a joint ownership of Optalis (55% Holding), which is a company that provides Adult Social Care. Financial benefits arise predominantly through a reduced commissioning cost arising from efficiencies in the company. The company runs at more or less a 'break even' position each year and sets its charging to its 2 owners accordingly.

In addition to Optalis, the Council owns a group of Housing Companies (100% Holding). Unlike Optalis there was considerably more financial risk in establishing these, as considerable initial investment was required before returns could be realised. The risk profile regarding the Council's finances have reduced considerably over recent years through the successful delivery of a sizeable affordable housing stock and through the streamlining of the companies and associated costs. The combined group now trades at a healthy surplus.

Statutory costs of care

The Council continues to face increasing care costs with regards to both Adults and Children, which is common across the country. Some care costs are likely to be compounded by the impact of Covid-19, such as Mental Health and Domestic Abuse. Although the 3-year budget submission includes considerable investment in the Council's care services, it also contains notable cost reductions arising through demand management interventions. Both the level of escalating demand and the ability to contain it are not always in the Council's control and therefore difficult to predict. Furthermore the costs associated with individual cases can be significant (up to £400k p.a.). Although this will be an area where expenditure continues to be closely monitored, it will also be important to assess and replicate where possible effective demand management activities.

Special Educational Needs and Disability (SEND)

The Council is facing extreme cost pressures around its SEND provision, due to increased demand and a requirement for out-of-borough placements which are traditionally more expensive than provision within the Wokingham area. These also attract higher home-to-school transportation expenses as well as giving a double charge to the already stretched budgets. The Council is focusing much of its effort in preventing the requirement to place young people outside the borough wherever possible, and in ensuring the resources available are aligned with strategic priorities. This also impacts on Adult Social Care budgets as these young people transition into adulthood.

The Council has submitted a plan to the DfE in response to the current overspend on the High Needs Block within the Dedicated Schools Grant. Considerable challenges still exist in this area and the Council will be working with the DfE to find ways to improve financial stability. At the same time the Council have joined forces with other Local Authorities to make the case for a more appropriate way of financing this area of escalating need.

Strategic Development Locations (SDLs)

The Council embarked on a Core Strategy a number of years ago which necessitated the delivery of 4 Strategic Development Locations (SDLs). The success of these developments is dependent on the Council funding infrastructure 'up front' to 'unlock' house building. The overall approach enables the Council to; deliver against its statutory housing targets (thereby minimising uncontrolled development approvals), provide much needed affordable housing, and ensures the Council receives a meaningful financial contribution from developers. The financial risk associated with the delay between Council 'up front' funding and the receipt of developer contributions has been mitigated to some extent through the close management of scheme delivery and the establishment of a risk reserve over numerous years. The impact of Covid-19 on this programme could be sizable and will be kept under close review.

A significant funding stream assumed for the Council from the SDLs is developer funding known as Community Infrastructure Levy (CIL). The impact of the current national and local economy on housing is difficult to predict and the timing of this income may be affected. This therefore remains a considerable risk.



Graham Ebers
Deputy Chief Executive
(and Chief Financial Officer)

1. Glossary

Abbreviation	Description
ASC	Adult social care
CCOSC	Community & Corporate Overview & Scrutiny
CIPFA	Chartered Institute of Public Finance & Accountancy
CFO	Chief Finance Officer
CPI	Consumer Price Index
CFR	Capital Financing Requirement
DSG	Dedicated Schools Grant
DfE	Department for Education
DoHSC	Department of Health and Social Care
ESG	Education services grant
GFB	General fund balances
HND	High Needs Block
HRA	Housing revenue account
MOD	Ministry of Defence
MTFP	Medium term financial plan
NDR	Non-domestic (business) rates
NHB	New homes bonus
PUF	Primary unit cost
RPI	Retail Price Index
RSG	Revenue support grant
SDL	Strategic development locations
SEND	Special Educational Needs and Disability
SFA	Settlement funding assessment
SoBM	Summary of budget movements
SUF	Secondary unit cost
TCR	Town centre regeneration
WHL	Wokingham Housing Limited

Reserves and Balances

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

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
General Fund Reserves:					
General Fund (Statutory)	Resource available to meet future running costs for non-housing services	<ul style="list-style-type: none"> Policy based on a combination of financial risks and Audit Commission guidance as follows: Min 5% of net expend (excluding Dedicated Schools Grant) – this equates to £6.6m Risk assessments of budgets To enable stability in longer term financial planning 	2022 £8.7m 2023 £9.0m 2024 £9.0m	Provides: <ul style="list-style-type: none"> General contingency for unavoidable or unforeseen expenditure Stability for longer term planning Interest on Balances helps to reduce costs to the taxpayer: Interest on Balances @ 1.0% = £10k per £1m. 	<ul style="list-style-type: none"> Could be used to fund one off General Fund expenditure which would result in loss of interest £10k per £1m Could be used instead of borrowing @ 1.7% = £17k per £1m but loss of interest of £10k per £1m
Insurance Fund (Earmarked Reserve)	This is used to fund part of each insurance claim, up to losses of c£1m in a year	<ul style="list-style-type: none"> Needs to be at a level where provision could sustain claims in excess of current claims history May have to meet claims incurred but not yet reported May have to meet any uninsured / uninsurable losses 	2022 £3.3m 2023 £3.1m 2024 £2.9m	<ul style="list-style-type: none"> Used to fund deductibles / excesses in order to minimise premiums Provides the Supply Teacher Scheme Helps maintain current rates charged to schools Interest earned builds up the reserves 	<ul style="list-style-type: none"> Fund could be used to fund one off General Fund expenditure

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Renewals Funds (Earmarked Reserves)	<p>These are reserves held in order to finance the renewal or maintenance of specific items of equipment or furnishings.</p>	<ul style="list-style-type: none"> Contributions to the reserve are made on the basis of the anticipated replacement cost of the items over their expected life 	2022 £0.5m 2023 £0.5m 2024 £0.5m	<ul style="list-style-type: none"> Reduces pressure on maintenance budgets Interest is accrued on the reserves at 1.0% = £5k which helps to reduce costs 	<ul style="list-style-type: none"> Could be used for alternative maintenance or other revenue expenditure
Waste PFI Equalisation Fund (Earmarked Reserve)	<p>The reserve is held to even out the cost of the waste PFI contract over the life of the contract and smooth revenue impacts from volatility in landfill and recycling usages.</p>	<ul style="list-style-type: none"> 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 	2022 £5.7m 2023 £5.9m 2024 £6.1m	<ul style="list-style-type: none"> Provides stability of budgets in the medium to long-term 	<ul style="list-style-type: none"> A reserve in deficit cannot be used for other purposes, it will be offset by General Fund Reserves
Pension, Interest, and WTCR Equalisation Funds (Earmarked Reserve)	<p>These equalisation funds reflect that investments will fluctuate due to market conditions. Also includes funds to cover any potential losses in investments and smooth pension fund contributions. These reserves also held to smooth the negative impact from the fairer funding review.</p>	<ul style="list-style-type: none"> To build up reserves based on favourable investment returns over budget Contributions from the reserves will be used to fund Wokingham Town Centre Regeneration (WTCR) until cash flow becomes positive Smooth annual variations to pension fund contributions Smooth annual variations between leisure contract income and capital investment costs Smooth impact of fairer funding review and loss of new homes bonus 	2022 £24.0m 2023 £22.0m 2024 £20.0m	<ul style="list-style-type: none"> Equals out market fluctuations in income due to volatile interest rates Interest is accrued on the reserves at 1.0% = £240k which helps to reduce costs Equalises WTCR scheme costs 	<ul style="list-style-type: none"> Could be used to support revenue expenditure

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Commuted Sums (Earmarked Reserve)	These are amounts received from developers for the maintenance of open spaces, parks and natural greenspaces	<ul style="list-style-type: none"> There is no policy on the level of balances due to the nature of developer works and CIL agreements All contracts are unique to each developer and will vary depending on the nature of the particular project and may be subject to planning permissions etc. 	2022 £10.6m 2023 £11.6m 2024 £12.6m	<ul style="list-style-type: none"> Used to maintain parks and open spaces so avoiding service spend Interest to be used in a specified and agreed manner 	<ul style="list-style-type: none"> Money cannot be used for other purposes
Forward Funding (Earmarked Reserve)	Offset impact where infrastructure required ahead of developer contributions being received.	<ul style="list-style-type: none"> Reserve held to offset annual differences between capital investment costs and receipt of developer contributions 	2022 £19.2m 2023 £18.2m 2024 £17.2m	<ul style="list-style-type: none"> Infrastructure can be delivered ahead of developer receipt 	<ul style="list-style-type: none"> Could be used to support revenue expenditure
Capital Reserves:					
Usable Capital Receipts (Excluding right to buy) (Statutory)	Proceeds of fixed asset sales and repayments of other loans/grants available to meet future capital requirements and to act as a contingency	<ul style="list-style-type: none"> The current policy is to ensure that balances are sufficient to cover the first year of the capital programme (including urgent health & safety issues that may arise during the year) 	2022 £0.6m 2023 £0.5m 2024 £0.3m	<ul style="list-style-type: none"> To finance future capital schemes This provides stability for longer term planning Interest on balances @ 1.0% helps to reduce costs to the taxpayer. 	<ul style="list-style-type: none"> Could be used instead of borrowing @ 1.7%, but loss of interest
Usable Capital Receipts (Right to buy element)	The council's share of HRA sale receipts are ring fenced for One for One Replacement	<ul style="list-style-type: none"> Housing sales receipts must be used for social housing within the Borough 	2022 £0.1m 2023 £0.1m 2024 £0.1m	<ul style="list-style-type: none"> Government's commitment to ensure that the receipts on every additional home sold under the Right to Buy are used to fund its replacement 	<ul style="list-style-type: none"> Will be used to help fund the HRA reinvestment in new homes for affordable rent

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Other Capital Contributions:					
Developer Contributions (S106 and Community Infrastructure Levy (CIL) and Revenue to Capital Contributions	<p>Money received from developers as part of their development obligations</p> <p>A time lag exists between receipt and design/delivery of schemes</p>	<ul style="list-style-type: none"> There is no policy on the level of balances due to the nature of the contributions Contributions should be used to fund schemes identified within the 3-year capital programme / 10-year capital vision where possible All contracts are unique to each developer and will vary depending on the nature of the particular project and may be subject to planning permissions etc. Balances may increase due to restrictions on how contributions may be spent, and matching these to schemes within the capital programme 	<p>2022 £26.6m</p> <p>2023 £26.8m</p> <p>2024 £25.0m</p>	<ul style="list-style-type: none"> Interest on contributions helps to reduce costs to the taxpayer: Interest on Balances @ 1.0% = £266k 	<ul style="list-style-type: none"> S106 Monies can only be used for purposes specified in the agreement S106 Contributions might be time restricted therefore if not utilised may need to be repaid to the developer Could be used instead of borrowing @ 1.7%, but loss of interest
Ring Fenced Reserves:					
Housing Revenue Account (HRA) (Statutory)	<p>Resources available to meet future running costs for council houses</p>	<ul style="list-style-type: none"> Local Government and Housing Act 1989 section 76 (3) forbids a year end deficit on the HRA Balance is determined by level of risk associated with the budget Current recommended minimum level of reserves is £0.9m 	<p>2022 £0.9m</p> <p>2023 £1.0m</p> <p>2024 £1.1m</p>	<ul style="list-style-type: none"> Provides general contingency for unavoidable or unforeseen expenditure or fall in income Stability for longer term planning and for meeting the decent homes standard Interest on Balances helps to reduce costs. 1% Interest = £9k 	<ul style="list-style-type: none"> Could be used to fund HRA Capital expenditure to help meet decent homes standard which would result in loss of interest £10k per £1m Could be used to fund HRA debt repayment

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Major Repairs Reserve (Statutory)	This records the unspent balance of HRA Capital projects	<ul style="list-style-type: none"> Use of Capital to meet Decent Homes Standard Redevelopment and regeneration of the council's housing stock 	2022 £0.9m 2023 £0m 2024 £0m	<ul style="list-style-type: none"> Provides capital to invest in stock to meet the government's Decent Homes Standard policy Provides general contingency for unavoidable or unseen expenditure 	<ul style="list-style-type: none"> Will be used to fund HRA capital expenditure to help meet decent homes standard
Specific School Reserves (ISB) (Earmarked Reserves)	To resource expenditure directly delegated to schools	<ul style="list-style-type: none"> The estimates are based on the existing number of schools and do assume any further transfers to academies, which would impact upon these estimates. 	2022 £3.0m 2023 £2.9m 2024 £2.8m	<ul style="list-style-type: none"> Provides general contingency for unavoidable or unseen expenditure Offset any deficit balance in DSG reserve Interest on Balances helps to reduce costs: Interest on Balances @ 1.0% = £33k 	<ul style="list-style-type: none"> School reserves are ring fenced to schools
Other Earmarked Reserves	These reserves are held for specific accounting reasons	<ul style="list-style-type: none"> The funds in these reserves are ring fenced funds that cannot be used for other purposes 	2022 £10.1m 2023 £9.3m 2024 £8.5m	Reserves include: <ul style="list-style-type: none"> Housing Association reserve Challenge of business rates Energy contract reserve Building Control trading account reserves 	<ul style="list-style-type: none"> Interest on these reserves at 1.0% would be £101k which helps to reduce costs

GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2021/22

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

	2020/21	2020/21	2021/22	2021/22
	Estimate	Local Tax Rate	Estimate	Local Tax Rate
	£	£	£	£
Adult Social Care	48,482,120	673.02	53,685,200	732.43
Chief Executive	560,310	7.78	398,310	5.43
Childrens Services	26,394,640	366.41	28,813,060	393.10
Community, Insight & Change	0	0.00	12,365,000	168.70
Place & Growth	30,022,770	416.77	28,460,100	388.28
Resources & Assets	24,237,570	336.46	8,755,910	119.46
Total Net Expenditure	129,697,410	1,800.44	132,477,580	1,807.41
Appropriation to / (from) Balances	8,036,165	111.56	11,779,349	160.71
Borough Council Requirement	137,733,575	1,912.00	144,256,929	1,968.11
Income:				
Government Support / Business Rates	(18,609,699)	(258.34)	(19,410,096)	(264.81)
New Homes Bonus	(7,461,471)	(103.58)	(5,595,073)	(76.33)
Council Tax Collection Fund Surplus	(500,000)	(6.94)	(500,000)	(6.82)
Council Tax for Borough Council Purposes	111,162,405	1,543.14	118,751,760	1,620.14
General Fund Balance Estimates (Note 1)				
Brought Forward	8,454,415		9,924,547	
In Year Variation	1,470,132		(1,206,561)	
Carried Forward	9,924,547		8,717,986	
Council Tax Base	72,036.5		73,297.1	

Note 1 - 2020/21 estimate based on latest in year monitoring position.

The local tax Band D rate of £1,620.14 is a 1.99% core increase in council tax and a 3.00% increase which forms the Adult Social Care precept.

GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2021/22

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

	2020/21	2020/21	2021/22	2021/22
	Estimate	Local Tax Rate	Estimate	Local Tax Rate
	£	£	£	£
Adult Social Care	51,369,560	713.10	55,820,730	761.57
Chief Executive	9,374,090	130.13	8,480,750	115.70
Childrens Services	35,397,940	491.39	36,512,390	498.14
Community, Insight & Change	0	0.00	6,635,350	90.53
Place & Growth	34,986,800	485.68	39,575,950	539.94
Resources & Assets	12,351,830	171.47	738,040	10.07
Depreciation Charges	(13,782,810)	(191.33)	(15,285,630)	(208.54)
Total Net Expenditure	129,697,410	1,800.44	132,477,580	1,807.41
Appropriation to / (from) Balances	8,036,165	111.56	11,779,349	160.71
Borough Council Requirement	137,733,575	1,912.00	144,256,929	1,968.11
Income:				
Government Support / Business Rates	(18,609,699)	(258.34)	(19,410,096)	(264.81)
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General Fund Balance Estimates				
Brought Forward	8,454,415		9,924,547	
In Year Variation	1,470,132		(1,206,561)	
Carried Forward	9,924,547		8,717,986	
Council Tax Base	72,036.5		73,297.1	

GRAND SUMMARY - GENERAL FUND FORECAST BUDGETS 2022/23 & 2023/24

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.

	2022/23 Estimate £	2022/23 Local Tax Rate £	2023/24 Estimate £	2023/24 Local Tax Rate £
Adult Social Care	54,953,200	749.73	55,594,200	758.48
Chief Executive	398,310	5.43	398,310	5.43
Childrens Services	29,408,060	401.22	28,728,060	391.94
Community, Insight & Change	13,243,800	180.69	13,169,300	179.67
Place & Growth	28,265,000	385.62	27,289,970	372.32
Resources & Assets	10,726,820	146.35	14,115,820	192.58
Total Net Expenditure	136,995,190	1,869.04	139,295,660	1,900.43

The above figures are based on the bids in the MTFP. Figures will be revised during the budget setting process for 2022/23 and 2023/24.

GRAND SUMMARY - GENERAL FUND "PROFIT AND LOSS"

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

	2020/21 Estimate £m	2021/22 Estimate £m
Council tax	(111.2)	(118.8)
Government support	(18.6)	(19.4)
Strategic assets rental income	(6.3)	(8.9)
Leisure management income	(2.0)	(2.1)
WHL income	(0.7)	(0.7)
Grants and other income	(66.3)	(66.1)
Total income	(205.1)	(216.0)
Adult Social Care	64.3	75.5
Chief Executive	9.4	8.5
Childrens Services	39.3	39.9
Community, Insight & Change	0.0	9.7
Place & Growth	48.0	52.2
Resources & Assets	49.9	33.7
Less: depreciation	(13.8)	(15.3)
Total expenditure	197.1	204.2
Appropriation (to) / from balances	(8.0)	(11.8)

GROSS INCOME AND EXPENDITURE

The table below shows the total gross income and expenditure for the General Fund, Dedicated Schools Grant and Housing Revenue Account.

2020/21 Budget £'000		2021/22 Estimate £'000
Income		
General Fund		
22,742	Fees and Charges	29,818
39,406	Specific Grants	35,781
2,205	Other Income	2,205
3,033	Internal Income	3,937
67,387		71,742
Dedicated Schools Grant		
82,263	Specific Grants	85,826
82,263		85,826
Housing Revenue Account		
15,358	Fees and Charges	15,733
1	Specific Grants	1
48	Other Income	72
1,202	Plus movements from reserves	0
16,609		15,806
166,258	Total Income	173,374
Expenditure		
General Fund		
64,262	Adult Social Services	75,510
9,409	Chief Executive	8,516
39,276	Children's Services	39,856
0	Community, Insight & Change	9,707
49,876	Place & Growth	52,243
48,044	Resources & Assets	33,672
210,867		219,506
Dedicated Schools Grant		
11,140	Central Schools Block	13,992
71,123	Individual Schools Block	71,834
82,263		85,826
Housing Revenue Account		
16,609	Housing Revenue Account	15,795
0	Less: surplus to reserves	11
16,609		15,806
309,739	Sub Total Expenditure	321,137
143,481	Net Expenditure	147,763
13,783	Less: depreciation	15,286
6,612	Less: special items	4,870
20,395		20,155
123,086	Net Expenditure (excluding Special Items & Depreciation)	127,608

Notes

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

SERVICE NARRATIVES

ADULT SOCIAL CARE BUDGET 2021/24

Service Aims and Objectives

Adult Social Care

Our ambition is for Wokingham Borough to be one of the best boroughs for adults and carers in need of support to live, where they feel safe, included and a key part of our community. Our Adult Social Care strategy sets out our approach to successfully achieve this whilst making sure people realise the desired outcomes that are important and personal to them.

The ASC strategy sets out our vision and the strategic priorities and identifies the actions we want to achieve in the context of challenging budgetary and demographic pressures. These challenges require a radical shift in the way that the Council delivers Adult Social Care and an opportunity for the Council to refocus its resources. We need to make sure that we work in a way that fits with how people choose to live their lives, whether that is in education, training, employment or in retirement. We are proud of the diversity of our borough, and that people are living longer and are healthier. We are committed to supporting all adults who have care and support needs to be as independent as possible in a way that works for them throughout their lives. This includes adults with mental health conditions, autism, learning disabilities, physical disabilities, sensory impairment (sight or hearing difficulty) and older people.

The main policy driver for the work of Adult Social Care is The Care Act (2014). The Care Act (2014) is the legislative framework providing Duties and Powers that all Local Authorities must adhere to. The key emphasis of The Care Act (2014) is to support prevention; to promote well-being; and to offer choice and control. It also outlines general responsibilities for Local Authorities including promoting individual wellbeing of the entire population as well as meeting the eligible support and care needs of residents. Delivering this will be a collaborative approach, particularly working closely with our Health and Voluntary and Community Sector partners as we progress towards integrated health and social care services in line with the NHS Long Term Plan.

Our strategy is focused on the following priorities:

- Keeping people safe
- Prevent, reduce and delay the need for formal care and support
- Involve people in their care and support
- Work in partnership and commission services that deliver quality and value for money

The coronavirus (COVID-19) pandemic has had a profound impact on people receiving and providing social care in Wokingham. Wokingham Borough Council fully appreciates the pressure that the whole sector is under and the exceptional job we are all doing to meet the current challenge.

Adult Social Care is at the forefront of the COVID-19 response, and many social care providers in Wokingham have robust arrangements in place and are in daily communication with the local authority, seeking appropriate advice and support.

COVID-19 will fundamentally impact the way we deliver Adult Social Care in the future. We will continue to support people receiving and providing social care as we transition to these new ways of working.

Strategy and Commissioning

Strategy and Commissioning work across Children's and Adults Services to ensure services, programmes, projects and employees are working towards a common set of outcomes as specified in the Corporate Plan.

We deliver high quality planning, commissioning, performance management and improvement processes to drive change, innovation and excellence in social care commissioning in line with national and local priorities. Supporting the development of the social care provider market to ensure a sufficient and diverse range of services that prevent, delay or reduce the need for statutory care and support.

The People Commissioning Team includes:

- Strategic Commissioning: Working across Children's and Adults Social Services to capitalise on the opportunity to increase the value and financial sustainability of services by making the most effective use of available resources and the most efficient and consistent delivery
- Operation Commissioning (inc. Intelligent Purchasing): Responsible for commissioning placements for vulnerable adults and children across a number of different provisions, including residential, nursing care, supported living, fostering services and Post 16
- Contract Management: Contract and performance management of commissioned services and provider relationship development

Our focus is on the following priorities:

- To support transformational change through commissioning high quality, cost effective and outcome-based services that ensure the right level of support is provided at the right time, in the right place and at the right cost;
- To design and commission against outcomes defined in strategic planning. Identifying resources, partnerships and funding, managing large scale procurements and then ongoing strategic contract and performance management;
- To support Children's and Adults Services to set their strategic direction and design services to meet their needs;
- To help the Council to deliver savings through more integrated commissioning and procurement, working in partnership with our contractors to maximise service outcomes and support local business to contribute towards the Council's vision;
- To actively monitor externally commissioned support services to maximise expenditure, commercial opportunities and value for money;
- Adopt new and innovative approaches to ensure that sufficient appropriate placements are available for vulnerable children, young people and adults;
- Managing and maintaining an excellent framework for commissioning practice;
- Delivering high quality planning, commissioning, performance management and improvement processes to drive change, innovation and excellence in social care commissioning in line with national and local priorities;
- Supporting the development of the social care provider market in order to:
 - Develop a sufficient and diverse range of services to prevent, delay or reduce the need for statutory care and support;
 - Ensure that these services offer quality social care to the council, to personal budget holders and to self-funders;
 - Provide project management support, guidance and advice related to the strategic management of social care market;
 - Robust cost management for the Council including the delivery of cashable savings and efficiencies to enable the Council to achieve budgetary targets on external expenditure;
- Develop strategies which support the delivery of high-quality services and, where appropriate, de-commissioning and re-designing services; and,

- The management of all aspects of all major tenders and procurements within Children's and Adult's services, ensuring that all procurement activity complies at all times with the Council's standing orders.

Public Health

The aim of the Public Health department in Wokingham is to improve the health and wellbeing of local residents, reduce differences between life expectancy, and improve healthy life expectancy. As well as specific commissioning and service delivery responsibilities, the public health team work collaboratively to deliver the strategic objectives of both the Council and the Health & Wellbeing Board and promote health and wellbeing in all policies across Wokingham Borough Council.

Our focus is on the following priorities:

- Embedding public health practice throughout the organisation and working closely with partners and residents to improve the health and wellbeing of the local population and reduce inequalities;
- To deliver public health expertise and advice both internally and externally;
- To lead on the coordination and integration with the NHS, building strong links with the CCG and the Foundation Trusts, to develop efficient and seamless public health services;
- Ensuring value for money in all of the Council's commissioned and contracted public health services, through strong commissioning and contract management, including development of related robust evidence bases;
- To identify, assess and communicate risks associated with hazards relevant to health protection, for example communicable disease, and to lead and co-ordinate the appropriate public health response; and,
- To contribute to the successful achievement of the Council's vision and objectives and support the work of council services and partnerships through development of and input into corporate strategies and plans.

Service Outputs – Key Facts and Figures

Adult Social Care - Key Performance Measures:

- 19.4% of people with learning disabilities in Wokingham Borough are in paid employment (included supported employment) in 2019/20, compared to 5.9% for the England average in 2018/19. Our rank was number 2 from all local authorities;
- 9.0 younger adults (aged 18-64) per 100,000 whose long-term support needs in 2019/20 met by admission to residential and nursing care homes compared to 13.9 England average in 2018/19;
- 434.5 older adults (aged 65 and over) per 100,000 whose long-term support needs met by admission to residential and nursing care homes in 2019/20 compared to 579.4 England average in 2018/19;
- 82.1% of working age (18-64) service users in Wokingham Borough with a learning disability in 2019/20, are living on their own or with their family compared to 77.4% England average in 2018/19;
- 87% of adults waited fewer than 28 days for occupational therapy or social work assessment in 2019/20;
- More of our older people are being supported to stay in their own homes;
- Older people admitted to hospital experience discharge delays of 3,001 days in total for 2018/19; hospital discharge delays 2019/20 data collection were paused mid-March 2020 due to coronavirus pandemic;
- 5,674 contacts from new customers in year 2019/20;
- Number of new people assessed in year 2019/20 – 418;

- Number of people reviewed in year 2019/20– 776;
- Number of people receiving long term services throughout 2019/20 – 1,584;
- Number of carers who have had assessment or review in 2019/20 – 443; and,
- Permanent admissions to residential and nursing homes in 2019/20 – 116.

Revenue Budget & Service Changes 2021/24

Service activity and costs are modelled and forecast every year using population data and other trend information. There is a continual focus to deliver services as efficiently as possible.

This year our key challenges remain to-

- Design our neighbourhoods to support reducing social isolation, creating physically active communities and narrowing the health inequalities gap;
- Protect the most vulnerable people;
- Contain cost pressures of demographic growth;
- Maintain the development of personalised services including personal budgets;
- Achieve the required outcomes of the Care Act and the Better Care Fund;
- Continue integration of health responsibilities;
- Commission further community support and prevention, including services for carers;
- Develop more supported housing for people with learning disabilities and mental health needs;
- Continue partnership with community health services; and,
- Support, retain and develop an excellent workforce for the future.

Capital Budget & Service Changes 2021/24

Capital schemes involving Adult Social Care include the following:

- Older People's Dementia Home: To meet demand in the market for functional, comfortable and homely accommodation that represents value for money;
- Learning Disability Accommodation: This will address the accommodation needs of our clients, and meet any future increased demand, to ensure that suitable services are available;
- Learning Disability Outreach and Overnight Respite Centre: To develop existing or alternative provision to ensure availability of services;
- Mandatory disabled facility grants and equipment; and,
- Mosaic Modernisation and Reimplementation.

REVENUE SERVICE BUDGETS 2021/22	Budget 2020/21 £'000	Budget 2021/22 £'000	Note
Adult Social Care			
Adult Social Care	48,482	52,097	(1&3)
Strategy and Commissioning	0	1,562	(2)
Public Health	0	26	(2)
<i>Internal Recharges & Depreciation Charges</i>	2,888	2,136	
Total Adult Social Care & Health	51,370	55,821	

Explanation of Movement from 2020/21 to 2021/22

Note 1.

Growth of £1,920k to meet rising demand and costs across adult social services, including young people transitioning from Children's Services; pay related increases of £634k; savings of (£1,900k) reflecting demand management and improvements; changes to special items of (£395k); removal of transfer of responsibilities £1,000k; inflationary increases £1,890k and net restructuring changes of £467k.

Note 2.

Transfer of Strategy and Commissioning and Public Health services into the Adult Social Care directorate.

Note 3.

	£'000
Total Adult Social Care 2020/21	48,482
Remove 2020/21 one off Special Items	(1,035)
Remove Transfer of Responsibilities	1,000
Add 2021/22 Special Items	640
Restructure Adjustments	467
Pay and pension increases 2020/21	499
Adjusted baseline Adult Social Care 2021/22	50,053
Growth	1,920
Savings	(1,900)
Non-Pay Inflation	1,890
Pay related increases	134
Total Adult Social Care 2020/21	52,097
Net movement on Adult Social Care	2,044

CHIEF EXECUTIVE BUDGET 2021/24

Service narratives are based on the council's current structure. Consultation on the structure is currently on going, once approved all budgets will be adjusted to the new structure.

Service Aims and Objectives

The Chief Executive is the head of the council who leads and takes responsibility for the work of 1,184 (full time equivalent) paid staff, who run the local authority on a day-to-day basis, along with ensuring legislation is translated and implemented.

Revenue Budget & Service Changes 2021/24

The directorate's efforts will be concentrated on supporting the organisational development of the Council to enhance the organisation's ability to deliver its vision and priorities.

Capital Budget & Service Changes 2021/24

The Chief Executive's service area does not have any capital budgets.

REVENUE SERVICE BUDGETS 2021/22	Budget 2020/21 £'000	Budget 2021/22 £'000	Note
Chief Executive			
Chief Executive Office	560	398	(1)
<i>Internal Recharges & Depreciation Charges</i>	8,814	8,082	
Total Chief Executive	9,374	8,481	

Explanation of Movement from 2020/21 to 2021/22

Note 1. Budget for new director post transferred to new directorate – communities, insight and change.

CHILDREN'S SERVICES BUDGET 2021/24

Service Aims and Objectives

Our primary aims are to safeguard children and promote their welfare and ensure that children have access to good quality teaching so they can have the best start in life and achieve their ambitions.

We aim to achieve this by:

- Ensuring that Wokingham children are able to live, learn and thrive free from fear and harm, with a network of safe people around them;
- Enabling families to use their own resources so children live, learn and thrive in safety; and,
- Delivering improved outcomes for children and families through our Early Help approach, building on what works well, empowering professionals to maintain a relentless focus on children and designing services to enable excellent practice.

Children's Services includes the following delivery areas:

Learning, Achievement & Partnerships

- This sub-directorate champions positive outcomes for all children and young people attending Wokingham schools and settings, and supports Wokingham children placed in schools outside the Borough. It supports and challenges maintained schools and partners on raising achievement, secures effective early years and childcare provision, and provision for children with special educational needs in maintained schools and academies through a number of key service areas. The sub-directorate also administers the school admission and planning for new places arrangements in maintained schools and academies and, through specialist services, supports those to access education who might otherwise not attend or be excluded. The sub-directorate also oversees the Virtual School which supports, as part of our corporate parenting arrangements, education support for looked after children. The sub-directorate also supports adult and, community learning and provides guidance for young people not in education, employment or training. Learning, Achievement & Partnerships works closely with Social Work and Early Intervention Services, health commissioners and providers to deliver integrated education, health and care for children with higher levels of special education needs and disabilities.

Social Work and Early Help

- The Social Work and Early Help sub-directorate provides support, help and intervention for some of Wokingham's most vulnerable children. The aim of the sub-directorate is to help children in need achieve the best start in life, remain safe in both the home and their local community and provide support to parents and carers in need of assistance. This support and intervention are delivered by social work teams, children's centres, respite care, therapeutic and practical support, foster care and adoption services. It works closely with children, families, schools, health, the police and a range of other community services.

Quality Assurance & Safeguarding Standards

- This sub-directorate comprises: the Intelligence and Impact Team which supports and develops the systems which capture and report on management and performance data across Children's (and Adults) Services. This team also co-ordinates cross service policy initiatives as well as the audit function; the Quality Assurance and Safeguarding Team which comprises the Independent Reviewing Officers and Child Protection Conference Chairs who provide independent scrutiny and expertise to work with children in care and those subject to child protection plans; the Designated Officer (LADO) who is responsible for the oversight of allegations against professionals working with children in the borough, the Children Act

Complaint Service; and the Children Rights Officer and Advocate who also runs the children in care council. The sub-directorate holds responsibility for the design and delivery of the Children's and Adults Services Learning and Development offer together with the implementation of the practice framework. The Principle Social Worker for children is a key part of the team, promoting good practice and managing the student and ASYE scheme.

Strategic and Operational Delivery

- This newly established sub-directorate holds responsibility for the directorate's strategy development and implementation, which includes; championing a whole council approach to improving outcomes for children and young people in the Borough, self-evaluation of sub-directorates and services, and design, and delivery of the programmes and projects which form part of the Children's Services Continuous Improvement Programme.

Service Outputs - Key Facts and Figures

- In the last 12 months 10,067 concerns about children or young people were screened by the Children's Services 'front door';
- At any one time we support around:
 - 1,200 children, young people and their families through open assessments, Early Help, Child Protection, Child in Need and Looked After Children plans of which:
 - 130 are subject to a Child Protection Plan; and
 - 100 are children in care for whom WBC is the corporate parent.
 - 90 care leavers between the ages of 18 and 25.
- 13% of Children becoming subject to a Child Protection Plan (CPP) in 20/21 did so for a for a second or subsequent time ever in their life compared to 20% at year-end (2019-20);
- We had 50% more children offending for the first time this financial year to date when compared to 2019/20;
- Between September 2019 and September 2020, we provided short break support amounting to 449 overnight stays, and support & activities including 5,239 hours Day Care, 1,289 hours of Saturday Club and 186.5 hours of outreach;
- As of November 2020 just under 8,000 children aged under 5 were registered at the six Children's Centres within the Ambleside and Brambles Children's Centre reach area hubs, which is around 80% of the borough's under 5 population (April 2020 population estimate);
- We provide in the region of 1,200 Education Health and Care Plans maintained by Wokingham Borough Council with approximately 720 of these being in Wokingham schools (Early years, Mainstream, Special and Alternative Provision (AP)/Pupil Referral Unit (PRU));
- 87% of children attended a "good" or "outstanding" Wokingham school at the end of September 2020;
- 98% of early years settings were 'Good' or 'Outstanding' as at the end of March 2020; and,
- Typically around 65% of eligible 2 years old take up a place in an early year setting. Due to the current Covid situation there has been a drop in this number. Currently, around 50% of those eligible are attending a setting. Both our statistical and geographical neighbours have also reported similar drops in numbers.

Revenue Budget & Service Changes 2021/24

Service activity and costs are modelled and forecast every year using service trends and other information. There is a continual focus to deliver services as efficiently as possible.

This year our key challenges remain to:

- Contain cost pressures of rising demand;
- Protect the most vulnerable children and young people;
- Maintain school performance in the context of tightening school budgets;

- Continue joint working with key community partners; and,
- Support, retain and develop an excellent workforce for the future.

Capital Budget & Service Changes 2021/24

Children's Services capital schemes include the following:

- Information and Communications Technology equipment for children in line with our Children in Care pledge;
- Schools Devolved Formula – to carry out specific capital works on schools;
- School extension/new build projects to meet the need of additional places in the borough;
- Capital investment in the provision of Special Education to best meet needs across primary and secondary, with a focus on additional capacity for children with challenging behaviour and Autistic Spectrum Disorder (ASD), younger children (KS1 and 2) with social emotional and mental health issues and high-achieving secondary age children with ASD;
- School kitchens – to improve school kitchens throughout the borough;
- Schools urgent maintenance planned improvements and suitability issues;
- New and improved accommodation for children and young people requiring residential support and for care leavers; and,
- Capital investment in information systems and data reporting as part of the continued change programme.

REVENUE SERVICE BUDGETS 2021/22	Budget 2020/21 £'000	Budget 2021/22 £'000	Note
Children's Services			
Leadership Team	431	2,345	(1)
Learning, Achievement & Partnerships	5,730	6,555	(2)
Social Work & Early Help	17,659	17,637	(3)
Quality Assurance & Safeguarding Standards	2,574	2,276	(4)
<i>Internal Recharges & Depreciation Charges</i>	9,004	7,699	
Total Children's Services	35,398	36,512	

Explanation of Movement from 2020/21 to 2021/22

Note 1.

Pay related increases of £157k; savings of (£400k) reflecting planned service efficiencies across the Directorate; restructuring changes of £1,657k including business support teams; special item of £500k for ongoing service improvement & transformation programme.

Note 2.

Growth of £545k to meet rising demand and costs in relation to SEN, Home to School Transport and the Virtual School; pay related increases of £174k; savings of (£25k) reflecting planned service efficiencies; contract inflation of £94k; special items of £220k to support service efficiency reviews; restructuring changes of £134k; non-recurrence of previous special item (317k).

Note 3.

Growth of £1,147k reflecting increases across demand led budgets such as placements and legal costs; pay related increases of £635k; savings of (£630k) through planned service efficiencies; contract inflation of £76k; net reduction in special items of (£1,250k) supporting service efficiency reviews and new ways of working.

Note 4.

Pay related increases of £155k; contract inflation of £7k; restructuring changes of (£460k).

COMMUNITIES, INSIGHT & CHANGE BUDGET 2021/24

Service Aims and Objectives

The Communities, Insight and Change Directorate supports all the strategic themes set out in the Council's Community Vision 2020-24.

Where our directorate specifically strives to make a difference, is in these four strategic themes:

- Safe and strong communities
- Enriching Lives
- Right Homes, Right Places
- Changing the way we work for you

Our directorate is accountable for most day-to-day customer interactions, for our residents and tenants via multiple touchpoints ensuring visibility in the community. Our mission through the Community Vision plan period is to get residents and customers to love us. The core objectives of the Directorate are:

Customer

Deliver the best possible customer experience by:

- being relentlessly customer focused;
- seeing things from the customers perspective; and,
- consistently looking to shape processes and practices that produce business improvement, whilst delivering the right customer outcomes and high levels of customer satisfaction.

People

Focus, organise and develop our people to deliver our strategy and vision by;

- creating high performance teams;
- maximising the strengths of individuals to optimise performance;
- driving opportunities for collaboration across the organisation; and,
- connecting/pointing individuals towards the Council's mission and strategy.

Building the Business

Create a simpler, more efficient and responsive customer-centric organisation by;

- embedding the overall strategic direction for the Council;
- using collaborative skills and techniques to knit together the wider organisation; and,
- challenging appropriately to balance business needs and priorities, and working to overcome reactions, concerns or obstacles.

Service Outputs – Key Facts and Figures

Customer and Insight

Comprising of Customer Services, Strategy and Planning, Communications, Engagement and Marketing

- Nearly 200,000 calls, 48,000 emails and over 7,000 web chats received a year;
- 300 weddings conducted, 70 citizenship ceremonies;
- 62 KPI's monitored quarterly and reported to Member Committees;
- Production and monitoring of delivery of key corporate strategies including the Corporate Plan, Equality and Poverty;
- 100,000 average Facebook reach;
- 48,000 Wokingham Borough Connect subscribers with a 60% open rate;
- 27,000 average Twitter reach;
- 20 news releases per month;

- 362 new employees/workers in last 12 months; and,
- 918 employee undertaken classroom training events in last 12 months.

Human Resources

Comprising of policy and employee relations, organisation change, resourcing, people and organisation development, and health & safety

- 362 new employees/workers in last 12 months;
- 918 employee undertaken classroom training in last 12 months; and,
- 3,424 pieces of e-learning undertaken in last 12 months.

Neighbourhood and Communities

Comprising of Housing Services (assets and maintenance, housing management, involvement and improvement and rental income), Localities (inc. Libraries) and Community Safety Partnership

- Manage and deliver all aspects of the Council's landlord function for all council-owned social housing and temporary accommodation which includes; 2,597 council owned houses; 184 leasehold premises; 81 shared ownership properties; 656 garages; 29 temporary accommodation units across three sites and 35 traveller pitches across two sites.
- Around 480k PA visits across 9 libraries;
- 1,600+ community volunteer hours coordinated;
- Over 1,200 fly-tipping incidents dealt with;
- Community Safety dealt with 19 high level anti social behaviour cases, delivered training to 33 multiagency professionals on anti social behaviour powers, and,
- Specialist Domestic Abuse Services provided assistance for 304 victims.

Digital and Change

Comprising of Business Change and Information Management Technology

- Leads on the development of change programmes and continuous improvement projects that run across each directorate;
- 65 change projects in progress;
- Provides the councils technical infrastructure, software, applications and hardware and ensures compliance with relevant regulations and best practice;
- 1,863 IT users supported;
- 18K IT Service calls per annum; and,
- 51 IMT Supported software applications.

Revenue Budget & Service Changes 2021/24

The key changes to the Communities, Insight and Change budget are;

Growth Items

- Revenue cost increases to provide increased security and resilience to protect the WBC network, user's and data;
- Revenue cost increase for the creation of a strategic Domestic Abuse role within WBC to implement the findings from the domestic abuse and domestic homicide review; and cost increases to meet the increase in commissioned services; and,
- Revenue cost increases for the provision of a new assistant director role for Customer and Insight.

Savings Items

- Service efficiencies within the wider neighbourhood and communities function

Special Items

- One off revenue costs to deliver sustainable WBC organisational change

REVENUE SERVICE BUDGETS 2021/22	Budget 2020/21 £'000	Budget 2021/22 £'000	Note
Communities, Insight & Change			
Communications, Marketing & Exchange	0	274	(1)
Customer & Localities	0	5,098	(2)
Digital & Change	0	5,143	(3)
Human Resources	0	980	(4)
Management Unit	0	698	(5)
Strategy & Commissioning	0	172	(6)
<i>Internal recharges and depreciation</i>	0	(5,730)	
Total Communities, Insight & Change	0	6,635	

Explanation of Movement from 2020/21 to 2021/22

Council budgets were reorganised in 20/21 to create this directorate. The items referred to below relate to significant amendments for 21/22, completing the set-up of the directorates budget.

Note 1. Cross service budget adjustments of £12k and increments due to changes in salaries and pensions.

Note 2. Growth of £239k, savings and efficiencies of (£161k) and special items budget of £83k.

Note 3. Continuous improvement budgets have special items budget of £1.1m for continued improvement programmes in the council, £63k growth budgets to improve IT security and resilience, £49k inflation to cover real increase in contract costs and other budget movements of (£95k) due to restructure and salaries and pensions.

Note 4. In 2021/22 £73k growth to purchase software that will enable a digitalised process of onboarding new recruits and £40k relating to review of income budgets no longer required. £50k special item to for extra resources to help the team address growing administrative activities.

Note 5. £45k growth in 2021/22 to help implement service transformation strategy, £104k growth for the creation of new assistant director role.

Note 6. Growth of £7k for staffing to meet increase in demands for organisational strategy and planning.

Capital Budget & Service Changes 2021/24

Capital Schemes planned for the next financial year include:

- Data and insight systems and implementation;
- Wide Area Network contract renewal to provide connectivity across the WBC network;
- Replacement of wireless access points to provide increased security for remote working;
- Additional fibre connection to mitigate single connection risk;
- Card payment scheme compliance – PCI compliance and security resilience;
- Cyber Security improvements to mitigate any potential risks raised by the National Centre for Cyber Security;
- Provision of IT hardware refresh for smart phones and laptops;
- New website including content management system that meets strategic digital requirements;
- New customer application for Council Tax and selected services;
- Networking telephony improvements to facilitate a workforce working remotely;
- Grovelands temporary accommodation upgrades;
- Decent Homes funding; and,
- E5 Microsoft licence model.

Challenges for the Forthcoming Year

In terms of challenges for the forthcoming year, these include:

- Defining and implementing the correct operating model for the Communities, Insight and Change directorate in order to achieve the service aims and objectives with particular focus on:
 - Human Resources Function
 - Communication Engagement and Marketing Function
 - Neighbourhood and Communities Function
- Delivering a partnership approach to poverty and embedding the Equality Plan throughout the organisation;
- Establishing the new AD for Customer and Insight;
- Development of our IT, digital and telephony infrastructure to enable the development of a more efficient, responsive and customer centric organisation;
- Addressing an identified growing need to strengthen our response across all aspects of crime, particularly Domestic Abuse;
- HR and resourcing impact of Covid 19;
- Building and strengthening our data and insight capabilities against a backdrop of financial and resourcing pressures; and,
- Continued support from central Government required on the Covid rough sleeper cohort that we currently accommodate. We successful in applying for central Government funding in 2020-21 however if further support is not forthcoming there will be a financial impact.

PLACE & GROWTH SERVICE BUDGET 2021/24

Service Aims and Objectives

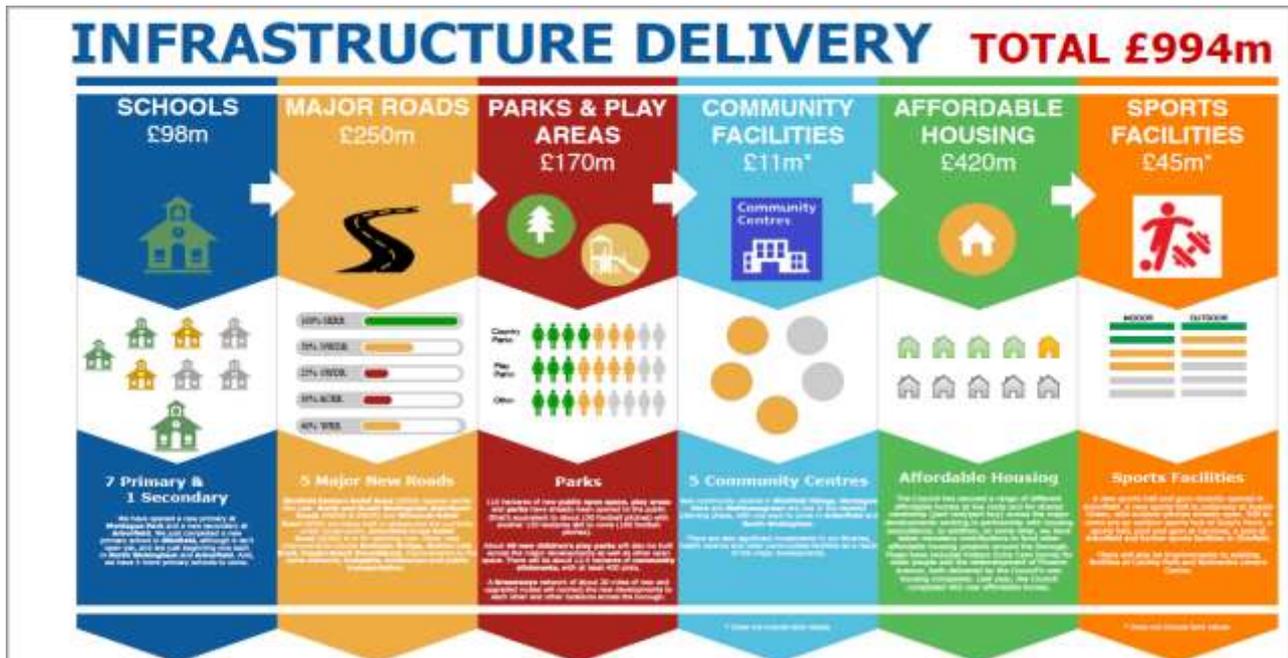
The directorate is responsible for the delivery of services that account for the borough as a 'place' and incorporating the following:

Place Services

- Providing a high-quality customer responsive service to determine planning applications, present the Council's case effectively at appeal;
- Delivering a planning compliance and enforcement service in conjunction with other environmental enforcement services and locality teams to investigate and resolve breaches of control, resulting from developments;
- Providing environmental health, licensing and trading standards through a shared public protection partnership with West Berkshire Council and Bracknell Forest Council. This focuses on a wide range of regulatory services to achieve improvements in the quality of life for those who live, work and visit the borough;
- Providing building control services through a joint service agreement with West Berkshire Council. Hosted by Wokingham Borough Council, the service provides a high quality, cost effective service for assessing plans and inspecting building works to ensure compliance with building regulations, in a way that exceeds customer needs to achieve a healthy, safe, accessible and sustainable built environment;
- Grounds maintenance – responsible for the management of the contract with Tivoli including liaising with localities for monitoring purposes, for the delivery of grounds maintenance work on Council property including reactive and programmed works management of Council owned play areas, events fields, sports pitches and associated recreational facilities. Grounds maintenance services are also provided for other Council services – notably highways, tenant services, schools and Children's Services;
- Waste Management – responsible for the delivery of all aspects of refuse and recycling collection; waste enforcement and abandoned vehicles and the delivery of the 25 year Private Finance Initiative (PFI) contract with Bracknell and Reading Councils (re3), through the Joint Waste Board and PFI governance arrangements;
- Street Cleansing delivered through the Volker Highways delivers a cleaner environment for the borough's residents, visitors and businesses by removing detritus, litter, graffiti, fly-posting, fly-tipping, dumped rubbish and other abandoned waste; treating weeds on adopted highways and the cleansing of the A329M and A33;
- Countryside Services – responsible for managing the Council's country parks (including Dinton Pastures, California, Charvil), SANGs, Local Nature Reserves and other countryside sites. The Multi Activity Centre at Dinton Pastures provides a wide range of water-based activities and training opportunities. The service supports health, wellbeing and quality of life by providing a wide range of healthy outdoor recreational activities and experiences.
- Cemeteries – Management and maintenance of 2 "live" cemeteries including administering burial plot deeds and burials and maintenance of 1 "non live" Cemetery in the borough.
- Trees- Inspecting and carrying out necessary works to Council owned trees across the borough;
- Parks and Open Spaces – Management and maintenance of Council owned Parks and open spaces to support the health and wellbeing of residents and visitors;
- Play areas- Undertaking inspection and maintenance of council run play areas.

Delivery and Infrastructure

Our vision is ‘adding value, collaboratively creating quality sustainable communities for the public.’ A multi-disciplinary service with 74 staff in 4 service areas below working with applicants, landowners, residents, parish and town councils and other stakeholders in the four Strategic Development Locations and Wokingham Town Centre to ensure the timely delivery of high-quality infrastructure rich development to meet the borough’s growth, infrastructure and housing needs. Over the plan period the service has delivered permissions for around 13,000 homes which have high levels of customer satisfaction based on the annual new homes survey and have funded or delivered or facilitated £1Bn of infrastructure, half of which comprises affordable housing: -



Planning negotiation & compliance: Specialist service of 9 staff providing proactive pre-application service, negotiation of schemes and determination of strategic infrastructure and development applications & appeals. Provision of proactive compliance and complaint resolution service.

Responsible for the major development program ensuring the delivery of the adopted Core Strategy housing requirements and associated infrastructure including new roads, schools, commercial, sports and open space for at least 13,230 homes between 2006-2026. Provided support and determination for the Wokingham Town Centre regeneration project.

Responsible for negotiating and collecting infrastructure funding to support new and improved infrastructure.

Provides support and guidance on Local Plan policies / SPD's, briefings at public forums / meetings and to stakeholders, developers and Members.

Monitoring and compliance on the major sites, resolving issues quickly and in most cases preventing the need for formal enforcement proceedings.

Community, Heritage, Green & Blue Infrastructure

Specialist service of 16 staff providing Trees & Landscape advice, Heritage (Conservation/Listed Buildings) advice, Ecology advice, Drainage and Flooding (including operational), Green infrastructure, (including Greenways & Play areas design & implementation) and public rights of way.

Development, application and implementation of the Council's green infrastructure strategies (including the Public Open Space and Sports Facilities Strategy and Biodiversity Strategy) and ensures that major developments within the borough deliver appropriate new facilities including SANGs, (Suitable Alternative Natural Greenspaces) public open space, playing pitches, children's play areas and allotments. The Service also leads on the in-house delivery of new green infrastructure facilities and commissions the maintenance of the Council's existing biodiversity and public rights of way assets;

Providing specialist advice in the interests of protecting the existing landscape, trees, biodiversity, public rights of way and built heritage of the borough from inappropriate development and seeks enhancements wherever possible;

Design and delivery of the boroughs commitment to plant an additional 250k trees in Wokingham, in line with the boroughs Climate Emergency strategy;

Providing safe and efficient strategic flooding advice and guidance, design of drainage assets, their future management and maintenance in a coordinated and cost-effective manner;

Operational management and maintenance of the boroughs existing drainage assets including over 30,000 gullies, 5,000 manholes, 5,000 grips, and 320km of drainage pipe network;

Response to major flooding events across the borough following heavy rain and delivery of flood alleviation schemes and natural flood risk management schemes to reduce flood risk to infrastructure and properties across the borough;

Highways Delivery, Transport & Compliance

Specialist service of 40 staff, Highway Development advice, Highway adoptions, Streetworks Management, Major (SCAPE) & other highway capital schemes.

Providing specialist transport input to the delivery of strategic and all other development proposals, through master planning, infrastructure delivery plans, guidance and policies and concept documents, providing pre-application advice, briefing forums, stakeholders, Lead Members and Officers, determining around 1800 applications per year, presenting the Council's recommendation to committee and working closely with developers and promoters;

Securing and delivering new public highway infrastructure within the Borough, through dedicated teams, currently including: -

- The £124m Major Highway programme delivering 6 new strategic roads adding 12.5 km of extra network resilience and including 6 bridge structures; 2 over rail with associated junction improvements, pedestrian/cycleways, road lighting, flood, drainage, landscape & green infrastructure;
- Design and delivery of 20km of shared cycle footways to help promote sustainable travel. We also have a £10m programme to design and deliver another 60km over the next 10 years;
- Design and management of the annual structural maintenance programme of road resurfacing with an annual value of approximately £4.5m;
- Delivery of 3 new park and ride sites with a combined value of approx. £10m;
- Undertaking design and delivery works on behalf of other departments of the Council including Regeneration, Leisure and housing;

- Provide technical acceptance and inspect multiple Section 38 and S278 schemes equating to around 15km of adopted roads from 26 development sites currently being inspected;
- Securing £250m in CIL & S106 highway contributions across the four SDL sites
- The setting up of an approved Institute of Civil Engineers (ICE) training scheme to help enhance the skills and knowledge of the team members.

Providing for the efficient and appropriate design, funded and planned maintenance arrangements for new highway assets. Ensuring that their construction is efficiently checked for implementation in compliance with planning and highway legislation and regulations. Ensuring breaches of control are escalated for the relevant enforcement activity.

Providing for the efficient control and coordination of around 10,000 highway opening licenses per year, which results in the minimisation of impact on the free flow of the highway network and facilitates efficient and timely delivery. This is achieved through daily management and inspection of the network by dedicated officers, (serving around 1500 fixed penalty notices each year).

Infrastructure Delivery & Projects

Specialist team of 7 driving the management of Community Infrastructure Levy (CIL) and S106 income, Bidding, Special Projects Programme Management & Masterplanning, Infrastructure Delivery Procurement and Implementation (Grazeley Garden Town etc.). Providing specialist legal support for planning and delivery.

Responsible for contribution to the delivery aspects including master planning (Grazeley etc.) and infrastructure delivery work associated with the formulation, adoption and delivery of the Local Plan 2026-2036 Update.

Associated public and stakeholder engagement through master planning, guidance and plan making and supporting evolving communities (SDLs) to ensure sustainability beyond bricks and mortar in particular establishing opportunities for business, voluntary, cultural, leisure, community, sport and health activities in the new communities, all of which are vital to ensure social and economic sustainability;

Coordination of special project activity including producing detailed business cases, complex bids for funding, commissioning of operational master planning, infrastructure delivery plans, guidance, monitoring of housing starts and completions, commissioning of ad-hoc and miscellaneous infrastructure and housing monitoring reports as and when required;

Coordination of the negotiation, securing via agreement, collection, allocation and spending of funds raised via S106, CIL, grant, loan, borrowing or other means of £500m to ensure the timely and efficient delivery of quality infrastructure by others. Ensuring there is adequate risk management and governance created and maintained to enable the cross-cutting agendas to be implemented in the wider interests of the Council; and

Liaison with and enabling of the town and parish councils to secure their co-operation in spending of capital sums on corporate priorities. Managing and processing bids for resources by town and parish councils and other third parties.

Entirely self-funding and income generating service area that has brought in an additional £6.8m in revenue, via an innovative approach to payment deferment, and over £1.2m in capacity grant to enable strategic development since 2016.

Highways and Transport

Highways and Transport is the only service in the Council that every resident within the Borough uses on a regular basis; this includes the pavement/footpaths when they step out of their property, to the roads they travel along for both work and pleasure. The Mission statement of H&T is to provide a well maintained integrated transport system including public transport and roads to allow all users to make the journeys they need in a way they choose, safely and with the minimum of inconvenience.

Four teams come under the overarching umbrella of the Highways and Transport service, namely Traffic Management, Parking and Road Safety, Transport Strategy & Planning, Highway Assets and the Community Transport Unit.

Traffic Management, Parking & Road Safety – this team deals with the day-to-day traffic management and control, principally those activities required to keep traffic moving safely and efficiently including speed surveys and speed limits, traffic and parking regulation orders, traffic engineering schemes, traffic signing & lining improvements, local safety schemes, traffic signals management, accident data processing, pedestrian crossing assessment, parking and HGV management measures.

Transport Strategy & Planning – this team deals with strategic transportation and transport planning matters, the Local Transport Plan, transport funding bids, sustainable travel planning and management, MyJourney services, Bikeability training and school, workplace and development travel plans, cycle and walking network development, low emission/air quality action plans, carbon reduction and electric vehicle planning.

Highways Asset Team – this team is responsible for the long term maintenance of the Borough's highway assets including roads, footpaths, structures (bridges, subways, retaining walls, culverts, embankments etc.) street lighting (16,113 columns), and street furniture (signs, fencing, bins, bollards, benches, street name plates, cycle stands etc.). Maintaining inventories of the Borough's highway-related assets, and commissioning of regular condition surveys of the asset stock.

Community Transport Unit – this team is responsible for developing processes and procedures to manage and deliver contracts for school and community transport as well as building relationships and partnerships with public transport providers in order to deliver public transport services, and to ensure that school, community and public transport services are provided in an efficient and cost-effective way.

Housing & Place Commissioning

Housing & Place Commissioning provides the strategic lead for the 'Place' agenda developing clear and effective strategies and plans as well as commissioning appropriate services and projects for Wokingham's Borough's built, natural and economic environments. Our overall aim is to create places, neighbourhoods and homes where people and business can thrive and which contribute positively to quality of life, quality of living environment and strength of local economy.

Growth & Delivery – this team leads on the development of the Local Plan which provides a vision and framework for how future development in the Borough will be managed - ensuring the right development happens in the right places, at the right time and is supported by the right infrastructure. It also works with other Berkshire authorities to produce the Joint Central and East Berkshire Minerals and Waste Local Plan. The team also leads on coordinating strategies to ensure sufficient school places are available to meet the educational needs of children.

Economic Prosperity & Place – this team provides the strategic lead for the Council on all aspects of 'Place' including housing, economic development, arts and culture and our response to the climate emergency agenda. It works with developers and providers to address local housing need and leads corporately on the delivery of the Council's ambitious Housing 1-4-5 programme. The team also

directly project manages several projects delivering new homes, regenerated estates, new schools and new services. One crucial additional role of the team over the next year will be to support our businesses and the local economy to recover from the Covid-19 pandemic.

Place & Growth Directorate Outputs – Key Facts and Figures

- Supporting and coordinating bids for infrastructure funding to support the Council's growth agenda;
- Supporting the development of the Council's Local Transport Plan (LTP4);
 - Continuing joint working to progress Reading University's Science Park;
 - Supporting development and delivery of the Housing Strategy including negotiating appropriate affordable housing contributions through the s106 process;
 - Determination of over 3,500 planning and related consent applications;
 - Investigation of over 700 potential breaches of planning control;
 - Promotion and defence of the Council's policies at approximately 100 planning appeals per year;
 - Investigating and prosecuting in respect of doorstep crime, rogue traders and money laundering;
 - Issuing licenses and inspection of residential rental properties and commercial premises;
 - 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;
 - Supporting the management of engagement activity around the SDLs. During Covid19 a newsletter is being initiated to replace public forums;
 - The negotiation of both hard and soft community facilities in the SDLs including affordable housing, community buildings, sport, leisure and open space and voluntary and community development support to ensure the social fabric supports the community (around £1Bn investment from the Local Plan adopted in 2010 and ending in 2026);
 - Delivering the green infrastructure associated with the strategic development locations, including 120ha of new SANGs, a new Sports Hub at Ryeish Green, Grays Farm, Cantley enhanced facilities, Bohunt Leisure Centre Arborfield, new Greenway and destination play areas at Dinton and, California Country Park;
 - 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;
 - £124m new roads contract (inc. £24m from the LEP) associated with the strategic development locations delivering Arborfield Cross Bypass, Nine Mile Ride Extension, North and South Wokingham Distributor Roads and in addition the Eastern Shinfield Relief Road;
 - A largely self-financing joint building control service dealing with 3,600 building regulation submissions per year;
 - Disposing of approximately 79,000 tonnes of municipal waste, of which around 30,000 tonnes is reused or recycled achieving a recycling rate of 57 %;
 - 3.38 million individual refuse and recycling collections per annum;
 - Over 10,000 individual clinical waste collections to the elderly and vulnerable;
 - Managing the two re3 Household Waste Recycling Centres with re3 partners;
 - Advising on waste strategy and waste legislation;
 - Cleansing over 700 km of highway, including footways and cycle paths;
 - Management and maintenance of sports facilities;
 - Inspection and maintenance of over 720km of highway and associated footways;
 - Issuing over 7,000 works orders for routine highway repairs and approximately 700 highway notices;

- Inspection and maintenance of 249 structures (including 166 bridges), 40 signalised junctions and 61 pedestrian crossings;
 - Inspection and maintenance of the A329(M) motorway;
 - Routine maintenance of nearly 30,000 gullies and over 300km of highway drainage pipework;
 - Provided bikeability cycle training for approximately 1,600 year 5 & 6 pupils;
 - Promoted sustainable travel options and provided road safety related education and training through MyJourney Wokingham for new residents within our new development locations and existing residents across the borough;
 - Delivering the objectives of the borough's local transport plan 2011–26;
 - Managing and maintaining the Council's 15 pay & display and 10 other free off-street car parks;
 - Maintaining over 19,000 streetlights, illuminated signs, feeder pillars and other similar equipment;
 - Processing 55,000 notices for works on the highway to ensure co-ordinated works;
 - Delivering the transport infrastructure associated with the strategic development locations;
 - Plans and supports the delivery of public transport in conjunction with bus companies which transport 2.8million passenger per year on 27 public transport routes operating in the borough 18 of which are financially supported by the Council;
 - Monitoring, procurement and reimbursement of the National Bus Pass Scheme and renewed over 25,000 bus pass users this year; and,
 - Providing home to school transport services to 1000 pupils and community transport services for 300 adults each year.
- Maintain around 420 hectares of countryside sites that include, 217 hectares of country parks, over 100 hectares of nature reserves, 100 hectares of Suitable Alternative Natural Greenspaces and 143miles of public rights of way, Council run parks, open spaces and children's play facilities;
 - Management and maintenance of 2 "live" cemeteries and 1 "non live" cemetery in the borough
 - Inspection and maintenance of approx. 100,000 trees on Council Owned land;
 - 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;
 - Management of 6 sites for fishing across the borough;
 - Brings in around £800,000 in income from car parking, catering, events, fisheries and leases each year;
 - Developing the Local Plan Update with deliverable proposals to meet required new housing provision;
 - Developing supplementary planning documents linked to the Local Plan around key areas such as design, sustainability and affordable housing provision;
 - Delivering an approved Joint Central and East Berkshire Minerals and Waste Local Plan;
 - Supporting the Council's decisions on planning applications when these are taken to appeal;
 - Responding to government consultations on changes to the planning system, to ensure the interests of residents and businesses in Wokingham are taken considered;
 - Providing advice and support to towns and parishes to ensure that they are aware of the range of planning policy tools at their disposal and that any neighbourhood development plan is progressed in accordance with strategic planning policies and legal requirements;
 - Developing and delivering a comprehensive action plan to support the Council's new Housing Strategy and develop new sub-strategies where appropriate;
 - Commissioning and delivering 1,000 Council-led homes over a 4 year period delivering a 5% return;
 - Working with partners, including the Council's own housing companies, to deliver circa 300 new affordable homes per annum;

- Starting on site at Phase 2 of the Gorse Ride regeneration scheme – providing 249 new sustainable homes as part of a wider community regeneration project;
- Starting on site for the Council’s first self-build affordable housing project;
- Project managing a portfolio of projects delivering new homes that meet the priority needs of Adult Social Care;
- Starting on site for the Council’s first new affordable housing development using modern methods of construction (MMC);
- Implementing the Economic Development Strategy for the council and ensuring Wokingham’s priorities are represented in the development of the Berkshire Local Industrial Strategy (BLIS);
- Working with local businesses to develop and deliver on an economic recovery plan for the Borough post-Covid;
- Working with other Berkshire authorities as part of Superfast Berkshire to commission superfast broadband to properties not serviced by commercial providers with the aim of achieving at least 99% coverage;
- Overseeing the delivery of the Council’s sector-leading Climate Emergency Action Plan, supporting the development and delivery of new projects and initiatives across the Council that will contribute to our aim for Wokingham to be carbon neutral by 2030;
- Commissioning a new crematorium for the Borough;
- Ensuring the delivery of the Council’s Arts & Culture strategy and the development of a new Leisure strategy;
- Progressing a Secondary School Place Strategy and the commissioning of additional sixth form capacity; and,
- Managing and monitoring, alongside partners, of the capital programmes for the extension of existing schools and development of new schools including the delivery and opening of a new primary school at Matthew’s Green.

Revenue Budget & Service Changes 2021/24

Major changes to the Place and Growth revenue budget include the following:

Growth Items

- Revenue increases relating to inflationary contract price increases;
- Revenue increases due to additional road references;
- Revenue increases for waste and recycling collection due to increase in property numbers;
- Revenue increases to procure and deliver a new street cleansing service focussing on quality outcomes;
- Revenue increase for inflationary staff increases in Public Protection Partnership.

Savings

- Savings from changing the way we work with our major suppliers in highways and transport.

Capital Budget & Service Changes 2021/24

Capital schemes include the following:

- Road safety and traffic management – providing facilities to improve road safety for all users, reduce congestion, improving the efficiency of the transport network, promote and provide access to sustainable modes of transport;
- Highway carriageways – resurfacing roads and footways in the borough;
- Highway drainage – carry out major projects and remedial works to highways drainage network where flooding problems have been highlighted;
- Traffic signal upgrade programme – continued upgrade of old and obsolete equipment, therefore giving the opportunity of installing low energy equipment and up to date controller systems;

- Congestion project – to implement the emerging Intelligent Transport Systems Strategy
- Highways footway structural maintenance programme – resurfacing of footways to extend the life of the asset, improve its condition and increase surface water run-off thereby improving pedestrian safety;
- Maintenance of highway structures including bridges & embankments and vehicle restraint systems (VRS);
- Improvements to leisure facilities in the borough including country parks;
- Improvement to the Public Right of Way network including the delivery of a Greenway network (traffic free routes across the borough);
- Continued investment in the waste collection arrangements including the introduction of the food waste service;
- Strategic land purchases – investments to enable the capital programme;
- Wokingham Town Centre Environmental Improvements - concept design stage;
- Commencement of the Park and Ride Scheme at Winnersh and Coppid Beech;
- Air quality monitoring;

REVENUE SERVICE BUDGETS 2021/22	Budget 2020/21 £'000	Budget 2021/22 £'000	Note
Place & Growth			
Customer & Localities	4,535	0	(1)
Community Services	16	0	(1)
Delivery and Infrastructure	382	1,109	(2)
Highways & Transportation	7,088	8,727	(3)
Housing Needs and Benefits	(175)	0	(1)
Income, Assessments & Housing	789	0	(1)
Place	17,388	16,515	(4)
Place & Growth MU	0	1,184	(5)
House & Place Commissioning	0	925	(1)
<i>Internal Recharges & Depreciation Charges</i>	<i>4,964</i>	<i>11,116</i>	
Total Place & Growth Service	34,987	39,576	

Explanation of Movement from 2020/21 to 2021/22

Note 1. Service restructures.

Note 2. Service restructure and growth £210k drainage.

Note 3. Service restructure. Growth £600k highways & transport reactive maintenance service delivery. Special items £120k, document management system for highways & transport, £50k local transport plan & £250k car parks. Inflation on contracts £140k.

Note 4. Service restructure. Growth £235k for increased recycling costs. Savings (£60k) for increase in fees at country parks, (£100k) increase in garden waste bins, (£98k) additional recycling from introduction of new recycling bags, (£100k) increase in garden waste bins and (£50k) increase in pre-application fee income. Special items £250k car parks, £100k building control fees shortfall. Inflation on contracts £227k.

Note 5. Service Restructure. Growth £320k Toutley Depot and £80k trees maintenance.

RESOURCES & ASSETS BUDGET 2021/24

Service narratives are based on the council's current structure. Consultation on the structure is currently on going, once approved all budgets will be adjusted to the new structure.

Service Aims and Objectives

The Resources and Assets directorate supports and enables the delivery of frontline services through sound governance, prudent budgeting and through the provision of responsive support services.

Resources and Assets directorate comprises of the following business activities:

Finance

- Supporting the delivery of the Council's major programmes and projects; integrating and developing governance and improvement activity across the Council; supporting the organisational development of the Council to enhance the organisation's ability to deliver its vision and priorities;
- Finance services – Providing a robust and secure finance service to the Council ensuring that budgets are planned, managed, monitored and reported in accordance with statutory and Council guidelines and within the boundaries of the Constitution (Financial Rules of Procedure). Ensuring all expenditure is proper, affordable and sustainable. Provides a finance business partnering service to the frontline service directorates of the Council. The right budget, in the right place, at the right time;
- Treasury – Ensures the Council has funds available to meet its liabilities and investing surplus balances to make the best return to the Council with primary regard to security of taxpayer funds.
- Insurance – Arranging property insurance cover for material assets (including schools, housing, offices and commercial premises) and cover in respect of the Council's legal liabilities. Dealing with over 300 claims a year (including loss of and damage to council property, and employers and public liability claims such as damage to vehicles on the highway or injuries suffered by school pupils). Providing professional advice in diverse areas such as the law, risk management, technical insurance matters, claims issues, liability, indemnity and contract interpretation, to develop and maintain best practice in financial management, to look for sustainable solutions, achieve long term ongoing efficiencies, value for money and ensure robust governance arrangements;
- Emergency Planning – Ensuring that the organisation has the necessary emergency planning and facilitating internal business continuity structure including an appropriate emergency response capability, including out of hours;
- Employee Services – To administer an effective and efficient payments service including staff payroll and suppliers; this service also will incorporate the accounts payable and receivable service of the Council;
- Digital Solutions – Delivering efficiencies in the shape of centralised printing and scanning; enabling services to work remotely through the provision of digital registry. Key support service providing statutory printed communications and materials for all services, alongside marketing and promotional materials for income generating services;
- Case Owners – Provision of support across the range of Council services including; front line transactional service delivery, as well as managerial and service support functions. This support increases resilience in a cost effective way; and,
- Procurement – Procuring and centrally managing key corporate contracts on behalf of the Council, schools and other partners; to help the Council to deliver savings through better adherence to procurement regulations based on best practice and by working in partnership with our contractors to maximise service outcomes and support local business to contribute towards the Council's vision.

Income and Assessments

The service aims of the income and payments team are to maximise income collection to enable Wokingham Borough Council to provide services to the residents of Wokingham and ensure that all bills and invoices are raised promptly, payments to suppliers made within the agreed terms and all payments received are allocated promptly.

The highest priority is to maintain collection rates, with an ever-increasing amount of domestic properties and the increase in council tax and business rates.

The service provides all the financial transactional services within Wokingham Borough Council and includes purchase to pay, debtors, council tax/NNDR billing and cashiers.

The service aims of the financial assessments team are to meet the needs of the community: it encompasses the administration of housing benefit, council tax reduction, discretionary housing payments, local welfare provision and personal budgeting support for residents within the Borough. This work is key to the developing anti-poverty strategy of Wokingham Borough Council.

Sport and Leisure

The central aim of the sport and leisure department in Wokingham is to improve the health of local residents, reduce differences between life expectancy, and improve healthy life expectancy. The team work with public health to form a strong public health function fulfilling the public health duties placed upon the council and meet the Council's aims on comprehensive and affordable leisure facilities for residents.

Our focus is on the following priorities:

- To lead on the coordination and integration with the NHS, building strong links with the CCG and the Foundation Trusts, to develop efficient and seamless public health services;
- Provide expert advice on public health related matters both internally and externally;
- The development and integration of the Council's public health duties, and ensure a Council-wide, integrated focus on public health outcomes;
- Ensuring value for money in all of the Council's commissioned and contracted public health services, through strong commissioning and contract management, including development of related robust evidence bases; and,
- To lead on the strategy and commissioning of the public health related services such as the Council's sports and leisure services.

Governance

Governance Services assist the frontline services in delivering their agenda consistent with the Council's vision and strategic priorities. The service includes the statutory functions of Monitoring Officer, Returning Officer and Electoral Registration Officer.

Monitoring Officer Responsibilities:

- Maintaining the Constitution;
- Ensuring lawfulness and fairness of decision making;
- Supporting the Standards Committee;
- Receiving reports. The Monitoring Officer will receive and act on reports made by ethical standards officers and decisions of case tribunals;
- Conducting investigations. The Monitoring Officer will make arrangements for investigations to be conducted into matters referred by the Standards Committee or by ethical standards officers and make reports or recommendations in respect of them to the Standards Committee or a sub-committee of the Standards Committee convened for that purpose;

- Proper Officer for access to information. The Monitoring Officer will ensure that Executive decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible;
- Advising whether Executive decisions are within the budget and policy Framework; and,
- Providing advice. The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues for councillors.

Data Protection Responsibilities

- The Assistant Director Governance is the Council's Data Protection Officer.

Shared Internal Audit and Investigation Service Responsibilities (with the Royal Borough of Windsor & Maidenhead Council)

- Internal Audit – a statutory function to deliver an independent, objective assurance and consultancy service to the Council and help the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes; and,
- Investigations – to provide a professional and independent investigations service into incidents of fraud, code of conduct breaches, whistleblowing allegations and other suspected irregularities.

Democratic Services & Electoral Services Responsibilities

- The efficient and effective management of the political decision making process, including advice and support to Members, officers and residents and maintaining and reviewing the Council's constitution. Administration of a large number of statutory and non-statutory appeals; and,
- Electoral Services is a statutory function that provides a service to the electors, candidates, agents and councillors in the democratic process. It is a public facing service whose main functions include maintaining an up to date Electoral Register and managing all statutory processes with regard to the running of all elections and referenda in the borough. It enables all eligible residents within the Wokingham Borough to exercise their democratic rights.

Shared Legal Services Responsibilities

- Provision of a high quality, low cost legal services as part of a quasi-commercial shared service with another Berkshire local authority.

Commercial Property

The commercial property services consists of the following areas;

Development Team

- To systematically develop viable regeneration plans for all key towns within Wokingham Borough, delivering physical, economic and social improvements;
- To manage spatial planning activities, including master planning, stakeholder and partner engagement and securing appropriate planning consents, for Council assets and development projects;
- To deliver key development sites in line with corporate priorities; and,
- To work towards generating external income and contribute to meeting the Council's ongoing financial challenges through development and regeneration including local/national market assessment, risk/benefit analysis, identification of funding approaches and ongoing strategic planning.

Investment Team

- To develop and implement a Commercial Investment Strategy which identifies investment opportunities;
- To manage the Council's current investment programme by purchasing, managing and disposing of assets in an effective and strategic manner;

- To manage the existing regeneration property portfolio and undertake all associated works including site assembly negotiation/Compulsory Purchase Orders, commercial tenant management and lettings; and,
- To work towards generating external income and contribute to meeting the Council's ongoing financial challenges through investment including local/national market assessment, risk/benefit analysis, identification of funding approaches and ongoing strategic planning.

Estates Team

- To manage the delivery of a professional Estates Management and Technical Valuation and Advice service in relation to all aspects of the Council's current and future property interests within Wokingham Borough;
- To strategically manage the Council's assets including continual review of the council's needs against the portfolio to ensure optimum use, including identification of any required / surplus assets and acquisition and disposal of assets to ensure it meets requirements;
- To work towards generating external income and contribute to meeting the Council's ongoing financial challenges through strategic asset and estates management including local/national market assessment, risk/benefit analysis, identification of funding approaches and ongoing strategic planning;
- To ensure provision of valuations for statutory and other purposes including Right to Buy valuations and sign off of Council's asset valuations annually for inclusion in Council's statement of accounts;
- To maintain contacts with representatives from key partner agencies/bodies on common property needs and opportunities for joint use of assets; and,
- To develop and manage the preparation of the Energy Plan, including energy and carbon reduction initiatives in relation to Wokingham Borough Council's holdings and the identification and review of Energy related opportunities/developments.

Operational Property

- Provides the operation of assets and property across the organisation in support of the front-line services;
- Responsible for the design, procurement and delivery elements of the capital programme expenditure, including educational facilities; and,
- Undertake a significant planned maintenance programme, and reactive maintenance requirements to effectively maintain our assets and their value.

Service Outputs – Key Facts and Figures

Finance

- Co-ordinates budget setting and provides financial advice on a revenue account of £276m per annum gross, capital of £215m per annum and Housing Revenue Account (HRA) of £16m per annum gross;
- Invests an average of £172m per annum and manages borrowing of £389m;
- Make over 55,000 salary payments to staff each year to a value exceeding £62m (including schools);
- Facilitates internal business continuity planning;
- Liaises with local emergency service partners and neighbouring authorities; and,
- Supports procurement throughout the Council; approximately 30 major contracts annually with total value of c£90m.

Income and Assessments

- Collects council tax of c£130 million from 72,000 homes;
- Collect business rates of c£74 million;
- Collect council rents, temporary accommodation, service charges, pitch fees and garage rents of £15 million per annum from circa 2,700 accounts;

- Collect over £12 million per annum on sundry debtor accounts; and,
- Through cashiers, process over 200,000 transactions per annum;

Governance Services

Democratic & Electoral Services:

- During 2020 Democratic Services attended and serviced a range of daytime and evening meetings including Individual Executive Member decisions, school admission appeals, exclusion reviews; home to school transport appeals, and licensing; and taxi licensing appeals;
- Electoral Services has responsibility for running the authority's annual elections, along with all other elections and referenda. In 2020, the Borough/Parish elections and Police & Crime Commissioner election were postponed. Planning is currently underway for the May 2021 Borough/Parish elections, and the Police & Crime Commissioner election;
- Electoral Services employs and trains hundreds of casual staff at election time and runs an annual canvas of all 68,000 properties in the boroughs; and,
- Individual Elector Registration necessitates close working relationships with the Cabinet Office, the Electoral Commission, Department for Works and Pensions, external printers, external software providers and Royal Mail as well as several directorates within the Council.

Audit & Investigation

- 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; and,
- Shared Service with the Royal Borough of Windsor and Maidenhead. Undertakes chargeable internal audit and investigation services for Bracknell Forest Council and internal audit chargeable services for Rushmoor Borough Council.

Legal Services

- Provide legal advice, guidance and assurance across all matters to support officers and Members in the shared service partners in excess of 1,300 transactions, advice or cases during the year;
- Prosecutes, defends and enforces the Council's rights including the defence of Judicial Reviews at the High Court; and,
- Support the governance of shared service organisations as well as acting as Deputy Monitoring Officer and Borough Solicitor for corporate legal issues.

Commercial Property

- Development of strategic regeneration and development briefs in consultation with local stakeholders;
- Development of high level and detailed regeneration and development schemes in response to strategic briefs;
- Co-ordinate and manage the physical delivery of phased regeneration and development plans for key town centres;
- Monitor national and local property market and identify investment opportunities in relation to Commercial Investment programme agenda;
- Assess and advise on potential benefits/risks of investment opportunities and approaches recognising the balance of both financial and social gain;

- Initial Commercial property investment purchases already completed with further opportunities under review;
- Effective management of the existing non-residential property assets in a targeted manner to support longer term council aspirations;
- Undertake, through negotiation or Compulsory Purchase Orders, all necessary site assembly to deliver phased development programmes for regeneration and development, council operation and core strategy infrastructure delivery;
- Co-ordinate and manage delivery of regeneration schemes and development schemes, including funding, communications and project management;
- 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 £800m;
- Manage the commercial estate which generates rentals of £2.5m per annum; and,
- Active management of the Council's energy (and other utilities) usage and costs, as well as those of our schools, currently £3m per annum.

Revenue Budget & Service Changes 2021/24

The directorate's efforts will be concentrated on:

- Supporting the delivery of the council's major programmes and projects;
- Supporting the organisational development of the council to enhance the organisation's ability to deliver its vision and priorities; and,
- Further investment in information technology and data protection compliance.

Capital Budget & Service Changes 2021/24

Resources and Assets have capital schemes which include the following:

- Market and affordable housing schemes, including the Gorse Ride regeneration project and self-build housing.
- Regeneration projects
- Energy schemes aligned with the climate emergency
- Service provision

Commercial Property Capital Schemes

The aim of Commercial Property is to deliver a range of schemes and programmes that are focused on providing improved facilities for residents and Services, regenerating town centres, economic development and protecting local employment and Climate emergency schemes. These projects are also supported by a strong financial business case to reduce the need to fund these from the general revenue account and longer term allowing the council to reinvest in services across the borough whilst bringing a range of benefits for residents.

REVENUE SERVICE BUDGETS 2021/22	Budget 2020/21 £'000	Budget 2021/22 £'000	Note
Resources & Assets			
Business Services	21,897	10,384	(1)
Corporate Services	351	(2,382)	(2)
Governance & Improvement	1,384	2,149	(3)
Housing Needs & Benefits	(275)	240	(4)
Sports & Leisure	(1,234)	(1,635)	(5)
S&C People - Commissioning	1,138	0	(6)
S&C Place - Commissioning	977	0	(6)
<i>Internal Recharges & Depreciation Charges</i>	<i>(11,886)</i>	<i>(8,018)</i>	
Total Resources & Assets	12,352	738	

Explanation of Movement from 2020/21 to 2021/22

Note 1. Major service restructures in creating a new directorate and £275k growth budget in 2021/22, (£705k) savings & efficiencies, special item budgets of £387k, council wide salaries and pension budget adjustment £1.2m.

Growth items include budgeted increase in service demands for administrative support across the council £190k, digital printing shared service growth budget of £40k as demands falls and contract is renewed, insurance specialist resource budget growth of £45k.

Savings and efficiencies in 2021/22 include budget of (£350k) from treasury management, (£425k) realisable benefits from commercial activities in accommodation review, procurement savings and commercialisation benefits. Early payment and corporate transport savings of (£205k).

Special item budget to address pressure on investment income due to forecast downturn in interest rates and market return £387k.

Note 2. The 2021/22 budgets include additional income budget from investment properties and income from solar infrastructure of (£1.3m). Home to school transport review and rationalisation of corporate accommodation have combined budget efficiencies of (£270k) in 2021/22. There are other adjustments of £53k due to movements in salaries and pensions and major budget movements due to service restructures approved during the year.

Note 3. Growth of £70k in 2021/22 for to resource increase in demand on legal services, special item budget of £38k to support programmes to enhance member development through engagements and workstreams. Other budget adjustments include service restructures and £30k for movements in salaries and pensions.

Note 4. Budget adjustment of £500k due to budget restructures across directorates.

Note 5. Income budget of (£327k) from new programmes within leisure services and review of existing fees. Fee income budget of (£100k) from enhancement of Cantley Park leisure facilities and other budget adjustments £27k.

Note 6. Service restructures

Summary of Budget Movements 2021/2022

The following table shows how the 2021/2022 budget has been calculated starting from the 2020/2021 budget. The table includes additional budget to maintain / improve services, special items (one off expenditure budget), service efficiencies and any adjustments / additions.

	Adult Social Services £'000	Chief Executive £'000	Children's Services £'000	Community, Insight and Change £'000	Place & Growth £'000	Resources & Assets £'000	Total £'000
2020/2021 Service Budget (excluding Capital & Internal recharges)	48,482	560	26,395	0	30,023	24,237	129,697
Adjustments/Additions							
Exclusive one off revenue items in 2020/2021 (Special Items)	(1,035)	0	(3,369)	0	(508)	(1,700)	(6,612)
Inflation for non-pay activities	1,890	0	177	53	378	241	2,740
Inflation for pay activities (Note 1)	119	0	203	14	70	1,220	1,626
Adjustments between services (e.g. budget reallocations inc.) (Note 2/3)	3,569	(162)	3,248	10,645	(3,548)	(13,352)	400
Total	4,543	(162)	259	10,711	(3,608)	(13,590)	(1,846)

Note 1 - Council wide budget held in Resources & Assets will be distributed across directorates during the year once pay and pension uplifts confirmed

Note 2 - £400k Social care grant funding budget adjustment to transfer grant income from directorate income to general fund income (i.e. alongside council tax and business rates income)

Note 3 - Creation of the new Community, Insight & Change directorate, and other restructures between directorates, have resulted in significant figures on this line

Funding to Maintain / Improve Services							
Care & support - manage increasing demand in numbers and complexity	1,920	0	0	0	0	0	1,920
Care leavers council tax rebate - expand eligibility	0	0	32	0	0	0	32
Emergency duty service - growth to meet contract price	0	0	65	0	0	0	65
Home to school transport - align budget to match demand seen over number of years	0	0	400	0	0	0	400
Legal costs - SEND, increasing demand and complexity	0	0	100	0	0	0	100
Legal costs - social care, increasing demand and complexity	0	0	400	0	0	0	400
Placements - growth in children in care and care leavers	0	0	650	0	0	0	650
Virtual School - increase resources	0	0	45	0	0	0	45
Digital on-boarding - extending tracking system through to induction	0	0	0	20	0	0	20
Health and safety staffing	0	0	0	12	0	0	12
IT infrastructure - security and resilience	0	0	0	57	0	0	57
Netcall - expansion of telephony licences to cover additional council services	0	0	0	23	0	0	23
New assistant director role	0	0	0	104	0	0	104
Offsite monitoring for networking	0	0	0	6	0	0	6
Resources required for increase in demand for organisational strategy and planning	0	0	0	7	0	0	7
Strategic Review of Domestic Abuse	0	0	0	125	0	0	125
Shute End self service check in system - managed fee	0	0	0	11	0	0	11
Unachievable income target for Land Charges	0	0	0	80	0	0	80
Unachievable savings and income budgets	0	0	0	40	0	0	40
Climate Emergency Agenda - Additional staff resource to support	0	0	0	0	26	0	26
Capitalisation target of post no longer achievable due to change in alignment of projects	0	0	0	0	27	0	27
Drainage - contract price increase	0	0	0	0	210	0	210

	Adult Social Services £'000	Chief Executive £'000	Children's Services £'000	Community, Insight and Change £'000	Place & Growth £'000	Resources & Assets £'000	Total £'000
Funding to Maintain / Improve Services Cont.							
Highways reactive maintenance service delivery	0	0	0	0	600	0	600
Increased cost of collecting recycling	0	0	0	0	235	0	235
Lost income from Toutley due to new contract and commercial contract ending	0	0	0	0	320	0	320
Tree inspections - additional resources and work	0	0	0	0	80	0	80
Finance and administrative support to social care services	0	0	0	0	0	140	140
Growth in administration and case owners across Council	0	0	0	0	0	50	50
Funding for property costs for unadopted public highways, but is still a Council responsibility	0	0	0	0	0	15	15
Insurance specialist post with the finance service	0	0	0	0	0	45	45
Operational property costs/lost income as a result of the Family Resource Centre relocation	0	0	0	0	0	56	56
Reduction of income from digital printing shared services with Bracknell due to change in demand	0	0	0	0	0	40	40
Shared Legal Services - increased demand on legal services	0	0	0	0	0	70	70
Total	1,920	0	1,692	486	1,498	416	6,012

Special Items 2021/2022							
Approved Mental Health Professional resource (AMHP)	50	0	0	0	0	0	50
Demand management - resource investment to deliver change	500	0	0	0	0	0	500
Transitions - additional assessment capacity	90	0	0	0	0	0	90
Adopt Thames Valley - additional cost whilst contract under review	0	0	40	0	0	0	40
Children's Services transformation programme	0	0	500	0	0	0	500
Edge of Care / Placement support service - investment to deliver savings	0	0	240	0	0	0	240
Learning, Achievement & Partnerships - resources to implement review	0	0	160	0	0	0	160
Offset loss of DSG / School income	0	0	60	0	0	0	60
Parenting Assessments - specialist support	0	0	50	0	0	0	50
Social worker recruitment & retention strategy	0	0	102	0	0	0	102
Social Care Staffing - Agency Factor	0	0	370	0	0	0	370
Resource required to deliver sustainable organisational change	0	0	0	1,150	0	0	1,150
Community Safety Partnership - resource support	0	0	0	60	0	0	60
Govmetric - tool to measure and track customer satisfaction	0	0	0	13	0	0	13
HR resource to support increase in case loads	0	0	0	50	0	0	50
Service transformation	0	0	0	45	0	0	45
Shute End self service check in system - implementation	0	0	0	10	0	0	10
Changes to shared service agreement for building control	0	0	0	0	100	0	100
Contingency to offset any failure to achieve car park income	0	0	0	0	250	0	250
CRM/Document management system for Highways & Transport	0	0	0	0	120	0	120
Local plan update	0	0	0	0	100	0	100
Local Transport Plan 4 and Delivery Plan	0	0	0	0	50	0	50
Re-integration of Trading Standards and Environmental Health to WBC control	0	0	0	0	250	0	250

	Adult Social Services £'000	Chief Executive £'000	Children's Services £'000	Community, Insight and Change £'000	Place & Growth £'000	Resources & Assets £'000	Total £'000
Special Items 2021/2022 Cont.							
Resource to support development / revision of supplementary planning policy	0	0	0	0	40	0	40
Resource to support local business post lockdown recovery phase - job protection, businesses and prosperity	0	0	0	0	45	0	45
Reduction in returns of treasury investments	0	0	0	0	0	387	387
Supporting and enhancing Member development - Member Engagement and Development Workstream	0	0	0	0	0	38	38
Total	640	0	1,522	1,328	955	425	4,870
Funded by the following Service Efficiencies							
Demand management - strengthening the voluntary sector and community offer, redesigning the front door	(1,000)	0	0	0	0	0	(1,000)
Learning disability review - better utilisation of contracts, recommissioning services and better use of accommodation	(100)	0	0	0	0	0	(100)
Optalis review - improved commissioning and reduced overheads	(700)	0	0	0	0	0	(700)
Review the application of Continued Health Care (CHC) claims	(100)	0	0	0	0	0	(100)
Legal Review - Social Care & SEND, Review of joint commissioning arrangements and charging / delivery model	0	0	(125)	0	0	0	(125)
Placements Review - Strategy review and Edge of Care Demand Management	0	0	(530)	0	0	0	(530)
Reconfiguration of Children's Services	0	0	(400)	0	0	0	(400)
Business engagement review	0	0	0	(30)	0	0	(30)
Community engagement review	0	0	0	(33)	0	0	(33)
Place cluster - review of customer groups	0	0	0	(33)	0	0	(33)
Service efficiencies with the library service	0	0	0	(65)	0	0	(65)
Increase in users of garden waste service	0	0	0	0	(100)	0	(100)
Additional recycling income due to increased capacity of new recycling bags	0	0	0	0	(98)	0	(98)
Increase cost of garden waste bins	0	0	0	0	(100)	0	(100)
Increase in parking fees and fishing permits at country parks	0	0	0	0	(60)	0	(60)
Increase in planning pre-application fee income	0	0	0	0	(50)	0	(50)
Benefit realisation from commercial activities	0	0	0	0	0	(200)	(200)
Business services management restructure	0	0	0	0	0	(85)	(85)
Contracts and commissioning reviews	0	0	0	0	0	(100)	(100)
Delivery intention of 1,000 houses over 4 years at 5% return	0	0	0	0	0	(200)	(200)
Early payment programme	0	0	0	0	0	(55)	(55)
Home to school transport review	0	0	0	0	0	(150)	(150)
Income generation in excess of financing costs - Commercial Properties	0	0	0	0	0	(960)	(960)
Enhancement of Cantley Park	0	0	0	0	0	(100)	(100)
Leisure services increase in fees and charges, outside of main contract	0	0	0	0	0	(327)	(327)
Rationalisation process of corporate accommodation	0	0	0	0	0	(125)	(125)
Reduced treasury management costs	0	0	0	0	0	(350)	(350)
Solar income from existing assets	0	0	0	0	0	(80)	(80)
Total	(1,900)	0	(1,055)	(161)	(408)	(2,732)	(6,256)

	Adult Social Services £'000	Chief Executive £'000	Children's Services £'000	Community, Insight and Change £'000	Place & Growth £'000	Resources & Assets £'000	Total £'000
Service Budget 2021/2022 (excluding Capital & Internal recharges)	53,685	398	28,813	12,365	28,460	8,756	132,478
Internal Recharges & Depreciation Charges	2,136	8,082	7,699	(5,730)	11,116	(8,018)	15,286
Service Budget 2021/2022 (including Capital & Internal recharges)	55,821	8,481	36,512	6,635	39,576	738	147,763

The following corporate transfers are included within the "appropriation to / (from) balances" line in the grand summary. Corporate transfers are made in respect of funding that is not expected to continue beyond 2022/23.

Corporate Transfers							
Contribution towards future impact of reduction in new homes bonus and fairer funding review							7,000
Forward funding (infrastructure bridging loan)							5,000
Revenue contribution to insurance reserve							1,000
Total	0	0	0	0	0	0	13,000

THREE YEAR BUDGET FORECAST

The following table shows the cumulative changes in revenue budget over the next 3 years

	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000
Growth			
Adult Social Care			
Care & support - manage increasing demand in numbers and complexity	1,920	4,114	6,055
Prevention - investment in preventative services	0	500	600
Children's Services			
Care leavers council tax rebate - expand eligibility	32	32	32
Children in Care CAMHS	0	0	100
Compass Team	0	0	300
Emergency duty service - growth to meet contract price	65	65	65
Home to school transport - align budget to match demand seen over number of years	400	700	850
Legal costs - SEND, increasing demand and complexity	100	100	100
Legal costs - social care, increasing demand and complexity	400	400	400
Loss of DSG / School Income	0	40	40
Placements - growth in children in care and care leavers	650	1,075	1,415
Practice Assistants	0	0	200
SEND Ops Commissioning	0	0	80
Signs of Safety Training - previously grant funded	0	60	60
Staff Capacity to support rise in EHCPs	0	180	180
Virtual School - increase resources	45	90	90
Youth Offending Service - Team Manager Post	0	70	70
Community, Insight and Change			
Data and insight - systems implementation and resources	0	120	120
Digital on-boarding - extending tracking system through to induction	20	20	20
Health and safety staffing	12	12	12
IT infrastructure - security and resilience	57	57	57
Netcall - expansion of telephony licences to cover additional council services	23	23	23
New assistant director role	104	104	104
New Content Management System	0	70	70
Offsite monitoring for networking	6	6	6
ReCustomer APP for Council Tax and Selected services	0	60	60
Resources required for increase in demand for organisational Strategy and Planning	7	7	7
Revenue support for Capital Bids - Telephony, security, fibre, IDS	0	233	233
Strategic Review of Domestic Abuse	125	160	160
Shute End self service check in system - managed fee	11	11	11
Unachievable income target for Land charges	80	80	80
Unachievable savings and income budgets	40	40	40
Place & Growth			
Climate Emergency Agenda - Additional staff resource to support	26	26	26
Capitalisation target of post no longer achievable due to change in alignment of projects	27	27	27
Carriageways and footways	0	39	78
Drainage - contract price increase	210	210	210
Highway drainage increased maintenance costs due to additional network length	0	15	30
Highway structures	0	10	20
Highways reactive maintenance service delivery	600	600	600
Increased cost of collecting recycling	235	235	235
Integrated transport capital scheme	0	21	42
Lost income from Toutley due to new contract and commercial contract ending	320	320	320
SDL Solicitor Budget Growth Bid - 27700	0	0	25
Tree inspections - additional resources and work	80	80	80
Waste and recycling - increase in property numbers	0	0	250
Winter Service	0	10	20

THREE YEAR BUDGET FORECAST

The following table shows the cumulative changes in revenue budget over the next 3 years

	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000
Resources & Assets			
Growth in administration and case owners across Council	50	50	50
Finance and administrative support to social care services	140	140	140
Funding for property costs for unadopted public highways, but is still a Council responsibility	15	15	15
Insurance specialist post with the finance service	45	45	45
Operational property costs/lost income as a result of the Family Resource Centre relocation	56	56	56
Reduction of income from digital printing shared services with Bracknell due to change in demand	40	40	40
Revenue support for Capital Bids - contracts register	0	10	10
Shared Legal Services - increased demand on legal services	70	70	70
Total Growth	6,012	10,449	14,030
Savings			
Adult Social Care			
Demand management - strengthening the voluntary sector and community offer, redesigning the front door	(1,000)	(2,000)	(3,000)
Learning disability review - better utilisation of contracts, recommissioning services and better use of accommodation	(100)	(200)	(300)
Older people dementia home	0	0	(100)
Optalis review - improved commissioning and reduced overheads	(700)	(900)	(1,000)
Review the application of Continued Health Care (CHC) claims	(100)	(200)	(300)
Children's Services			
Legal Review - Social Care & SEND, Review of joint commissioning arrangements and charging / delivery model	(125)	(150)	(150)
Placements Review - Strategy review and Edge of Care Demand Management	(530)	(780)	(1,280)
Reconfiguration of Children's Services	(400)	(650)	(2,000)
Community, Insight and Change			
Business engagement review	(30)	(30)	(30)
Community engagement review	(33)	(33)	(33)
Place cluster - review of customer groups	(33)	(33)	(33)
Service efficiencies with the library service	(65)	(65)	(65)
Place & Growth			
Increase in users of garden waste service	(100)	(100)	(100)
Additional recycling income due to increased capacity of new recycling bags	(98)	(98)	(98)
Blue bag reduction/increased recycling	0	(100)	(100)
Increase cost of garden waste bins	(100)	(100)	(100)
Increase in long term car parking charges	0	(500)	(700)
Increase in parking fees and fishing permits at country parks	(60)	(60)	(60)
Increase in planning pre-application fee income	(50)	(60)	(70)
Resources & Assets			
Commercialisation – crematorium	0	(110)	(219)
Delivery intention of 1,000 houses over 4 years at 5%	(200)	(400)	(400)
Early payment programme	(55)	(155)	(200)
Home to school transport review	(150)	(250)	(750)
Income generation from Solar Farms	0	(300)	(500)
Income generation in excess of financing costs - Commercial Properties	(960)	(1,660)	(1,660)
Enhancement of Cantley Park	(100)	(100)	(100)
Leisure services increase in fees and charges, outside of main contract	(327)	(327)	(327)
Reduced treasury management costs	(350)	(350)	(350)
Business services management restructure	(85)	(85)	(85)
Solar income from existing assets	(80)	(80)	(80)
Benefit realisation from commercial activities	(200)	(500)	(800)
Rationalisation process of corporate accommodation	(125)	(500)	(700)
Contracts and commissioning reviews	(100)	(350)	(500)
Total Savings	(6,256)	(11,226)	(16,190)

THREE YEAR BUDGET FORECAST

The following table shows the changes in revenue budget over the next 3 years. These are non-cumulative and one off (i.e. non recurring)

	2021/2022 £'000	2022/2023 £'000	2023/2024 £'000
Special Items			
Adult Social Care			
Approved Mental Health Professional resource (AMHP)	50	0	0
Demand management - resource investment to deliver change	500	300	300
Transitions - additional assessment capacity	90	90	90
Children's Services			
Adopt Thames Valley - additional cost whilst contract under review	40	40	40
Children's Services transformation programme	500	500	0
Children in Care CAMHS	0	100	0
Developing Social Work Apprenticeships	0	50	50
Edge of Care / Placement support service - investment to deliver savings	240	300	0
Learning, Achievement & Partnerships - resources to implement review	160	0	0
Offset loss of DSG / School income	60	0	0
Parenting Assessments - specialist support	50	100	0
Practice assistants	0	190	0
Social worker recruitment & retention strategy	102	168	199
SEND Ops Commissioning	0	80	0
Social Care Staffing - Agency Factor	370	180	0
Community, Insight and Change			
Budget required to deliver sustainable organisational change	1,150	1,500	1,500
Community Safety Partnership - resource support	60	0	0
Govmetric - tool to measure and track customer satisfaction	13	13	13
Human resources information system	0	150	75
HR resource to support increase in case loads	50	0	0
Service transformation	45	0	0
Shute End self service check in system - implementation	10	0	0
Place & Growth			
Changes to shared service agreement for building control	100	0	0
Contingency to offset any failure to achieve car park income	250	0	0
CRM/Document management system for Highways & Transport	120	0	0
Development management - appeals	0	350	0
Local plan update	100	175	0
Local Transport Plan 4 and Delivery Plan	50	150	0
Planning appeals and enforcement	0	265	100
Re-integration of Trading Standards and Environmental Health to WBC control	250	250	0
Resource to support development / revision of supplementary planning policy	40	40	40
Resource to support local business post lockdown recovery phase - job protection, businesses and prosperity	45	45	0
Resources & Assets			
Reduction in returns of treasury investments	387	0	0
Supporting and enhancing Member development - Member Engagement and Development Workstream	38	0	0
Total Special Items	4,870	5,036	2,407

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2021/22 - 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.

	Best Case	Most Likely as per Budget	Worst Case	Relative Risk (difference between most likely and worst case)		
	£'000	£'000	£'000	Low £'000	Medium £'000	High £'000
Adult Social Care						
Learning disability - unknown high cost pressures	22,541	22,691	23,441	180	300	270
Mental health - unknown high cost pressures	1,638	1,738	2,038	100	150	50
Physical disability - unknown high cost pressures	4,385	4,585	4,985	100	200	100
Older people - increases above expected levels (including self funders with depleted funds)	13,445	13,695	14,195	100	200	200
Risk of litigation / compensation against assessment outcomes (including Deprivation of Liberty Safeguarding)	0	0	250	150	100	0
Risk of market failure	0	0	1,500	600	400	500
Potential ongoing impact of Covid-19	0	0	750	200	300	250
TOTAL Adult Social Care	42,009	42,709	47,159	1,430	1,650	1,370
Children's Services						
Additional placements for children & young people above expected, including dispersal of UASC (demand led)	5,200	5,320	6,320	200	300	500
Direct payments and Community Support increased activity and costs (demand led)	450	499	600	30	50	21
Difficulty in recruiting essential frontline posts with permanent staff resulting in higher cost agency	680	799	1,090	110	100	81
Home to School Transport (demand led)	3,672	3,822	4,622	350	100	350
Legal costs through Joint Legal Team (demand led)	710	710	980	50	120	100
Adoption costs (demand led)	316	316	406	10	20	60
Emergency Duty Service (children's & adults) (demand led)	222	222	292	20	30	20
Potential ongoing impact of Covid-19	0	0	400	120	200	80
TOTAL Children's Services	11,250	11,688	14,710	890	920	1,212

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2021/22 - 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.

	Best Case	Most Likely as per Budget	Worst Case	Relative Risk (difference between most likely and worst case)		
	£'000	£'000	£'000	Low £'000	Medium £'000	High £'000
Place & Growth						
Highways (roads and footways) urgent repairs following flooding and freezing and disposal of Tar bound material	1,600	1,600	2,000	300	100	0
Winter maintenance (bad weather)	200	348	468	60	60	0
Street lighting - energy cost increase	570	620	700	30	50	0
Failure of an embankment/structure on the highway	0	0	1,000	700	300	0
Pre applications fees - under achievement of predicted fee income	(120)	(120)	(50)	20	20	30
TOTAL Place & Growth	2,250	2,448	4,118	1,110	530	30
Resources & Assets						
Net Income target from property portfolio not realised	(3,260)	(3,260)	(3,000)	100	80	80
Failure to achieve targeted procurement savings across the council	(211)	(211)	(180)	10	11	10
Net service charges liability due to empty properties, traded services, service income, income schools	(313)	(313)	(200)	40	23	50
Loss of income due to lower contribution from other authorities - Digital printing	(75)	(150)	0	60	40	50
Loss of income due to lower contribution from other authorities - Legal services	(604)	(604)	(560)	22	12	10
Loss of income due to contract underachievement - Properties	(365)	(365)	(300)	15	30	20
Loss of income due to lower contribution from other authorities - Audit	(453)	(453)	(400)	20	25	8
Higher than planned cost of business rates	940	940	1,050	30	50	30
Major emergency within the community e.g. weather event / pandemic flu or major incident	0	0	3,000	0	2,000	1,000
TOTAL Resources & Assets	(4,341)	(4,416)	(590)	297	2,271	1,258
Total Budget Variable - General fund	51,168	52,429	65,397	3,727	5,371	3,870

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 2021/22 indicates that balances of at least £9.2m 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): -

- £6.6m – absolute minimum (5% net budget)
- £9.2m to £13m – reasonable level (High/Medium risks)
- £13m – upper limit (High/Medium/Low risks)

HOUSING REVENUE ACCOUNT REVENUE BUDGET

The Housing Revenue Account (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 £223m) and providing a service to Council tenants is mainly funded by housing rents paid by Council tenants. The following table sets out the revenue expenditure planned for the HRA and the estimated income.

		2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000
INCOME					
Rents					
Dwelling Rents		(14,523)	(14,917)	(15,141)	(15,368)
Garage Rents		(244)	(249)	(254)	(259)
Commercial Rents		(2)	(2)	(2)	(2)
Total Rents		(14,769)	(15,168)	(15,396)	(15,629)
Fees & Charges					
Service Charges		(408)	(408)	(416)	(424)
Leasehold Charges		(123)	(123)	(125)	(128)
Other Charges for Services & Facilities		(48)	(48)	(48)	(48)
Interest on balances		(59)	(59)	(59)	(59)
Total Income		(15,407)	(15,806)	(16,045)	(16,288)
EXPENDITURE					
Housing Repairs		3,104	3,252	3,318	3,384
General Management		2,810	3,398	3,466	3,535
Sheltered Accommodation		257	231	235	240
Depreciation	Note 1	3,402	3,763	3,763	3,763
Capital Finance Interest Charge	Note 2	3,078	2,650	2,685	2,720
Voluntary Revenue Provision	Note 3	3,482	2,500	2,500	2,500
Total Expenditure		16,609	15,794	15,967	16,142
Net Expenditure / (Income)		1,202	(11)	(78)	(146)
REVENUE ACCOUNT					
Balance at Beginning of Year		(2,091)	(865)	(876)	(954)
Transfer (to) / from earmarked reserve		1,202	(11)	(78)	(146)
Forecast over / (under) spend		24	0	0	0
Balances at Year End	Note 4	(865)	(876)	(954)	(1,100)

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

Note 2. Based on current and forecast loan portfolio

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

Note 4. Reserve balances guided by assessments of financial risks

HOUSING REVENUE ACCOUNT CAPITAL BUDGET

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

		2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000
EXPENDITURE					
Estate Improvements		10	10	10	10
Capitalised Staffing Costs		605	625	625	650
Adaptations for the Disabled		450	500	550	600
Voids		750	750	750	800
Housing Purchase & New Builds		2,054	2,054	2,500	2,500
Planned & Cyclical Works		1,795	1,965	1,654	1,754
Improvements & Projects including Decent Homes		1,140	1,050	1,411	1,486
Total Capital Expenditure		6,804	6,954	7,500	7,800
FUNDED BY					
Major Repairs Reserve		(3,402)	(4,900)	(5,000)	(5,300)
Right to Buy Receipts	Note 1	(616)	(616)	(750)	(750)
Other Receipts / Grants	Note 2	0	0	0	0
Revenue Contributions	Note 2	(476)	0	0	0
Loan for 70% right to buy contribution	Note 2	(2,310)	(1,438)	(1,750)	(1,750)
Total Capital Funding		(6,804)	(6,954)	(7,500)	(7,800)
Balances at Year End		0	0	0	0

Note 1. Estimated receipts from right to buy sales

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

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2021/22 - TO INFORM THE LEVEL OF 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.

	Best Case	Most Likely as per Budget	Worst Case	Relative Risk (difference between most likely and worst case)		
	£'000	£'000	£'000	Low £'000	Medium £'000	High £'000
Housing Revenue Account						
Risk of contractor failure to revenue budget	3,154	3,154	3,469	105	105	105
Risk of contractor failure to capital budget	4,100	4,100	4,550	150	150	150
Failure to deliver safe services to tenants, leaseholders, shared owners, site dwellers and licensees	0	0	300	150	100	50
Climate / natural disasters - impacts on properties	0	0	225	175	50	0
Increase in rent arrears as we move from agency to settled team	0	50	150	30	40	30
Change to requirements of Regulatory framework and standards for Social Housing	0	0	150	80	40	30
TOTAL Housing Revenue Account	7,254	7,304	8,844	690	485	365

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 2020	2.1
Estimated Balance 31st March 2021	0.9
Estimated Balance 31st March 2022	0.9
Estimated Balance 31st March 2023	1.0
Estimated Balance 31st March 2024	1.1

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 reserve level of £0.8m

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.

The level of reserves have reduced from £2.1m in 2020/21 to £0.9m in 2021/22 as planned in the last MTFP. Within the period of the current MTFP, reserves are expected to return to levels above the suggested prudent levels.

3 Budget Risk Analysis

£0.9m - recommended level (High/Medium risks)

£1.6m - Covers high / medium / low risks based on risk assessments

SCHOOLS BLOCK BUDGET - presented to Schools Forum 13th January 2021

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.

Considerable challenge continues for SEND in Wokingham, balancing financial sustainability for the High Needs Block against an increasing number of Children and Young People with Education Health & Care Plans. A significant programme of work is underway in this area, working alongside partners and key stakeholders. Appropriate funding for SEND continues to be a national issue, with a major review expected to be undertaken by the Department for Education.

	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000	2023/24 Budget £'000
INCOME				
Dedicated schools grant	(82,272)	(83,686)	(85,360)	(87,067)
Pupil premium	(2,008)	(2,140)	(2,183)	(2,227)
Total Income (Note 1)	(84,280)	(85,826)	(87,543)	(89,294)
EXPENDITURE				
Individual Schools Budget (ISB)	58,890	57,943	59,118	60,316
Special needs budget excluding ISB	13,509	15,762	16,078	16,398
Expenditure for education of children under 5s in private, voluntary / independent settings	7,930	8,025	8,185	8,349
Pupil premium allocated to schools	2,008	2,140	2,183	2,227
Centrally retained services	937	945	964	983
Contingency for growth	800	800	800	800
Early years contingency	207	211	216	221
Total Expenditure	84,280	85,826	87,543	89,294
Net Expenditure / (Income)	0	0	0	0
Balance brought forward (Note 2)	3,363	6,118	6,118	6,118
Budgeted net expenditure / (income)	0	0	0	0
Forecast in-year over / (under) spend (Note 3)	2,755	0	0	0
Balance Carried Forward - (Surplus) / Deficit	6,118	6,118	6,118	6,118

Note 1 - 2020/21 figures reflect final budget allocations. Income is increasing as funding from DfE has increased. From 2021/22 income includes funding for Teachers Pay and Pension Grants. 2021/22 is based on a large secondary school converting to academy status. Inflation increase applied to 22/23 onwards

Note 2 - Any surplus or deficit balance at the end of each financial year can be carried forward into the following year

Note 3 - Expected overspend in the DSG for 2020/21 and reported to the Schools Forum on 13th January 2021, all relating to the High Needs Block. Increased High Needs Block allocation plus agreed 0.5% transfer from Schools Block, we have assumed no further increase in cumulative deficit. However, significant challenge remains to balance available resource against increasing demand

CAPITAL PROGRAMME 2021/24 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:

- Roads & Transport
- Housing, Local Economy and Regeneration
- Climate Emergency
- Environment
- Internal Services
- Children Services and Schools
- Adult Social Care

2 Capital Programme

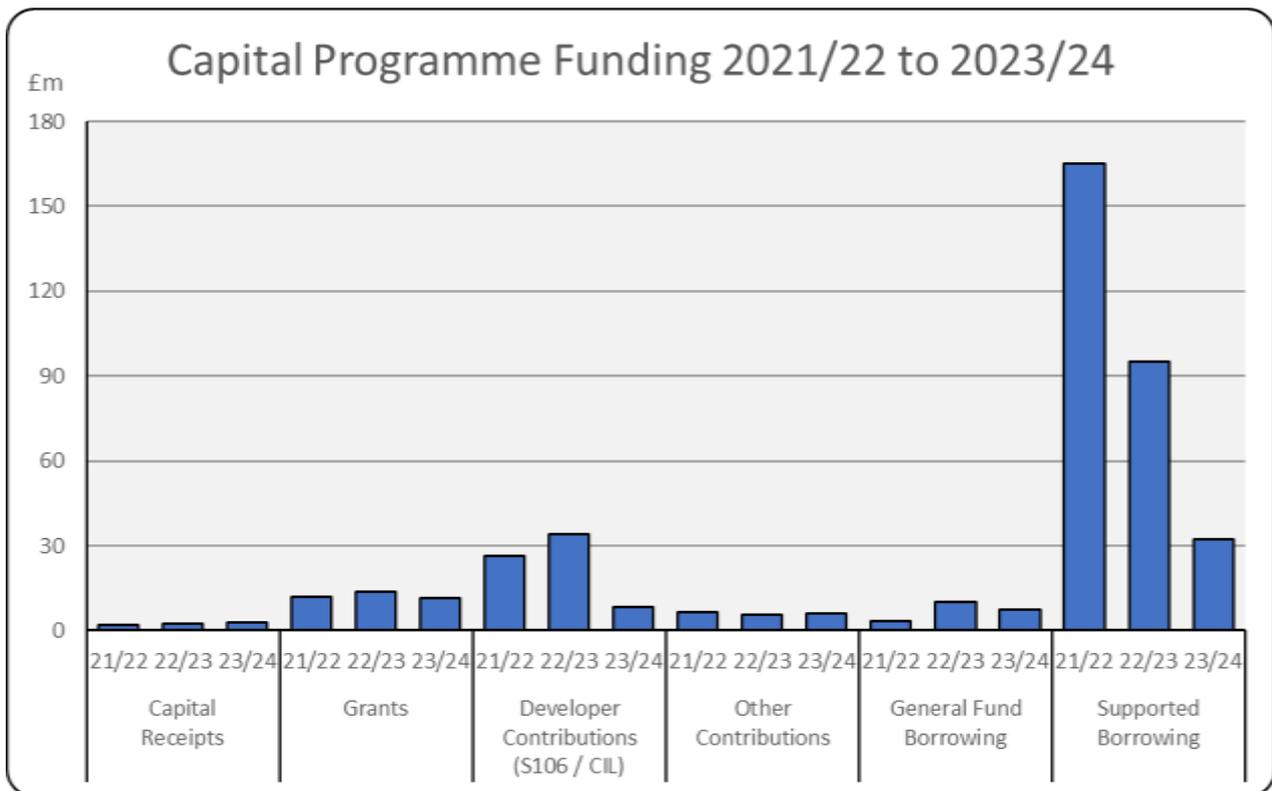
An overview of the proposed programme over the next three years is shown below. Further detail of the Capital Programme allocation of individual projects across key areas, and key area sub - categories is contained in the schedules further on in this section of the Medium Term Financial Plan and can be found in the Capital Programme and Strategy 2021/24.

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

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 2021/22 is £215.4m. It is proposed that this be funded by a combination of the funding sources shown below:



	2021/22 £m	2022/23 £m	2023/24 £m	Total £m
Supported borrowing	(165.0)	(95.2)	(32.2)	(292.4)
Developer contributions (S106 / CIL)	(26.4)	(34.2)	(8.4)	(69.0)
Capital grants	(12.1)	(13.8)	(11.5)	(37.4)
Other contributions	(6.3)	(5.8)	(6.1)	(18.2)
General fund borrowing	(3.5)	(3.6)	(3.6)	(10.7)
Additional general fund borrowing*	0.0	(6.7)	(3.7)	(10.4)
Capital receipts	(2.1)	(2.6)	(2.7)	(7.4)
Total	(215.4)	(161.9)	(68.2)	(445.5)

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

4 Capital Strategy

A 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.

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 2021/22 to 2023/24 are set as:

Prudential Indicators	2021/22 £m	2022/23 £m	2023/24 £m
Limits			
Authorised Limit (Note: CFR x 120%)	729	852	905
Operational Boundary (Note: CFR x 110%)	677	789	838
Performance Indicators			
Gross external borrowing – General Fund + HRA	427	529	580
% of internal borrowing to CFR	29%	30%	25%
Ratio of financing costs to net revenue stream – General Fund	1.0%	0.7%	0.6%
Ratio of financing costs to net revenue stream - HRA	16.5%	16.1%	15.1%

The ratios above are explained in more detail in the Treasury Management Strategy 2021/22 and form a key part of our treasury management activities. These ratios are monitored and reviewed throughout the year.

6 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. The Council's general fund CFR from 2021/22 to 2023/24 is demonstrated in the table below.

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

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

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

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

CFR : Breakdown of Supported Borrowing	Total		
	21/22	22/23	23/24
	£m	£m	£m
Invest to Save	209	274	310
Town Centre Regeneration	86	90	84
Wokingham Housing Ltd	35	44	51
Developer Contributions (Forward Funded)	85	105	109
Closing balance	415	513	554

The following table shows the CFR balance for the Housing Revenue Account (HRA). Due to the ringfenced nature of the HRA, the CFR is considered separately to the general fund.

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

A full breakdown of the prudential indicators, investment strategy and borrowing strategy can be found in the Treasury Management Strategy 2021/22.

CAPITAL PROGRAMME 2021/22 to 2023/24

The following table sets out by key area, the Councils Capital Programme for the next three years.

	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Roads and Transport Continuous investment in highways infrastructure to meet the needs of current and future users of the network	94,037	54,298	11,336	159,671
Housing, Local Economy and Regeneration Delivering sustainability, a strong, robust and successful economy that stimulates opportunities for all who work and live in	72,536	64,644	18,792	155,973
Climate Emergency Commitment to reduce carbon emissions and working towards becoming a carbon neutral Council	22,215	27,238	21,526	70,978
Environment Investment and enhancement of facilities across the borough benefiting communities and residents wellbeing	12,135	5,155	6,075	23,365
Internal Services Investment in Council assets and technology to continue to support all Council services and priorities	3,864	4,576	4,128	12,568
Children Services and Schools Dedicated in providing services and schools which ensure all children have the opportunity to achieve their goals potential	3,438	3,093	5,374	11,905
Adult Social Care An effective high-quality care and support service to providing a quality of life which residents need	7,206	2,937	969	11,112
Total Capital Programme 2021/22 to 2023/24	215,431	161,940	68,199	445,571

CAPITAL PROGRAMME 2021/22 to 2023/24 BY SUB CATEGORY

The following table sets out in further detail by key area, the Councils Capital Programme for the next three years.

	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Roads and Transport				
New roads	85,644	41,123	3,922	130,688
Improvement to existing facilities	3,175	9,625	2,845	15,645
Service improvements	4,968	3,300	4,069	12,337
Road improvements	250	250	500	1,000
Roads and Transport Total	94,037	54,298	11,336	159,671
Housing, Local Economy and Regeneration				
Housing delivery	29,553	31,463	16,522	77,538
Service Improvements	28,300	26,600	100	55,000
Regeneration of towns	11,383	3,881	2,170	17,435
New facilities	3,300	2,700	0	6,000
Housing, Local Economy and Regeneration Total	72,536	64,644	18,792	155,973
Climate Emergency				
Clean energy generation	12,500	14,000	6,000	32,500
Co2 reduction	6,954	7,709	10,059	24,722
Alternative transport	2,761	5,529	5,467	13,756
Climate Emergency Total	22,215	27,238	21,526	70,978
Environment				
New facilities	11,750	5,080	6,000	22,830
Improvement to existing facilities	385	75	75	535
Environment Total	12,135	5,155	6,075	23,365

CAPITAL PROGRAMME 2021/22 to 2023/24 BY SUB CATEGORY CONT..

	2021/22 £'000	2022/23 £'000	2023/24 £'000	Total £'000
Internal Services				
Service improvements	3,364	3,926	3,478	10,768
Improvement to existing facilities	500	650	650	1,800
Internal Services Total	3,864	4,576	4,128	12,568
Children Services and Schools				
New facilities	2,159	1,814	4,109	8,082
Improvement to existing facilities	1,141	1,141	1,127	3,409
Service improvements	138	138	138	414
Children Services and Schools Total	3,438	3,093	5,374	11,905
Adult Social Care				
Service improvements	7,156	2,887	919	10,962
Improvement to existing facilities	50	50	50	150
Adult Social Care Total	7,206	2,937	969	11,112
Total Capital Programme 2021/22 to 2023/24	215,431	161,940	68,199	445,571

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

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

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Roads and Transport Continued..						
Service improvements	Wokingham Highways Investment Strategy (WHIS)	A "Needs Based" approach to maintaining Wokingham's highways network, aligned to the Council's and stakeholder priorities	2,968	2,300	3,419	8,687
	Highway Infrastructure Flood Alleviation Schemes	To deliver flood risk management schemes and sustainable drainage systems to reduce the risk of flooding to major highways across the borough	500	500	0	1,000
	Toutley Highways Depot Modernisation	Highways infrastructure enhancements	1,000	0	0	1,000
	Integrated Transport Schemes	Enhancement the integrated transport schemes	250	250	400	900
	Traffic Signal Upgrade Programme	Investment in highways signals	250	250	250	750
		Service improvements total	4,968	3,300	4,069	12,337
Road improvements	Safety / Crash Barriers	Improving safety / crash barriers on the highways in the borough	250	250	500	1,000
		Road improvements total	250	250	500	1,000
Roads and Transport Total			94,037	54,298	11,336	159,671

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Housing, Local Economy and Regeneration						
Housing delivery	WBC (Holdings) Ltd Loan	Wokingham Borough Council owned houses funding. (1-4-5 housing objective)	8,000	10,000	6,000	24,000
	Housing (Tenants Services)	Investment in the Council's housing stock (Inc. adaptations/estate improvements)	4,900	5,000	5,300	15,200
	Gorse Ride Regeneration Project	To part fund phase 2 of the Gorse Ride regeneration project	5,000	6,000	1,562	12,562
	Strategic residential portfolio	To support the growth of the Council's residential property portfolio and deliver against Housing 1-4-5 objective	5,033	6,833	0	11,866
	Purchase of council houses HRA	To replace HRA housing stock using the 1 for 1 Right to Buy receipts	2,054	2,500	2,500	7,054
	Mandatory disabled facility grants	Mandatory means tested grants for adapting the homes of people with disabilities to enable them to live independently at home	806	1,070	1,100	2,976
	Phase 2 Grovelands, Winnersh,	Environmental & accommodation improvement works, installing temporary accommodation units	2,700	0	0	2,700
	Gypsy, Roma, Traveller (GRT) Additional Pitches	Provision of additional GRT pitches as required in the Borough	1,000	0	0	1,000
	Gorse Ride Regeneration Project Management	Project management resource to deliver the Gorse Ride regeneration project	60	60	60	180
		Housing delivery total	29,553	31,463	16,522	77,538
Service improvements	Community Investment	To build on the commercial property portfolio in line with the Council's socio-economic and sustainability agendas	28,300	26,500	0	54,800
	Commercial Portfolio - Improvement to WBC commercial properties	To ensure commercial properties are suitable for letting	0	100	100	200
		Service improvements total	28,300	26,600	100	55,000
Regeneration of towns	Carnival Pool Area Redevelopment	Town centre regeneration	11,183	3,341	1,500	16,025
	Denmark Street Environmental Improvements	Improving the borough towns and parishes	0	340	470	810
	Wokingham Town Centre Regeneration Environmental Improvements		200	200	200	600
		Regeneration of towns total	11,383	3,881	2,170	17,435
New facilities	New Eco-Crematorium	To appraise, plan and develop a new eco-crematorium in Wokingham Borough	3,300	2,700	0	6,000
		New facilities total	3,300	2,700	0	6,000
Housing, Local Economy and Regeneration Total			72,536	64,644	18,792	155,973

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

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

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

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

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

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

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

Key Areas - by Sub Category	Project Name	Project Description	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Internal Services						
	Central Contingency	For allocation to schemes if required	1,976	1,958	2,000	5,934
	Microsoft E5	Continued enhancement in IT network	473	553	648	1,674
	Communications and Engagement	Communications and Engagement activity to support the Council's extensive capital and regeneration programme	250	250	250	750
	Laptop Refresh	This project refreshes the Council's Laptop estate on a 4 year life cycle	50	50	350	450
	Network Hardware Replacement		100	100	100	300
	Smart Phone refresh		0	300	0	300
	New Website - Content Management System		0	200	0	200
	Customer APP for Council Tax and Selected services		0	160	0	160
	ADFS replacement with Azure AD adoption		0	80	80	160
	Cyber Security Improvements		50	50	50	150
Service improvements	Telephony Improvements - Move to Teams		0	150	0	150
	IT Infrastructure: WAN connectivity		100	0	0	100
	Replace wireless access points	Continued enhancement in IT network	80	0	0	80
	PCI Payment Scheme compliance		80	0	0	80
	Intranet refresh		0	60	0	60
	Security and encryption at remote sites		50	0	0	50
	Waterford/Shute Fibre		40	0	0	40
	Replace 3rd party access to WBC estate		30	0	0	30
	Contract register		30	0	0	30
	Intruder Detection IDS and Intruder Prevention IPS		25	0	0	25
	Web application firewall		20	0	0	20
	Split external VLAN to own switches		0	15	0	15
	Investment in social listening software		10	0	0	10
		Service improvements total	3,364	3,926	3,478	10,768

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

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

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

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

CAPITAL PROGRAMME 2021/22 to 2023/24 - DETAILS

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

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

CAPITAL FUNDING

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 Policy (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

5 YEAR CAPITAL VISION

The following table sets out by key area, the Councils Capital programme for the next 5 years.

	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Year 4 2024/25 £'000	Year 5 2025/26 £'000	Total £'000
Roads and Transport						
New roads	85,644	41,123	3,922	654	0	131,342
Improvement to existing facilities	3,175	9,625	2,845	2,825	2,825	21,295
New Facilities	0	0	0	66	88	154
Service improvements	4,968	3,300	4,069	13,773	14,180	40,290
Road improvements	250	250	500	750	500	2,250
Roads and Transport Total	94,037	54,298	11,336	18,067	17,593	195,331
Housing, Local Economy and Regeneration						
Housing delivery	29,553	31,463	16,522	14,660	16,856	109,054
Service Improvements	28,300	26,600	100	0	0	55,000
Income Generation	0	0	0	100	100	200
Regeneration of towns	11,383	3,881	2,170	0	0	17,435
New facilities	3,300	2,700	0	0	0	6,000
Housing, Local Economy and Regeneration Total	72,536	64,644	18,792	14,760	16,956	187,688
Climate Emergency						
Clean energy generation	12,500	14,000	6,000	0	0	32,500
Co2 reduction	6,954	7,709	10,059	1,859	1,859	28,440
Alternative transport	2,761	5,529	5,467	4,267	4,267	22,289
Climate Emergency Total	22,215	27,238	21,526	6,126	6,126	83,229
Environment						
New facilities	11,750	5,080	6,000	0	0	22,830
Improvement to existing facilities	385	75	75	75	75	685
Environment Total	12,135	5,155	6,075	75	75	23,515
Internal Services						
Service improvements	3,364	3,926	3,478	3,240	3,340	17,348
Improvement to existing facilities	500	650	650	650	650	3,100
Internal Services Total	3,864	4,576	4,128	3,890	3,990	20,448
Children Services and Schools						
New facilities	2,159	1,814	4,109	9,591	6,096	23,768
Improvement to existing facilities	1,141	1,141	1,127	1,126	1,126	5,661
Service improvements	138	138	138	138	138	690
Children Services and Schools Total	3,438	3,093	5,374	10,855	7,360	30,119
Adult Social Care						
Service improvements	7,156	2,887	919	790	826	12,578
Improvement to existing facilities	50	50	50	50	50	250
Adult Social Care Total	7,206	2,937	969	840	876	12,828
Total Capital Programme 2021/22 to 2023/24	215,431	161,940	68,199	54,612	52,975	553,157

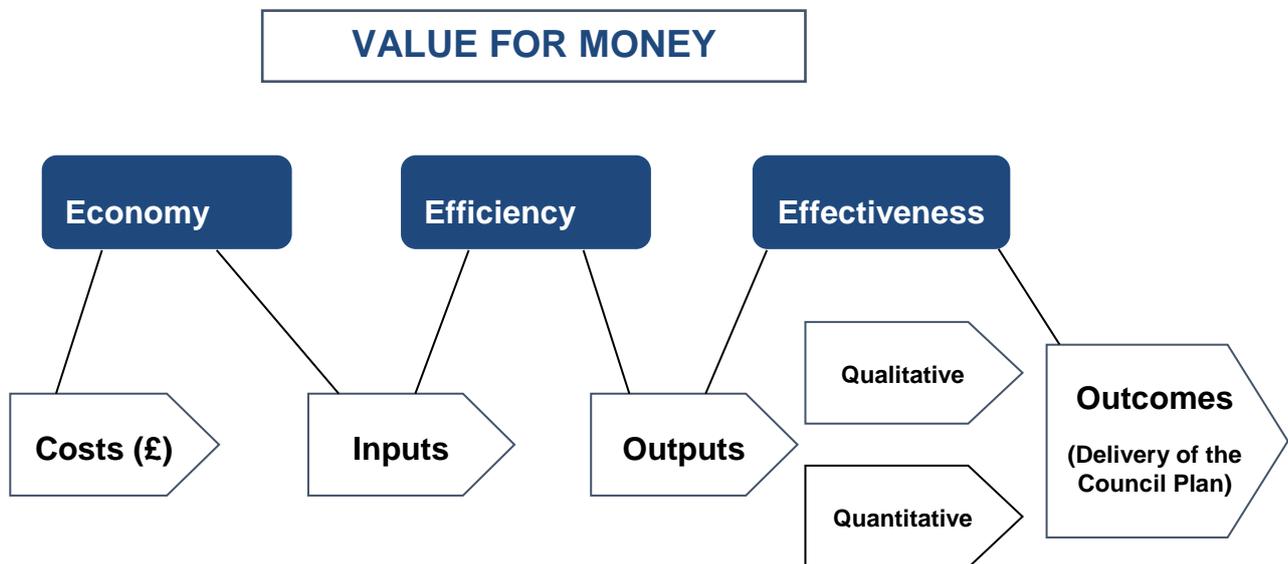
COMMERCIALISATION AND VALUE FOR MONEY

Commercialisation

The Council is seeking to adopt an increasingly commercial approach and is in the process of producing a Commercial Strategy. Being commercial means making every pound stretch as far as it can do in delivering the outputs and outcomes needed by the community, as well as seeking new and increasing income streams to support growing demand led statutory service costs. Therefore commercialisation is as much about demand management as it is about efficient processes, new delivery models and innovative ways of creating 'profit' for the council taxpayer. Value for money remains a cornerstone for our spending decisions.

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 ensures 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

The following table shows the key activity data across the Council which is monitored throughout the year as part of the financial monitoring

Unit Description		2021/22			2022/23			2023/24			Risk Indicator
		Units	Ave Price £	Total £'000	Units	Ave Price £	Total £'000	Units	Ave Price £	Total £'000	
Adult Social Services											
Learning Disability, Residential Care	weeks	5,001	1,503	7,516	5,170	1,548	8,003	5,338	1,594	8,510	High
Learning Disability, Supported Living	weeks	8,405	1,109	9,325	8,610	1,143	9,839	8,704	1,177	10,245	High
Mental Health, Supported Living	weeks	2,609	450	1,175	2,746	464	1,274	2,856	478	1,365	Medium
Older People, Homecare	hours	314,567	19	5,945	319,919	19	6,228	321,665	20	6,450	High
Older People, Nursing Care	weeks	3,153	962	3,034	3,233	991	3,203	3,336	1,021	3,405	High
Older People, Residential Care	weeks	4,815	855	4,118	4,831	881	4,256	4,836	907	4,388	High
Physical Disability, Homecare	hours	134,534	19	2,543	141,099	19	2,747	142,551	20	2,858	Medium
Physical Disability, Supported Living	weeks	506	729	369	536	751	402	562	773	435	Medium
Children's Services											
Foster Placement Allowances	per night	27,640	58	1,603	28,193	59	1,668	28,757	60	1,735	Medium
Independent Foster Placements	per night	4,710	133	628	4,804	136	653	4,900	138	676	Low
Residential Home Placements	per night	5,475	410	2,245	5,585	418	2,335	5,585	427	2,384	High
Semi-Independent Living	per night	2,935	210	616	2,993	214	641	3,053	218	666	High
SEND Home to School Transport packages	per pupil	253	9,696	2,451	284	9,696	2,751	299	9,696	2,900	High
Resources & Assets											
Free Bus Pass	per pass	26,760	34	912	28,254	35	989	28,254	35	989	Low
Place & Growth											
Waste Disposal (based on 71,000 tonnes pa combined landfill and recycling and 2% growth per annum.	charge per tonne	71,000	149	10,579	71,420	152	10,856	72,856	155	11,293	Medium
Land Searches	per search	2,998	97	291	2,998	97	292	2,998	97	292	High
Building Control - Plan check fee (Total Number of Submissions in year)	per application	1,537	595	915	1,537	595	915	1,537	595	915	Low
Development Control - Planning Application Fees - Major	per application	52	9,231	480	52	9,231	480	52	9,231	480	High
Development Control - Planning Application Fees - Minor	per application	1,570	300	471	1,570	300	471	1,570	300	471	High
Schools Block - Dedicated Schools Grant											
Independent Special School Placements	per pupil	120	60,000	7,200	120	60,000	7,200	120	60,000	7,200	High

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%).

Empty homes - From 1 April 2017 no discounts are available and 100% charge applies for:

- Unoccupied and unfurnished properties
- Properties undergoing major repairs or structural alterations
- Second homes

This decision was made in line with Local Government Finance Act 1992 to maximise resources to provide key services within our borough.

Exceptions include certain dwellings, including caravans and boats, provided by an employer (tied accommodation) may be eligible for the second home reduction of 50 percent for a limited period of time. Contact ctax@wokingham.gov.uk to see if you qualify.

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

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

4 Council Tax – People with Disabilities

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

5 Council Tax - Reduction

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

6 Council Tax – Premium

Properties that have been empty and unfurnished for more than two years will be charged a premium of 100% of the council tax for the property. In addition, Local Authorities have the ability to increase the Empty Homes Premium on long term empty properties (empty for five years or more) from 100% to 200%. This will encourage owners of those long term empty homes to bring them 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 2020/21 and 2021/22 are set out below.

Note – the precept for the Royal Berkshire Fire and Rescue Authority is provisional and is subject to their budget meeting on the 17th February.

Precept	2020/21 £	Band D £	2021/22 £	Band D £	Increase %
Police and Crime Commissioner for Thames Valley	15,580,054	216.28	16,952,153	231.28	6.94
Royal Berkshire Fire Authority	4,869,667	67.60	5,053,835	68.95	1.99

Collection Fund Surplus

A calculation has to be made of the estimated surplus/deficit on the Council Tax Collection Fund at 31st March 2021. 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 2021 the collection fund expects to achieve a surplus of £591,981.28 therefore the distribution of the surplus between the precepting authorities is:-

Wokingham Borough Council – £500,000.00

Police and Crime Commissioner for Thames Valley – £70,077.89

Royal Berkshire Fire Authority - £21,903.39

PARISH PRECEPTS 2021/22

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>2020/21</u>	COUNCIL TAX BAND D	TAX BASE	<u>2021/22</u>	COUNCIL TAX BAND D
		PARISH PRECEPT £			PARISH PRECEPT £	
Arborfield & Newland	1,304.60	95,123	72.91	1,324.20	103,578	78.22
Barkham	1,830.10	59,722	32.63	2,012.90	65,555	32.57
Charvil	1,417.40	51,443	36.29	1,437.20	69,118	48.09
Earley	11,957.00	978,271	81.82	11,961.20	988,054	82.60
Finchampstead	6,031.20	162,600	26.96	6,032.00	168,500	27.93
Remenham	329.50	25,913	78.64	329.00	27,209	82.70
Ruscombe	528.20	32,000	60.58	533.00	29,600	55.53
St. Nicholas Hurst	1,082.70	43,400	40.08	1,086.30	44,700	41.15
Shinfield	6,295.90	459,100	72.92	6,703.20	488,797	72.92
Sonning	829.00	38,046	45.89	835.70	38,046	45.53
Swallowfield	1,074.60	20,620	19.19	1,075.10	25,813	24.01
Twyford	3,029.90	107,620	35.52	3,037.20	116,140	38.24
Wargrave	2,130.20	191,047	89.69	2,128.10	194,673	91.48
Winnersh	4,214.20	156,862	37.22	4,298.50	174,675	40.64
Wokingham Town	16,032.60	921,552	57.48	16,396.30	970,732	59.20
Wokingham Without	3,290.40	199,990	60.78	3,300.40	218,709	66.27
Woodley	10,659.00	1,203,188	112.88	10,806.80	1,293,034	119.65
TOTAL	72,036.50	4,746,496	65.89	73,297.10	5,016,933	68.45

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

COUNCIL TAX BY BAND AND PARISH 2021/22

***** Information to follow once all provisional precept information is confirmed from Fire, Police and Parishes *****

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 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 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. Flexibility has been added in previous year’s as well, 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 2019/20 level plus 2% in 2020/21, 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 Schools and Early Years Finance (England) Regulations 2018. 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 from 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 2020/21 settlement covers a one year period to 31 March 2021.

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 13 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.