



# Medium term financial plan 2014/2015

Including Revenue Budget Forecast and  
Capital Budget Forecast to 2016/17



# WOKINGHAM BOROUGH COUNCIL MEDIUM TERM FINANCIAL PLAN

## (Revenue Budget Forecast & Capital Budget Forecast to 2016/17)

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## VISION

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

Our Borough is recognised as a desirable place to live. We want to maintain this whilst improving quality of life in the Borough.

### The underpinning Principles

- Offer excellent value for your Council Tax
- Provide affordable homes
- Look after the vulnerable
- Improve health, wellbeing and quality of life
- Maintain and improve the waste collection, recycling and fuel efficiency
- Deliver quality in all that we do

### Priorities

- Improve educational attainment and focus on every child achieving their potential
- Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth
- Ensure strong sustainable communities that are vibrant and supported by well designed development
- Tackle traffic congestion in specific areas of the Borough
- Improve the customer experience when accessing Council services

### We plan to:

- Facilitate the **regeneration** of our towns and increase the vibrancy of all our communities
- Create an environment that allows businesses to thrive and provides the conditions for **economic growth**, whilst maintaining the quality of our environment and taking advantage of our favourable location
- Continue to work with our partners to maintain our outstanding performance as one of the best local authorities in the country for **educational attainment**
- Deliver **well designed development** and strong communities throughout our collaborative efforts in planning
- Ensure financial viability despite annual funding cuts to deliver the **most effective services** in the most efficient way through transformation and a new approach to the commissioning of services
- Invest in prevention services that increase or maintain independence, ending the dependency culture and helping those who become dependent on our support to become **self sufficient and self reliant**

# CHIEF FINANCE OFFICER'S STATUTORY REPORT

## 1 Introduction

The Local Government Act 2003 requires the Chief Finance Officer (CFO) to report to Members, when setting the level of Council Tax, on the robustness of the budget presented and adequacy of reserves. The report below provides a strategic overview of the Council's financial position as a context before making specific considerations on the 2014/15 budget.

## 2 Strategic Overview

### ***Local Government Funding***

The overall financial climate continues to be extremely challenging and is expected to remain so for a number of years. Local government will continue to play its part in helping to address the national funding deficit, and each Council will be required to contribute accordingly by continuing to deliver services with fewer resources. Wokingham, as the poorest funded unitary authority per head of population, will face a particularly difficult challenge. The 2014/15 local government finance settlement represents a continuation of significant grant cuts for the council.

### ***Regeneration and Strategic Developments***

Although Wokingham faces significant financial pressures, there is a need to drive the development of regeneration projects to help stimulate economic growth. The Council is leading on the development of Wokingham Town Centre to ensure that it remains an attractive location for businesses, and for people to visit for shopping and recreation. In addition, the Council has identified four Strategic Development Locations which will generate new housing and employment opportunities. The budget submission, contained in the Medium Term Financial Plan (MTFP), will continue to identify considerable investment in these areas.

### ***Transfer of Public Health Functions and Funding***

Public Health functions were transferred from the NHS to the Council in April 2013. Government grant is paid to cover the cost of those additional responsibilities. The grant has now been confirmed at £4.223m for 2014/15. The grant is ringfenced and can only be spent on Public Health functions. It is possible that future budget allocations will be increasingly linked to deprivation factors which would be detrimental to the Council whilst the Treasury scores the Council so low in terms of need.

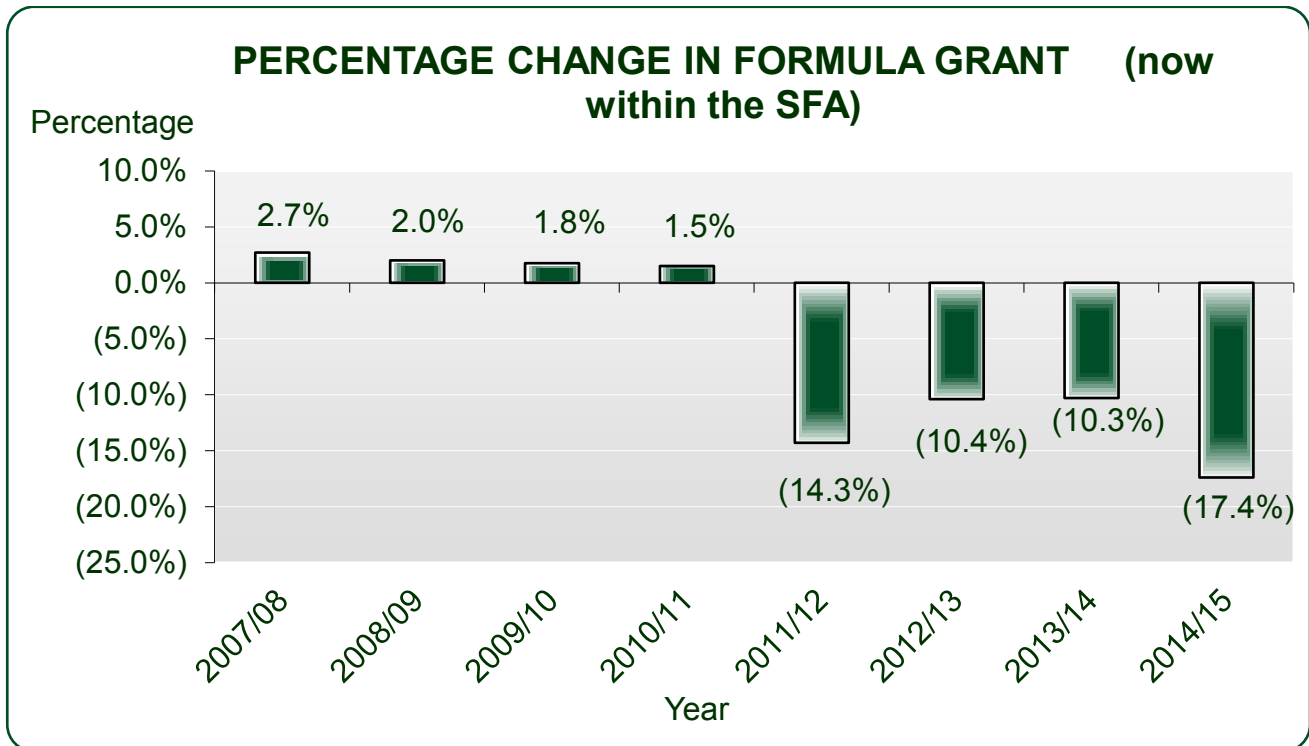
### ***Government's Autumn Statement December 2013***

There were a significant number of measures affecting local government, including an increase in national HRA borrowing limit of £300m, loans to boost housing developments in larger cities, free school meals for all children in reception years one and two, and 18 to 21 year olds required to undertake training or lose benefits. The impact on Wokingham of these measures is being assessed. However, one of the key implications of free school meals will be the need for capital investment to provide appropriate facilities. Business rates will be capped at a 2% increase rather than RPI or other basis, and the cost to local councils is expected to be funded by Government. However actual implications will need to be kept under close review.

### 3 Changes in Government Support

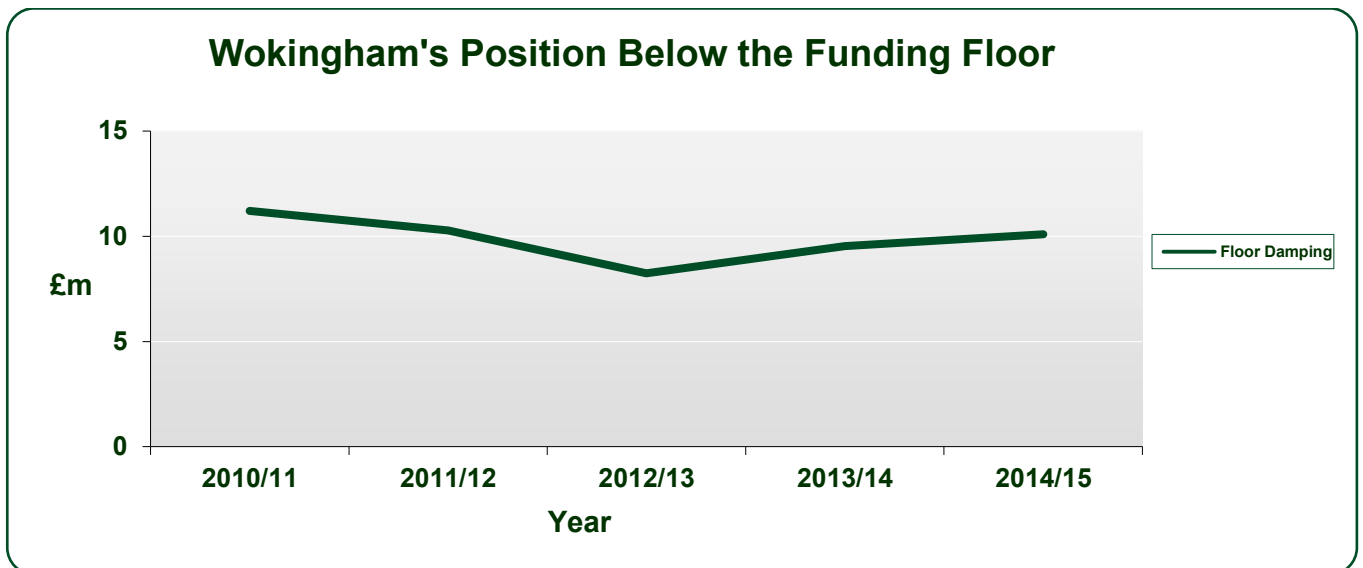
The percentage changes in Government Funding since 2007/08 are shown below. Following the December 2010 Local Government Finance Settlement, Wokingham suffered a reduction in formula grant for the first time in 2011/12 (of 14.3%), followed by reductions of 10.4% in 2012/13, 10.3% in 2013/14, and 17.4% in 2014/15.

Formula grant was previously the significant unringfenced grant that supports the council's ongoing revenue expenditure. From 2013/14 it has been incorporated within the Settlement Funding Assessment (SFA). The graph below reconstructs the formula grant to enable a year on year and like for like comparison. The 17.4% reduction for Wokingham is higher than the Berkshire average of 14.5%, and the average for all unitary authorities of 13.5%.



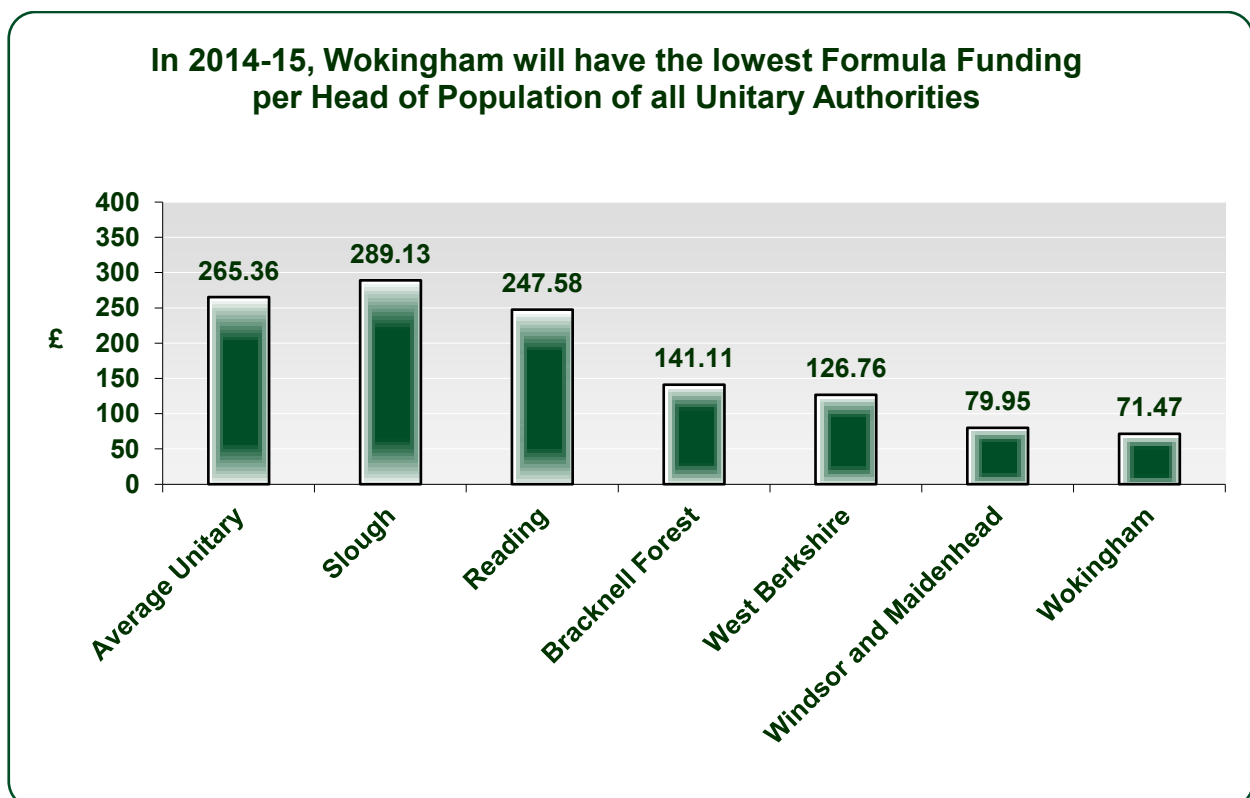
The Formula Grant loss is estimated at £2.4m in 2014/15, a reduction from £13.98m in 2013/14 to £11.54m in 2014/15. When reconstructed to be comparable with the presentation prior to SFA, this equated to approximately 12% of the council's budget requirement.

The graph below shows how much grant funding that Wokingham receives for being below the 'floor'.



Despite receiving a considerable amount of its funding through 'Floor Damping' (which brings the funding level up to minimum entitlement), Wokingham still receives the lowest funding per head of population when compared with other unitary authorities. Should the floor be removed at any point, Wokingham could suffer severe financial pressures through further funding cuts.

Formula grant was previously the significant unringfenced grant that supports the council's ongoing revenue expenditure. From 2013/14 it has been incorporated within the Settlement Funding Assessment (SFA). The graph below reconstructs the formula grant on a per head basis to enable a year on year and like for like comparison. The Wokingham figure of £71.47 per head is again the lowest in Berkshire as well as the lowest of any unitary authority. It is only 27% of the average for all unitary authorities of £265.36.





**Wokingham Borough Council is the lowest funded unitary authority per head of population. Source: Communities and Local Government website.**

### **Settlement Funding Assessment (SFA) and Comparison with Spending Power**

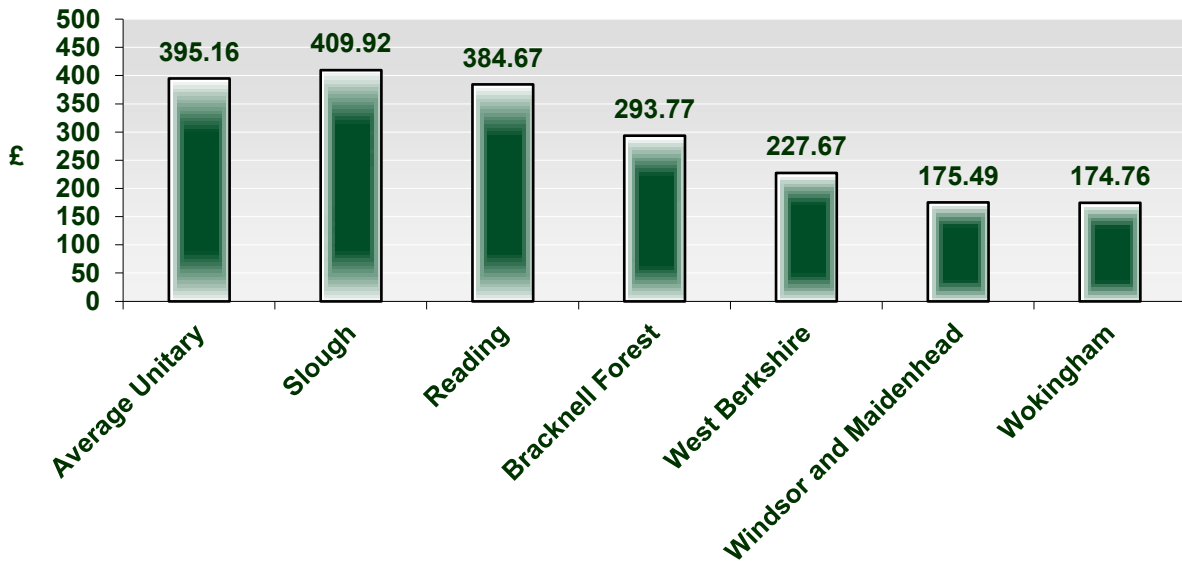
From 2014/15 the Government has introduced the new terminology of ‘Settlement Funding Assessment’. This comprises the former Formula Grant (unring-fenced), plus grants previously provided for specific activities (ring-fenced), Early Intervention Grant, plus funding for new responsibilities such as the cost of Council Tax Benefits. Wokingham received £30.88m in 2013/14, which will fall to £28.2m in 2014/15, a reduction of around 9%. The ongoing reduction is £2.7m year on year, of which £2.4m is in respect of Formula Grant. The movement from Formula Grant to SFA is shown below and provides a comparison with the 2013/14 figures.

#### **Grant Comparisons 2013/14 to 2014/15**

| <b>Description of Grant</b>                | 2013-14      | 2014-15      | Change        | %            | Comment                                |
|--------------------------------------------|--------------|--------------|---------------|--------------|----------------------------------------|
|                                            | £m           | £m           | £m            |              |                                        |
| <b>Formula Grant</b>                       | 13.98        | 11.54        | (2.44)        | (17.4)       | 17.4% reduction                        |
| Learning Disability & Health Reform        | 6.99         | 7.05         | 0.06          | 1.0          | Previously ring fenced                 |
| Early Intervention Grant                   | 3.92         | 3.62         | (0.3)         | (7.7)        | Previously ring fenced Education grant |
| Council Tax support                        | 3.85         | 3.85         | 0.0           |              | Previously ring fenced                 |
| Council tax freeze grant 2011/12           | 1.96         | 1.96         | 0.0           |              |                                        |
| Minor grants                               | 0.18         | 0.2          | 0.02          | 11.1         |                                        |
|                                            |              |              |               |              |                                        |
| <b>Settlement Funding Assessment Total</b> | <b>30.88</b> | <b>28.22</b> | <b>(2.66)</b> | <b>(8.7)</b> |                                        |

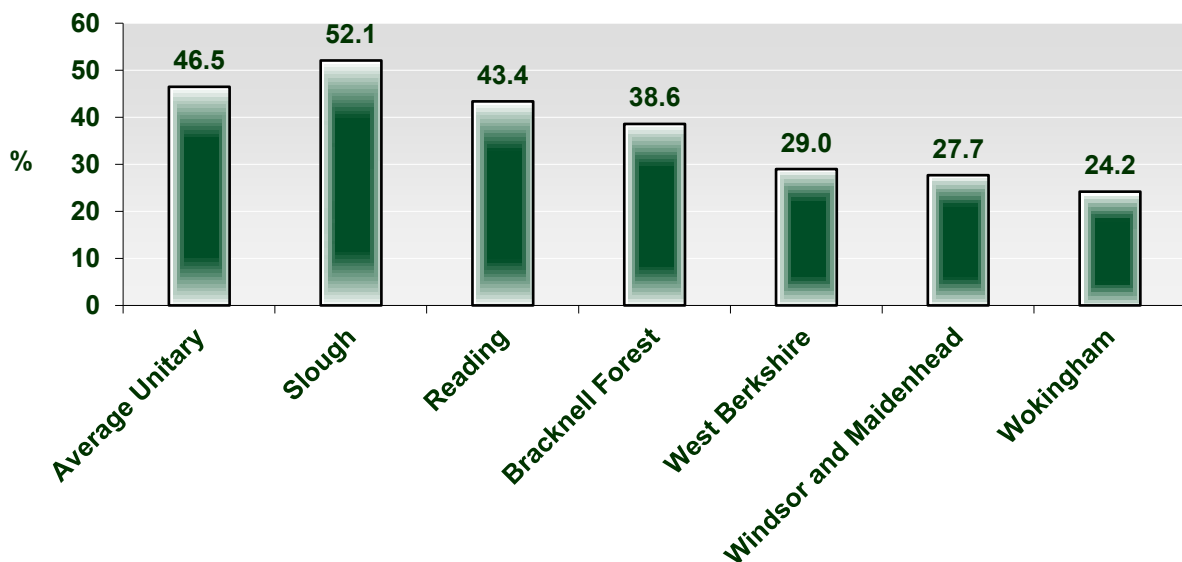
The graph on the next page shows the Settlement Funding Assessment on a per head of population basis for each Berkshire council as well as an average for all unitary authorities. Wokingham will receive the lowest grant per head of £174.76, which is less than half (44%) of the unitary authorities average of £395.16. It is also less than half the two highest Berkshire authorities.

**In 2014-15, Wokingham will have the lowest Settlement Funding Assessment (SFA) per Head of Population of all Unitary Authorities**



Wokingham's Settlement Funding Assessment Grant is only 24.2% of its 2014-15 total available income (known as Spending Power). This is less than half the highest funded Berkshire council (52.1%), and approximately half the average for all 55 unitary councils of 46.5%. The practical implication for Wokingham is that it must fund a higher proportion of the council's expenditure through its council tax than any other Unitary Authority, and therefore increases/decreases in council tax have a greater proportional impact on services.

**In 2014-15, Wokingham will have the lowest Settlement Funding Assessment as a percentage of all Unitary Authorities**



**In 2014/15, Wokingham will receive the lowest percentage of SFA grant as a share of its total income, of any unitary authority. Wokingham will receive 24.2%, compared to some unitary councils for whom government grants will fund over 60%. As a result, the percentage of expenditure met by Wokingham council tax payers is the highest of any unitary authority.**

### **Education Services Grant (ESG, formerly LACSEG)**

The Government introduced the Education Services Grant in 2013/14 to replace the LACSEG grant (Local Authority Central Spend Equivalent Grant). It is a method of providing funding for the transfer of local authority central education budget to academies and free schools. The grant is payable on a per pupil weighted basis, and whenever a school becomes an academy or free school, the council loses grant in the region of £250,000-£300,000 per year for each secondary school. It is very difficult for the education service to achieve these incremental savings in their central costs each year given the high element of fixed costs, and this generates further budget pressures.

The ESG is forecast to reduce further in 2015/16, by a significant amount which could be up to 25%. This reduction, together with any further school transfers, would put significant extra pressure on the council's budget in 2015/16.

### **The Dedicated Schools Grant (DSG)**

DSG was introduced in 2006/07 and had the effect of turning a significant part of the Council's Revenue Support Grant into a ring fenced specific grant. The Council receives DSG annually and it must be used in support of the Schools Budget as defined in the Early Years and Schools Finance (England) Regulations 2012. The purpose of the Schools Budget is defined in legislation as the provision of primary and secondary education.

The amount of DSG the Council has received in previous years is shown below. An amount of £112m for 2014/15 was notified by the DfE in December 2013, which is a real terms decrease to approximately £109.5m on the 2013/14 figure of £111.7m. This figure may be revised in early 2014 for variables such as changes in pupil numbers. Due to the funding reforms introduced from April 2013 schools will continue to have more direct control over how money is spent. This is particularly relevant when looking at the support services the Council provides to the Schools and the reduction in Education Services Grant.

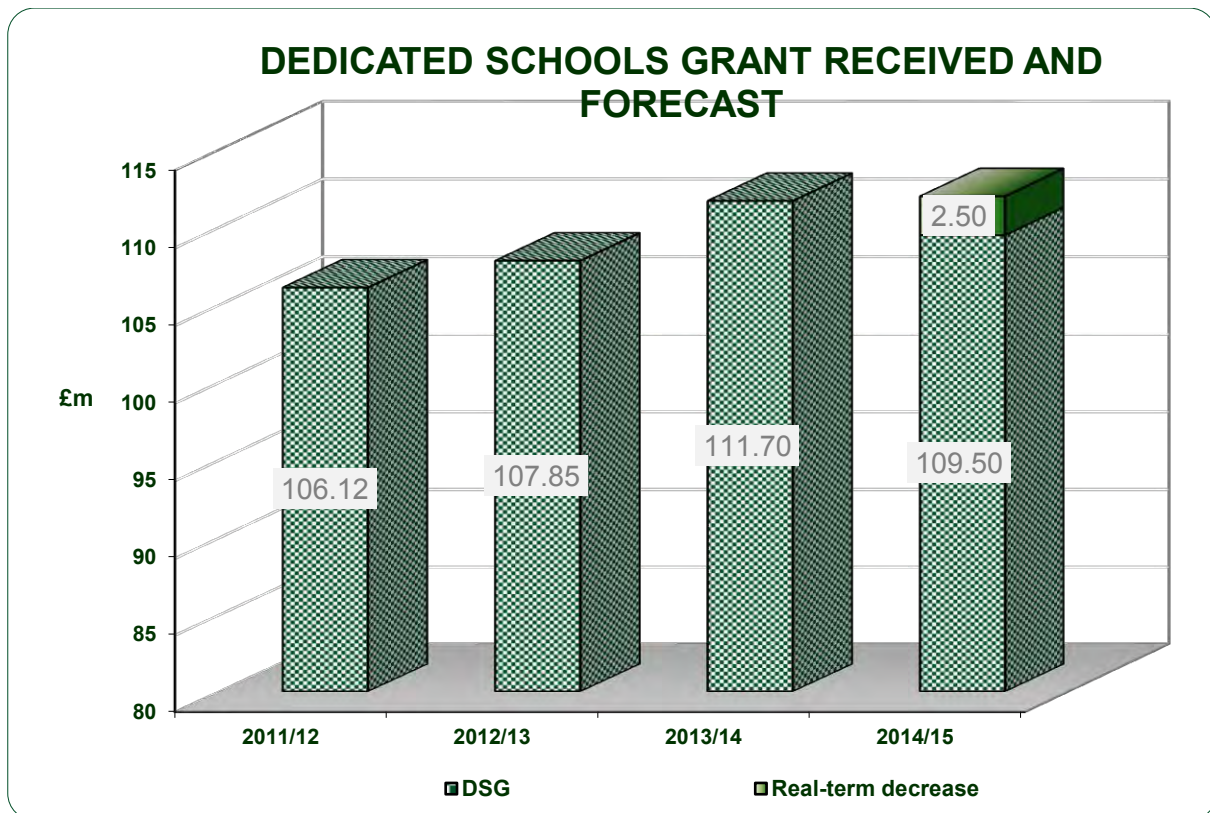
### **Effect of DSG 2012/13 Reforms from 2014/15 onwards**

The Government's funding reforms of 2013/14 move into the second phase of a longer term plan for a National Funding Formula by 2015/16. The over-arching objective is to have a simpler, transparent and more equitable approach to funding pupils irrespective of where they live in the country. The implications for Wokingham schools is that a number of them may lose out, as there is less ability to target funding to the most vulnerable schools and pupils.

The first year saw the number of factors that a local authority could use to distribute funding to schools drastically reduce from 37 to 12, to introduce a more "level playing field" and improving comparisons between schools across the country. Many factors previously used to fund smaller schools were removed and the basis of allocation was restricted. School funding challenges will be further exacerbated by a growing proportion of SEN pupils both nationally and locally. The Government have imposed a ceiling on funding so that the additional costs of SEN provision must be met within current schools budgets.

In summary, the DSG changes mean that money is much more aligned to pupil numbers, and schools have less ability to incorporate fixed budget allocations. Schools with falling pupil numbers

will therefore be more affected than others. Furthermore there are growing SEN pressures on the overall budget which may reduce the money available for allocation.

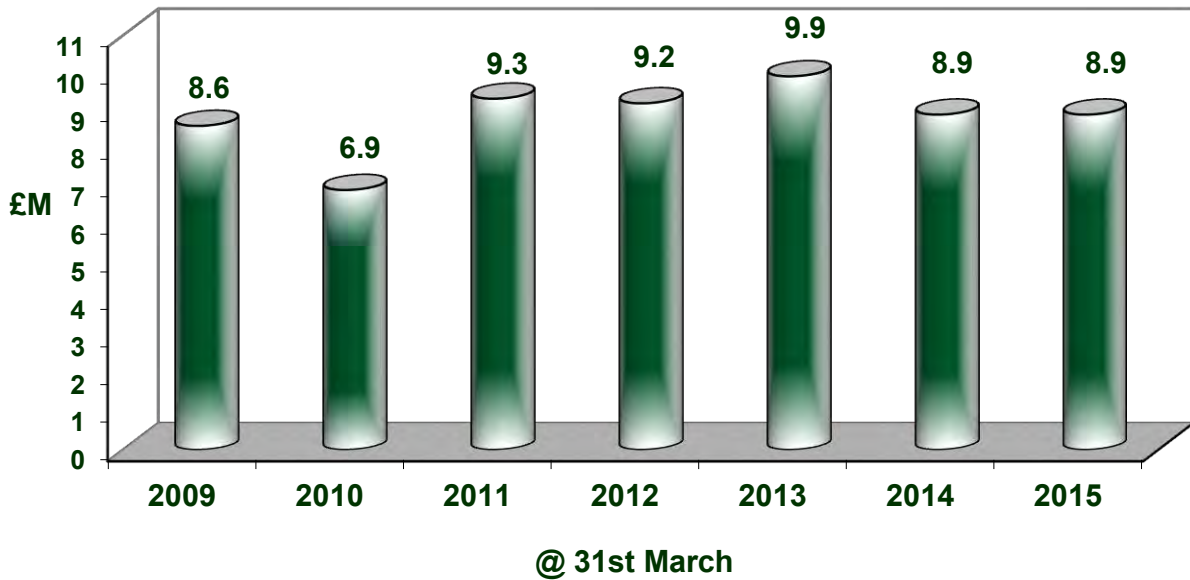


The inflation estimated in the 2014/15 DSG grant of £112m is £2.5m. This means that in real terms DSG will reduce from £111.7m in 2013/14 to an equivalent of £109.5m, a cut of 2%.

#### 4 General Fund Balances (GFB)

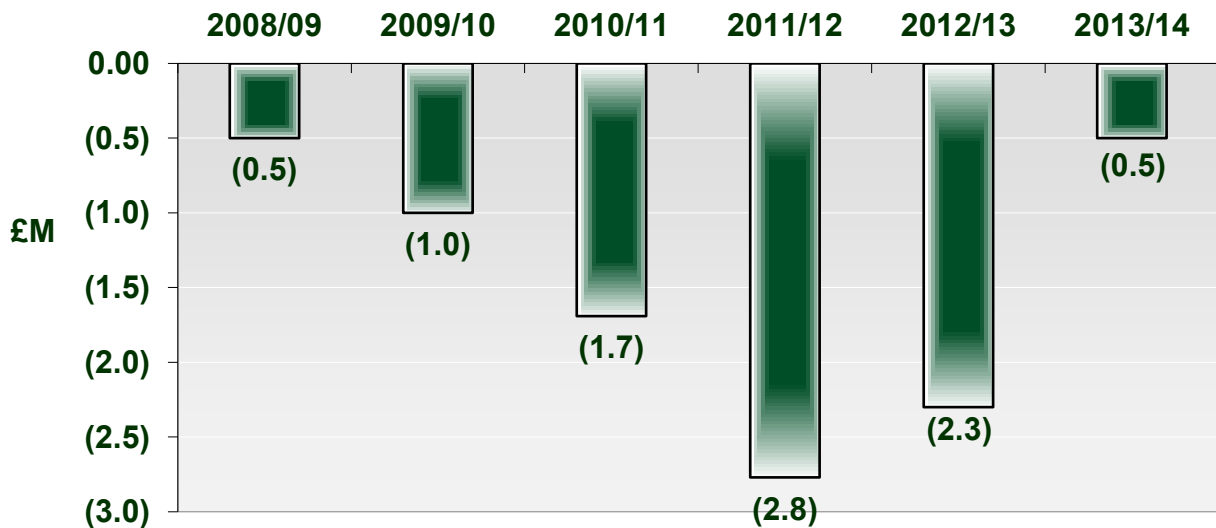
The GFB is required as a contingency to meet unforeseen spending requirements and to provide stability in Medium Term Financial Planning (e.g. by using balances to contain growth in future years). The level of balances is informed by a budget risk analysis. This approach was introduced in 2003/04 when the Council agreed the policy on General Fund Balances. The budget risk analysis for 2014/15 is included in the Medium Term Financial Plan. The table below shows actual general fund balances at 31<sup>st</sup> March 2013 and a forecast for 31<sup>st</sup> March 2014.

### GENERAL FUND BALANCE (including forecast for 31 March 2014 and 2015)



A further consideration in setting a prudent level of General Fund balances and setting a safe budget, is the underlying trend of under/over spending against the budget set at the beginning of the year (see below):-

### REVENUE OUTTURN POSITIONS



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

The forecast budget variance in 2013/14 currently shows an under-spend. It should be recognised that within the overall under-spend position there are significant underlying cost pressures within the 2013/14 budget, for example underachievement of income expectations on various fees and charges; these need to be considered within the 2014/15 budget submission.

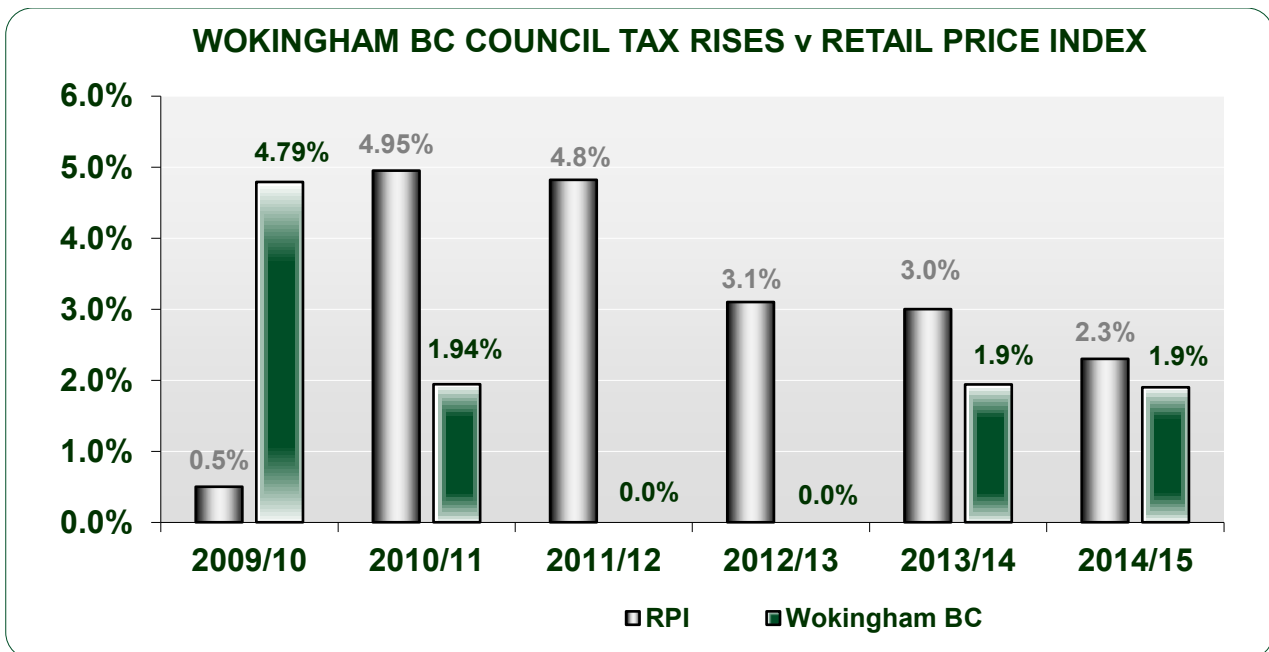
## 5 Other Balances

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

## 6 Council Tax

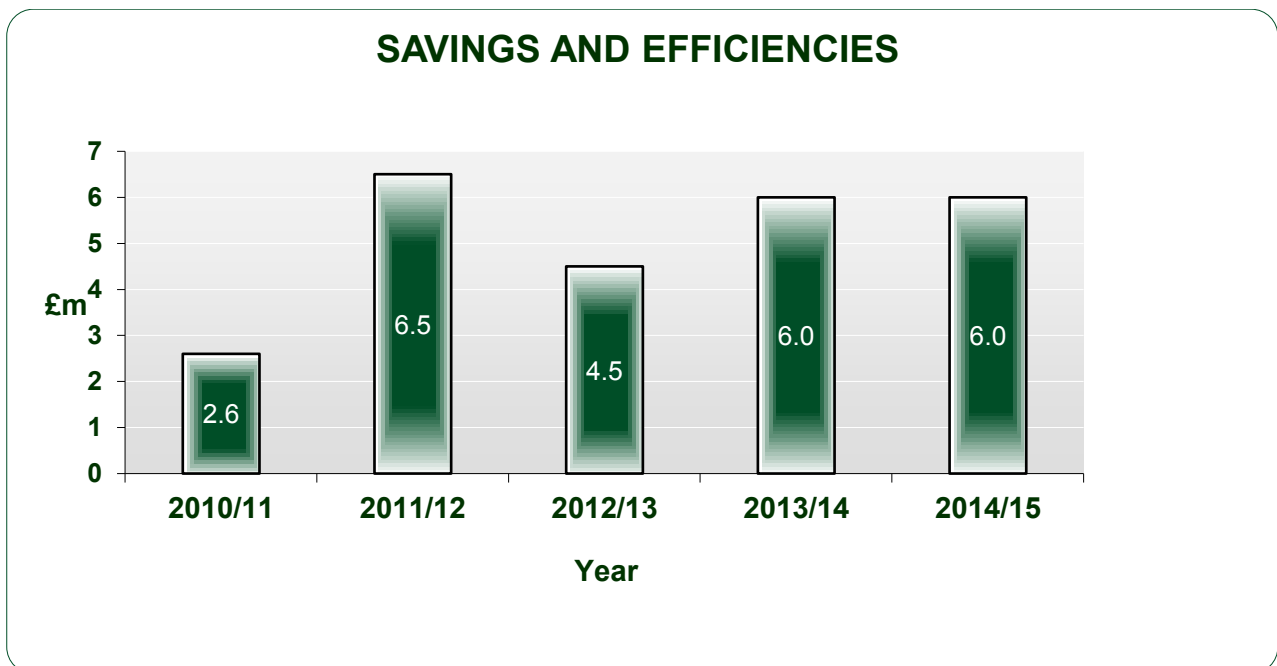
Funding is fixed by the Government and therefore, increases in service funding impacts on the level of Council Tax that must be levied. This is a major area of tension in every budget setting year; the increase in Council Tax versus the quality and level of service delivery. This is a particularly difficult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

The expenditure pressures for Council Tax increases above inflation are similar each year: client increases (particularly in social care); increase in statutory requirements (e.g. recycling, standards of care); unavoidable expenditure increases above inflation (e.g. maintenance contracts, social care contracts and land fill tax) and pressures to improve services from both the public and the Government. In recent years Wokingham has succeeded in keeping Council Tax increases in line with or below inflation (achieving a freeze in 2011/12 and 2012/13) as shown in the graph below. This is a reflection of the Council's continuing pursuit of efficiencies and value for money, particularly in the context of it being the lowest grant funded Unitary Authority per head of population.



## Savings

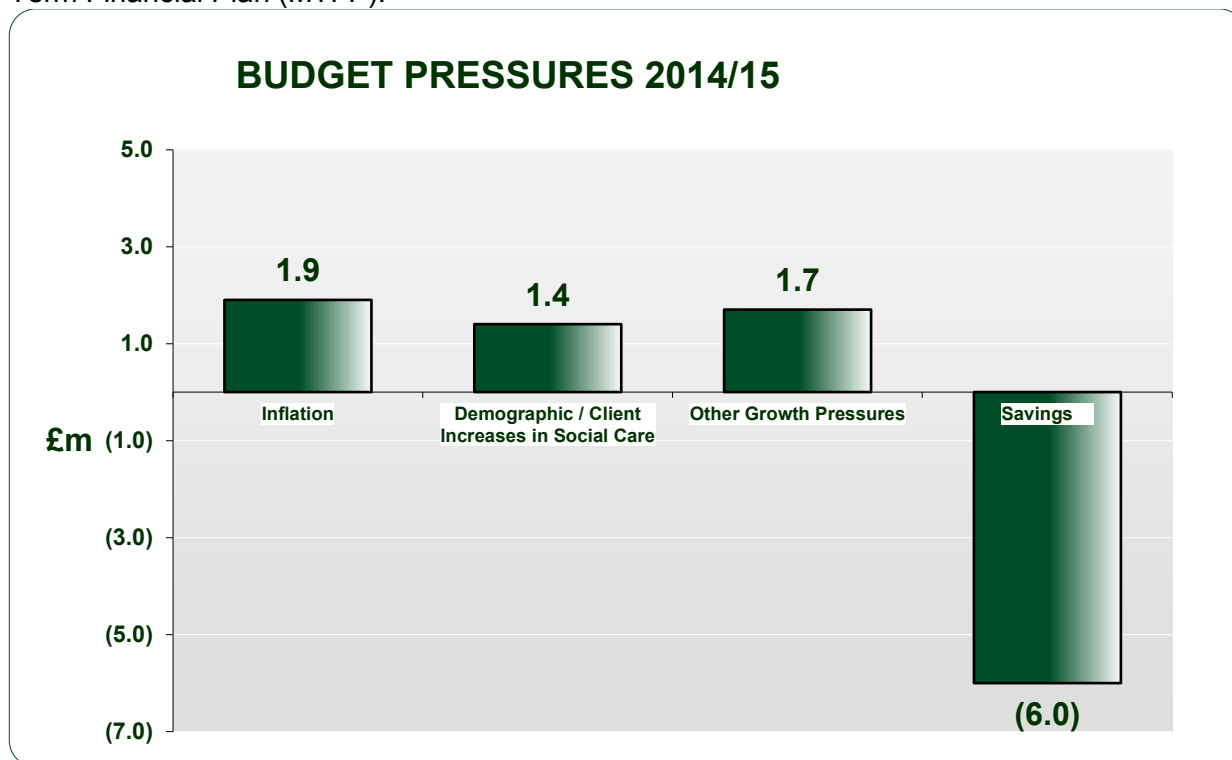
The total savings and efficiencies that have been identified in setting the council tax in previous years are shown below. It equates to over £25m over the 5 years below. Savings are used to fund growth, inflation and reductions in Government grants.



The savings shown for 2014/15 of £6.0m are included in the 2014/15 MTFP as part of the budget setting process.

## 7 Budget Pressures

A summary of the 2014/15 budget pressures is shown below. The detailed set of budget movements is contained in the Summary of Budget Movements (SoBM) section of the Medium Term Financial Plan (MTFP).



The demographic growth relates to pressures in adults services. The other growth includes pressures such as: home to school transport, highways maintenance, waste disposal, and higher street lighting costs.

## 8 Revenue Resources Outlook and Risks 2014/15 and beyond

The financial future remains very uncertain and the Council may need to respond to significant variations in its forecast in resources. 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 2014/15 (annually updated) and is detailed in the MTFP. This identifies budgets where there remains a risk of overspending, given the best estimate is included in the budget submission. The budget risk analysis is used as a guide to determine the level of General Fund balance required. Many of the risks are largely those that featured in the budget submission February 2013, updated where appropriate, and some such as the economic downturn, include capital as well as revenue risks.

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

The Capital Resources Outlook and Risks are covered in paragraph 9 below.

The major issues that may impact on future revenue resources are;



### ***Referendum for Council Tax Increases***

The Government confirmed in the Autumn Statement in December 2013 that the referendum principles will be published in the New Year. The figure at which a referendum was required for a council tax increase was 2% for 2013/14.

### ***New Homes Bonus***

The council is due to receive £2.8m for New Homes Bonus in 2014/15. This is expected to increase again in 2015/16 as more new homes are completed. However, the future of this grant is very uncertain and could be amended, or ceased entirely. It is therefore applied as a key source of funding for the significant special items faced by the council in delivering its regeneration agenda.

### ***Funding removed for Academies***

In previous years there was a deduction made to reflect the reduction in Local Authority Support costs arising from the transfer of Schools to Academy Status (known as LACSEG). Under this mechanism £3.2m was deducted from the Council's Formula Grant and repaid pro-rata to the number of pupils educated by the council. Since the genuine compensatory cost reductions to the Council are fairly minimal, the amount 'lost' for Academies present a direct loss of overall funding. The LACSEG grant has been renamed as the Education Services Grant from 2013/14 onwards.

### ***Dilnot Report***

The Dilnot report has highlighted the requirement for significant improvements in care for the elderly and a cap on individual care costs of £74k. This will become a statutory requirement from a date yet to be confirmed, and it is unclear how the extra costs, (which could be over £4m per annum for Wokingham), will be shared between council tax payers and extra Government grant.

### ***Impact of the Economic Downturn***

Particular consideration will need to be given to the following in the budget proposals:

- Loss of interest from investments arising from the low bank base rates;
- Loss of income including business rates and rent related to development and housing market such as planning fees, search fees and developer contribution for infrastructure;
- Increase in benefit claimants and bad debts;
- Reduced capital receipts realised on planned asset disposals;
- Potential increase in homelessness;
- Loss of income from Fees and Charges

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

### ***Demand Led Budgets (including increasing responsibilities from the Government)***

Client numbers for statutory services are notoriously difficult to control. Although best efforts have been made to accurately forecast budget requirements and contain escalating demand through prevention, there will always be a considerable degree of uncertainty. This uncertainty is compounded in the current economic climate and increasing service needs. Significant and recent increases in statutory responsibilities arise from the transfer of Public Health services and from meeting the cost of Council Tax support (Benefits). Both of these became the Council's direct responsibility from April 2013.

## ***Sustainability***

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

The Carbon Reduction Commitment which commenced in April 2010 (largely involving collecting and reporting data) went live in 2013 with the payment of “carbon emission allowances”. The ‘credit’ recycling element of the scheme was removed in the Comprehensive Spending Review 2011, thereby increasing the potential net costs to the Council. The ‘league table’ rewards/penalties element has also been removed.

A further concern arises from the potential risk of fines from the European Union relating to issues such as air quality. The power for the Government to pass on these fines to local authorities is contained in the Localism Act. Although this is being strongly resisted by bodies such as the Local Government Association, it is an area that needs to be kept under close review.

## ***Localisation of Business Rates and Council Tax***

All local authorities are facing significant extra financial risks from 2013/14 onwards due to Government legislation on localisation of business rates and council tax. From 2013/14 onwards local authorities have been able to share part of any growth in business rates, which is an incentive to encourage growth. However, councils will also have to bear a share of any shortfall on business rates, due to closures of premises, successful appeals against valuations of which many are outstanding from the 2010 revaluation, bad debts and other factors. The final position for 2013/14 business rates is still very unclear, with outstanding valuations and appeals. These factors significantly add to the council’s financial risk profile. In addition the Council now directly meets the cost of Council Tax Benefits and will bear the risk of economic conditions giving rise to an increase in claims.

## ***Economic Outlook***

The Eurozone debt crisis which dominated the economic headlines in 2012 is no longer the key economic issue; the current concern is the US Federal reserve’s gradual reduction (tapering) of quantitative easing, and what the potential impact will be for the world economy when the tapering fully ceases. The United Kingdom is now beginning to benefit significantly from being outside the Eurozone, which has an inability to vary interest and exchange rates across widely varying economies. The UK has managed to increase its export performance and attract inward investment from outside of Europe. The Office for Budget Responsibility (OBR) is now forecasting Gross Domestic Product (GDP) growth to be 1.4% in 2013, sharply higher than the March estimate of 0.6%, while growth in 2014 is forecast to be 2.4% instead of the earlier estimate of 1.8%.

The Government’s austerity measures will continue to contain Government spending. The budget deficit is now forecast to be £111bn in 2013/14, falling to £23bn in 2017/18 and nil in 2018/19. The achievement of this target is dependent on the UK economy continuing to grow at a reasonable pace.

## **9 Capital**

### **Capital Strategy**

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

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

Under the Prudential Code, all authorities are able to borrow as much as they require to fund their capital programme provided it is affordable, prudent and sustainable. As Wokingham is on the 'floor' the financing costs of any new borrowing falls more directly upon the council tax payer. The Revenue cost of borrowing is approximately 8% (4% principal, 4% interest).

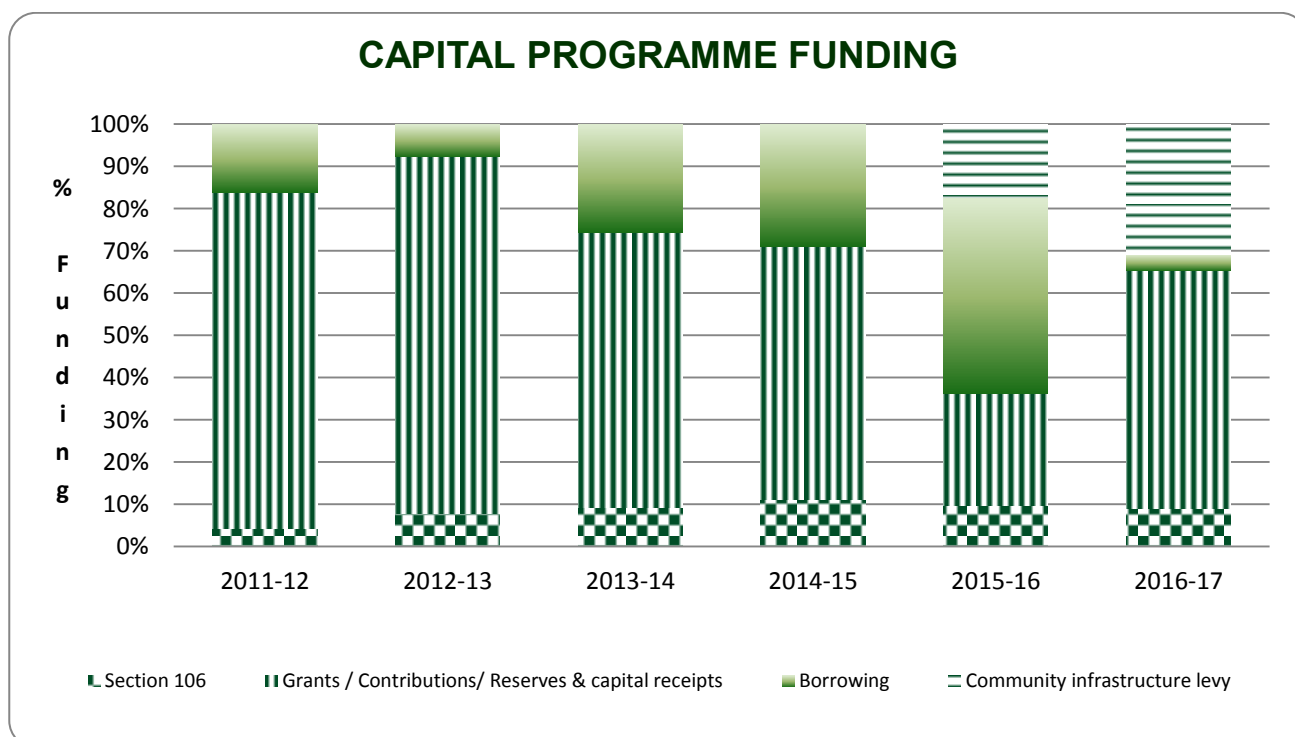
## Capital Programme

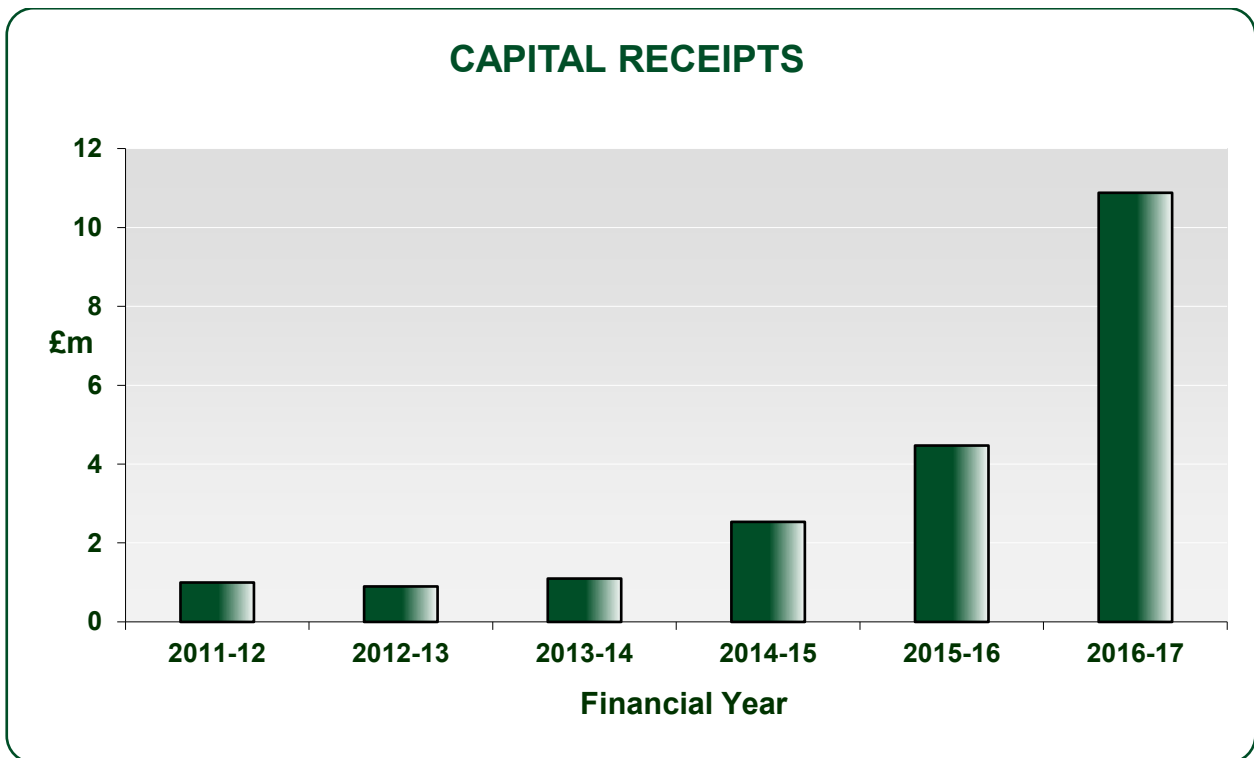
The first three years of the capital vision is effectively the capital programme. This has been developed following an assessment against key Council priorities, including a value for money and risk analysis.

The capital programme over the next 3 years will include existing asset investment (predominantly school buildings and infrastructure assets) and schemes that seek to deliver the Council's vision.

The capital programme is funded from a variety of sources; capital receipts, borrowing, grants and other contributions. The relative reliance on each funding source is set out below and shows a greater dependency on developer contributions as the Council embarks on its ambition to develop its four Strategic Development Locations.

The two tables below show the funding for the standard capital programme and includes the resourcing for the Wokingham town centre regeneration, Strategic Development Locations (SDL's) and Wokingham Housing Ltd investments. The capital programme funding is expected to increase from approximately £25m in 2011-12 to £98m in 2015/16 before falling to £59.3m in 2016-17.





**Note: Receipts from 2013-14 to 2016/17 are estimates**

The significant amount of capital receipts in from 2015-16 onwards is due to forecast receipts from sale of houses arising from the Wokingham town centre regeneration.

### ***Capital Resources and Borrowing Outlook***

There are some significant developments in the Council's Capital position; some driven locally, some driven by Government.

### ***Town Centre Regeneration***

The first phase of Wokingham Town Centre Regeneration, which is one of the Council's key investment priorities, has now started with the refurbishment of Peach Place. Major works are expected to commence in 2015. It is essential that anticipated build costs and forecast capital receipts are closely monitored as small variations could have a significant impact on capital resources.

### ***Capital Receipts/Contributions***

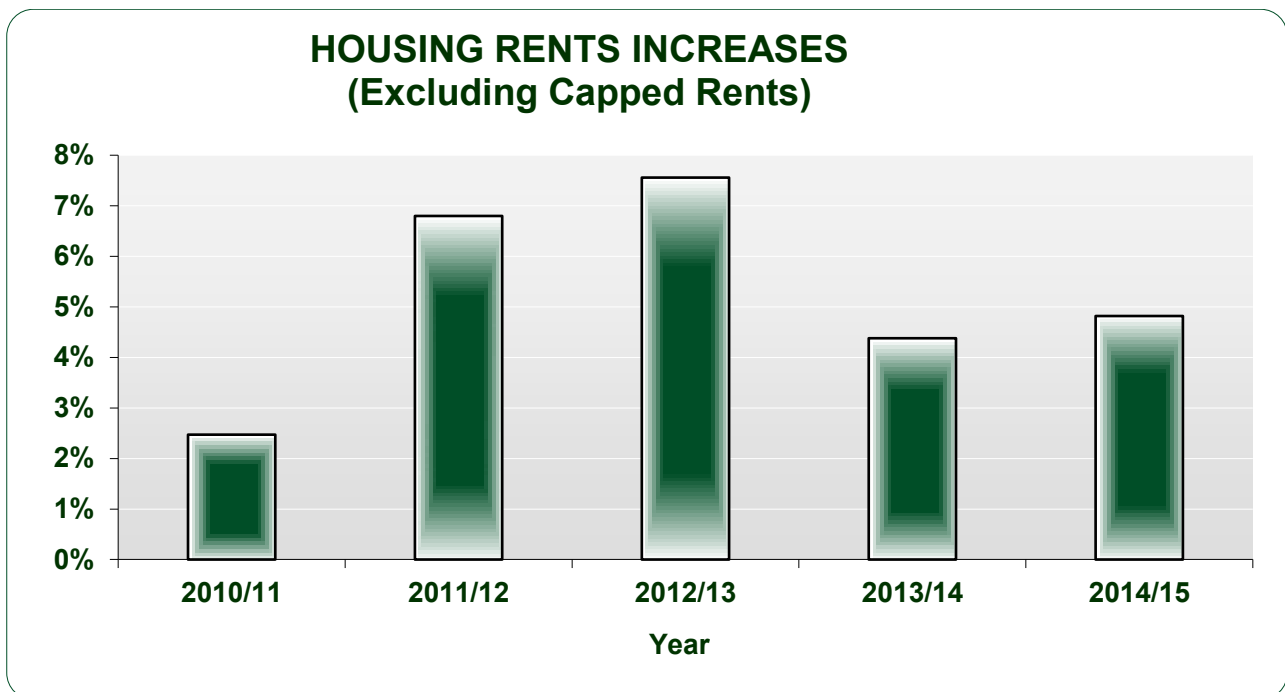
The disposal of Capital Assets and optimisation of infrastructure contributions are vital in meeting the Council's investment plans. The realization of developer contributions will be key to minimising the financial impact of any 'unfunded' infrastructure requirements associated with the Strategic Development Locations.

## **10 Housing Revenue Account (HRA)**

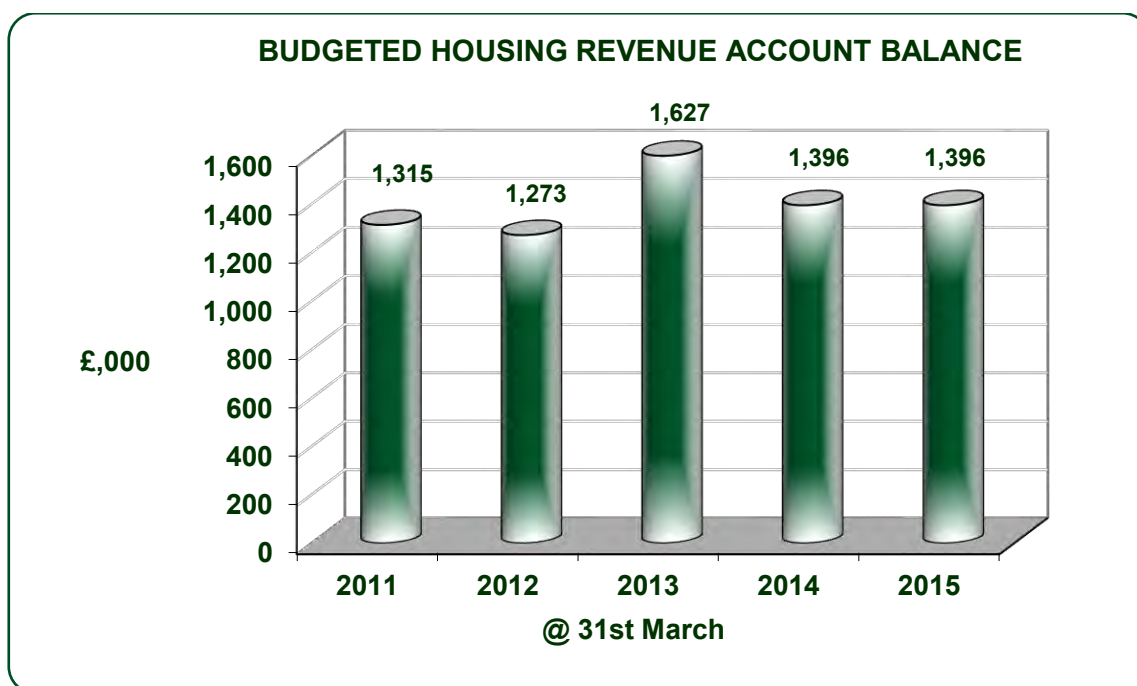
The HRA is a ring-fenced account and as such has no impact on the level of Council Tax. The money spent maintaining the Council's housing stock (valued at approximately £150m) and providing a service to council tenants is mainly funded by housing rents paid by council tenants (95%). Gross expenditure on the HRA is in the region of £15.2m and is predominately in the areas of repairs and maintenance (£2.7m), capital financing (£4.9m), investment in capital works (£7.1m)

and management (£2.5m). Housing rents are required to be increased annually in accordance with Government guidelines.

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



Housing rents increase for 2014/15 is indicative only. It is based on Government guidance, and forecast to rise by an average of 4.8% in 2014/15. The HRA requires a balance in the same way as the General Fund. A risk analysis is also undertaken on HRA budgets to inform a prudent level of balance.



The table above shows actual HRA balances up to 2012/13, and a forecast for 31 March 2014 and 2015.

## **11 Service Planning and Processes**

### ***Service Planning***

The Council has been developing the way it undertakes Service Planning so that it can arrive at more innovative and collective solutions to our budget challenges. The 2014/15 process included three Thematic Reviews made up of service experts and external challenge. Furthermore key council wide projects have been established to seek cost reductions. These include Effective Procurement, and Asset Rationalisation.

### ***Process***

- 3 year revenue budgeting in the context of the Council's vision and priorities
- A 10 year capital vision and a 3 year capital programme in the context of the Council's Vision and Priorities
- 'Invest to Contain/Save' bids that recognise the need to invest in prevention services to contain otherwise unavoidable growth pressures in future years
- The integration of Revenue and Capital financial planning
- Maximising service efficiencies through effective procurement, efficient processes and investment in IT
- Investment at above statutory minima where the activity is considered a priority or generates financial benefit

## **12 Local Authority Trading Companies**

### **Optalis Ltd**

Optalis provides care and support services to older people and adults with a disability. The objective of Optalis is to provide a sustainable social care service that is known for its quality and commitment to service delivery. There are ambitious plans in place to grow the business over the next few years. Savings are included in the MTFP in respect of a reduction in contract payment.

Profit from business expansion will be included in future year's MTPF's and will be facilitated by £100k investment from the Council to enable expansion.

### **Wokingham Housing Ltd**

This company is now developing a range of high quality affordable and market housing schemes for the residents of Wokingham Borough. Work is well underway developing schemes identified by the council and more schemes will be included into the development pipe-line in future years. The financial implications of the WHL business plan will be included in the MTFP. Significant investment has been included in the Capital Programme for two major developments, at Eustace Crescent and Foster's. The cost of borrowing will be funded by the company. Once borrowing costs have been repaid, the company will be in a position to pay profits back to the Council. This timescale is outside the MTFP's three year horizon.

A handwritten signature in black ink that reads "Graham Ebers".

**Graham Ebers**

Director of Finance & Resources (and Chief Financial Officer)

## Reserves and Balances

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

| Reserve                                   | Purpose                                                                             | Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Estimated Level @ end of March                                     | Benefit                                                                                                                                                                                                                                                                       | Opportunity Cost                                                                                                                                                                                                                                        |
|-------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General Fund Reserves:</b>             |                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                    |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                         |
| <b>General Fund (Statutory)</b>           | Resource available to meet future running costs for non-housing services            | <ul style="list-style-type: none"> <li>Policy based on a combination of financial risks and Audit Commission guidance as follows:</li> <li>Min 5% of net expend (excl dedicated Schools grant) – this equates to £5.5m</li> <li>Risk assessments of budgets - this suggests £8.4m</li> <li>To enable stability in longer term financial planning</li> <li>Current recommended level of balances is £7.5m to £10m (med &amp; high financial risks) – see MTFP</li> </ul> | 2013 £9.9m<br>2014 £8.9m<br>2015 £8.9m<br>2016 £8.9m<br>2017 £8.9m | Provides: <ul style="list-style-type: none"> <li>General contingency for unavoidable or unforeseen expenditure</li> <li>Stability for longer term planning</li> <li>Interest on Balances helps to reduce costs to the taxpayer: Interest on Balances @ 0.5% = £50k</li> </ul> | <ul style="list-style-type: none"> <li>Could be used to fund one off GF expenditure which would result in loss of interest £5k per £1m</li> <li>Could be used instead of borrowing @ 8.5% = £85k per £1m but loss of interest of £5k per £1m</li> </ul> |
| <b>Insurance Fund (Earmarked Reserve)</b> | This is used to fund part of each insurance claim, up to losses of £600k in a year. | <ul style="list-style-type: none"> <li>Needs to be at a level where provision could sustain claims in excess of current claims history</li> <li>May have to meet claims incurred but not yet reported</li> <li>Looking to increase the reserve balance to achieve greater self insurance levels</li> </ul>                                                                                                                                                              | 2013 £1.9m<br>2014 £1.8m<br>2015 £1.8m<br>2016 £1.8m<br>2017 £1.8m | <ul style="list-style-type: none"> <li>Funds deductibles / excesses in order to minimise premiums</li> <li>Provides the Supply Teacher Scheme</li> <li>Helps maintain current rates charged to schools</li> <li>Interest earned builds up the reserves</li> </ul>             | <ul style="list-style-type: none"> <li>Excess funds could be used to fund one off GF expenditure</li> </ul>                                                                                                                                             |



| Reserve                                                          | Purpose                                                                                                                                                        | Policy                                                                                                                                                                                                                                                                                                                                                                                                | Estimated Level @ end of March                                     | Benefit                                                                                                                                                                                                                                                | Opportunity Cost                                                                                                                                     |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Renewals Funds</b><br><b>(Earmarked Reserves)</b>             | These are reserves held in order to finance the renewal or maintenance of specific items of equipment or furnishings.                                          | <ul style="list-style-type: none"> <li>Contributions to the reserve are made on the basis of the anticipated replacement cost of the items over their expected life</li> </ul>                                                                                                                                                                                                                        | 2013 £0.6m<br>2014 £0.6m<br>2015 £0.6m<br>2016 £0.6m<br>2017 £0.6m | <ul style="list-style-type: none"> <li>Reduces pressure on maintenance budgets</li> <li>Interest is accrued on the reserves at 0.5% = £3k which helps to reduce costs</li> </ul>                                                                       | <ul style="list-style-type: none"> <li>Could be used for alternative maintenance or other revenue expenditure</li> </ul>                             |
| <b>Waste PFI Equalisation Fund</b><br><b>(Earmarked Reserve)</b> | The reserve is held to even out the cost of the waste PFI contract over the life of the contract                                                               | The level of the balance and contributions to the reserve are set out in the PFI financial model and reviewed annually as part of the budget setting process                                                                                                                                                                                                                                          | 2013 £0.1m<br>2014 £0.9m<br>2015 £0.9m<br>2016 £0.9m<br>2017 £0.9m | <ul style="list-style-type: none"> <li>Reserve was in deficit during the early years of the contract and returned to a surplus in 2012/13</li> <li>Provides stability of budgets in the medium to long-term</li> </ul>                                 | <ul style="list-style-type: none"> <li>A reserve in deficit cannot be used for other purposes, it will be offset by General Fund Reserves</li> </ul> |
| <b>Interest Equalisation Fund</b><br><b>(Earmarked Reserve)</b>  | This fund reflects that investments are held at the lower end of market value and purchase price. Includes funds to cover any potential losses in investments. | <ul style="list-style-type: none"> <li>To build up reserve based on favourable investment returns over budget</li> <li>Contributions from the reserves will be used to fund Wokingham Town Centre Regeneration (WTCR) until cash flow becomes positive</li> <li>Receipts from recovery of investments in Icelandic banks will be paid to reserve to restore the reserve to previous levels</li> </ul> | 2013 £2.8m<br>2014 £2.6m<br>2015 £1.1m<br>2016 £0.1m<br>2017 £ nil | <ul style="list-style-type: none"> <li>Equals out market fluctuations in income due to volatile interest rates</li> <li>Interest is accrued on the reserves at 0.5% = £14k which helps to reduce costs</li> <li>Equalises WTCR scheme costs</li> </ul> | <ul style="list-style-type: none"> <li>Could be used to support revenue expenditure</li> </ul>                                                       |
| <b>Commuted Sums</b><br><b>(Earmarked Reserve)</b>               | These are amounts received from developers for the maintenance of open spaces and will include Community Infrastructure Levy (CIL) fees from 2013/14 onwards.  | <ul style="list-style-type: none"> <li>There is no policy on the level of balances due to the nature of s38 and CIL agreements</li> <li>All contracts are unique to each developer and will vary depending on the nature of the particular project and may be subject to planning permissions etc.</li> </ul>                                                                                         | 2013 £1.3m<br>2014 £1.9m<br>2015 £2.0m<br>2016 £2.2m<br>2017 £2.2m | <ul style="list-style-type: none"> <li>Used to maintain parks and open spaces so avoiding service spend</li> <li>Interest to be used in a specified and agreed manner</li> </ul>                                                                       | <ul style="list-style-type: none"> <li>Money cannot be used for other purposes</li> </ul>                                                            |

| Reserve                                                                   | Purpose                                                                                                                                                                                                                                                            | Policy                                                                                                                                                                                                                                                                                                                                                                                                                                                | Estimated Level @ end of March                                        | Benefit                                                                                                                                                                                                                                                                                                                       | Opportunity Cost                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Capital Reserves:</b>                                                  |                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                       |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                      |
| <b>Usable Capital Receipts (Statutory)</b>                                | <ul style="list-style-type: none"> <li>Proceeds of fixed asset sales available to meet future capital requirements and to act as a contingency</li> </ul>                                                                                                          | <ul style="list-style-type: none"> <li>The current policy is to ensure that balances are sufficient to cover the 3-year capital programme (including urgent health &amp; safety issues that may arise during the year)</li> <li>A contingency is built up to help deal with priority schemes within the 10-year capital vision</li> <li>Represents available resources that are not yet committed</li> </ul>                                          | 2013 £6.6m<br>2014 £9.8m<br>2015 £0.2m<br>2016 nil<br>2017 nil        | <ul style="list-style-type: none"> <li>To finance future capital schemes</li> <li>Balance held back to provide general contingency for unavoidable or unforeseen expenditure</li> <li>This provides stability for longer term planning</li> <li>Interest on Balances @ 0.5% helps to reduce costs to the taxpayer.</li> </ul> | <ul style="list-style-type: none"> <li>Could be used to fund Capital expenditure which would result in loss of interest £5k per £1m</li> <li>Could be used instead of borrowing @ 8.5% = £85k per £1m but loss of interest of £5k per £1m</li> </ul> |
| <b>Other Capital Contributions:</b>                                       |                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                       |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                      |
| <b>S106 and Community Infrastructure Levy (CIL) Capital Contributions</b> | <ul style="list-style-type: none"> <li>Money received from developers as part of their S106 obligations. Also Community Infrastructure Levy (CIL) fees from 2013/14 onwards.</li> <li>A time lag exists between receipt and design/delivery of schemes.</li> </ul> | <ul style="list-style-type: none"> <li>There is no policy on the level of balances due to the nature of the contributions</li> <li>Where possible contributions should be used to fund schemes identified within the 3-year capital programme / 10-year capital vision</li> <li>All contracts are unique to each developer and will vary depending on the nature of the particular project and may be subject to planning permissions etc.</li> </ul> | 2013 £16.0m<br>2014 £12.1m<br>2015 £11.0m<br>2016 £6.4m<br>2017 £3.0m | <ul style="list-style-type: none"> <li>Interest on Contributions helps to reduce costs to the taxpayer: Interest on Balances @ 0.5% = £280k</li> </ul>                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Monies can only be used for purposes specified in the agreement</li> <li>Contributions might be time restricted therefore if not utilised may need to be repaid to the developer</li> </ul>                   |

| Reserve                                                    | Purpose                                                                           | Policy                                                                                                                                                                                                                                                                                                                       | Estimated Level @ end of March                                   | Benefit                                                                                                                                                                                                                                                                                                                 | Opportunity Cost                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Ring Fenced Reserves:</b>                               |                                                                                   |                                                                                                                                                                                                                                                                                                                              |                                                                  |                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                           |
| <b>Housing Revenue Account (HRA)</b><br><b>(Statutory)</b> | Resources available to meet future running costs for council houses               | <ul style="list-style-type: none"> <li>Local Government and Housing Act 1989 section 76 (3) forbids a year end deficit on the HRA</li> <li>Balance is determined by level of risk associated with the budget</li> <li>Min 5% of gross expenditure</li> <li>Current recommended minimum level of reserves is £0.7m</li> </ul> | 2013 £1.6m<br>2014 £1.4m<br>2015 £1.4m<br>2016 £1.1m<br>2017 £1m | <ul style="list-style-type: none"> <li>Provides general contingency for unavoidable or unforeseen expenditure or fall in income</li> <li>Stability for longer term planning and for meeting the decent homes standard</li> <li>Interest on Balances helps to reduce costs: Interest on Balances @ 0.5% = £6k</li> </ul> | <ul style="list-style-type: none"> <li>Could be used to fund HRA Capital expenditure to help meet decent homes standard which would result in loss of interest £5k per £1m</li> <li>Could be used to fund HRA expenditure which would result in loss of interest £5k per £1m</li> <li>Could be used to fund HRA debt repayment</li> </ul> |
| <b>HRA Redevelopment reserve</b>                           | Resources set aside for capital expenditure, or to meet the repayment of HRA debt | <ul style="list-style-type: none"> <li>Localism act regarding reform of the housing finance system and Prudential code 2011 recommend some form of set aside for debt repayment as good and prudent practice</li> </ul>                                                                                                      | 2013 nil<br>2014 nil<br>2015 £2.1m<br>2016 £2.1m<br>2017 £0.5m   | <ul style="list-style-type: none"> <li>Will be used to fund capital expenditure, or repay HRA debt over the long term as appropriate.</li> </ul>                                                                                                                                                                        | <ul style="list-style-type: none"> <li>Could be used to fund HRA capital or revenue expenditure which would result in loss of £5k per £1m interest</li> </ul>                                                                                                                                                                             |
| <b>Major Repairs Reserve</b><br><b>(Statutory)</b>         | This records the unspent balance of HRA Capital projects                          | <ul style="list-style-type: none"> <li>Use of Capital to meet Decent Homes Standard</li> </ul>                                                                                                                                                                                                                               | 2013 £0.4m<br>2014 £3m<br>2015 £2.1m<br>2016 £0.6m<br>2017 nil   | <ul style="list-style-type: none"> <li>Provides capital to invest in stock to meet the government's Decent Homes Standard policy</li> <li>Provides general contingency for unavoidable or unseen expenditure</li> </ul>                                                                                                 | <ul style="list-style-type: none"> <li>Will be used to fund HRA capital expenditure to help meet decent homes standard</li> </ul>                                                                                                                                                                                                         |

| Reserve                                                                           | Purpose                                                   | Policy                                                                                                                                                                                                                                                                                             | Estimated Level @ end of March                                     | Benefit                                                                                                                                                                                                                                                                                                                                                                   | Opportunity Cost                                                                                                                                       |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Specific School Reserves (ISB)</b><br><br><b>(Earmarked Reserves)</b>          | To resource expenditure directly delegated to schools     | <ul style="list-style-type: none"> <li>To clawback uncommitted balances over 5% (secondary schools) or 8% (primary and special schools)</li> </ul>                                                                                                                                                 | 2013 £5.5m<br>2014 £4.5m<br>2015 £4.0m<br>2016 £4.0m<br>2017 £4.0m | <ul style="list-style-type: none"> <li>Provides general contingency for unavoidable or unseen expenditure</li> <li>Offset any deficit balance in DSG reserve</li> <li>Interest on Balances helps to reduce costs: Interest on Balances @ 0.5% = £25k</li> </ul>                                                                                                           | <ul style="list-style-type: none"> <li>Could be used to fund one off schools expenditure which would result in loss of interest £5k per £1m</li> </ul> |
| <b>Central Costs (Dedicated Schools Grant)</b><br><br><b>(Earmarked Reserves)</b> | To resource expenditure not directly delegated to schools | <ul style="list-style-type: none"> <li>To break even over 3 years with the aim to build up a fund over time as a contingency</li> <li>Risk assessments of budgets suggests £0.3m</li> <li>To enable stability in longer term financial planning</li> <li>To improve education standards</li> </ul> | 2013 £1.4m<br>2014 £1.2m<br>2015 £0.3m<br>2016 £0.3m<br>2017 £0.3m | <ul style="list-style-type: none"> <li>Provides general contingency for unavoidable or unseen expenditure</li> </ul>                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Could be used to fund one off schools expenditure which would result in loss of interest £5k per £1m</li> </ul> |
| <b>Other Earmarked Reserves</b>                                                   | These reserves are held for specific accounting reasons   | <ul style="list-style-type: none"> <li>The funds in these reserves are ring fenced funds that cannot be used for other purposes</li> </ul>                                                                                                                                                         | 2013 £5.6m<br>2014 £5.6m<br>2015 £5.6m<br>2016 £5.6m<br>2017 £5.6m | Reserves include: <ul style="list-style-type: none"> <li>Section 38 Fund</li> <li>Housing Association reserve</li> <li>Youth &amp; Community Centre Reserves</li> <li>Energy contract reserve</li> <li>Library stock reserve</li> <li>LAA grant reserves</li> <li>Taxi and Building Control trading account reserves</li> <li>Sold council houses repairs fund</li> </ul> | <ul style="list-style-type: none"> <li>Interest on these reserves at 0.5% would be £34k which helps to reduce costs</li> </ul>                         |

## GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2014/15

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

|                                                 | 2013/14<br>Estimate<br>£ | 2013/14<br>Local Tax<br>Rate<br>£ | 2014/15<br>Estimate<br>£ | 2014/15<br>Local Tax<br>Rate<br>£ |
|-------------------------------------------------|--------------------------|-----------------------------------|--------------------------|-----------------------------------|
| Chief Executive                                 | 2,042,401                | 32.20                             | 2,084,100                | 32.31                             |
| Children's Services                             | 21,575,367               | 340.11                            | 21,305,050               | 330.32                            |
| Environment                                     | 26,347,782               | 415.34                            | 26,606,400               | 412.51                            |
| Finance & Resources                             | 21,850,160               | 344.44                            | 22,665,770               | 351.41                            |
| Health & Wellbeing                              | 40,806,800               | 643.27                            | 40,794,560               | 632.48                            |
| <b>Total Net Expenditure</b>                    | <b>112,622,510</b>       | <b>1,775.36</b>                   | <b>113,455,880</b>       | <b>1,759.04</b>                   |
| Appropriation to / (from) Balances              | (37,272)                 | (0.59)                            | 0                        | 0.00                              |
| <b>Borough Council Requirement</b>              | <b>112,585,238</b>       | <b>1,774.77</b>                   | <b>113,455,880</b>       | <b>1,759.04</b>                   |
| Income:                                         |                          |                                   |                          |                                   |
| Government Support                              | (33,261,239)             | (524.32)                          | (29,973,716)             | (464.72)                          |
| New Homes Bonus                                 | (1,750,000)              | (27.59)                           | (2,773,000)              | (42.99)                           |
| Council Tax Collection Fund Surplus             | (23,000)                 | (0.36)                            | (330,000)                | (5.12)                            |
| <b>Council Tax for Borough Council Purposes</b> | <b>77,550,999</b>        | <b>1,222.50</b>                   | <b>80,379,164</b>        | <b>1,246.21</b>                   |

| <b>General Fund Balance Estimates</b> |                 |  |                 |  |
|---------------------------------------|-----------------|--|-----------------|--|
| Brought Forward                       | 9,916,044       |  | 9,711,685       |  |
| In year variation                     | (204,359)       |  | 0               |  |
| Carried Forward                       | 9,711,685       |  | 9,711,685       |  |
| <b>Local Tax Base</b>                 | <b>63,436.4</b> |  | <b>64,498.9</b> |  |

The local tax Band D rate of £1,246.21 is a 1.9% increase on the 2013/14 figure of £1,222.50.

## GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2014/15

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

|                                                 | 2013/14<br>Estimate<br>£ | 2013/14<br>Local Tax<br>Rate<br>£ | 2014/15<br>Estimate<br>£ | 2014/15<br>Local Tax<br>Rate<br>£ |
|-------------------------------------------------|--------------------------|-----------------------------------|--------------------------|-----------------------------------|
| Chief Executive                                 | 5,018,341                | 79.11                             | 4,710,180                | 73.03                             |
| Children's Services                             | 34,180,367               | 538.81                            | 33,970,450               | 526.68                            |
| Environment                                     | 34,393,132               | 542.17                            | 34,829,080               | 539.99                            |
| Finance & Resources                             | 9,996,930                | 157.59                            | 11,711,660               | 181.58                            |
| Health & Wellbeing                              | 44,165,210               | 696.21                            | 43,795,170               | 679.01                            |
| Depreciation Charges                            | (15,131,470)             | (238.53)                          | (15,560,660)             | (241.25)                          |
| <b>Total Net Expenditure</b>                    | <b>112,622,510</b>       | <b>1,775.36</b>                   | <b>113,455,880</b>       | <b>1,759.04</b>                   |
| Appropriation to / (from) Balances              | (37,272)                 | (0.59)                            | 0                        | 0.00                              |
| <b>Borough Council Requirement</b>              | <b>112,585,238</b>       | <b>1,774.77</b>                   | <b>113,455,880</b>       | <b>1,759.04</b>                   |
| Income:                                         |                          |                                   |                          |                                   |
| Government Support                              | (33,261,239)             | (524.32)                          | (29,973,716)             | (464.72)                          |
| New Homes Bonus                                 | (1,750,000)              | (27.59)                           | (2,773,000)              | (42.99)                           |
| Council Tax Collection Fund Surplus             | (23,000)                 | (0.36)                            | (330,000)                | (5.12)                            |
| <b>Council Tax for Borough Council Purposes</b> | <b>77,550,999</b>        | <b>1,222.50</b>                   | <b>80,379,164</b>        | <b>1,246.21</b>                   |
| <b>General Fund Balance Estimates</b>           |                          |                                   |                          |                                   |
| Brought Forward                                 | 9,916,044                |                                   | 9,711,685                |                                   |
| In year variation                               | (204,359)                |                                   | 0                        |                                   |
| Carried Forward                                 | 9,711,685                |                                   | 9,711,685                |                                   |
| <b>Local Tax Base</b>                           | <b>63,436.4</b>          |                                   | <b>64,498.9</b>          |                                   |

## GRAND SUMMARY - FORECAST BUDGETS 2015/17

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.

|                              | 2015/16<br>Estimate<br>£ | 2015/16<br>Local Tax<br>Rate<br>£ | 2016/17<br>Estimate<br>£ | 2016/17<br>Local Tax<br>Rate<br>£ |
|------------------------------|--------------------------|-----------------------------------|--------------------------|-----------------------------------|
| Chief Executive              | 2,114,100                | 32.78                             | 2,164,100                | 33.55                             |
| Children's Services          | 21,155,050               | 327.99                            | 21,105,050               | 327.22                            |
| Environment                  | 26,745,400               | 414.66                            | 26,894,400               | 416.97                            |
| Finance & Resources          | 23,419,660               | 363.10                            | 23,918,380               | 370.83                            |
| Health & Wellbeing           | 39,798,560               | 617.04                            | 38,926,560               | 603.52                            |
| <b>Total Net Expenditure</b> | <b>113,232,770</b>       | <b>1,755.58</b>                   | <b>113,008,490</b>       | <b>1,752.10</b>                   |

The above figures are based on the bids detailed in the MTFP. Figures will be revised during the budget setting process for 2015/16 and 2016/17.

# CHIEF EXECUTIVE 2014/17

## SERVICE NARRATIVE

### Service Aims and Objectives

Governance and Improvement 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.

Governance & Improvement Services incorporates the following:

#### ➤ **Business Improvement**

- Project Management – to provide project and programme management capacity and support to major Council projects ensuring sound project governance is in place and to work with services in developing a “lean” culture of continuous improvement.
- Organisational Development – to work with management providing advice and support in developing the Council, highlighting improvement opportunities, supporting the effective implementation of change, development of leadership capacity, multi-agency working and cultural change.
- Internal Audit - to deliver a value added professional Internal Audit service to the Council, providing independent and objective assurance on the risks to the Council's priorities; to champion effective Risk Management and good governance;
- Investigations – to provide a professional and independent Investigations service into incidents of benefits fraud, code of conduct breaches, whistleblowing allegations and other suspected irregularities; and,
- Insurance – to provide a professional, effective and efficient insurance service, ensuring that suitable and adequate insurance cover is in place to indemnify the council in respect of its legal liabilities, to protect against the financial consequences of damage to, or loss of, property and to promote and provide information on effective practical risk management.

#### ➤ **Democratic Services**

- 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.

#### ➤ **Electoral Services**

- Electoral Services is not an internal support service but 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.

#### ➤ **Town Centre Regeneration**

- To systematically develop viable regeneration plans for all key towns within Wokingham Borough delivering physical, economic and social improvements.

#### **Town Centre Regeneration Delivery**

- To implement physical delivery of regeneration projects where required including procurement, appointment and management of partners / contractors;



### **Commercial Investment through Regeneration**

- To maximise opportunities for generating capital/revenue income through the regeneration programme including local/national market assessment, risk/benefit analysis, identification of funding approaches and ongoing strategic planning;

### **Asset Management and Negotiations**

- To manage the existing regeneration property portfolio and undertake all associated works including site assembly negotiation/Compulsory Purchase Order, tenant management and lettings;

### **Partner Engagement**

- To work strategically with a range of agencies, including the Town/Parish Councils, Police, local NHS organisations and the Fire and Rescue Service, in the development of regeneration plans;

### **Community Engagement**

- To work with local residents and businesses/retailers to ensure they are engaged with plans for regeneration and have the opportunity to help shape their communities;
- Key Partnerships supported include: Town Centre Forums, Town Team/Town Centre Management Initiatives;

### **Targeted Policy Development**

- To input into the timely delivery of policy and strategy required for the effective delivery of regeneration schemes within the Borough.

## **Service Outputs - Key Facts and Figures**

### ➤ **Business Improvement:**

- Internal Audit – to provide assurance and consultancy to senior management on a risk basis enabling the service manager of Business Improvement to provide an annual internal audit opinion on the adequacy of the Council's control environment. To deliver an 800 day annual Internal Audit plan via the Council's in-house Internal Audit team;
- Risk Management - to support the Council with respect to the Council's risk management arrangements as detailed in the Council's Enterprise Risk Management Policy and Strategy. Support includes the promotion of risk management across the Council, provision of facilitated workshops to refresh corporate, directorate and team risk registers and deliver training sessions to Members and staff with respect to their respective role with regard to risk management;
- Corporate Governance - to support the Chief Executive and corporate leadership team with respect to the Council's governance framework and processes (including ethical governance). Support includes the promotion of corporate governance across the Council; leading on the Corporate Governance Group; co-ordinating the production of the Council's Annual Governance Statement and associated action plan; delivering training sessions to Members and staff with respect to good governance;
- Investigations – via the Council's in-house Investigations team which has carried out over 330 benefit fraud and other types of investigations including over 170 Interviews under caution and over 30 sanctions, identifying over £450k of overpayments due to fraud and error and proactively preventing fraud and corruption;

- Insurance - arranging property insurance cover for material assets worth over £1bn (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.

#### ➤ **Democratic Services:**

- During 2013 Democratic Services attended and serviced: 134 evening meetings, 24 daytime meetings, 38 Individual Member decisions, 33 tender openings and 219 daytime appeals;
- Of the 219 daytime appeals, 207 were school admission, 4 were home to school transport appeals, 5 were licensing, 1 was street trading and 2 were taxi appeals;
- The number of secondary school admission appeals lodged decreased from 93 last year to 77 this year and the number of primary appeals has decreased from 207 to 176. Although both numbers are down on last year's figures (which saw an unprecedented rise in admission appeals) they are consistent with previous year's figures; and,
- 12 Member training sessions were organised in 2013.

#### ➤ **Electoral Services:**

- Has responsibility for running the authority's annual elections, along with all other elections and referenda;
- Employs and trains hundreds of casual staff at election time;
- Runs an annual canvass of all 65,000 properties in the Borough. Employs, trains and manages approximately 60 personal canvassers; and,
- Will implement the new system of Individual Elector Registration during 2014/15. This will be funded by central government and will require close working relationships with the Cabinet Office, Electoral Commission, Department for Works and Pensions, external printers, external software providers and Royal Mail as well as several departments within the Council.

#### ➤ **Town Centre Regeneration**

- Development of strategic town specific regeneration briefs in consultation with local stakeholders;
- Development of high level and detailed regeneration schemes in response to strategic briefs;
- Co-ordinate and manage the physical delivery of phased regeneration plans for key town centres;
- Monitor national and local property market and identify investment opportunities in relation to regeneration agenda;
- Assess and advise on potential benefits/risks of investment opportunities and approaches recognising the balance of both financial and social gain;
- Effective management of the existing regeneration property portfolio in a targeted manner to support longer term regeneration aspirations;
- Undertake, through negotiation or Compulsory Purchase Orders, all necessary site assembly to deliver phased development programmes;
- Co-ordinate and manage appropriate funding for delivery of regeneration schemes;
- Engagement and communicate with local communities to support regeneration;
- Liaison and communication with stakeholders to support the ongoing process of regeneration; and,

- Support services in the development of the policy and strategy infrastructure documents necessary for successful delivery of regeneration.

## **Revenue Budget & Service Changes 2014/17**

Major changes to Governance and Improvement Services include the following:

- Reducing the cost of the internal audit and investigations function.

The department's efforts will be concentrated on:

- 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;
- Ensuring the management and planning of the 2014 elections;
- Implementing the new system of Individual Electoral Registration;
- Continuing to develop the Health and Wellbeing Board, including focussing on on-going priorities to help formulate the Wokingham Needs Assessment and the refresh of the Health and Wellbeing Strategy; and,
- Finalising the review into the Most Appropriate Decision Making Governance, arrangements for Wokingham Borough Council and taking forward any changes to structure or constitutional changes that are required as a result of the review.

## **Capital Budget & Service Changes 2014/17**

Town Centre Regeneration capital schemes include the following:

- Wokingham Town Centre Regeneration – to deliver a mixed use development of key sites within Wokingham Town Centre that creates a town centre which adapts to the changing face of the modern high street and supports local growth. The scheme is being delivered in partnership with Wilson Bowden Developments and David Wilson Homes.
- Carnival Pool Masterplan – to deliver a mixed use development with an emphasis on creating a leisure quarter and additional parking to the southern edge of the town centre. The scheme has received a Growing Places loan of £1.5m from the Local Enterprise Partnership towards the provision of the car park element. This will be paid back over a 3.5 year period from December 2016.

| <b>REVENUE SERVICE BUDGETS 2014/2015</b>             | <b>Budget<br/>2013/2014<br/>£'000</b> | <b>Budget<br/>2014/2015<br/>£'000</b> | <b>Note</b> |
|------------------------------------------------------|---------------------------------------|---------------------------------------|-------------|
| <b>Chief Executive</b>                               |                                       |                                       |             |
| Chief Executive Office                               | 201                                   | 183                                   | (1)         |
| Governance & Improvement                             | 1,843                                 | 1,898                                 | (2)         |
| Town Centre Regeneration                             | (2)                                   | 3                                     |             |
| <i>Internal Recharges &amp; Depreciation Charges</i> | 2,976                                 | 2,626                                 |             |
| <b>Total Chief Executive</b>                         | <b>5,018</b>                          | <b>4,710</b>                          |             |

### **Explanation of Movement from 2013/14 to 2014/15**

**Note 1.** Charges to Housing Revenue Account (£21k).

**Note 2.** Staffing efficiencies (£50k), gradual reduction in terrorism cover (£30k), growth for rise in Insurance premiums of £100k, five Deputy Executive Members £12k.

# CHILDREN'S SERVICES BUDGET 2014/17

## SERVICE NARRATIVE

### Service Aims and Objectives

To work in partnership with all our partners, including schools, to have effective and efficient arrangements for all children and young people in the borough so that:

- They are safe
- They are healthy
- They achieve their potential
- They make a positive contribution to their community

There is an underpinning priority to narrow the gap in the outcomes for children in families who are vulnerable or who face other kinds of disadvantage compared to the majority of residents.

Children's Services incorporates the following:

- Social Care and Intervention
  - Provides the full range of statutory social care arrangements for children in need, subject to child protection plans or in care to the local authority; it also provides early intervention support through children's centres and parent support advisers to prevent, wherever possible, needs escalating to the level where children need statutory social care and intervention and support..
- Learning and Achievement
  - Supports and challenges schools on raising achievement, secures effective early years and childcare provision and provision for children with special educational needs; it administers the admission arrangements and, through specialist services, supports those to access education who might otherwise not attend or be excluded. It also provides targeted services which support children and young people and their families to become more resilient and maintain them in their community.
- Strategic Commissioning
  - Supports all children's services in developing strategies, providing and monitoring performance and commissioning infrastructure, including with health partners. It also secures sufficient school places, home to school transport and placements for children in the care of the Local Authority. This service also makes provision for Community Safety Partnerships along with the Health and Wellbeing Directorate.

### Service Outputs - Key Facts and Figures

Children's Services is responsible for delivering the following on an annual basis:

- On average support of 90 children subject to a Child Protection Plan;
- On average support for 75 Children in Care;
- Approximately 4,800 contacts screened;
- 61 schools - Head teachers, Governors, teachers and support staff - and 21,700 pupils in schools;
- Training courses attended by over 2,000 teachers (days), 1,000 Governor training sessions and 2,600 early years participants;
- Provision in excess of 125,000 free school meals;

- Mainstream Home to School Transport 211,000 return journeys;
- Special Education Needs Transport 62,000 return journeys;
- Approximately 750 statements of special educational need;
- 1,800 full day care places;
- 1,400 holiday schemes;
- 205 schools admission appeals heard during the 2012/2013 academic year and 144 appeals heard for places during the 2013/2014 academic year as at January 2014 (figures exclude aided schools who handle their own appeals);
- Processing of 1,925 primary applications to start in school in reception (F2) in the academic year 2013/14; and 482 infant to junior transfer applications for children living in the Wokingham borough;
- Processing of 1,713 secondary transfer applications to transfer to year 7 in a secondary school in the academic year 2013/14;
- Processing of 1,259 primary in-year applications requiring places in the 2012/13 academic year (867 for 2013/14 as at January 2014) and 1,168 secondary in-year applications requiring places in the 2012/13 academic year (305 for 2013/14 as at January 2014) – numbers include waiting list movement and applications received for children living outside the borough for Wokingham borough schools;
- Approximately 750 parents are receiving education / support through 1-1 work parenting programmes and workshops;
- 3,000 children and 3,350 adults have been seen across the eight Wokingham Borough Children's Centres;
- 50 young people supported to reduce problematic substance misuse;
- Worked with 112 young people at risk of offending, 74 young offenders to reduce re-offending, and 47 victims of youth crime; and,
- Engaged approximately 1,500 young people through the youth service.

## **Revenue Budget & Service Changes 2014/17**

Major changes to the Children's Services revenue budget include the following:

- Home to School Transport route efficiencies (£190k) and growth for increased pupil numbers £370k;
- Early Years funding of Disadvantaged 2 Year Olds fully funded from Schools Block Central Expenditure (£250k); and,
- Removal of special items of (£511k).

## **Capital Budget & Service Changes 2014/17**

Children's Services capital schemes include the following:

- Completion of the Bulmershe School Improvement Scheme which is to support a programme of curriculum development by providing new and enhanced teaching and learning facilities;
- Investment in the provision of secondary education while improving standards of learning;
- 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;
- Primary extension/new build projects to meet the need of additional places in the Borough;
- Investment in the provision of Special Education;
- School kitchens - to improve school kitchens throughout the Borough and to facilitate the introduction of universal infant free school meals initiative;

- Schools Access - to improve facilities in schools to allow for full integration of pupils and adults with disabilities.
- Schools Urgent Maintenance - Planned improvements and suitability issues
- New Secondary School in the south west; and,
- Adaptations to properties to enabled disabled children to be cared for in their home/respite care environment.

| <b>REVENUE SERVICE BUDGETS 2014/2015</b>             | <b>Budget<br/>2013/2014<br/>£'000</b> | <b>Budget<br/>2014/2015<br/>£'000</b> | <b>Note</b> |
|------------------------------------------------------|---------------------------------------|---------------------------------------|-------------|
| <b>Children's Services</b>                           |                                       |                                       |             |
| Learning & Achievement                               | 4,349                                 | 3,861                                 |             |
| Social Care & Safeguarding                           | 12,995                                | 12,825                                | (1)         |
| Strategic Commissioning                              | 4,870                                 | 4,621                                 | (2)         |
| Business Services                                    | (639)                                 | (2)                                   |             |
| <i>Internal Recharges &amp; Depreciation Charges</i> | 12,605                                | 12,665                                |             |
| <b>Total Children's Services</b>                     | <b>34,180</b>                         | <b>33,970</b>                         |             |

#### **Explanation of Movement from 2013/14 to 2014/15**

**Note 1.** Early Years funding of Disadvantaged 2 Year Olds fully funded from Schools Block Central Expenditure (£250k) and savings within employee budgets (£32k).

**Note 2.** . Home to School Transport route efficiencies (£190k) and growth for increased pupil numbers £370k. Local Safeguarding Board (£50k) and Frameworki Team (£21k). Increased income generation (£72k).

# ENVIRONMENT BUDGET 2014/17

## SERVICE NARRATIVE

### Service Aims and Objectives

The Directorate is responsible for the delivery of services that account for the Borough as a 'place'. The Directorate incorporates the following:

#### ➤ **Development Policy and Planning and Sustainable Economy**

- Responsible for providing the policy base for land use, transportation, housing, economic development, sustainable environment and key infrastructure provision e.g. Community Infrastructure Levy to secure the Borough's vision of being a great place to live, an even better place to do business;
- Leadership of external relationship management/funding bids in relation to economic growth, including with the Local Enterprise Partnership, business, neighbouring authorities and other key stakeholders and related projects e.g. City Deal;
- Leading on the Council's enabling of new affordable housing, including bids for funding for new development and development and implementation of policies to secure homes and funding through negotiations with developers;
- Supporting Town and Parish Councils to deliver the Neighbourhood Planning agenda at a local level;
- Playing an active role in Thames Valley Berkshire Local Enterprise Partnership to ensure the Borough contributes to the needs of the wider economic area and secures benefits for local residents and businesses;
- Implementing and delivering the Economic Development Strategy and engaging widely with businesses in the Borough both large and small to understand and respond to their concerns and issues; and,
- Supporting the economic sustainability of the Strategic Development Locations (SDLs) including business hubs and local labour initiatives.

#### ➤ **Highways and Transport:**

- Highways Development - responsible for implementing major schemes and overseeing the work of developers. Provides advice on Goods Vehicle Operator Licence applications, and Neighbourhood Watch areas. Provides repairs and replaces street nameplates;
- Highways Network - responsible for the delivery of reactive highway maintenance, including land and highway drainage and the structural maintenance programme (major road resurfacing);
- Structures - responsible for the management of the Borough's highway structures (bridges, subways, retaining walls, culverts, embankments etc);
- Integrated Transport - responsible for the delivery of transport policies, traffic management and road safety schemes and road safety education, training and publicity (ETP); and,
- Street Co-ordination - responsible for the management of Council parking including off street car parks, season tickets, residents' parking etc, the supervision of all highway street lighting and highway electrical equipment and management and co-ordination of all street works and events carried out on the highway.



## ➤ **Community Services**

- Countryside Services - responsible for managing the Council's country parks including Dinton Pastures, California, Charvil and several other nature reserves; Public Rights of Way; providing countryside and bio-diversity advice and the management of Hurst Golf Course. 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 recreation activities and experiences;
- Parks and Open Spaces - responsible for the delivery of all grounds maintenance work including reactive and programmed works, management of Council-owned play areas, events fields, sports pitches, pavilions and associated recreational facilities. Grounds maintenance services are also provided for other Council services – notably highways, tenant services, schools and Children's Services;
- Libraries - responsible for the operational management of the Borough's ten libraries; community outreach and engagement; planning. The service delivers a programme of events for children including holiday activities and child literacy schemes such as Bookstart;
- Waste Management & Street Cleansing - responsible for the delivery of all aspects of refuse and recycling collection; waste enforcement and abandoned vehicles and monitoring 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 delivers a cleaner environment for the Borough's residents, visitors and businesses by removing detritus (naturally accumulated deposits); litter; graffiti, fly-posting; fly-tipping; dumped rubbish and other abandoned waste; treating weeds on adopted highways and the cleansing of the A329M;
- The Local Loo Scheme provides publically accessible toilets for residents and visitors to town and village centres and is delivered in partnership with local businesses and community organisations;
- Community Development/Engagement - engaging 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; and,
- Engaging and supporting established communities through developing community capacity and self sufficiency.

## ➤ **Development Management and Regulatory Services**

- Responsible for providing a high quality customer responsive service to determine planning applications, present the Council's case effectively at appeal and to investigate and resolve breaches of planning control;
- Maintaining and extending tree protection and provide a professional and responsive landscape and tree advice service;
- Environmental Health, Licensing and Trading Standards - these services are provided through a joint service agreement with West Berkshire Council. This provides a wide range of regulatory services to achieve improvements in the quality of life for those who live, work and visit the Borough. Services include licensing, environmental protection, disabled facilities grants, food safety, health and safety enforcement, trading standards and pest control; and,
- Building Control - providing 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.

## ➤ Development and Infrastructure Delivery

- Providing a multi-disciplinary service to work with applicants, landowners, residents Parish and Town Councils and others in the four Strategic Development Locations (SDL) areas to ensure the timely delivery of high quality infrastructure rich development to meet the Borough's housing need; and,
- Coordinating the planning and provision of the infrastructure required for the SDL's through the programming of feasibility studies, the programming of works and the co-ordination of funding sourcing including capital planning, the co-ordination of section 106 contributions and the Community Infrastructure Levy when introduced.

## Service Outputs - Key Facts and Figures

- Progression of the Council's Managing Development Delivery DPD to adoption (including the five year land supply) and progress other required DPD / Local Plan documents including the Gypsy and Traveller Local Plan, and Statement of Community Involvement;
- Preparation of a new Economic Development Strategy for the Council, linking into the LEP's Strategic Economic Plan;
- Overseeing delivery of City Deal at a local level;
- Continuing joint working to progress Reading University's Science Park;
- Supporting development and delivery of an Affordable Housing Strategy including negotiating appropriate affordable housing contributions through the S106 process;
- Supporting and coordinate bids for infrastructure funding;
- Progression of the Council's Community Infrastructure Levy charging schedule through its statutory stages;
- Determination of over 2,500 planning and related consent applications;
- Investigation of over 800 potential breaches of planning control;
- Promotion and defence of the Council's policies at 120 appeals per year;
- Development and co-ordination of Infrastructure Delivery Plans and negotiations to secure acceptable development proposals for each of the four SDL's;
- 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;
- Engagement with and the development of capacity within local communities both new and evolving;
- Co-ordination and management of the Council's engagement with local businesses;
- The management of engagement activity around the SDLs including the four Community Forums;
- The negotiation of both hard and soft community facilities in the SDLs including buildings, sport, leisure and open space and voluntary and community development support to ensure the social fabric supports the community;
- The co-ordination of the Council's relationship with Parish and Town Councils across the Borough;
- The provision of high quality advice to Towns and Parishes to ensure that they are aware of the range of planning policy tools at their disposal and that any Neighbourhood Plan is progressed in accordance with strategic planning policies;
- A largely self-financing Building Control service currently achieving an 80% market share;
- Disposing of approximately 70,000 tonnes of municipal waste, of which around 26,000 tonnes is set to be recycled or composted;

- Removal of over 600 incidents of fly tipping;
- 3.2 million individual refuse and recycling collections per annum;
- Over 13,000 individual clinical waste collections to the elderly and vulnerable;
- Investigating 100 abandoned vehicles per annum;
- Managing the two re3 Household Waste Recycling Centres with re3 partners;
- Advising on waste strategy and waste legislation;
- Clearance of over 118 incidents of graffiti;
- Cleansing over 700 km of highway, including footways and cycle paths;
- Hosting over 460,000 visits to our ten libraries with over 860,000 items of library stock being issued;
- Providing an education package to over 2000 children visiting Dinton Pastures Country Park;
- Delivering a park and a countryside service events programme with over 100 events;
- Management of 283 hectares of parks and open spaces;
- Management of 100 children's play areas and 3 youth shelters;
- Management and maintenance of pavilions and associated sports facilities;
- Management of 2 cemeteries – Shinfield and St Sebastian's;
- Issuing over 7,000 works orders for routine highway repairs and approximately 700 highway notices;
- Inspecting and maintaining over 720km of highway and associated footways;
- Management of the A329M motorway;
- Routine maintenance of nearly 30,000 gullies and over 300km of highway drainage pipework;
- Provided cycle training for approximately 1,000 children;
- Delivering the objectives of the Borough's local transport plan 2011-26;
- Provision of 25 school crossing patrol sites throughout the Borough;
- Managing and maintaining the Council's 16 pay & display and 10 other free off-street car parks;
- Maintaining over 19,000 street lights, illuminated signs, feeder pillars and other similar equipment; and,
- Processing 55,000 notices for works on the highway to ensure co-ordinated works.

## Revenue Budget & Service Changes 2014/17

Major changes to the Environment revenue budget include the following:

- Restructure of service, combining Development & Regeneration and Neighbourhoods; Community Safety and Voluntary Sector budgets transferred to Children's Services; Leisure budgets to Health & Wellbeing and Registrars budgets to Resources;
- Savings and efficiencies from Land Use and Transportation; and,
- Removal of Special Item.

### ➤ Growth Items

- Waste Disposal PFI - contract increase as set out in the Private Finance Initiative scheme;
- Increase in energy prices; and,
- Continued support to deliver the core strategy.

Revenue cost increase relating to increased network length and contractual price increases in street lighting have been absorbed within the existing budgets.

➤ **Savings to Support Growth Items:**

- Waste Management & Street Cleansing – efficiencies as a result of more effective contract arrangements;
- New contract for waste collection began in 2012, delivering new collection arrangements and ongoing cost reductions;
- Environmental Health and Licensing shared services - services moved to a joint service delivery with West Berkshire Council – ongoing saving;
- Countryside – increased income from activities, Dragonfly Café, service efficiencies and review of car park charges;
- Parks and open spaces - amended contract management arrangements;
- Libraries – service efficiencies and introduction of new technologies;
- Transport infrastructure energy use reduction - Removing illumination from Aids to Movement signage or converting to LED;
- Traffic signal upgrade programme – energy use reduction - Changing signals to LED as upgrades are progressed;
- Street lighting - Removal of dangerous lighting columns and conversion to low energy units as budget allows; and,
- Increase in fees and charges income.

## **Capital Budget & Service Changes 2014/17**

Environment capital schemes include the following:

- Safety/Crash Barriers - Installing barriers to prevent rail incursion and cross over accidents and improving existing barriers to meet modern standards;
- Strengthening and Major Maintenance of Road Bridges - Works to ensure that the Council's bridge stock is maintained in a safe condition;
- Street Lighting and Asset replacement - Street light column testing, replacements, and conversion of street lamps to part-night lighting;
- Road Safety & 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 - Preventing risk of flooding on the highway, allocation will be used to carry out remedial works to drainage network where flooding problems have been highlighted;
- The continuation of the Station Link Road- Essential improvements to Wokingham station and the associated road link that will help facilitate the regeneration of the town. Investing in supported housing and local community venues;
- Traffic Signal Upgrade Programme- urgent upgrade on old and obsolete equipment, also giving the opportunity of installing low energy equipment;
- 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;
- Transport Infrastructure Energy Use Reduction - To reduce the effect of the Councils existing highways infrastructure on the environment by removing illumination or replacing units with low energy fittings, which will result in longer term energy savings;
- Greenways - A network of quiet commuting and leisure routes for pedestrians and cyclists;
- Improvements/Rebuild of leisure Facilities in the borough including country parks and leisure/sports centres;

- Provision of Superfast Broadband - to provide 100% coverage with speeds of at least 25mb for Berkshire by 2015. The scheme is a partnership with the other Berkshire Unitaries;
- Continued investment in the Waste collection arrangements; and,
- Strategic land purchases- investments to enable the capital programme.

| REVENUE SERVICE BUDGETS 2014/2015                                         | Budget<br>2013/2014<br>£'000 | Budget<br>2014/2015<br>£'000 | Note |
|---------------------------------------------------------------------------|------------------------------|------------------------------|------|
| <b>Environment</b>                                                        |                              |                              |      |
| Environment                                                               | 425                          | 431                          |      |
| Community Services                                                        | 15,983                       | 16,323                       | (1)  |
| Highways & Transportation                                                 | 6,870                        | 6,932                        | (2)  |
| Development Management & Regulatory Services<br>& Infrastructure Delivery | 2,006                        | 2,250                        | (3)  |
| Policy & Planning                                                         | 846                          | 670                          | (4)  |
| SDL Delivery                                                              | 217                          | 0                            | (5)  |
| <i>Internal Recharges &amp; Depreciation Charges</i>                      | <i>8,045</i>                 | <i>8,223</i>                 |      |
| <b>Total Environment</b>                                                  | <b>34,393</b>                | <b>34,829</b>                |      |

### Explanation of Movement from 2013/14 to 2014/15

**Note 1.** Removal of Special Item (£29k); growth of £70k Waste Disposal PFI contractual commitment; Waste Management, Countryside, Amenities, Sports & Leisure reduced employee and increased fees & charges (£80k); Realigned Grants to Voluntary Services (£35k) & increased Library Services income (£20k); restructure of Communities £165k (offset within Children's Services Strategic Commissioning); contractual inflation £399k including Waste PFI & Management.

**Note 2.** Growth in energy prices £50k, network length increase £161k, highways contracts inflation £126k, revenue implications of capital £22k, Highways & Transportation £17k, offset by reduction in bus subsidies (£100k), savings through additional income from street name and numbering and highways fees and charges (£40k), street lighting (£30k) and highway maintenance efficiencies (£27k).

**Note 3.** Removal of special item (£428k), S106 monitoring officer £45k, Support for Highway Development control £55k, Special Item for loss of Planning income due to economic downturn £100k.

**Note 4.** Neighbourhood Planning officer £50k.

**Note 5.** Funding from Homes and Communities agency grant

# FINANCE & RESOURCES BUDGET 2014/17

## SERVICE NARRATIVE

### Service Aims and Objectives

The directorate makes a significant contribution in supporting services to deliver the Councils Vision and Priorities. In doing this the directorate has a major role to play in the organisation with projects such as; improving the Customer Experience, Asset Rationalisation and Effective Procurement. The overarching aim of Finance & Resources is to provide the best possible support at the lowest possible cost. It also delivers direct services such as Tax Collection and Benefit payment aligned to the achievement of the Council's objectives.

Finance and Resources incorporates the following:

#### ➤ Finance

- To develop and maintain best practice in financial management, look for sustainable solutions, achieve long term ongoing efficiencies, value for money and ensure robust governance arrangements.
- To maximise the collection of Council Tax, Business Rates, Rent and Sundry Debtor revenues;
- To provide a speedy and accurate Benefits service while minimising the risk of fraud;
- To administer the Councils Concessionary Travel Scheme;
- To provide financial assessments for Social Care service users and general welfare benefits advice and claims support;
- To provide a corporate wide cashiers service; and,
- To administer an effective and efficient payments service including staff payroll and suppliers.

#### ➤ Customer Services and Information Management and Technology (IMT)

- To provide information and voice technologies and solutions which meet business needs, improve performance and are value for money;
- To advise and assist across the organisation on the secure and effective management of information;
- 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;
- Promoting preparedness in both residential and business communities;
- First point of contact for all customer enquiries via telephone, email, SMS, online and face to face;
- Provides the communications and public relations function for the Council;
- Provides the website function for the Council;
- First point of contact for all Freedom of Information and Data Protection enquiries;
- Investigation of complaints on behalf of the Chief Executive and Local Government Ombudsman;
- Registration of births, deaths, marriages and civil partnerships, citizenship ceremonies, the renewal of vows and other related ceremonies; and,
- To maintain statutory land charges registers which are both up-to-date and accurate and to respond to search requests as accurately and as quickly as possible.

#### ➤ Support Services

- Supports the organisation to manage and organise its human resources (HR), so that it can achieve its current and future needs. The service provides HR advice, business partnering support, learning and development and health and safety;

- Provides the strategic direction for assets and property across the organisation in support of the front-line services;
- Manages the Council's commercial estate, property records and provides a valuation service;
- Responsible for the design, procurement and delivery elements of the Capital Programme expenditure, particularly Educational facilities;
- During the last three years has undertaken a planned maintenance programme of approximately £1.7m per year;
- Responsible for the development and maintenance of best administration practice for 30 teams across 18 sites including Shute End;
- The Shared Legal Service provides a wide range of legal services and advice to the Council and to the royal borough of Windsor and Maidenhead.

#### ➤ **Commercial Services and Procurement**

- To develop and maintain best practice in procurement across the organisation; and,
- To identify, promote and implement commercial opportunities from assets and services across the Council.

## **Service Outputs - Key Facts and Figures**

#### ➤ **Finance:**

- Co-ordinates budget setting and provides financial advice on a revenue account of c£275m per annum gross, capital of c£50m per annum and Housing Revenue Account (HRA) of c£14.5m per annum gross;
- Invests an average of £60m per annum and manages borrowing of c£134m;
- Collects Council Tax of c£95.5m from c63,500 properties generating over 100,000 accounts annually;
- Collects Business Rates of c£56m per annum from 3,500 properties on behalf of the Government generating over 7,500 accounts annually;
- Collect Council Rents of c£15m per annum from 2,700 tenants;
- Collect over £12m per annum from 12,000 sundry debtor accounts;
- Administer Housing Benefit and Council Tax Support paying over £28.7m to over 5,700 claimants generating over 12,000 new claim and change calculations per annum;
- Through cashiers, process over 200,000 transactions per annum totalling c£500m per annum;
- Conduct over 450 Fairer Charging Visits and 1,300 financial assessments for customers in receipt of home based social care;
- Conduct over 250 welfare advice visits helping the most vulnerable claim over £650,000 in additional welfare benefit income per annum;
- Make over 55,000 salary payments to staff each year to a value exceeding £63m (including Schools);
- Make over 39,000 payments to suppliers and contractors each year which represents 67,000 invoices with a value exceeding £202m; Process c1,900 applications for around 160 vacancies per annum;
- Process c300 contracts and pre-employment checks for new and existing employees and non-schools staff;
- Process c1,100 CRB applications, including schools staff; and,
- Manage over 24,000 elderly and disabled Concessionary Bus Passes and reimburse operators £700k per annum for journeys taken.

➤ **Customer Services and Information Management and Technology (IMT):**

- Support of the implementation of multiple IT projects including the Technology Futures Programme – WISER project, Windows 7 upgrade, technology for Smart working, key business application improvements (Housing, Children’s and Planning);
- Improvement of ICT services through the Northgate contracts;
- Management of the ICT estate 1,500 PC’s and 110 servers;
- Facilitates internal business continuity planning;
- Manages the Council’s out of hours duty officer service;
- Liaises with local emergency service partners and neighbouring authorities;
- Warns and informs the public and local business of potential threats;
- Provides guidance to local commerce on Business Continuity planning.
- Handles approximately 240,000 telephone calls per annum;
- Deals with over 31,000 email requests per annum;
- Deals with over 71,000 texts per annum;
- Deals with 2,873 visitors to Shute End main reception monthly average;
- Handles 2,070 web chats per month;
- Deals with more than 675 press enquiries per annum;
- Handles around 300 complaints, 900 Freedom of Information enquiries and 20 subject access requests per annum; and,
- The level of land searches per year is wholly dependent upon the state of the housing market. The annual figures for recent years are as follows:

|           |       |
|-----------|-------|
| 2009/2010 | 1,624 |
| 2010/2011 | 1,922 |
| 2011/2012 | 2,057 |
| 2012/2013 | 1,964 |

➤ **Support Services :**

**HR Service**

- Customer base: 1,046 headcount / 875 FTE staff (excluding schools);
- Enabling role to ensure the Council meets its legal obligations in relation to the employment and learning and development of staff and health and safety overall;
- Compiles and analyses workforce statistics to provide the Council with the appropriate management information to track its performance, identify where good practice is working and recommend improvements where needed;
- Facilitates annual training/learning needs analysis (organisational, service and individual);
- Designs and delivers a corporate training programme for all staff in accordance with agreed organisational learning needs and priorities;
- Supports people related strategic projects;
- Provides Learning & Development advice, consultancy and solutions to all WBC services, with a deeper service to Health & Wellbeing and Children’s Services; in response to the professional requirements of the social care workforce and Safeguarding requirements;
- Provides opportunities for the Private, Voluntary and Independent sectors to meet their training needs;
- Provides the mechanism and support for individuals, internally and externally, to access and book L&D interventions; reports on L&D activity;
- L&D manage, on average, 135 events per year to support the progress of people management solutions in conjunction with HR Business Partners and service managers through pro-active, effective L&D interventions;
- Contributing to corporate and service level projects and action groups, particularly but not exclusively in relation to people management.



- In addition to the events on My Learning, facilitating access to appropriate events run by other authorities / external companies; on average around 200 staff per year.
- Supporting members of staff undertaking professional qualifications (currently 20 staff)
- HR Operations provides a traded service to 27 schools and 1 academy school; Corporate Health and Safety trades with 3 academy schools and Optalis;
- Corporate Health and Safety fulfils the statutory 'competent person' role for the Council which includes, amongst other things, providing a full advisory service to the entire organisation including school governors; undertaking an independent auditing function (on average 50 audits/inspections per year); investigating on average 15 significant health and safety injury incidents per annum and ensuring the health and safety training needs of the organisation are met (approximately 400+ delegates per year).

### **Administration**

- Process and Issue 2,000 Disabled Parking Badges per annum
- Arrange and administer 200 children in care reviews; 151 Child Protection Conferences and 49 Local Authority Designated Officer referrals
- Process 98 Access to Records (children and young people) requests
- Support 202 training courses for schools, 100 for early years and 60 governor training sessions.
- 80 newly qualified teachers were registered and supported through their induction year with all appropriate documentation recorded.
- Process 73 applications for two year old funding.

### **Property Service**

- To act as the designated 'Corporate Property Officer' for the purposes of capital and asset planning;
- To provide key strategic advice on the use, suitability, capital investment and disposal of assets to the Executive Member, Member groups and Service Heads;
- To prepare and update the Corporate Asset Management Plan (AMP) and undertake asset planning and development;
- To assist with the preparation of the capital strategy and service AMPs;
- To lead on capital disposal/property rationalisation and development programmes;
- To help develop 3-10 year capital investment programme identifying key areas for investment and be a member of the capital monitoring group;
- Provides valuations for the council's assets valued at c. £718m;
- Collects property rentals of c.£2.3m; and,
- To ensure energy is procured in a consistent way across the organisation, to monitor usage and benchmark against other organisations and ensure good practice is cascaded throughout the organisation.
- Processing over 3000 bags of mail, moves 6000 boxes of library books, sets up 5000 meeting room bookings and issues 800 security passes per annum;
- Maintains Council properties including: 55 schools, 7 libraries, 7 Children's Centres 3 youth & community centres, 1 elderly people's homes and 4 leisure centres. Carries out 4,635 reactive maintenance tasks per annum; and,
- Responsible for Capital Programme expenditure of c£20m

### **Shared Legal Solutions.**

- Provides an extremely wide range of legal services and advice to the Councils of Wokingham, Slough and the Royal Borough of Windsor and Maidenhead. Provides further advice to other public sector bodies within the borough including parish and town councils, the schools of both Boroughs and charities.

- Manages the provision of the legal service to both Councils under a formal contractual legal agreement with service standards and shared budgetary provision based on historic usage of the service. Between 1st January 2013 and 31st December 2013, the SLS was instructed on 2,075 new matters.

#### **Commercial Services and Procurement**

- Procurement and contract management of council wide contracts valued c£5.5m per annum providing services to over 100 Council buildings and sites.

## **Revenue Budget & Service Changes 2014/17**

Major changes to the Finance and Resources revenue budget include the following:

- 2014/15 will see the management restructure completed, to provide a better alignment of Services around the council. Key objectives such as improving the customer experience, more effective council wide procurement and a greater focus on commercialisation.
- A further objective of the restructure was to reduce departmental overheads and management costs. This is reflective in the revised 2014/15 budgets.

## **Capital Budget & Service Changes 2014/17**

Finance & Resources capital schemes include the following:

- Health and Safety related schemes including: gas distribution, Legionella prevention, asbestos control and fire precautions risk assessment and remediation;
- IT related schemes including: Server hardware / Network replacement, Technology futures programme and implementation of new financial system
- Energy costs reduction / efficiencies schemes including solar panel implementation sustainable heating systems and replacement of strip lighting with energy-efficient alternatives.;
- Improvements to Wokingham Borough Council commercial portfolio and
- Strategic capital fund for allocation to Wokingham Borough Council strategic schemes as required (Strategic Developments Locations etc.);

| <b>REVENUE SERVICE BUDGETS 2014/2015</b>             | <b>Budget<br/>2013/2014<br/>£'000</b> | <b>Budget<br/>2014/2015<br/>£'000</b> | <b>Note</b> |
|------------------------------------------------------|---------------------------------------|---------------------------------------|-------------|
| <b>Finance &amp; Resources</b>                       |                                       |                                       |             |
| Support Services                                     | 4,139                                 | 3,694                                 | (1)         |
| Customer Services and IMT                            | 4,174                                 | 3,852                                 | (2)         |
| Commercial Services                                  | 571                                   | 673                                   | (3)         |
| Finance                                              | 12,308                                | 11,867                                | (4)         |
| Council Wide                                         | 658                                   | 2,580                                 | (5)         |
| <i>Internal Recharges &amp; Depreciation Charges</i> | <i>(11,853)</i>                       | <i>(10,954)</i>                       |             |
| <b>Total Finance &amp; Resources</b>                 | <b>9,997</b>                          | <b>11,712</b>                         |             |

### **Explanation of Movement from 2013/14 to 2014/15**

**Note 1.** Asset rationalisation (£181k), income generation (£30k) and staffing efficiencies (£207k)

**Note 2.** Removal of previous year special item for Wokingham Direct and Registrars Department (£47k), Information management technology efficiencies (£200k), efficiencies within Wokingham Direct (£54k), and staffing efficiencies within Land charges (£14k)

**Note 3.** Increased resources on procurement and commercialisation

**Note 4.** Charging to Housing Revenue account (£68k), charging to Wokingham Housing Limited (£12k), reduction in borrowing costs (£200k) and other service efficiencies (£135k)

**Note 5.** Includes management structure efficiencies, unavoidable contractual inflation and special items covering capital financing costs

# HEALTH AND WELLBEING SERVICES BUDGET 2014/17

## SERVICE NARRATIVE

### Service Aims and Objectives

Health and Wellbeing Services have statutory responsibilities to enable an assessment of need for care and support on behalf of any vulnerable local resident over the age of 18 years, their family or informal carers, and a duty to allocate resources or arrange support to meet eligible assessed needs. Services are organised to respond to needs arising from old age, physical, sensory or learning disabilities, or serious mental health problems. Health and Wellbeing Services also have a wider role in safeguarding vulnerable adults and enabling community wellbeing by developing and facilitating community support and prevention services to enhance statutory services, as well as a responsibility to ensure the availability of good information and advice services regarding local facilities.

The vision of **the Health and Wellbeing service** is that:

- People have a real say in how their services are arranged;
  - Services are equally accessible to all residents from all backgrounds;
  - Specialist services are focussed on the most vulnerable residents;
  - Services enable residents to retain or regain independence, and to have choice and control over their lives;
  - There will be a shift towards more preventive community support;
  - Community health and social care services have local presence and work in partnership to achieve integrated delivery through a single point of access; and,
  - Health & social care needs are a recognised priority across all Council services, promoted and coordinated by the Health and Wellbeing Board.
- **Partnership is an essential ingredient in how we set about achieving our vision. Some of our key partnerships are with:**
- Customers, their carers' and other residents;
  - Social care staff in the Council and the independent sector workforce;
  - Optalis;
  - Other service sectors within the Council, including housing, learning and leisure;
  - Community health and social care providers in the statutory, voluntary, independent and private sectors;
  - The Clinical Commissioning Group, which has responsibility for commissioning healthcare for the Borough's population at both a local Wokingham level and where appropriate as a Berkshire West health and social care economy; and,
  - Community and voluntary sector organisations; local businesses.
- **Housing Strategy and Development (including the enabling function)**
- Overseeing the development and implementation of the Council's Housing Strategy and homeless strategy;
  - Working with housing associations and developers to deliver accommodation across a range of tenures in support of this Strategy, including affordable accommodation for key workers, vulnerable people and households in housing need; and,
  - Leading on the delivery of key corporate housing projects.

➤ **Housing Needs**

- Delivering housing advice to those in housing need, including a dedicated Accommodation Finder Service;
- Managing the Council's response to people who are homeless or threatened with homelessness, including a strong focus on the prevention of homelessness;
- Managing the Council's Housing Register and the process of making nominations from this register (housing people into social housing); and,
- Providing a housing support advice service to people with a learning disability or mental health problems

➤ **Tenant Services**

- Ensuring that the Council's landlord function is managed effectively, including:
- Managing neighbourhoods;
- Neighbourhood nuisance issues;
- Enabling tenant / leaseholder participation;
- Managing the environment around Council properties;
- Meeting the requirements of the Homes and Communities agency; and,
- Management of two Council owned gypsy & traveller sites.

## **Service Outputs - Key Facts and Figures**

Performance measures 2012/13:

- Number contacts from new customers in year – 5511;
- Number of new people assessed in year – 750;
- Number of people reviewed in year – 1,443;
- Number of people receiving services – 2,421;
- Number of carers who have had assessment or review – 498;
- Proportion of people receiving a community based service – 80%;
- Percentage of community-based clients who receive Self Directed Support – 95.3% (local indicator);
- Percentage of people who received a Direct Payment – 23.4%; and,
- Permanent admissions to residential and nursing homes – 135.

An annual customer experience survey is carried out as part of the national adult social care outcome measures. The summary results were:

- |                                                                                                                                                      |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| • The proportion of people who use services who have as much control over their daily life as they want or who have adequate control over daily life | 74.3% |
| • The proportion of people who use services who are extremely or very satisfied with the care and support services they receive                      | 67.6% |
| • The proportion of people who use services and carers who find it very easy or fairly easy to find information about services                       | 60.6% |
| • The proportion of people who use services who feel as safe as they want                                                                            | 67.8% |
| • The proportion of people who use services who say that those services have made them feel safe and secure                                          | 81.7% |

### ➤ **Housing Needs**

- Manage the Housing Register (Waiting List) currently c2,400 registered applicants including assessing individual housing need, administering and inputting applications, updating and renewing applications and communication with customers;
- House applicants into Council or Housing Association vacancies (including new-build developments and sheltered accommodation) - usually approximately 350 housing allocations annually;
- Respond to face to face and telephone enquiries and applications regarding Homelessness, Housing Advice, Housing Register, Allocations c4000 per annum;
- Investigate, decide and provide for statutory homeless applications (Housing Act 96 Part VII); and,
- Manage and deliver the homelessness prevention service using options such as the Deposit Loan Scheme and other creative and individual responses

### ➤ **Tenant Services**

- Manage and deliver all aspects of the Council's landlord function to households in Council accommodation;
- Currently 2,703 properties with 2,620 active tenancies, 90 shared equity tenants, 182 leaseholders and 800 garages;
- The asset management team ensure Wokingham Borough Council strategies, policies and action plans provide efficient and effective management in promoting, maintaining and preserving the Council's housing stock, contributing to sustainable communities;
- To ensure a fit for purpose property portfolio, within a value for money context and available resources;
- To ensure that the Council's housing stock is brought up to Government's Decent Homes standard by April 2015;
- Manages the contracts procured to deliver the repairs and maintenance function to the housing stock; gypsy/traveller sites; mobile home sites and homeless accommodation; and,
- To ensure the provision of Estates Services with the cleaning of communal blocks and management of housing land and estates.

## **Revenue Budget & Service Changes 2014/17**

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:

- Contain cost pressures of demographic growth;
- Protect the most vulnerable people;
- Maintain the development of personalised services including personal budgets;
- Achieve the required outcomes of the Care Bill and the Better Care Fund;
- Prepare for the integration of Health responsibilities from April 2015,
- Commission further community support and prevention;
- Develop more supported and extra-care housing;
- Continue partnership with community health services; and,
- Support, retain and develop an excellent workforce for the future.

## Capital Budget & Service Changes 2014/17

Capital schemes involving Health and Wellbeing and Housing Services include the following:

- Investment in the provision of Day Services for adults with physical disability, working with the voluntary sector and partners to create a mixed community use centre;
- The second year of a significant capital investment programme to provide Council's housing stock which meets the government's decent homes standard;
- Adaptations for the disabled, estate improvements and sheltered homes for the Council's housing stock;
- Investment in suitable and sustainable accommodation for vulnerable people with mental health needs;
- A programme to re-model / redevelop extra care/sheltered housing, expand capacity and meet higher care needs on the Fosters site.
- Enhancements at Suffolk Lodge to improve independence of residents and to provide a more attractive environment that supports their care needs; and,
- To increase good quality affordable housing developments (Wokingham Housing Limited).

| REVENUE SERVICE BUDGETS 2014/2015                    | Budget<br>2013/2014<br>£'000 | Budget<br>2014/2015<br>£'000 | Note |
|------------------------------------------------------|------------------------------|------------------------------|------|
| <b>Health and Wellbeing</b>                          |                              |                              |      |
| Statutory Services                                   | 32,773                       | 35,206                       | (1)  |
| Public Health                                        | (251)                        | (994)                        | (2)  |
| Mental Health Services                               | 2,715                        | 2,591                        | (3)  |
| Support Services                                     | 5,571                        | 4,163                        | (4)  |
| Housing Needs and Benefits                           | (1)                          | (172)                        | (5)  |
| <i>Internal Recharges &amp; Depreciation Charges</i> | 3,358                        | 3,001                        |      |
| <b>Total Health and Wellbeing</b>                    | <b>44,165</b>                | <b>43,795</b>                |      |

### Explanation of Movement from 2013/14 to 2014/15

**Note 1.** Budget re-alignment from prior year's growth held in Support Services £1.1m, in addition to current year's growth in complex needs and increasing client volumes £1.4m.

**Note 2.** Grant funding for Public Health has increased which is offset by the increased activity to meet the requirements of the grant. Savings target on pooled commissioning of services (£0.4m) and renegotiation of Leisure Contract (£0.2m)

**Note 3.** Small movement as a result of success from continued health claims (£0.3m) partially offset by anticipated growth in client volumes (£0.1m)

**Note 4.** Budgets re-aligned for prior years Statutory Services growth (£1.1m), see note 1 in addition to savings targets from NHS (£0.2m) .

**Note 5.** Realignment of Housing Benefits budgets to reflect current recovery rates. (£0.2m)

## Summary of Budget Movements 2014/2015

|                                                                                                                              | Chief Executive<br>£'000 | Children's Services<br>£'000 | Environment<br>£'000 | Finance & Resources<br>£'000 | Health & Wellbeing<br>£'000 | Total<br>£'000 |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|----------------------|------------------------------|-----------------------------|----------------|
| <b>2013/2014 Restructured Service Budget (excluding Capital &amp; Internal recharges)</b>                                    | <b>2,042</b>             | <b>21,575</b>                | <b>26,348</b>        | <b>21,850</b>                | <b>40,807</b>               | <b>112,623</b> |
| <b>Adjustments/Additions</b>                                                                                                 |                          |                              |                      |                              |                             |                |
| Exclude one off revenue items in 2013/2014 (Special Items)                                                                   | 0                        | (511)                        | (693)                | (553)                        | (21)                        | (1,778)        |
| Inflation for non-pay activities                                                                                             |                          |                              |                      | 1,951                        |                             | 1,951          |
| Superannuation - increase in employers' contribution across the Council                                                      | 0                        | 0                            | 0                    | 216                          | 0                           | 216            |
| Adjustments between services (e.g. budget reallocations inc. inflation distribution)                                         | 15                       | 143                          | 806                  | (1,614)                      | 651                         | 0              |
| <b>Total</b>                                                                                                                 | <b>15</b>                | <b>(368)</b>                 | <b>113</b>           | <b>(0)</b>                   | <b>630</b>                  | <b>389</b>     |
| <b>Funding to Maintain / Improve Services</b>                                                                                |                          |                              |                      |                              |                             |                |
| Increase in Insurance Premium spend in line with current overspend                                                           | 100                      |                              |                      |                              |                             | 100            |
| Members Allowances                                                                                                           | 12                       |                              |                      |                              |                             | 12             |
| Home to School Transport increased pupil numbers                                                                             |                          | 370                          |                      |                              |                             | 370            |
| Monitoring officer(s) to ensure compliance with SDL conditions and S106 commitments                                          |                          |                              | 45                   |                              |                             | 45             |
| Highway Development Control support for major planning applications (SDL's)                                                  |                          |                              | 55                   |                              |                             | 55             |
| Waste Disposal - increase in line with PFI contractual commitment                                                            |                          |                              | 70                   |                              |                             | 70             |
| Highways maintenance -carriageways & footways                                                                                |                          |                              | 74                   |                              |                             | 74             |
| Highway Drainage increased maintenance costs due to additional network length                                                |                          |                              | 29                   |                              |                             | 29             |
| Winter service - increased maintenance costs due to additional network length                                                |                          |                              | 19                   |                              |                             | 19             |
| Street lighting - increase in energy prices                                                                                  |                          |                              | 50                   |                              |                             | 50             |
| Highway structures (bridges) - Revenue implications of increased Capital scheme (major refurbishments/strengthening)         |                          |                              | 10                   |                              |                             | 10             |
| Highway structures (bridges) - Revenue implications in 3rd party costs (maintenance of structures adjacent to/over railway)  |                          |                              | 5                    |                              |                             | 5              |
| Revenue implications of integrated transport capital scheme (to contain congestion, improve safety and environmental impact) |                          |                              | 39                   |                              |                             | 39             |
| Street lighting Maintenance                                                                                                  |                          |                              | 39                   |                              |                             | 39             |
| Increase in the cost of gas and electricity                                                                                  |                          |                              |                      | 41                           |                             | 41             |
| Reduce vacancy factor for all council budgets                                                                                |                          |                              |                      | 375                          |                             | 375            |
| Non achievable staff savings target 2013/14 (part)                                                                           |                          |                              |                      | 400                          |                             | 400            |
| Older people domiciliary care - increase in client costs due to volume, complexity & costs                                   |                          |                              |                      |                              | 361                         | 361            |
| Learning Disability - increase in client costs due to increase in volume, complexity and cost                                |                          |                              |                      |                              | 118                         | 118            |
| Older People - Increases in number of clients requiring nursing care                                                         |                          |                              |                      |                              | 242                         | 242            |
| Transitional Children - Children entering adult social care                                                                  |                          |                              |                      |                              | 445                         | 445            |
| Physical Disabilities increase in client numbers                                                                             |                          |                              |                      |                              | 145                         | 145            |
| Prevention - investment in preventative services                                                                             |                          |                              |                      |                              | 100                         | 100            |
| <b>Total</b>                                                                                                                 | <b>112</b>               | <b>370</b>                   | <b>435</b>           | <b>816</b>                   | <b>1,411</b>                | <b>3,144</b>   |



## Summary of Budget Movements 2014/2015

|                                                                   | Chief Executive<br>£'000 | Children's Services<br>£'000 | Environment<br>£'000 | Finance & Resources<br>£'000 | Health & Wellbeing<br>£'000 | Total<br>£'000 |
|-------------------------------------------------------------------|--------------------------|------------------------------|----------------------|------------------------------|-----------------------------|----------------|
| <b>Special Items 2014/2015</b>                                    |                          |                              |                      |                              |                             |                |
| Neighbourhood Planning Officer - extension of fixed term contract |                          |                              | 50                   |                              |                             | 50             |
| Loss of planning income due to economic downturn                  |                          |                              | 100                  |                              |                             | 100            |
| Wokingham Town centre regeneration - upfront funding              |                          |                              |                      | 1,671                        |                             | 1,671          |
| Council Restructure                                               |                          |                              |                      | 250                          |                             | 250            |
| To generate full year effect of part year savings                 |                          |                              |                      | 400                          |                             | 400            |
| Investment in companies                                           |                          |                              |                      | 100                          |                             | 100            |
| <b>Total</b>                                                      | <b>0</b>                 | <b>0</b>                     | <b>150</b>           | <b>2,421</b>                 | <b>0</b>                    | <b>2,571</b>   |

### **Funded by the following Service Efficiencies**

|                                                                                                                                     |      |       |       |       |  |       |
|-------------------------------------------------------------------------------------------------------------------------------------|------|-------|-------|-------|--|-------|
| Removal of terrorism cover                                                                                                          | (30) |       |       |       |  | (30)  |
| Reduce Public Liability/ Employer's Liability cover limit of indemnity                                                              | (5)  |       |       |       |  | (5)   |
| Change in approach for Internal Audit and Investigations - staff reductions                                                         | (50) |       |       |       |  | (50)  |
| Income generation through marketing Community Safety analysis work across Thames Valley                                             |      | (40)  |       |       |  | (40)  |
| Greater Integration of Learning & Achievement Services                                                                              |      | (32)  |       |       |  | (32)  |
| Home to School Transport contract cost reduction                                                                                    |      | (190) |       |       |  | (190) |
| Reduction in School Organisation post                                                                                               |      | (10)  |       |       |  | (10)  |
| Reduce general fund contribution to Building Control activity                                                                       |      |       | (30)  |       |  | (30)  |
| Relocation of CAB to Council owned building                                                                                         |      |       | (35)  |       |  | (35)  |
| Income generation/increase in fees and charges across service including highways, transport, street naming and countryside services |      |       | (87)  |       |  | (87)  |
| Develop commercial potential of Dinton Pastures                                                                                     |      |       | (40)  |       |  | (40)  |
| Review statutory minimum services for Public Rights of Way/Biodiversity                                                             |      |       | (10)  |       |  | (10)  |
| Review fees & charges and income generation for parks and open spaces                                                               |      |       | (15)  |       |  | (15)  |
| Use library facilities to host other services                                                                                       |      |       | (15)  |       |  | (15)  |
| Environmental Health & Trading Standards Shared service cost reductions                                                             |      |       | (15)  |       |  | (15)  |
| Street lighting - accelerating energy use reduction                                                                                 |      |       | (30)  |       |  | (30)  |
| Public Transport - reduction in subsidy payments                                                                                    |      |       | (100) |       |  | (100) |
| Highways Maintenance - general                                                                                                      |      |       | (25)  |       |  | (25)  |
| Energy savings - revenue implications of capital schemes                                                                            |      |       | (33)  |       |  | (33)  |
| Supply of services to other local authorities                                                                                       |      |       |       | (12)  |  | (12)  |
| Income generation - energy, estates, human resources and registrars                                                                 |      |       |       | (61)  |  | (61)  |
| Data-matching review process for single person discounts (council tax)                                                              |      |       |       | (130) |  | (130) |
| Concessionary travel reduction in line with 13/14 spend                                                                             |      |       |       | (30)  |  | (30)  |
| Information management technology efficiencies                                                                                      |      |       |       | (200) |  | (200) |
| Democratic Services - Member Training                                                                                               |      |       |       | (16)  |  | (16)  |
| Staffing efficiencies across service                                                                                                |      |       |       | (215) |  | (215) |
| Planned & Reactive Maintenance & Compliance                                                                                         |      |       |       | (30)  |  | (30)  |
| Borough News - Increased advertising                                                                                                |      |       |       | (14)  |  | (14)  |
| Bring Photography for events in-house                                                                                               |      |       |       | (11)  |  | (11)  |

## Summary of Budget Movements 2014/2015

|                                                                                                     | Chief<br>Executive<br>£'000 | Children's<br>Services<br>£'000 | Environment<br>£'000 | Finance &<br>Resources<br>£'000 | Health &<br>Wellbeing<br>£'000 | Total<br>£'000 |
|-----------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|----------------------|---------------------------------|--------------------------------|----------------|
| Operate Wokingham Information Network signposting service on behalf of the other Berkshire councils |                             |                                 |                      | (15)                            |                                | (15)           |
| Mastering Procurement                                                                               |                             |                                 |                      | (500)                           |                                | (500)          |
| Budget Management Efficiencies                                                                      |                             |                                 |                      | (250)                           |                                | (250)          |
| Debt Charges - Reduction in expected borrowing costs                                                |                             |                                 |                      | (200)                           |                                | (200)          |
| Decrease in council tax benefit support grant to parishes                                           |                             |                                 |                      | (60)                            |                                | (60)           |
| Assets - rationalisation and centralisation of expenditure                                          |                             |                                 |                      | (377)                           |                                | (377)          |
| Senior Management Re- Structure                                                                     |                             |                                 |                      | (1,000)                         |                                | (1,000)        |
| Maximise benefit from leisure contract                                                              |                             |                                 |                      |                                 | (210)                          | (210)          |
| Income generation across the service, including sports and leisure                                  |                             |                                 |                      |                                 | (28)                           | (28)           |
| Improving Commissioning of Care Services                                                            |                             |                                 |                      |                                 | (300)                          | (300)          |
| HRA asset management - reduce grant support                                                         |                             |                                 |                      |                                 | (170)                          | (170)          |
| Charging to Housing Revenue Account                                                                 |                             |                                 |                      |                                 | (200)                          | (200)          |
| Integration of commissioning and provision with NHS                                                 |                             |                                 |                      |                                 | (200)                          | (200)          |
| Extension and redevelopment of Twyford Orchards                                                     |                             |                                 |                      |                                 | (16)                           | (16)           |
| Migrating functions to public health                                                                |                             |                                 |                      |                                 | (400)                          | (400)          |
| Optalis contract efficiency gain                                                                    |                             |                                 |                      |                                 | (120)                          | (120)          |
| Review charging policies - e.g. full cost recovery for those who can afford to pay                  |                             |                                 |                      |                                 | (60)                           | (60)           |
| Recalibrating Resource Allocation System                                                            |                             |                                 |                      |                                 | (100)                          | (100)          |
| Personalisation in Adult Social Care                                                                |                             |                                 |                      |                                 | (50)                           | (50)           |
| Continuing health care savings                                                                      |                             |                                 |                      |                                 | (200)                          | (200)          |
| <b>Total</b>                                                                                        | <b>(85)</b>                 | <b>(272)</b>                    | <b>(435)</b>         | <b>(3,121)</b>                  | <b>(2,054)</b>                 | <b>(5,966)</b> |
| <b>Transfer of Responsibilities</b>                                                                 |                             |                                 |                      |                                 |                                |                |
| Funding changes to grant allocation                                                                 |                             |                                 | (5)                  | 700                             |                                |                |
| <b>Total</b>                                                                                        | <b>0</b>                    | <b>0</b>                        | <b>(5)</b>           | <b>700</b>                      | <b>0</b>                       | <b>696</b>     |
| <b>Service Budget 2014/2015 (excluding internal recharges and depreciation)</b>                     | <b>2,084</b>                | <b>21,305</b>                   | <b>26,606</b>        | <b>22,666</b>                   | <b>40,795</b>                  | <b>113,456</b> |
| <i>Internal Recharges &amp; Depreciation Charges</i>                                                | <i>2,626</i>                | <i>12,665</i>                   | <i>8,223</i>         | <i>(10,954)</i>                 | <i>3,001</i>                   | <i>15,561</i>  |
| <b>Service Budget 2014/2015 (including internal recharges and depreciation)</b>                     | <b>4,710</b>                | <b>33,970</b>                   | <b>34,829</b>        | <b>11,712</b>                   | <b>43,795</b>                  | <b>129,017</b> |

### THREE YEAR BUDGET FORECAST

|                                                                                                                              | 2014/2015<br>£'000 | 2015/2016<br>£'000 | 2016/2017<br>£'000 |
|------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Growth</b>                                                                                                                |                    |                    |                    |
| <b>Chief Executive</b>                                                                                                       |                    |                    |                    |
| Increase in Insurance Premium spend in line with current overspend                                                           | 100                | 150                | 200                |
| Members Allowances                                                                                                           | 12                 | 12                 | 12                 |
| <b>Children's Services</b>                                                                                                   |                    |                    |                    |
| Home to School Transport increased pupil numbers                                                                             | 370                | 420                | 470                |
| <b>Environment</b>                                                                                                           |                    |                    |                    |
| Monitoring officer(s) to ensure compliance with SDL conditions and S106 commitments                                          | 45                 | 45                 | 45                 |
| Highway Development Control support for major planning applications (SDL's)                                                  | 55                 | 55                 | 55                 |
| Waste Disposal - increase in line with PFI contractual commitment                                                            | 70                 | 70                 | 70                 |
| Highways maintenance -carriageways & footways                                                                                | 74                 | 113                | 152                |
| Highway Drainage increased maintenance costs due to additional network length                                                | 29                 | 44                 | 59                 |
| Winter service - increased maintenance costs due to additional network length                                                | 19                 | 29                 | 39                 |
| Street lighting - increase in energy prices                                                                                  | 50                 | 103                | 156                |
| Highway structures (bridges) - Revenue implications of increased Capital scheme (major refurbishments/strengthening)         | 10                 | 20                 | 30                 |
| Highway structures (bridges) - Revenue implications in 3rd party costs (maintenance of structures adjacent to/over railway)  | 5                  | 5                  | 5                  |
| Revenue implications of integrated transport capital scheme (to contain congestion, improve safety and environmental impact) | 39                 | 60                 | 81                 |
| Street lighting Maintenance                                                                                                  | 39                 | 60                 | 81                 |
| <b>Finance &amp; Resources</b>                                                                                               |                    |                    |                    |
| Increase in the cost of gas and electricity                                                                                  | 41                 | 76                 | 125                |
| <b>Health &amp; Wellbeing</b>                                                                                                |                    |                    |                    |
| Older people domiciliary care - increase in client costs due to volume, complexity & costs                                   | 361                | 400                | 400                |
| Learning Disability - increase in client costs due to increase in volume, complexity and cost                                | 118                | 300                | 300                |
| Older People - Increases in number of clients requiring nursing care                                                         | 242                | 300                | 300                |
| Transitional Children - Children entering adult social care                                                                  | 445                | 445                | 445                |
| Physical Disabilities increase in client numbers                                                                             | 145                | 145                | 145                |
| Prevention - investment in preventative services                                                                             | 100                | 225                | 400                |
| <b>Council Wide</b>                                                                                                          |                    |                    |                    |
| Reduce vacancy factor for all council budgets                                                                                | 375                | 750                | 750                |
| Non achievable staff savings target 2013/14 (part)                                                                           | 400                | 400                | 400                |
| <b>Total Growth</b>                                                                                                          | <b>3,144</b>       | <b>4,227</b>       | <b>4,720</b>       |
| <b>Savings</b>                                                                                                               |                    |                    |                    |
| <b>Chief Executive</b>                                                                                                       |                    |                    |                    |
| Removal of terrorism cover                                                                                                   | (30)               | (30)               | (30)               |
| Reduce Public Liability/ Employer's Liability cover limit of indemnity                                                       | (5)                | (5)                | (5)                |
| Change in approach for Internal Audit and Investigations - staff reductions                                                  | (50)               | (70)               | (70)               |
| <b>Children's Services</b>                                                                                                   |                    |                    |                    |
| Income generation through marketing Community Safety analysis work across Thames Valley                                      | (40)               | (40)               | (40)               |
| Greater Integration of Learning & Achievement Services                                                                       | (32)               | (32)               | (32)               |
| Targeted Activities for Young People                                                                                         | 0                  | (200)              | (300)              |
| Home to School Transport contract cost reduction                                                                             | (190)              | (190)              | (190)              |
| Reduction in School Organisation post                                                                                        | (10)               | (10)               | (10)               |

### THREE YEAR BUDGET FORECAST

|                                                                                                                                     | 2014/2015<br>£'000 | 2015/2016<br>£'000 | 2016/2017<br>£'000 |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Environment</b>                                                                                                                  |                    |                    |                    |
| Reduce general fund contribution to Building Control activity                                                                       | (30)               | (30)               | (30)               |
| Relocation of CAB to Council owned building                                                                                         | (35)               | (70)               | (70)               |
| School Crossing Patrol - service delivery retained through alternative funding                                                      | 0                  | (100)              | (100)              |
| Reduced road safety initiatives                                                                                                     | 0                  | (50)               | (50)               |
| Income generation/increase in fees and charges across service including highways, transport, street naming and countryside services | (87)               | (87)               | (87)               |
| Develop commercial potential of Dinton Pastures                                                                                     | (40)               | (40)               | (40)               |
| Vision for California Country Park - review of infrastructure and income generation opportunities                                   | 0                  | (30)               | (30)               |
| Review statutory minimum services for Public Rights of Way/Biodiversity                                                             | (10)               | (10)               | (10)               |
| Centralise all WBC grounds maintenance activity under one contract                                                                  | 0                  | 0                  | (20)               |
| Review fees & charges and income generation for parks and open spaces                                                               | (15)               | (15)               | (15)               |
| Use library facilities to host other services                                                                                       | (15)               | (30)               | (30)               |
| Environmental Health & Trading Standards Shared service cost reductions                                                             | (15)               | (15)               | (15)               |
| Street lighting - accelerating energy use reduction                                                                                 | (30)               | (30)               | (30)               |
| Public Transport - reduction in subsidy payments                                                                                    | (100)              | (100)              | (100)              |
| Highways Maintenance - general                                                                                                      | (25)               | (25)               | (25)               |
| <b>Finance &amp; Resources</b>                                                                                                      |                    |                    |                    |
| Supply of services to other local authorities                                                                                       | (12)               | (37)               | (37)               |
| Income generation - energy, estates, human resources and registrars                                                                 | (61)               | (103)              | (113)              |
| New contract for corporate cash receipting system                                                                                   | 0                  | (15)               | (15)               |
| Data-matching review process for single person discounts (council tax)                                                              | (130)              | (130)              | (130)              |
| Concessionary travel reduction in line with 13/14 spend                                                                             | (30)               | (30)               | (30)               |
| Shared Service management (e.g. Revenues & Benefits with West Berks)                                                                | 0                  | 0                  | (40)               |
| Information management technology efficiencies                                                                                      | (200)              | (200)              | (600)              |
| Democratic Services - Member Training                                                                                               | (16)               | (16)               | (16)               |
| Staffing efficiencies across service                                                                                                | (215)              | (358)              | (465)              |
| Planned & Reactive Maintenance & Compliance                                                                                         | (30)               | (30)               | (30)               |
| Borough News - Increased advertising                                                                                                | (14)               | (14)               | (14)               |
| Bring Photography for events in-house                                                                                               | (11)               | (11)               | (11)               |
| Complaints Management System                                                                                                        | 0                  | (4)                | (4)                |
| Combine Contact Centre with another local authority                                                                                 | 0                  | (40)               | (40)               |
| Operate Wokingham Information Network signposting service on behalf of the other Berkshire councils                                 | (15)               | (15)               | (15)               |
| Mastering Procurement                                                                                                               | (500)              | (800)              | (1,000)            |
| Budget Management Efficiencies                                                                                                      | (250)              | (500)              | (500)              |
| Debt Charges - Reduction in expected borrowing costs                                                                                | (200)              | (200)              | (200)              |
| Decrease in council tax benefit support grant to parishes                                                                           | (60)               | (110)              | (160)              |

### THREE YEAR BUDGET FORECAST

|                                                                                    | 2014/2015<br>£'000 | 2015/2016<br>£'000 | 2016/2017<br>£'000 |
|------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| <b>Health &amp; Wellbeing</b>                                                      |                    |                    |                    |
| Maximise benefit from leisure contract                                             | (210)              | (210)              | (210)              |
| Income generation across the service, including sports and leisure                 | (28)               | (28)               | (28)               |
| Improving Commissioning of Care Services                                           | (300)              | (750)              | (750)              |
| HRA asset management - management fee                                              | 0                  | 0                  | (50)               |
| HRA asset management - reduce grant support                                        | (170)              | (170)              | (170)              |
| Charging to Housing Revenue Account                                                | (200)              | (200)              | (200)              |
| Integration of commissioning and provision with NHS                                | (200)              | (400)              | (600)              |
| Further extra care housing provision                                               | 0                  | (400)              | (630)              |
| Extension and redevelopment of Twyford Orchards                                    | (16)               | (16)               | (16)               |
| Migrating functions to public health                                               | (400)              | (750)              | (750)              |
| Optalis contract efficiency gain                                                   | (120)              | (120)              | (120)              |
| Review charging policies - e.g. full cost recovery for those who can afford to pay | (60)               | (120)              | (187)              |
| Recalibrating Resource Allocation System                                           | (100)              | (200)              | (200)              |
| Personalisation in Adult Social Care                                               | (50)               | (100)              | (100)              |
| Emergency Bed & Breakfast Accommodation                                            | 0                  | (40)               | (40)               |
| Temporary Accommodation Provision                                                  | 0                  | (50)               | (50)               |
| Community Engagement - more efficient approach                                     | 0                  | (200)              | (200)              |
| Continuing health care savings                                                     | (200)              | (200)              | (200)              |
| <b>Council Wide</b>                                                                |                    |                    |                    |
| Efficiencies in Adult/Children's services co-working (Peoples hub)                 | 0                  | (150)              | (150)              |
| Efficiencies re new customer management system                                     | 0                  | (200)              | (400)              |
| Assets - rationalisation and centralisation of expenditure                         | (377)              | (517)              | (517)              |
| Senior Management Re-Structure                                                     | (1,000)            | (1,000)            | (1,000)            |
| <b>Total Savings</b>                                                               | <b>(5,934)</b>     | <b>(9,643)</b>     | <b>(11,316)</b>    |
| <b>Special Items</b>                                                               |                    |                    |                    |
| <b>Environment</b>                                                                 |                    |                    |                    |
| Neighbourhood Planning Officer - extension of fixed term contract                  | 50                 | 0                  | 0                  |
| Loss of planning income due to economic downturn                                   | 100                | 0                  | 0                  |
| Capacity to deliver SDL's following the cessation of HCA funding                   | 0                  | 350                | 350                |
| <b>Finance &amp; Resources</b>                                                     |                    |                    |                    |
| Estimate of future years Special Items                                             | 0                  | 500                | 500                |
| Wokingham Town centre regeneration - upfront funding                               | 1,671              | 1,126              | 300                |
| <b>Health &amp; Wellbeing</b>                                                      |                    |                    |                    |
| Dilnot Preparation - assessments                                                   | 0                  | 500                | 0                  |
| <b>Council Wide</b>                                                                |                    |                    |                    |
| Council Restructure                                                                | 250                | 0                  | 0                  |
| To generate full year effect of part year savings                                  | 400                | 0                  | 0                  |
| Investment in Companies                                                            | 100                | 0                  | 0                  |
| <b>Total Special Items</b>                                                         | <b>2,571</b>       | <b>2,476</b>       | <b>1,150</b>       |

## BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2014/15 - TO INFORM THE LEVEL OF GENERAL FUND BALANCE

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

| Description                                                                                                                                  | Best Case    | Most Likely as per Budget | Worst Case   | Relative Risk |              |            |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------|--------------|---------------|--------------|------------|
|                                                                                                                                              | £'000        | £'000                     | £'000        | Low £'000     | Medium £'000 | High £'000 |
| <b>Children's Services</b>                                                                                                                   |              |                           |              |               |              |            |
| Additional Residential placements (between £70k and £300k per client depending on needs)                                                     | 1,996        | 1,996                     | 2,549        | 127           | 300          | 127        |
| Additional Independent Foster agency placement (average £47k per client)                                                                     | 985          | 1,075                     | 1,263        | 47            | 47           | 94         |
| Additional Mainstream home to school transport packages                                                                                      | 1,142        | 1,142                     | 1,227        | 10            | 35           | 40         |
| Additional Special Educational Needs transport packages                                                                                      | 1,542        | 1,542                     | 1,767        | 20            | 65           | 140        |
| Failure to recruit to essential Social Worker posts with permanent staff resulting in high cost agency cover                                 | 0            | 0                         | 220          | 10            | 40           | 170        |
| Youth Offending Service Secure Remand (average £45k per client)                                                                              | 0            | 23                        | 50           | 27            | 0            | 0          |
| Adoption Inter-Agency Agreements - increased number of children being placed                                                                 |              |                           | 0            |               |              |            |
| Permanence Allowances - increased demand/ eligibility for payments of allowances due to changes in benefit system                            | 384          | 384                       | 434          | 20            | 10           | 20         |
| Foster Placement Allowance Scheme - increased placements and costs, including cost of therapeutic packages                                   | 731          | 731                       | 781          | 20            | 10           | 20         |
| Joint Legal Team - increased costs of Joint Arrangement                                                                                      | 368          | 368                       | 385          | 5             | 7            | 5          |
| Traded Services income target                                                                                                                | (290)        | (260)                     | (210)        | 30            | 15           | 5          |
| Implementation of Children's & Families Bill; changes to provision for children & young people with Special Educational Needs & Disabilities | 96           | 96                        | 496          | 200           | 100          | 100        |
| Early Intervention Commissioning Contract risk of Contract                                                                                   | 530          | 530                       | 580          | 50            | 0            | 0          |
| Increase Court of Appeals proceedings & fines                                                                                                | 98           | 98                        | 138          | 10            | 10           | 20         |
| Saving targets not being achieved                                                                                                            | 0            | 0                         | 180          | 30            | 75           | 75         |
| Children in Care remaining with Foster Carers till 21                                                                                        | 0            | 0                         | 20           | 0             | 0            | 20         |
| Income generated from Analytical service provided across Thames valley for Community Safety                                                  | (20)         | (40)                      | 0            | 0             | 20           | 20         |
| <b>TOTAL Children's Services</b>                                                                                                             | <b>7,562</b> | <b>7,685</b>              | <b>9,880</b> | <b>606</b>    | <b>734</b>   | <b>856</b> |
| <b>Environment</b>                                                                                                                           |              |                           |              |               |              |            |
| Street lighting energy cost increase                                                                                                         | 660          | 667                       | 675          | 8             | 0            | 0          |
| Street lighting maintenance - aging assets (repair and maintenance)                                                                          | 510          | 510                       | 536          | 16            | 10           | 0          |
| Potential loss of income due to fuel price increase, bad weather, economic downturn                                                          | (240)        | (240)                     | (165)        | 10            | 35           | 30         |
| Emergency tree works in parks due to bad weather                                                                                             | 0            | 0                         | 10           | 0             | 10           | 0          |
| Additional works due to unforeseen weather changes i.e. wet warm weather based on previous expenditure                                       | 0            | 0                         | 10           | 10            | 0            | 0          |
| Libraries operational building failure                                                                                                       | 0            | 0                         | 35           | 15            | 20           | 0          |
| New Roads and Street Works Act - Decrease in recovered income due to less road works                                                         | (251)        | (251)                     | (246)        | 0             | 5            | 0          |
| Loss of green waste income due to not maintaining participation levels                                                                       | (645)        | (645)                     | (600)        | 45            | 0            | 0          |
| Loss of income from fishing season tickets (fish disease in fisheries)                                                                       | (70)         | (70)                      | 0            | 70            | 0            | 0          |
| Loss of income due to excessive weed algal growth prohibiting use of the Multi Activity Centre                                               | (138)        | (138)                     | (38)         | 0             | 100          | 0          |
| Reduction in income from Hurst Golf Course through course closure due to machinery failure or poor weather conditions                        | (125)        | (122)                     | (60)         | 0             | 62           | 0          |
| Loss of car parking income in country parks due to poor weather or customer resistance                                                       | (182)        | (182)                     | (130)        | 0             | 26           | 26         |
| Failure on an embankment on highway                                                                                                          | 0            | 0                         | 500          | 250           | 250          | 0          |
| Emergency maintenance (road traffic accidents; water bursts, etc.)                                                                           | 60           | 60                        | 80           | 20            | 0            | 0          |
| Highways (Roads and Footways) urgent repairs following flooding and freezing                                                                 | 1,229        | 1,229                     | 1,329        | 20            | 50           | 30         |
| Winter maintenance (bad weather)                                                                                                             | 155          | 155                       | 300          | 0             | 145          | 0          |
| Unachievable income from Park and Ride operations                                                                                            | (80)         | (80)                      | 0            | 0             | 80           | 0          |
| Third party income (accident damage without ability to recover the costs)                                                                    | (35)         | (31)                      | (21)         | 5             | 5            | 0          |
| S106 Monitoring Fees - under achievement of predicted income                                                                                 | (70)         | (101)                     | (50)         | 0             | 11           | 40         |
| Planning Applications - under achievement of predicted fee income                                                                            | (600)        | (775)                     | (500)        | 50            | 75           | 150        |
| Pre Applications fees - under achievement of predicted fee income                                                                            | (90)         | (110)                     | (60)         | 0             | 20           | 30         |
| Judicial Review - potential legal challenge to Policy documents and Appeal decisions                                                         | 0            | 0                         | 50           | 20            | 30           | 0          |
| <b>TOTAL Environment</b>                                                                                                                     | <b>88</b>    | <b>(124)</b>              | <b>1,655</b> | <b>539</b>    | <b>934</b>   | <b>306</b> |

## BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2014/15 - TO INFORM THE LEVEL OF GENERAL FUND BALANCE

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

| Description                                                                                                 | Best Case      | Most Likely as per Budget | Worst Case    | Relative Risk |              |              |
|-------------------------------------------------------------------------------------------------------------|----------------|---------------------------|---------------|---------------|--------------|--------------|
|                                                                                                             | £'000          | £'000                     | £'000         | Low £'000     | Medium £'000 | High £'000   |
| <b>Finance &amp; Resources</b>                                                                              |                |                           |               |               |              |              |
| Failure to realise income from property portfolio due to market conditions                                  | (2,130)        | (2,130)                   | (2,055)       | 15            | 15           | 45           |
| Increasing changes to statutory legislation regarding health and safety, fire, asbestos, Legionella and gas | 0              | 0                         | 50            | 25            | 25           | 0            |
| Interest on Balances - reduction of interest                                                                | (979)          | (920)                     | (766)         | 75            | 79           | 0            |
| Major emergency within the community e.g. weather event/pandemic flu or major incident                      | 0              | 0                         | 2,000         | 1,000         | 500          | 500          |
| <b>TOTAL Finance &amp; Resources</b>                                                                        | <b>(3,109)</b> | <b>(3,050)</b>            | <b>(771)</b>  | <b>1,115</b>  | <b>619</b>   | <b>545</b>   |
| <b>Health &amp; Wellbeing</b>                                                                               |                |                           |               |               |              |              |
| Learning Disability - unknown high cost placements                                                          | 333            | 393                       | 873           | 130           | 150          | 200          |
| Mental Health - unknown high cost placements                                                                | 220            | 247                       | 532           | 135           | 100          | 50           |
| Physical Disability - unknown high cost placements                                                          | 115            | 145                       | 220           | 25            | 25           | 25           |
| Older People - increases above expected levels                                                              | 603            | 707                       | 1,372         | 115           | 200          | 350          |
| Reduction in income                                                                                         | 855            | 1,075                     | 1,725         | 150           | 200          | 300          |
| Transfers of ordinary residence                                                                             | 0              | 0                         | 600           | 300           | 200          | 100          |
| Risk of Litigation against assessment outcomes                                                              | 0              | 0                         | 100           | 50            | 25           | 25           |
| Inflationary % increases in providers rates                                                                 | 0              | 0                         | 350           | 50            | 100          | 200          |
| FNC reclaim from providers not being paid directly                                                          | 0              | 0                         | 75            | 40            | 25           | 10           |
| Implications fo void beds                                                                                   | (240)          | (240)                     | (80)          | 80            | 40           | 40           |
| Saving targets not being achieved                                                                           | 0              | 0                         | 350           | 200           | 100          | 50           |
| Aging leisure centre buildings, additional maintenance may be required                                      | 73             | 73                        | 108           | 0             | 15           | 20           |
| Leisure Trust - in the event of change of current legislation                                               | (600)          | (600)                     | 0             | 0             | 600          | 0            |
| <b>TOTAL Health &amp; Wellbeing</b>                                                                         | <b>1,359</b>   | <b>1,800</b>              | <b>6,225</b>  | <b>1,275</b>  | <b>1,780</b> | <b>1,370</b> |
| <b>Non-Specific</b>                                                                                         |                |                           |               |               |              |              |
| Failure to provide adequate pupil placements resulting in alternative provision including Local Government  | 0              | 0                         | 1,400         | 500           | 500          | 400          |
| Ombudsman compensation charge; risk based on up to 90 pupils not being placed                               | 0              | 0                         | 500           | 200           | 200          | 100          |
| Uninsured / Major Event up to Bellwin threshold                                                             | 0              | 0                         | 500           | 700           | 700          | 500          |
| <b>TOTAL Non-Specific</b>                                                                                   | <b>0</b>       | <b>0</b>                  | <b>1,900</b>  | <b>700</b>    | <b>700</b>   | <b>500</b>   |
| <b>Total Variable - General Fund</b>                                                                        | <b>5,900</b>   | <b>6,311</b>              | <b>18,889</b> | <b>4,235</b>  | <b>4,767</b> | <b>3,577</b> |

# GENERAL FUND RESERVES – POLICY STATEMENT

## 1 Definition / Purpose

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

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

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

|                                 | £m    |
|---------------------------------|-------|
| Balance as at 31 March 2013     | £9.9m |
| Estimated Balance 31 March 2014 | £8.9m |
| Estimated Balance 31 March 2015 | £8.9m |
| Estimated Balance 31 March 2016 | £8.9m |
| Estimated Balance 31 March 2017 | £8.9m |

## 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 currently equates to approximately £5.6m.

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 2014/15 indicates that balances of at least £8m are required to provide for budget risks identified as high and medium. The recommended level of balances (below) is based on this.

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

## 3 Budget Risk Analysis

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

- £5.6m – absolute minimum (5% net budget)
- £8m to £9m – ideal level (High/Medium risks)
- £11.4m – upper limit (High/Medium/Low risks)



## SUBJECTIVE ANALYSIS - 2014/15

### 2013/14 Budget

£'000

|               |
|---------------|
| 16,128        |
| 37,753        |
| 2,034         |
| 20,127        |
| <b>76,042</b> |

|                |
|----------------|
| 104,390        |
| 0              |
| 232            |
| <b>104,622</b> |

|               |
|---------------|
| 14,603        |
| 12            |
| 230           |
| <b>14,845</b> |

|                |
|----------------|
| <b>195,509</b> |
|----------------|

|                |
|----------------|
| 7,409          |
| 36,423         |
| 43,189         |
| 33,873         |
| 82,902         |
| <b>203,796</b> |

|                |
|----------------|
| 13,582         |
| 91,040         |
| 0              |
| <b>104,622</b> |

|               |
|---------------|
| 14,845        |
| 0             |
| <b>14,845</b> |

|                |
|----------------|
| <b>323,263</b> |
|----------------|

|               |
|---------------|
| 15,131        |
| 1,778         |
| <b>16,909</b> |

|                |
|----------------|
| <b>306,354</b> |
|----------------|

|                |
|----------------|
| <b>110,845</b> |
|----------------|

### Income

#### **General Fund**

|                  |
|------------------|
| Fees and Charges |
| Specific Grants  |
| Other Income     |
| Internal Income  |

#### **Dedicated Schools Grant**

|                             |
|-----------------------------|
| Specific Grants             |
| Other Income                |
| Plus movement from reserves |

#### **Housing Revenue Account**

|                             |
|-----------------------------|
| Fees and Charges            |
| Other Income                |
| Plus movement from reserves |

### **Total Income**

### Expenditure

#### **General Fund**

|                     |
|---------------------|
| Chief Executive     |
| Children's Services |
| Environment         |
| Finance & Resources |
| Health & Wellbeing  |
| Total               |

#### **Dedicated Schools Grant**

|                           |
|---------------------------|
| Central Schools Block     |
| Individual Schools Block  |
| Less: surplus to Reserves |

#### **Housing Revenue Account**

|                           |
|---------------------------|
| Less: surplus to Reserves |
|---------------------------|

### **Sub Total Expenditure**

|                     |
|---------------------|
| Less: depreciation  |
| Less: special items |

### **Total Expenditure**

### **Net Expenditure**

### 2014/15 Budget

£'000

|               |
|---------------|
| 16,640        |
| 38,973        |
| 1,839         |
| 20,277        |
| <b>77,728</b> |

|                |
|----------------|
| 101,620        |
| 373            |
| 843            |
| <b>102,836</b> |

|               |
|---------------|
| 15,282        |
| 9             |
| 0             |
| <b>15,291</b> |

|                |
|----------------|
| <b>195,855</b> |
|----------------|

|                |
|----------------|
| 7,104          |
| 35,947         |
| 43,294         |
| 36,455         |
| 83,945         |
| <b>206,745</b> |

|                |
|----------------|
| 13,832         |
| 89,004         |
| 0              |
| <b>102,836</b> |

|               |
|---------------|
| 15,291        |
| 0             |
| <b>15,291</b> |

|                |
|----------------|
| <b>324,872</b> |
|----------------|

|               |
|---------------|
| 15,560        |
| 2,571         |
| <b>18,131</b> |

|                |
|----------------|
| <b>306,741</b> |
|----------------|

|                |
|----------------|
| <b>110,886</b> |
|----------------|

## HOUSING REVENUE ACCOUNT BUDGET 2014/15

|                                   |        | 2013/14<br>Budget<br>£'000 | 2014/15<br>Budget<br>£'000 | 2015/16<br>Budget<br>£'000 | 2016/17<br>Budget<br>£'000 |
|-----------------------------------|--------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>INCOME</b>                     |        |                            |                            |                            |                            |
| <b>Rents</b>                      |        |                            |                            |                            |                            |
| Dwelling Rents                    | Note 1 | (13,933)                   | (14,544)                   | (14,994)                   | (15,476)                   |
| Garage Rents                      |        | (190)                      | (199)                      | (204)                      | (209)                      |
| Commercial Rents                  |        | (8)                        | (5)                        | (5)                        | (6)                        |
| <b>Total Rents</b>                |        | <b>(14,131)</b>            | <b>(14,748)</b>            | <b>(15,203)</b>            | <b>(15,691)</b>            |
| <b>Fees &amp; Charges</b>         |        |                            |                            |                            |                            |
| Service Charges                   | Note 2 | (411)                      | (378)                      | (388)                      | (388)                      |
| Leasehold Charges                 | Note 3 | (85)                       | (44)                       | (45)                       | (46)                       |
| Sheltered Fees & Charges          | Note 4 | (330)                      | (80)                       | (82)                       | (84)                       |
| Interest on balances              |        | (12)                       | (9)                        | (28)                       | (34)                       |
| <b>Total Income</b>               |        | <b>(14,969)</b>            | <b>(15,259)</b>            | <b>(15,746)</b>            | <b>(16,243)</b>            |
| <b>EXPENDITURE</b>                |        |                            |                            |                            |                            |
| Housing Repairs                   |        | 2,503                      | 2,735                      | 2,803                      | 2,873                      |
| General Management                |        | 2,328                      | 2,480                      | 2,542                      | 2,606                      |
| Sheltered Accommodation           |        | 730                        | 655                        | 671                        | 688                        |
| Other Special Expenses            |        | 184                        | 197                        | 202                        | 207                        |
| Depreciation                      |        | 1,999                      | 3,098                      | 3,148                      | 3,199                      |
| Revenue Contribution to Capital   |        | 2,104                      | 639                        | 2,398                      | 618                        |
| Capital Finance Interest Charge   |        | 2,821                      | 2,888                      | 2,889                      | 2,890                      |
| HRA Principal Repayments          | Note 5 | 2,076                      | 0                          | 864                        | 2,612                      |
| Transfer to Bad Debts Provision   |        | 454                        | 514                        | 529                        | 624                        |
| Transfer to redevelopment reserve | Note 6 | 0                          | 2,053                      | 0                          | 0                          |
| <b>Total Expenditure</b>          |        | <b>15,199</b>              | <b>15,259</b>              | <b>16,046</b>              | <b>16,317</b>              |
| <b>Net Expenditure / (Income)</b> |        | <b>230</b>                 | <b>0</b>                   | <b>300</b>                 | <b>74</b>                  |
| <b>REVENUE ACCOUNT</b>            |        |                            |                            |                            |                            |
| Balance at Beginning of Year      |        | (1,626)                    | (1,396)                    | (1,396)                    | (1,096)                    |
| Transfer to earmarked reserve     |        | 0                          | 0                          | 0                          | 0                          |
| Forecast outturn for year         |        | 230                        | 0                          | 300                        | 74                         |
| <b>Balances at End of Year</b>    |        | <b>(1,396)</b>             | <b>(1,396)</b>             | <b>(1,096)</b>             | <b>(1,022)</b>             |

Note 1. The average rental increase in 2014/15 is 4.8%, in line with statutory guidelines

Note 2. Service charges adjusted to reflect estimated spend

Note 3. Adjustment to Leasehold relating to service charges around sales

Note 4. Removal of Supporting People funding for welfare charges along with charge for those who self-fund

Note 5. Based on the maturity of the loans taken up to fund HRA Self Financing

Note 6. Headroom (surplus) used to build up redevelopment reserve in 2014/15, or for early loan repayment

## BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2014/15 - TO INFORM THE LEVEL OF THE HOUSING REVENUE ACCOUNT RESERVES

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

| Description                                                                                                                                                                                                                  | Key Variable       |                                    |                     | Worst Case Relative Risk |                 |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------|---------------------|--------------------------|-----------------|---------------|
|                                                                                                                                                                                                                              | Best Case<br>£'000 | Most Likely as per Budget<br>£'000 | Worst Case<br>£'000 | Low<br>£'000             | Medium<br>£'000 | High<br>£'000 |
| <b>Health &amp; Wellbeing (Housing Revenue Account)</b>                                                                                                                                                                      |                    |                                    |                     |                          |                 |               |
| Failure of major equipment e.g. Lifts, boilers etc                                                                                                                                                                           | 0                  | 0                                  | 200                 | 100                      | 100             | 0             |
| Climate/ Natural disasters - impacts on properties - cold weather issues                                                                                                                                                     | 0                  | 0                                  | 300                 | 150                      | 150             | 0             |
| Major contract supplier becoming insolvent                                                                                                                                                                                   | 0                  | 0                                  | 100                 | 50                       | 50              | 0             |
| Bad Debt Provision Increase due to Welfare Reform, Increase in rent arrears as a result of the introduction of Universal Credit and other changes to the welfare system                                                      | 65                 | 513                                | 660                 | 80                       | 67              | 0             |
| Inability to meet customer demands as a result of Localism Act, many customers may want to mutually exchange or transfer as a result of welfare changes, this could also lead to higher number of voids and associated costs | 0                  | 220                                | 367                 | 80                       | 50              | 17            |
| <b>TOTAL HOUSING REVENUE ACCOUNT</b>                                                                                                                                                                                         | <b>65</b>          | <b>733</b>                         | <b>1,627</b>        | <b>460</b>               | <b>417</b>      | <b>17</b>     |

# HOUSING REVENUE ACCOUNT RESERVES - POLICY STATEMENT

## 1 Definition / Purpose

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

The balance serves two additional purposes:-

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

|                                   | £'000 |
|-----------------------------------|-------|
| Balance as at 31st March 2013     | 1,626 |
| Estimated Balance 31st March 2014 | 1,396 |
| Estimated Balance 31st March 2015 | 1,396 |
| Estimated Balance 31st March 2016 | 1,096 |
| Estimated Balance 31st March 2017 | 1,022 |

This excludes 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.

Guidance from the Audit Commission is that 5% of gross expenditure is recommended as a minimum to hold in reserve which currently indicates a minimum level of £0.763m.

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.

## 3 Budget Risk Analysis

£763k - minimum (5% of gross expenditure)

£895k - Covers high/medium/low risks based on risk assessments

## SCHOOLS BLOCK BUDGET - presented to Schools Forum 15th January 2014

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.

|                                                                                               | 2013/14<br>Budget<br>£'000 | 2014/15<br>Budget<br>£'000 | 2015/16<br>Budget<br>£'000 | 2016/17<br>Budget<br>£'000 |
|-----------------------------------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>INCOME</b>                                                                                 |                            |                            |                            |                            |
| Dedicated Schools Grant ( <b>Note 1</b> )                                                     | (96,303)                   | (92,520)                   | (92,915)                   | (92,939)                   |
| Education Funding Agency specific grant ( <b>Note 2</b> )                                     | (6,226)                    | (7,100)                    | (6,000)                    | (5,500)                    |
| Pupil Premium                                                                                 | (1,748)                    | (2,000)                    | (2,500)                    | (3,000)                    |
| <b>Total Income</b>                                                                           | <b>(104,277)</b>           | <b>(101,620)</b>           | <b>(101,415)</b>           | <b>(101,439)</b>           |
| <b>EXPENDITURE</b>                                                                            |                            |                            |                            |                            |
| Individual Schools Budget (ISB) ( <b>Notes 4 &amp; 6</b> )                                    | 82,915                     | 80,116                     | 79,016                     | 78,516                     |
| Expenditure for Education of Children under 5s in Private, voluntary/<br>independent settings | 6,561                      | 6,585                      | 6,980                      | 7,399                      |
| Pupil Premium allocated to schools                                                            | 1,715                      | 2,000                      | 2,500                      | 3,000                      |
| School-specific contingencies                                                                 | 608                        | 192                        | 192                        | 192                        |
| Contingency for Growth ( <b>Note 3</b> )                                                      | 599                        | 600                        | 600                        | 600                        |
| Early Years Contingency                                                                       | 275                        | 229                        | 229                        | 229                        |
| Provision for pupils with SEN (including assigned resources) ( <b>Note 4</b> )                | 1,722                      | 2,518                      | 2,314                      | 2,000                      |
| Provision for pupils with SEN, provision not included above                                   | 114                        | 123                        | 123                        | 123                        |
| Support for Inclusion                                                                         | 961                        | 611                        | 425                        | 425                        |
| Fees for pupils at independent special schools & abroad ( <b>Note 5</b> )                     | 5,384                      | 6,144                      | 5,964                      | 5,784                      |
| Special Educational Needs Transport                                                           | 230                        | 230                        | 230                        | 230                        |
| Pupil Referral Units                                                                          | 602                        | 484                        | 484                        | 484                        |
| Behaviour Support Services                                                                    | 487                        | 321                        | 321                        | 321                        |
| Education out of school                                                                       | 618                        | 636                        | 636                        | 636                        |
| Support to under-performing ethnic minority groups and bilingual learners                     | 127                        | 146                        | 146                        | 146                        |
| Insurance                                                                                     | 578                        | 558                        | 558                        | 558                        |
| School admissions                                                                             | 285                        | 281                        | 281                        | 281                        |
| Licences/subscriptions                                                                        | 237                        | 224                        | 224                        | 224                        |
| Miscellaneous                                                                                 | 92                         | 92                         | 92                         | 92                         |
| Servicing of schools forums                                                                   | 4                          | 4                          | 4                          | 4                          |
| Staff costs - supply cover (not sickness)                                                     | 395                        | 369                        | 369                        | 369                        |
| <b>Total Expenditure</b>                                                                      | <b>104,509</b>             | <b>102,463</b>             | <b>101,688</b>             | <b>101,613</b>             |
| <b>NET EXPENDITURE / (INCOME)</b>                                                             | <b>232</b>                 | <b>843</b>                 | <b>273</b>                 | <b>174</b>                 |
| Balance Brought Forward ( <b>Note 6</b> )                                                     | (1,348)                    | (1,200)                    | (357)                      | (84)                       |
| Budgeted Net Expenditure / (Income)                                                           | 232                        | 843                        | 273                        | 174                        |
| Forecast in-year over / (under) spend                                                         | 0                          | 0                          | 0                          | 0                          |
| <b>Balance Carried Forward</b>                                                                | <b>(1,116)</b>             | <b>(357)</b>               | <b>(84)</b>                | <b>90</b>                  |

**Note 1. Reduced Budget** is due to the removal of funding that is now paid directly to Academies rather than via the Authority

**Note 2. Previously funded by the Young Peoples Learning Agency (YPLA)**

**Note 3. A newly introduced line under the 2012 Funding Reforms. A specific line has been introduced to fund growth in school places**

**Note 4. Increase in funds shows the transfer to the new High Needs Block from the ISB of Individually Assigned Resources and transitional protection for re-alignment of SEN provision**

**Note 5. Shows anticipated growth due to specialist care & demographic changes being required outside the borough**

**Note 6. Any surplus or deficit balance at the end of each financial year can be carried forward into the following year**

## CAPITAL PROGRAMME 2014/17 and Prudential Indicators

### 1 Process

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

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

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

### 2 Capital Programme

An overview of the proposed programme over the next 3 years is shown below. It includes an estimated brought forward for the 2013-14 Capital Programme (as at December 2013). The detail of the Capital Programme allocation across categories and departments is contained in the schedules further on in this section of the Medium Term Financial Plan (MTFP).

|                                      | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
|--------------------------------------|------------------|------------------|------------------|
| <b>Service</b>                       |                  |                  |                  |
| Children's Services                  | 13,121           | 15,660           | 10,237           |
| Environment                          | 27,297           | 54,108           | 33,682           |
| Health & Wellbeing Including housing | 10,444           | 22,880           | 11,824           |
| Finance & Resources                  | 2,043            | 9,300            | 5,550            |
| <b>Total new bids</b>                | <b>52,905</b>    | <b>101,948</b>   | <b>61,293</b>    |
|                                      | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
| <b>Estimated b/fwd 2013/14</b>       |                  |                  |                  |
| Children's Services                  | 7,513            | 0                | 0                |
| Environment                          | 13,181           | 0                | 0                |
| Health & Wellbeing Including housing | 6,255            | 0                | 0                |
| Finance & Resources                  | 517              | 0                | 0                |
| <b>Total estimated b/fwds</b>        | <b>27,466</b>    | <b>0</b>         | <b>0</b>         |
| <b>Total Programme</b>               | <b>80,371</b>    | <b>101,948</b>   | <b>61,293</b>    |

### 3 Capital Funding

The anticipated funding for the Capital Programme over the next 3 years is detailed in the 'Estimated Capital Resource Statement'.

The proposed capital budget for 2014/15 is £80.4m. It is proposed that this be funded by a combination of grants (£32.4m), Developer's contributions (£5.7m), capital receipts from sale of assets and reserves (£8.3m), revenue contributions (£1.8m), loans (£25.0m), HRA (£7.1m) and (0.1m) other.

## 4 Capital Vision

### Capital Strategy

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

To finance the capital strategy a funding approach has been developed involving asset disposals, the flexible use of future Section 106 contributions and the leveraging in of external funding where possible. Inevitably a funding gap exists which will be bridged through a combination of maximising resources, prioritising and modifying schemes.

## 5 Prudential Indicators

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

### The Prudential Indicators and limits for 2013/14 to 2016/17 are set as:

|                                                                              |       | 2013/14<br>Revised | 2014/15<br>Estimated | 2015/16<br>Estimated | 2016/17<br>Estimated |
|------------------------------------------------------------------------------|-------|--------------------|----------------------|----------------------|----------------------|
| Capital expenditure                                                          | £'000 | 54,084             | 80,371               | 101,948              | 61,293               |
| Capital financing requirement                                                | £'000 | 192,759            | 214,353              | 253,040              | 249,800              |
| Authorised limit for external debt                                           | £'000 | 223,000            | 222,000              | 230,000              | 240,000              |
| Operational boundary for external debt                                       | £'000 | 212,000            | 212,000              | 212,000              | 230,000              |
| Ratio of financing costs to net revenue stream – Non HRA                     |       | 3.50%              | 3.59%                | 4.72%                | 4.74%                |
| Ratio of financing costs to net revenue stream – HRA                         |       | 18.20%             | 18.99%               | 18.71%               | 18.14%               |
| Incremental impact of capital investment decisions on the Band D Council Tax |       | £29                | £33                  | £43                  | £42                  |

**The Treasury Management Prudential Indicators are set as:**

| <b>Interest Rate Exposures</b>                      | <b>2013/14<br/>Budget<br/>£'000</b> | <b>2014/15<br/>Budget<br/>£'000</b> | <b>2015/16<br/>Budget<br/>£'000</b> | <b>2016/17<br/>Budget<br/>£'000</b> |
|-----------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Limits on fixed interest rates based on net debt    | 110,000                             | 120,000                             | 120,000                             | 120,000                             |
| Limits on variable interest rates based on net debt | 0                                   | 0                                   | 0                                   | 0                                   |
| <b>Total</b>                                        | <b>110,000</b>                      | <b>120,000</b>                      | <b>120,000</b>                      | <b>120,000</b>                      |
| Limits on fixed interest rates:                     |                                     |                                     |                                     |                                     |
| · Debt only                                         | 180,000                             | 202,000                             | 202,000                             | 210,000                             |
| · Investments only                                  | (80,000)                            | (80,000)                            | (80,000)                            | (80,000)                            |
| Limits on variable interest rates                   |                                     |                                     |                                     |                                     |
| · Debt only                                         | 40,000                              | 40,000                              | 40,000                              | 40,000                              |
| · Investments only                                  | (40,000)                            | (40,000)                            | (40,000)                            | (40,000)                            |

**Maturity Structure of Fixed Interest Rate Borrowing**

| <b>Maturity structure of fixed interest rate borrowing 2013/14 as at 31-03-2014</b> |       |
|-------------------------------------------------------------------------------------|-------|
| Under 12 months                                                                     | 6.7%  |
| 12 months to 2 years                                                                | 0.0%  |
| 2 years to 5 years                                                                  | 10.0% |
| 5 years to 10 years                                                                 | 16.7% |
| 10 years and above                                                                  | 66.7% |



## CAPITAL SERVICE BUDGETS

|                                                                                                                                                                                               | Statutory Capital Programme |                  |                  | Service Development Capital Programme |                  |                  | Total            |                  |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------|------------------|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                                                                                                                                               | 2014/15<br>£'000            | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000                      | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
| <b>Children's Services</b>                                                                                                                                                                    |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| <b>Schools access</b><br>To improve school facilities to enable full integration of pupils and adults with disabilities                                                                       | 50                          | 50               | 50               | 0                                     | 0                | 0                | 50               | 50               | 50               |
| <b>Basic needs primary programme</b><br>Extension/new build projects to provide additional places throughout the Borough                                                                      | 5,926                       | 4,078            | 1,500            | 0                                     | 0                | 0                | 5,926            | 4,078            | 1,500            |
| <b>New secondary school in the south west</b><br>A new secondary school in the south-west to meet the demand due to SDL and other developments                                                | 0                           | 5,000            | 6,000            | 0                                     | 0                | 0                | 0                | 5,000            | 6,000            |
| <b>Schools urgent maintenance</b><br>Urgent capital planned improvements and suitability issues                                                                                               | 658                         | 1,000            | 1,000            | 0                                     | 0                | 0                | 658              | 1,000            | 1,000            |
| <b>School kitchens</b><br>To improve various school meals kitchens throughout the Borough including implementation of the universal free school meal programme                                | 601                         | 153              | 153              | 0                                     | 0                | 0                | 601              | 153              | 153              |
| <b>Enhancing provision for children &amp; young people with disabilities</b><br>Adaptations to properties to enable disabled children to be cared for in their home/respite care environment. | 1,140                       | 2,420            | 75               | 0                                     | 0                | 0                | 1,140            | 2,420            | 75               |
| <b>Investment in special education needs provision</b><br>Capital investment required to reconfigured Primary and Secondary special education needs provision                                 | 2,312                       | 500              | 0                | 0                                     | 0                | 0                | 2,312            | 500              | 0                |
| <b>ICT equipment for children in care</b><br>To purchase/replace equipment that is provided to Children in Care in line with our Children in Care pledge.                                     | 0                           | 0                | 0                | 0                                     | 25               | 25               | 0                | 25               | 25               |
| <b>Investment in secondary schools</b><br>To improve standards of learning in the Secondary provision                                                                                         | 0                           | 0                | 0                | 2,000                                 | 2,000            | 1,000            | 2,000            | 2,000            | 1,000            |
| <b>Schools devolved</b><br>Specific Government Grant to carry out capital works, controlled by schools                                                                                        | 434                         | 434              | 434              | 0                                     | 0                | 0                | 434              | 434              | 434              |
| <b>Total</b>                                                                                                                                                                                  | <b>11,121</b>               | <b>13,635</b>    | <b>9,212</b>     | <b>2,000</b>                          | <b>2,025</b>     | <b>1,025</b>     | <b>13,121</b>    | <b>15,660</b>    | <b>10,237</b>    |
| <b>Children's Services Estimated brought forward from 2013/14</b>                                                                                                                             |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Schools access                                                                                                                                                                                | 6                           | 0                | 0                | 0                                     | 0                | 0                | 6                | 0                | 0                |
| Basic needs primary programme                                                                                                                                                                 | 1,160                       | 0                | 0                | 0                                     | 0                | 0                | 1,160            | 0                | 0                |
| Schools urgent maintenance                                                                                                                                                                    | 590                         | 0                | 0                | 0                                     | 0                | 0                | 590              | 0                | 0                |
| School kitchens                                                                                                                                                                               | 85                          | 0                | 0                | 0                                     | 0                | 0                | 85               | 0                | 0                |
| Enhancing provision for children & young people with disabilities                                                                                                                             | 40                          | 0                | 0                | 0                                     | 0                | 0                | 40               | 0                | 0                |
| Investment in special education needs provision                                                                                                                                               | 93                          | 0                | 0                | 0                                     | 0                | 0                | 93               | 0                | 0                |
| Investment in secondary schools                                                                                                                                                               | 0                           | 0                | 0                | 4                                     | 0                | 0                | 4                | 0                | 0                |
| Schools devolved                                                                                                                                                                              | 1,863                       | 0                | 0                | 0                                     | 0                | 0                | 1,863            | 0                | 0                |
| Completion of the small Children Services projects from 2013/14 programme                                                                                                                     | 94                          | 0                | 0                | 0                                     | 0                | 0                | 94               | 0                | 0                |
| Bulmershe School improvement scheme                                                                                                                                                           | 0                           | 0                | 0                | 3,563                                 | 0                | 0                | 3,563            | 0                | 0                |
| School funded projects                                                                                                                                                                        | 15                          | 0                | 0                | 0                                     | 0                | 0                | 15               | 0                | 0                |
| <b>Total</b>                                                                                                                                                                                  | <b>3,946</b>                | <b>0</b>         | <b>0</b>         | <b>3,567</b>                          | <b>0</b>         | <b>0</b>         | <b>7,513</b>     | <b>0</b>         | <b>0</b>         |
| <b>Total Children's Services</b>                                                                                                                                                              | <b>15,067</b>               | <b>13,635</b>    | <b>9,212</b>     | <b>5,567</b>                          | <b>2,025</b>     | <b>1,025</b>     | <b>20,634</b>    | <b>15,660</b>    | <b>10,237</b>    |

## CAPITAL SERVICE BUDGETS

|                                                                                                                                                                                                                   | Statutory Capital Programme |                  |                  | Service Development Capital Programme |                  |                  | Total            |                  |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------|------------------|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                                                                                                                                                                   | 2014/15<br>£'000            | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000                      | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
| <b>Environment</b>                                                                                                                                                                                                |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| <b>Bulmershe swimming pool/leisure centre</b><br>New Build of leisure facilities in the Woodley Area                                                                                                              | 0                           | 0                | 0                | 0                                     | 6,000            | 3,000            | 0                | 6,000            | 3,000            |
| <b>Bulmershe swimming pool/leisure centre</b><br>Renovation of Bulmershe Leisure Centre (including additional health and fitness gym) *subject to bid above*                                                      | 0                           | 0                | 0                | 0                                     | 1,000            | 1,000            | 0                | 1,000            | 1,000            |
| <b>Cantley masterplan (playing pitch extension to existing site)</b><br>Extension to playing pitches on existing site                                                                                             | 0                           | 0                | 0                | 0                                     | 0                | 1,000            | 0                | 0                | 1,000            |
| <b>Cemetery provision</b><br>To increase cemetery provision throughout the borough                                                                                                                                | 10                          | 20               | 100              | 0                                     | 0                | 0                | 10               | 20               | 100              |
| <b>Civil parking enforcement</b><br>WBC taking on the responsibility of enforcing on-street parking restrictions                                                                                                  | 0                           | 0                | 0                | 87                                    | 135              | 0                | 87               | 135              | 0                |
| <b>Country Park Capital Investment programme</b><br>Investment in the Borough's country parks.                                                                                                                    | 0                           | 0                | 0                | 0                                     | 1,000            | 1,500            | 0                | 1,000            | 1,500            |
| <b>Cycle networks</b><br>Investment in current/future cycle networks in the borough                                                                                                                               | 0                           | 0                | 0                | 0                                     | 1,000            | 1,000            | 0                | 1,000            | 1,000            |
| <b>Coppid Beech roundabout improvements and enhancements</b><br>Improvements/Enhancements to the road network                                                                                                     | 0                           | 0                | 0                | 2,700                                 | 200              | 0                | 2,700            | 200              | 0                |
| <b>Environment IT system</b><br>Integration and replacement of environment IT systems                                                                                                                             | 175                         | 0                | 0                | 0                                     | 0                | 0                | 175              | 0                | 0                |
| <b>Greenways</b><br>A network of quiet commuting and leisure routes for pedestrians and cyclists                                                                                                                  | 0                           | 0                | 0                | 0                                     | 0                | 1,000            | 0                | 0                | 1,000            |
| <b>Highway drainage schemes</b><br>To arrest the overall degradation of the highway drainage network which suffers from 'silting up', breakages, tree root damage, inadequate size and increased loading          | 100                         | 100              | 100              | 0                                     | 0                | 0                | 100              | 100              | 100              |
| <b>Highways carriageways structural maintenance</b><br>Resurfacing of carriageways to improve highway safety and extend the life of the asset                                                                     | 2,400                       | 2,400            | 2,400            | 0                                     | 0                | 0                | 2,400            | 2,400            | 2,400            |
| <b>Highways footway structural maintenance programme</b><br>Resurfacing of footways to extend the life of the asset, improve its condition and increase surface water run-off thereby improving pedestrian safety | 0                           | 0                | 0                | 100                                   | 100              | 100              | 100              | 100              | 100              |
| <b>Highway structures</b><br>To maintain Wokingham Borough Council's highway structures assets in such condition that they remain safe for highway users and available for use by traffic permitted to use them.  | 0                           | 0                | 0                | 526                                   | 500              | 500              | 526              | 500              | 500              |
| <b>Safety / crash barriers</b><br>Improving safety / crash barriers on the highway to reduce the risk of injury to road users                                                                                     | 0                           | 0                | 0                | 750                                   | 750              | 0                | 750              | 750              | 0                |
| <b>Integrated transport schemes</b><br>Providing facilities to ensure that the public are safe on the Borough's roads                                                                                             | 400                         | 400              | 400              | 0                                     | 0                | 0                | 400              | 400              | 400              |
| <b>Mandatory disabled facility grants</b><br>Mandatory means tested grants for adapting the homes of people with disabilities to enable them to live independently at home                                        | 330                         | 330              | 330              | 0                                     | 0                | 0                | 330              | 330              | 330              |
| <b>Provision for new allotments</b><br>To serve non SDL development up to 2026                                                                                                                                    | 0                           | 0                | 0                | 0                                     | 0                | 138              | 0                | 0                | 138              |

## CAPITAL SERVICE BUDGETS

|                                                                                                                                                                                                                                   | Statutory Capital Programme |                  |                  | Service Development Capital Programme |                  |                  | Total            |                  |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------|------------------|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                                                                                                                                                                                   | 2014/15<br>£'000            | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000                      | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
| <b>Environment continued</b>                                                                                                                                                                                                      |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| <b>Public rights of way network</b>                                                                                                                                                                                               |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Investment in all public rights of way and other non-motorised routes to support the needs of all types of users                                                                                                                  | 0                           | 0                | 0                | 0                                     | 200              | 200              | 0                | 200              | 200              |
| <b>Public transport network</b>                                                                                                                                                                                                   |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Investment in an integrated and inclusive public transport network that provides a convenient , acceptable, reliable and affordable alternative to car travel                                                                     | 0                           | 0                | 0                | 0                                     | 0                | 2,500            | 0                | 0                | 2,500            |
| <b>Redevelopment of carnival pool site</b>                                                                                                                                                                                        |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| A leisure led mixed use development including a multi storey car park                                                                                                                                                             | 0                           | 0                | 0                | 0                                     | 500              | 4,000            | 0                | 500              | 4,000            |
| <b>Ryeish Green sports hub</b>                                                                                                                                                                                                    |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Investment in playing pitches and pavilion                                                                                                                                                                                        | 0                           | 0                | 0                | 0                                     | 900              | 2,500            | 0                | 900              | 2,500            |
| <b>Street lighting asset replacement</b>                                                                                                                                                                                          |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| To replace age-expired and dangerous street lighting assets, which will bring added benefit in reduced maintenance/running costs. A reduction of running costs and light pollution will also be achieved in part by night dimming | 750                         | 750              | 750              | 0                                     | 0                | 0                | 750              | 750              | 750              |
| <b>Street lighting column structural testing</b>                                                                                                                                                                                  |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Structural safety testing of street lighting columns                                                                                                                                                                              | 40                          | 40               | 40               | 0                                     | 0                | 0                | 40               | 40               | 40               |
| <b>Strengthening approach embankments to bridges</b>                                                                                                                                                                              |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| To repair major damage caused by deterioration, vehicle impact and where appropriate to meet the changing demands of users                                                                                                        | 50                          | 500              | 50               | 0                                     | 0                | 0                | 50               | 500              | 50               |
| <b>Sustainable Chilterns Gateway</b>                                                                                                                                                                                              |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Transport projects in Chilterns Gateway                                                                                                                                                                                           | 92                          | 0                | 0                | 0                                     | 0                | 0                | 92               | 0                | 0                |
| <b>Station link road scheme</b>                                                                                                                                                                                                   |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| The continuation of the station link road scheme                                                                                                                                                                                  | 0                           | 0                | 0                | 500                                   | 250              | 0                | 500              | 250              | 0                |
| <b>Traffic signal upgrade programme</b>                                                                                                                                                                                           |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| To carry out urgent upgrade on old and obsolete equipment, also giving the opportunity of installing low energy equipment                                                                                                         | 250                         | 250              | 250              | 0                                     | 0                | 0                | 250              | 250              | 250              |
| <b>Transport infrastructure schemes</b>                                                                                                                                                                                           |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Local sustainable transport fund relating to transport projects on the A329 corridor                                                                                                                                              | 0                           | 0                | 0                | 405                                   | 0                | 0                | 405              | 0                | 0                |
| <b>Transport infrastructure energy use reduction</b>                                                                                                                                                                              |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| To reduce the effect of the Councils existing highways infrastructure on the environment with the added benefit of reducing the Council's energy and cost                                                                         | 0                           | 0                | 0                | 100                                   | 100              | 0                | 100              | 100              | 0                |
| <b>Waste Schemes</b>                                                                                                                                                                                                              |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| The purchase of brown bins,paper sacks and recycling boxes to enable the Borough to continue their waste/recycling scheme                                                                                                         | 28                          | 89               | 89               | 0                                     | 0                | 0                | 28               | 89               | 89               |
| <b>Town centre regeneration</b>                                                                                                                                                                                                   |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| The Town Centre regeneration will support existing and new businesses; increase employment, secure ongoing investment into the town centre and improve the quality of the open space within the town centre.                      | 0                           | 0                | 0                | 11,467                                | 36,594           | 10,735           | 11,467           | 36,594           | 10,735           |
| <b>Super Fast Broad band</b>                                                                                                                                                                                                      |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Provision of 100% coverage of 25mb broadband for Berkshire by 2015. The scheme is in partnership with the other Berkshire unitaries                                                                                               | 0                           | 0                | 0                | 36                                    | 0                | 0                | 36               | 0                | 0                |
| <b>Arborfield bypass</b>                                                                                                                                                                                                          |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| A study to look into options and feasibility for a road to provide relief to the A327 at Arborfield Cross.                                                                                                                        | 0                           | 0                | 0                | 1                                     | 0                | 0                | 1                | 0                | 0                |
| <b>Strategic land purchases</b>                                                                                                                                                                                                   |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Opportunity to purchase land for strategic purposes                                                                                                                                                                               | 0                           | 0                | 0                | 6,000                                 | 0                | 0                | 6,000            | 0                | 0                |
| <b>Total</b>                                                                                                                                                                                                                      | <b>4,625</b>                | <b>4,879</b>     | <b>4,509</b>     | <b>22,672</b>                         | <b>49,229</b>    | <b>29,173</b>    | <b>27,297</b>    | <b>54,108</b>    | <b>33,682</b>    |

## CAPITAL SERVICE BUDGETS

|                                                                                             | Statutory Capital Programme |              |              | Service Development Capital Programme |               |               | Total         |               |               |
|---------------------------------------------------------------------------------------------|-----------------------------|--------------|--------------|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                                                                             | 2014/15                     | 2015/16      | 2016/17      | 2014/15                               | 2015/16       | 2016/17       | 2014/15       | 2015/16       | 2016/17       |
|                                                                                             | £'000                       | £'000        | £'000        | £'000                                 | £'000         | £'000         | £'000         | £'000         | £'000         |
| <b>Environment Estimated bought forward from 2013/14</b>                                    |                             |              |              |                                       |               |               |               |               |               |
| Cycle networks                                                                              | 0                           | 0            | 0            | 341                                   | 0             | 0             | 341           | 0             | 0             |
| Highways carriageways structural maintenance                                                | 0                           | 0            | 0            | 54                                    | 0             | 0             | 54            | 0             | 0             |
| Improvements to Coppid Beech roundabout                                                     | 0                           | 0            | 0            | 364                                   | 0             | 0             | 364           | 0             | 0             |
| Improving safety / crash barriers on the highway to reduce the risk of injury to road users | 0                           | 0            | 0            | 1,500                                 | 0             | 0             | 1,500         | 0             | 0             |
| Improving safety / crash barriers on the highways                                           | 0                           | 0            | 0            | 58                                    | 0             | 0             | 58            | 0             | 0             |
| Leisure infrastructure programme                                                            | 0                           | 0            | 0            | 1                                     | 0             | 0             | 1             | 0             | 0             |
| London Road landfill – gas managing system                                                  | 18                          | 0            | 0            | 0                                     | 0             | 0             | 18            | 0             | 0             |
| The continuation of the station link road scheme                                            | 0                           | 0            | 0            | 2,438                                 | 0             | 0             | 2,438         | 0             | 0             |
| Transport infrastructure schemes                                                            | 0                           | 0            | 0            | 458                                   | 0             | 0             | 458           | 0             | 0             |
| Waste schemes                                                                               | 72                          | 0            | 0            | 0                                     | 0             | 0             | 72            | 0             | 0             |
| Wokingham Station                                                                           | 0                           | 0            | 0            | 410                                   | 0             | 0             | 410           | 0             | 0             |
| Town centre regeneration                                                                    | 0                           | 0            | 0            | 7,208                                 | 0             | 0             | 7,208         | 0             | 0             |
| Super Fast Broad band                                                                       | 0                           | 0            | 0            | 85                                    | 0             | 0             | 85            | 0             | 0             |
| South Wokingham bypass feasibility work                                                     | 0                           | 0            | 0            | 119                                   | 0             | 0             | 119           | 0             | 0             |
| Arborfield bypass feasibility work                                                          | 0                           | 0            | 0            | 25                                    | 0             | 0             | 25            | 0             | 0             |
| North Wokingham transport feasibility work                                                  | 0                           | 0            | 0            | 25                                    | 0             | 0             | 25            | 0             | 0             |
| Equity Loan Scheme                                                                          | 0                           | 0            | 0            | 5                                     | 0             | 0             | 5             | 0             | 0             |
| <b>Total</b>                                                                                | <b>90</b>                   | <b>0</b>     | <b>0</b>     | <b>13,091</b>                         | <b>0</b>      | <b>0</b>      | <b>13,181</b> | <b>0</b>      | <b>0</b>      |
| <b>Total Environment</b>                                                                    | <b>4,715</b>                | <b>4,879</b> | <b>4,509</b> | <b>35,763</b>                         | <b>49,229</b> | <b>29,173</b> | <b>40,478</b> | <b>54,108</b> | <b>33,682</b> |

## CAPITAL SERVICE BUDGETS

|                                                                                                                                                                                                                                    | Statutory Capital Programme |                  |                  | Service Development Capital Programme |                  |                  | Total            |                  |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------|------------------|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                                                                                                                                                                                    | 2014/15<br>£'000            | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000                      | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
| <b>Health &amp; Wellbeing including Housing</b>                                                                                                                                                                                    |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| <b>Day Services for adults with physical disability.</b><br>Investment in the provision of Day Services for adults with physical disability, working with the voluntary sector and partners to create a mixed community use centre | 205                         | 0                | 0                | 0                                     | 0                | 0                | 205              | 0                | 0                |
| <b>Wokingham Housing Fosters Site</b><br>Redevelopment of the Fosters Care home site as specialist dementia/enhanced sheltered older people's housing                                                                              | 0                           | 0                | 0                | 0                                     | 3,965            | 1,957            | 0                | 3,965            | 1,957            |
| <b>Re-model/ redevelopment of extra care/sheltered housing.</b><br>To re-model/ redevelop their extra care/sheltered housing, expand capacity and meet higher care needs.                                                          | 1,000                       | 5,000            | 3,000            | 0                                     | 0                | 0                | 1,000            | 5,000            | 3,000            |
| <b>Investment in the Council's housing stock (inc. adaptations/ estate improvements)</b><br>Significant capital investment programme to provide a Council's housing stock which meets the government's decent homes standard       | 4,394                       | 7,000            | 6,000            | 0                                     | 0                | 0                | 4,394            | 7,000            | 6,000            |
| <b>Suffolk Lodge - internal re-design and redecoration</b><br>Enhancements at Suffolk Lodge to improve independence of residents and to provide a more attractive environment that supports their care needs                       | 345                         | 0                | 0                | 0                                     | 0                | 0                | 345              | 0                | 0                |
| <b>Wokingham Housing Limited- Inc. Eustace Crescent</b><br>To increase good quality affordable housing developments                                                                                                                | 0                           | 0                | 0                | 4,500                                 | 5,500            | 867              | 4,500            | 5,500            | 867              |
| <b>Supported living accommodation for vulnerable people with mental health needs.</b><br>Investment in suitable and sustainable accommodation for vulnerable people with mental health needs                                       | 0                           | 1,415            | 0                | 0                                     | 0                | 0                | 0                | 1,415            | 0                |
| <b>Total</b>                                                                                                                                                                                                                       | <b>5,944</b>                | <b>13,415</b>    | <b>9,000</b>     | <b>4,500</b>                          | <b>9,465</b>     | <b>2,824</b>     | <b>10,444</b>    | <b>22,880</b>    | <b>11,824</b>    |
| <b>Health &amp; Wellbeing incl Housing Estimated b/fwd 2013/14</b>                                                                                                                                                                 |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Day services for adults with physical disability.                                                                                                                                                                                  | 870                         | 0                | 0                | 0                                     | 0                | 0                | 870              | 0                | 0                |
| Capital investment programme in the Council's housing stock (inc. adaptations/ estate improvements)                                                                                                                                | 2,746                       | 0                | 0                | 0                                     | 0                | 0                | 2,746            | 0                | 0                |
| Suffolk Lodge - internal re-design and redecoration                                                                                                                                                                                | 5                           | 0                | 0                | 0                                     | 0                | 0                | 5                | 0                | 0                |
| Twyford Orchards Expansion Programme                                                                                                                                                                                               | 1,381                       | 0                | 0                | 0                                     | 0                | 0                | 1,381            | 0                | 0                |
| Tenants Services IT replacement                                                                                                                                                                                                    | 253                         | 0                | 0                | 0                                     | 0                | 0                | 253              | 0                | 0                |
| Wokingham Housing Limited- Inc. Eustace Crescent                                                                                                                                                                                   | 0                           | 0                | 0                | 1,000                                 | 0                | 0                | 1,000            | 0                | 0                |
| <b>Total</b>                                                                                                                                                                                                                       | <b>5,255</b>                | <b>0</b>         | <b>0</b>         | <b>1,000</b>                          | <b>0</b>         | <b>0</b>         | <b>6,255</b>     | <b>0</b>         | <b>0</b>         |
| <b>Total Health &amp; Wellbeing incl Housing</b>                                                                                                                                                                                   | <b>11,199</b>               | <b>13,415</b>    | <b>9,000</b>     | <b>5,500</b>                          | <b>9,465</b>     | <b>2,824</b>     | <b>16,699</b>    | <b>22,880</b>    | <b>11,824</b>    |

## CAPITAL SERVICE BUDGETS

|                                                                                                                                                                               | Statutory Capital Programme |                  |                  | Service Development Capital Programme |                  |                  | Total            |                  |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------|------------------|---------------------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                                                                                                                               | 2014/15<br>£'000            | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000                      | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
| <b>Finance &amp; Resources</b>                                                                                                                                                |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| <b>Strategic capital reserve</b><br>Strategic capital fund for allocation to Wokingham Borough Council strategic schemes as required (Strategic Developments Locations etc.); | 0                           | 0                | 0                | 1,133                                 | 8,750            | 5,000            | 1,133            | 8,750            | 5,000            |
| <b>Sustainable heating systems</b><br>The scheme will be used to fund the additional costs of replacing existing heating systems with sustainable heating systems             | 0                           | 0                | 0                | 150                                   | 100              | 100              | 150              | 100              | 100              |
| <b>Solar and renewable energy systems</b><br>Generation of electricity from a renewable resource. To reduce energy bills.                                                     | 0                           | 0                | 0                | 110                                   | 100              | 100              | 110              | 100              | 100              |
| <b>Commercial portfolio - improvement to industrial units</b><br>To ensure commercial properties are suitable for letting                                                     | 0                           | 0                | 0                | 100                                   | 50               | 50               | 100              | 50               | 50               |
| <b>Replacement of corporate lighting with energy-efficient alternatives.</b><br>To create a reduction in lighting costs and emissions by 20-50%                               | 0                           | 0                | 0                | 0                                     | 50               | 50               | 0                | 50               | 50               |
| <b>Asbestos management</b><br>To continue asbestos appraisals on all WBC buildings and carry out programmed removal of asbestos as necessary.                                 | 50                          | 50               | 50               | 0                                     | 0                | 0                | 50               | 50               | 50               |
| <b>Legionella management</b><br>Continuation of legionella appraisals on all WBC buildings and carry out programme of removal                                                 | 50                          | 50               | 50               | 0                                     | 0                | 0                | 50               | 50               | 50               |
| <b>Network hardware replacement</b><br>To replace unreliable / out of warranty components. (Network switches, routers modems etc.)                                            | 50                          | 50               | 50               | 0                                     | 0                | 0                | 50               | 50               | 50               |
| <b>Server hardware replacement</b><br>To replace servers which are out of manufacturers warranty and support                                                                  | 50                          | 50               | 50               | 0                                     | 0                | 0                | 50               | 50               | 50               |
| <b>Gas management and structural repairs</b><br>Replacement of non-compliant gas pipe work in WBC owned areas                                                                 | 0                           | 50               | 50               | 0                                     | 0                | 0                | 0                | 50               | 50               |
| <b>Digital efficiency</b><br>The programme will improve technology across the council focussing on embedding digital practices to support efficiency                          | 0                           | 0                | 0                | 300                                   | 0                | 0                | 300              | 0                | 0                |
| <b>Wiser</b><br>The implementation of the Council's new finance, payroll and HR system                                                                                        | 0                           | 0                | 0                | 50                                    | 0                | 0                | 50               | 0                | 0                |
| <b>Total</b>                                                                                                                                                                  | <b>200</b>                  | <b>250</b>       | <b>250</b>       | <b>1,843</b>                          | <b>9,050</b>     | <b>5,300</b>     | <b>2,043</b>     | <b>9,300</b>     | <b>5,550</b>     |
| <b>Finance &amp; Resources Estimated brought forward from 2013/14</b>                                                                                                         |                             |                  |                  |                                       |                  |                  |                  |                  |                  |
| Replacement of corporate lighting with energy-efficient alternatives.                                                                                                         | 0                           | 0                | 0                | 65                                    | 0                | 0                | 65               | 0                | 0                |
| Completion of small projects from 2013-14 programme                                                                                                                           | 0                           | 0                | 0                | 72                                    | 0                | 0                | 72               | 0                | 0                |
| Legionella management                                                                                                                                                         | 50                          | 0                | 0                | 0                                     | 0                | 0                | 50               | 0                | 0                |
| Gas management and structural repairs                                                                                                                                         | 30                          | 0                | 0                | 0                                     | 0                | 0                | 30               | 0                | 0                |
| Technology futures programme                                                                                                                                                  | 0                           | 0                | 0                | 300                                   | 0                | 0                | 300              | 0                | 0                |
| <b>Total</b>                                                                                                                                                                  | <b>480</b>                  | <b>500</b>       | <b>500</b>       | <b>437</b>                            | <b>0</b>         | <b>0</b>         | <b>517</b>       | <b>0</b>         | <b>0</b>         |
| <b>Total Finance &amp; Resources</b>                                                                                                                                          | <b>680</b>                  | <b>750</b>       | <b>750</b>       | <b>2,280</b>                          | <b>9,050</b>     | <b>5,300</b>     | <b>2,560</b>     | <b>9,300</b>     | <b>5,550</b>     |
| <b>TOTAL COUNCIL SERVICES BUDGET</b>                                                                                                                                          | <b>31,661</b>               | <b>32,679</b>    | <b>23,471</b>    | <b>49,110</b>                         | <b>69,769</b>    | <b>38,322</b>    | <b>80,371</b>    | <b>101,948</b>   | <b>61,293</b>    |
|                                                                                                                                                                               |                             |                  |                  |                                       |                  |                  | 0                | 0                | 0                |

## ESTIMATED CAPITAL RESOURCES STATEMENT

|                                                                | Notes | Ring Fenced Funding |                  |                  | Non - Ring fenced Funding |                  |                  | Total            |                  |                  |
|----------------------------------------------------------------|-------|---------------------|------------------|------------------|---------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                                |       | 2014/15<br>£'000    | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000          | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
| <b>Proposed Capital Programme - excluding b/fwds</b>           |       | <b>21,940</b>       | <b>39,644</b>    | <b>24,678</b>    | <b>30,965</b>             | <b>62,304</b>    | <b>36,615</b>    | <b>52,905</b>    | <b>101,948</b>   | <b>61,293</b>    |
| <b>Funding Sources</b>                                         |       |                     |                  |                  |                           |                  |                  |                  |                  |                  |
| Additional local highways maintenance funding                  |       | 0                   | 0                | 0                | 257                       | 0                | 0                | 257              | 0                | 0                |
| Adult Personal Social Services Grant                           |       | 0                   | 0                | 0                | 220                       | 210              | 210              | 220              | 210              | 210              |
| Basic Needs Grant                                              |       | 0                   | 0                | 0                | 3,248                     | 1,126            | 1,182            | 3,248            | 1,126            | 1,182            |
| Borrowing (Standard allocation)                                |       | 0                   | 0                | 0                | 1,874                     | 2,126            | 2,000            | 1,874            | 2,126            | 2,000            |
| Borrowing (Wokingham Housing)                                  |       | 4,014               | 7,147            | 1,957            | 0                         | 0                | 0                | 4,014            | 7,147            | 1,957            |
| Borrowing (Town Centre regeneration)                           | 1     | 9,592               | 32,770           | 0                | 0                         | 0                | 0                | 9,592            | 32,770           | 0                |
| Capital Maintenance Grant                                      |       | 0                   | 0                | 0                | 2,295                     | 2,295            | 2,295            | 2,295            | 2,295            | 2,295            |
| Capital Receipts (Non Wokingham Town Centre regeneration)      | 2     | 0                   | 0                | 0                | 650                       | 650              | 150              | 650              | 650              | 150              |
| Community Infrastructure Levy                                  |       | 0                   | 0                | 0                | 0                         | 14,797           | 15,795           | 0                | 14,797           | 15,795           |
| Decent Homes Backlog Funding Bid                               |       | 2,127               | 0                | 0                | 0                         | 0                | 0                | 2,127            | 0                | 0                |
| Devolved Formula Capital Grant                                 | 3     | 455                 | 434              | 434              | 0                         | 0                | 0                | 455              | 434              | 434              |
| Disabled Facilities Grant                                      |       | 0                   | 0                | 0                | 341                       | 341              | 341              | 341              | 341              | 341              |
| HRA                                                            |       | 2,267               | 7,000            | 6,000            | 0                         | 0                | 0                | 2,267            | 7,000            | 6,000            |
| Influencing Travel Behaviour -local sustainable transport fund |       | 405                 | 0                | 0                | 0                         | 0                | 0                | 405              | 0                | 0                |
| Local Transport Plan Direct Grant                              |       | 3,737               | 3,890            | 3,809            | 0                         | 0                | 0                | 3,737            | 3,890            | 3,809            |
| Pinch Point Grant (ring fenced )                               |       | 2,437               | 0                | 0                | 0                         | 0                | 0                | 2,437            | 0                | 0                |
| Capital receipts (Wokingham Town Centre regeneration)          |       | 1,888               | 3,824            | 10,735           | 0                         | 0                | 0                | 1,888            | 3,824            | 10,735           |
| Revenue contributions                                          |       | 850                 | 850              | 850              | 0                         | 0                | 0                | 850              | 850              | 850              |
| Section 106 - developers contributions                         |       | 4,867               | 8,361            | 4,633            | 0                         | 0                | 0                | 4,867            | 8,361            | 4,633            |
| Sustainable Chilterns Gateway                                  |       | 84                  | 0                | 0                | 0                         | 0                | 0                | 84               | 0                | 0                |
| Targeted Basic Need Grant                                      |       | 1,244               | 0                | 0                | 0                         | 0                | 0                | 1,244            | 0                | 0                |
| Homes and Communities Agency (HCA) Grant                       | 4     | 0                   | 1,452            | 0                | 0                         | 0                | 0                | 0                | 1,452            | 0                |
| Growing Places loan                                            |       | 0                   | 500              | 1,000            | 0                         | 0                | 0                | 0                | 500              | 1,000            |
| Universal Infant Free School Meals Capital Grant               |       | 481                 | 0                | 0                | 0                         | 0                | 0                | 481              | 0                | 0                |
| <b>Total New funding</b>                                       |       | <b>34,448</b>       | <b>66,228</b>    | <b>29,418</b>    | <b>8,885</b>              | <b>21,545</b>    | <b>21,973</b>    | <b>43,333</b>    | <b>87,773</b>    | <b>51,391</b>    |
| Capital reserves                                               | 5     | 0                   | 0                | 0                | 3,320                     | 215              | 0                | 3,320            | 215              | 0                |
| Capital grant reserves                                         | 5     | 0                   | 0                | 0                | 6,252                     | 0                | 0                | 6,252            | 0                | 0                |
| <b>Total Capital Reserves</b>                                  |       | <b>0</b>            | <b>0</b>         | <b>0</b>         | <b>9,572</b>              | <b>215</b>       | <b>0</b>         | <b>9,572</b>     | <b>215</b>       | <b>0</b>         |
| <b>Total Funding</b>                                           |       | <b>34,448</b>       | <b>66,228</b>    | <b>29,418</b>    | <b>18,457</b>             | <b>21,760</b>    | <b>21,973</b>    | <b>52,905</b>    | <b>87,988</b>    | <b>51,391</b>    |
| <b>In Year Surplus (-) / Deficit(+)</b>                        |       |                     |                  |                  |                           |                  |                  | <b>0</b>         | <b>13,960</b>    | <b>9,902</b>     |
| <b>Cumulative Surplus (-) / Deficit(+)</b>                     |       |                     |                  |                  |                           |                  |                  | <b>0</b>         | <b>13,960</b>    | <b>23,862</b>    |

|                                                   | Ring Fenced Funding |                  |                  | Non - Ring fenced Funding |                  |                  | Total            |                  |                  |
|---------------------------------------------------|---------------------|------------------|------------------|---------------------------|------------------|------------------|------------------|------------------|------------------|
|                                                   | 2014/15<br>£'000    | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000          | 2015/16<br>£'000 | 2016/17<br>£'000 | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
| <b>Estimated Capital Budgets b/fwd from 13/14</b> | <b>27,466</b>       |                  |                  |                           |                  |                  | <b>27,466</b>    |                  |                  |
| Borrowing                                         | 2,262               | n/a              | n/a              | 7,208                     | n/a              | n/a              | 9,470            | n/a              | n/a              |
| Capital grants                                    | 12,969              | n/a              | n/a              | 2,351                     | n/a              | n/a              | 15,320           | n/a              | n/a              |
| Revenue contributions                             | 0                   | n/a              | n/a              | 920                       | n/a              | n/a              | 920              | n/a              | n/a              |
| Section 106 - developers contributions            | 0                   | n/a              | n/a              | 878                       | n/a              | n/a              | 878              | n/a              | n/a              |
| School funded                                     | 0                   | n/a              | n/a              | 74                        | n/a              | n/a              | 74               | n/a              | n/a              |
| Capital reserves                                  | 804                 | n/a              | n/a              | 0                         | n/a              | n/a              | 804              | n/a              | n/a              |
| <b>Total Funding</b>                              | <b>16,035</b>       | <b>0</b>         | <b>0</b>         | <b>11,431</b>             | <b>0</b>         | <b>0</b>         | <b>27,466</b>    |                  |                  |

### ESTIMATED CAPITAL RESOURCES STATEMENT

|                                                          | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 |
|----------------------------------------------------------|------------------|------------------|------------------|
| <b>Note</b>                                              |                  |                  |                  |
| Proposed capital programme (excluding b/fwds)            | 52,905           | 101,948          | 61,293           |
| Estimated capital budgets b/fwd from 13/14               | 27,466           |                  |                  |
| <b>Total Capital Programme</b>                           | <b>80,371</b>    | <b>101,948</b>   | <b>61,293</b>    |
| Ring fenced funding                                      | 61,914           | 66,228           | 29,418           |
| Non - ring fenced funding                                | 18,457           | 21,760           | 21,973           |
| <b>Total Funding</b>                                     | <b>80,371</b>    | <b>87,988</b>    | <b>51,391</b>    |
| <b>In Year Surplus ( ) / Deficit(+)</b>                  | <b>0</b>         | <b>13,960</b>    | <b>9,902</b>     |
| <b>Cumulative Surplus ( ) / Deficit(+)</b>               | <b>0</b>         | <b>13,960</b>    | <b>23,862</b>    |
| <b>Movement on Capital Reserves</b>                      |                  |                  |                  |
| Opening balance (including capital grants)               | 4                | 9,787            | 215              |
| Estimate of capital receipts from sale of assets         | 2                | 650              | 650              |
| Capital reserves/receipts used to fund capital programme |                  | (10,222)         | (865)            |
| <b>Closing Balance</b>                                   | <b>215</b>       | <b>0</b>         | <b>0</b>         |

### Notes

**\*\*All grants for 14-15 onwards are estimates and could change\*\***

Note 1. Capital receipts in 2015/16 relate to Wokingham Town Centre first phase of housing sales

Note 2. Capital receipts include some receipts which may not materialise

Note 3. Schools have discretion on how they can spend devolved capital

Note 4. This funding relates to an application to the Homes and Communities Agency (HCA) as part of the Affordable Homes

Note 5. This funding is the estimated amount of the opening level of uncommitted capital reserves



# CAPITAL RESERVES – POLICY STATEMENT

## 1 Definition / Purpose

These reserves were established to finance future capital schemes. The accumulated surplus on the Capital Reserve needs to cover the 3-year approved capital programme, provide a general contingency in the event of unavoidable or unforeseen capital expenditure and to help deal with priority schemes within the 10-year capital vision.

The reserve serves two additional purposes: -

- (i) Interest on the reserve contributes to financing the gap between local taxation and the net cost of services;
- (ii) The reserve provides stability for longer term planning.

|                                             | £'000 |
|---------------------------------------------|-------|
| Estimated Uncommitted Balance 31 March 2014 | 9,572 |
| Estimated Uncommitted Balance 31 March 2015 | 215   |
| Estimated Uncommitted Balance 31 March 2016 | 0     |
| Estimated Uncommitted Balance 31 March 2017 | 0     |

| Strategic Capital Reserve £'000   |        |
|-----------------------------------|--------|
| Estimated Balance 31st March 2015 | 1,133  |
| Estimated Balance 31st March 2016 | 9,883  |
| Estimated Balance 31st March 2017 | 14,883 |

Actual reserves will be higher due to schemes carrying forward in the Capital Programme. The reserves position in 2016 and 2017 will need to be reviewed in the context of the recommended minimum reserve levels shown below.

## 2 Policy (Criteria for Calculating Fund Requirement)

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

The level of balances is dependent on the high-risk strategy of asset disposals. If these are not achieved, there would be an impact on the level of reserves and consequently on the future capital programme. Therefore, any reserve could also be used to smooth out the utilisation of available capital receipts.

Review the capital reserve each year on a rolling basis to ensure that there are sufficient resources over the 3-year period.

## 10-YEAR CAPITAL VISION (in £'000)

### SCHEME

|                                                                           | 2014/15       | 2015/16       | 2016/17       | 2017/18       | 2018/19       | 2019/20<br>to<br>2023/24 | Total          |
|---------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------------------|----------------|
| 2014/15 bids include bought forwards from 2013/14                         |               |               |               |               |               |                          |                |
| <b>Anticipated Capital Schemes</b>                                        | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>  | <b>£'000</b>             |                |
| <b>Children's Services</b>                                                |               |               |               |               |               |                          |                |
| Basic Needs Primary programme                                             | 8,141         | 6,423         | 1,500         | 3,500         | 3,000         | 2,000                    | 24,564         |
| Bulmershe School improvement scheme                                       | 3,563         | 0             | 0             | 0             | 0             | 0                        | 3,563          |
| Completion of the small Children Services projects from 2013/14 Programme | 95            | 0             | 0             | 0             | 0             | 0                        | 95             |
| Enhancing Provision for children & young people with disabilities         | 125           | 75            | 75            | 75            | 75            | 525                      | 950            |
| ICT Equipment for children in care                                        | 0             | 25            | 25            | 25            | 25            | 175                      | 275            |
| Investment in secondary schools                                           | 2,004         | 2,000         | 1,000         | 2,000         | 0             | 0                        | 7,004          |
| Investment in special education needs provision                           | 2,405         | 500           | 0             | 0             | 0             | 0                        | 2,905          |
| New secondary school in the south west                                    | 0             | 5,000         | 6,000         | 3,000         | 3,000         | 9,470                    | 26,470         |
| Schools projects including urgent maintenance                             | 4,301         | 1,637         | 1,637         | 1,637         | 1,637         | 11,459                   | 22,308         |
| <b>Total Children's Services</b>                                          | <b>20,634</b> | <b>15,660</b> | <b>10,237</b> | <b>10,237</b> | <b>7,737</b>  | <b>23,629</b>            | <b>88,134</b>  |
| <b>Environment</b>                                                        |               |               |               |               |               |                          |                |
| Travel infrastructure                                                     | 8,278         | 1,400         | 1,850         | 21,780        | 38,850        | 94,275                   | 166,433        |
| Leisure infrastructure                                                    | 401           | 9,800         | 13,400        | 8,400         | 3,900         | 6,691                    | 42,592         |
| Strategic development locations infrastructure                            | 6,351         | 1,220         | 3,938         | 3,700         | 3,700         | 32,576                   | 51,485         |
| Civil parking enforcement                                                 | 87            | 135           | 0             | 0             | 0             | 0                        | 222            |
| Equity loan scheme                                                        | 5             | 0             | 0             | 0             | 0             | 0                        | 5              |
| Highways carriageways structural maintenance                              | 2,454         | 2,400         | 2,400         | 2,400         | 2,400         | 16,800                   | 28,854         |
| Highways footway structural maintenance programme                         | 100           | 100           | 100           | 100           | 100           | 700                      | 1,200          |
| Improving safety / crash barriers on the highways                         | 2,308         | 750           | 0             | 0             | 0             | 0                        | 3,058          |
| Waste schemes                                                             | 118           | 89            | 89            | 89            | 89            | 623                      | 1,097          |
| Mandatory disabled facility grants                                        | 330           | 330           | 330           | 330           | 330           | 2,310                    | 3,960          |
| Street lighting including asset replacement                               | 790           | 790           | 790           | 790           | 790           | 5,530                    | 9,480          |
| Strengthening approach embankments to bridges                             | 50            | 500           | 50            | 0             | 0             | 0                        | 600            |
| Super Fast Broad Band                                                     | 121           | 0             | 0             | 0             | 0             | 0                        | 121            |
| Town centre regeneration                                                  | 18,675        | 36,594        | 10,735        | 4,189         | 0             | 0                        | 70,193         |
| Wokingham Station                                                         | 410           | 0             | 0             | 0             | 0             | 0                        | 410            |
| <b>Total Environment</b>                                                  | <b>40,478</b> | <b>54,108</b> | <b>33,682</b> | <b>41,778</b> | <b>50,159</b> | <b>159,505</b>           | <b>379,710</b> |

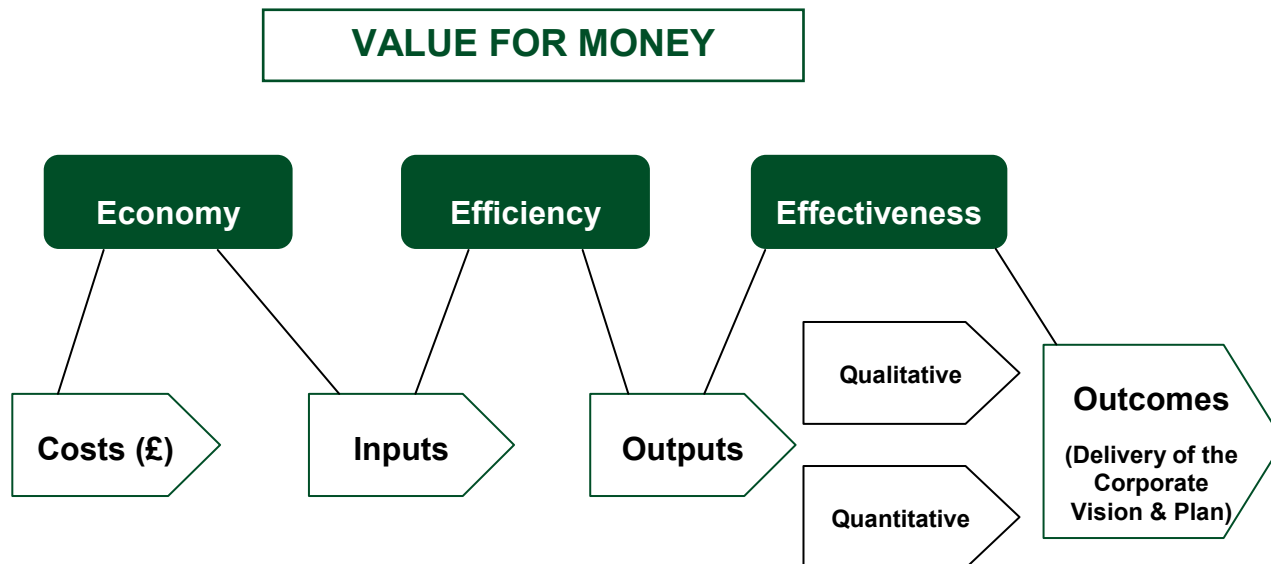
## 10-YEAR CAPITAL VISION (in £'000)

### SCHEME

|                                                                                                                                               | 2014/15       | 2015/16        | 2016/17       | 2017/18       | 2018/19       | 2019/20<br>to<br>2023/24 | Total          |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------|---------------|---------------|---------------|--------------------------|----------------|
| 2014/15 bids include bought forwards from 2013/14                                                                                             |               |                |               |               |               |                          |                |
| <b>Health &amp; Wellbeing including Housing</b>                                                                                               |               |                |               |               |               |                          |                |
| Capital investment programme in the Council's housing stock (inc. adaptations/ estate improvements)                                           | 7,140         | 7,000          | 6,000         | 5,942         | 4,853         | 25,769                   | 56,704         |
| Day services for adults with physical disability.                                                                                             | 1,075         | 0              | 0             | 0             | 0             | 0                        | 1,075          |
| Wokingham Housing Fosters Site - redevelopment of the Fosters Care Home site as specialist dementia/enhanced sheltered older people's housing | 0             | 3,965          | 1,957         | 0             | 0             | 0                        | 5,922          |
| Re-model/ redevelopment of extra care/sheltered housing.                                                                                      | 1,000         | 5,000          | 3,000         | 2,500         | 1,200         | 4,800                    | 17,500         |
| Suffolk Lodge - internal re-design and redecoration                                                                                           | 350           | 0              | 0             | 0             | 0             | 0                        | 350            |
| Supported living accommodation for vulnerable people with mental health needs.                                                                | 0             | 1,415          | 0             | 0             | 0             | 0                        | 1,415          |
| Tenants Services IT replacement                                                                                                               | 253           | 0              | 0             | 0             | 0             | 0                        | 253            |
| Twyford Orchards expansion programme                                                                                                          | 1,381         | 0              | 0             | 0             | 0             | 0                        | 1,381          |
| Wokingham Housing Limited- Inc. Eustace Crescent                                                                                              | 5,500         | 5,500          | 867           | 867           | 867           | 1,734                    | 15,335         |
| <b>Total Health &amp; Wellbeing including Housing</b>                                                                                         | <b>16,699</b> | <b>22,880</b>  | <b>11,824</b> | <b>9,309</b>  | <b>6,920</b>  | <b>32,303</b>            | <b>99,935</b>  |
| <b>Finance and Resources</b>                                                                                                                  |               |                |               |               |               |                          |                |
| Asbestos management                                                                                                                           | 50            | 50             | 50            | 50            | 50            | 250                      | 500            |
| Commercial portfolio - improvement to industrial units                                                                                        | 100           | 50             | 50            | 50            | 50            | 250                      | 550            |
| Completion of small projects from 2013-14 Programme                                                                                           | 72            | 0              | 0             | 0             | 0             | 0                        | 72             |
| Digital efficiency                                                                                                                            | 300           | 0              | 0             | 0             | 0             | 0                        | 300            |
| Gas management and structural repairs                                                                                                         | 30            | 50             | 50            | 50            | 50            | 250                      | 480            |
| Legionella management                                                                                                                         | 100           | 50             | 50            | 50            | 50            | 250                      | 550            |
| Network/Server hardware replacement                                                                                                           | 100           | 100            | 100           | 100           | 100           | 500                      | 1,000          |
| Replacement of corporate lighting with energy-efficient alternatives.                                                                         | 65            | 50             | 50            | 50            | 50            | 250                      | 515            |
| Solar and renewable energy systems                                                                                                            | 110           | 100            | 100           | 100           | 100           | 500                      | 1,010          |
| Strategic Capital Reserve                                                                                                                     | 1,133         | 8,750          | 5,000         | 5,000         | 0             | 0                        | 19,883         |
| Sustainable heating systems                                                                                                                   | 150           | 100            | 100           | 100           | 100           | 500                      | 1,050          |
| Technology futures programme                                                                                                                  | 300           | 0              | 0             | 0             | 0             | 0                        | 300            |
| Wiser                                                                                                                                         | 50            | 0              | 0             | 0             | 0             | 0                        | 50             |
| <b>Total Finance &amp; Resources</b>                                                                                                          | <b>2,560</b>  | <b>9,300</b>   | <b>5,550</b>  | <b>5,550</b>  | <b>550</b>    | <b>2,750</b>             | <b>26,260</b>  |
| <b>TOTAL COUNCIL SERVICES BUDGET</b>                                                                                                          | <b>80,371</b> | <b>101,948</b> | <b>61,293</b> | <b>66,874</b> | <b>65,366</b> | <b>218,187</b>           | <b>594,039</b> |

## VALUE FOR MONEY

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

The Council has a VfM Strategy and produces a VfM framework which lists examples of Value for Money achieved over the past year across all services. This includes non-cashable items such as changes to governance arrangements and benchmarking as well as cashable savings

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 sector.

## Major Revenue Contracts over £100,000 per annum

| Contract                                                                               | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 | Contract<br>Expiry |
|----------------------------------------------------------------------------------------|------------------|------------------|------------------|--------------------|
| <b>Chief Executive</b>                                                                 |                  |                  |                  |                    |
| Insurance – net total contract                                                         | 1,314            | 1,364            | 1,414            | Various            |
| <b>Children's Services</b>                                                             |                  |                  |                  |                    |
| Independent Foster Agencies –net total contract                                        | 1,075            | 1,159            | 1,246            | Various            |
| Mainstream Home to School Transport –net total contract                                | 1,142            | 1,167            | 1,192            | Various            |
| Residential Care – net total contract                                                  | 1,996            | 1,604            | 1,322            | Various            |
| Schools Broadband – net total contract                                                 | 320              | 320              | 320              | Mar-14             |
| Special Education Needs Home to School Transport – net total contract                  | 1,542            | 1,567            | 1,592            | Various            |
| Adult Learning                                                                         | 297              | 297              | 297              | July-14            |
| <b>Environment</b>                                                                     |                  |                  |                  |                    |
| Bridge Maintenance Construction                                                        | 193              | 208              | 223              | Mar-18             |
| Grounds Maintenance Contract                                                           | 973              | 983              | 993              | Mar-16             |
| Gully Emptying & Highways Drainage Maintenance                                         | 127              | 145              | 164              | Mar-17             |
| Highways & Transportation Consultancy Contract                                         | 1,371            | 1,405            | 1,440            | Mar-18             |
| Highways Network Works Contract                                                        | 2,673            | 2,789            | 2,908            | Mar-18             |
| Refuse & Recycling Collection                                                          | 2,960            | 3,070            | 3,173            | Mar-19             |
| Stockfund – Contract awarded and managed by CBC on WBC's behalf – total combined value | 189              | 189              | 189              | Various            |
| Street Cleaning                                                                        | 863              | 885              | 907              | Mar-16             |
| Street Lighting Energy                                                                 | 667              | 720              | 774              | Apr-14             |
| Street Lighting Maintenance                                                            | 510              | 544              | 579              | Mar-17             |
| Waste PFI                                                                              | 9,239            | 9,516            | 9,801            | Dec-31             |
| Trading Standards Joint Service Delivery                                               | 323              | 331              | 339              | Jun-15             |
| Environmental Health and Licensing Joint Service Delivery                              | 770              | 789              | 809              | Jan-17             |
| Park & Ride                                                                            | 130              | 0                | 0                | Sept-14            |
| Supported Bus Service*                                                                 | 560              | 560              | 560              | Various            |
| <b>Finance and Resources</b>                                                           |                  |                  |                  |                    |
| Building Cleaning                                                                      | 694              | 694              | 694              | May-15             |
| Energy                                                                                 | 2,490            | 2,750            | 3,040            | Apr-15             |
| Civica – software maintenance                                                          | 178              | 178              | 178              | Various            |
| Northgate – software maintenance                                                       | 172              | 172              | 172              | Various            |

|                                                                                                            |        |        |        |         |
|------------------------------------------------------------------------------------------------------------|--------|--------|--------|---------|
| Virgin Media – wide area network                                                                           | 162    | 162    | 162    | Various |
| IT Managed Services Contract                                                                               | 1,800  | 1,800  | 1,800  | Dec-15  |
| Microsoft Enterprise Agreement                                                                             | 115    | 115    | 115    | Mar-15  |
| Telefonica (O2) – fixed and mobile telephony                                                               | 130    | 130    | 130    | Various |
| Core Logic – software maintenance                                                                          | 117    | 117    | 117    | Various |
| Waste Collection (Schools and other LA buildings)                                                          | 150    | 150    | 150    | Jul-15  |
| Mixing Valves & Legionella Testing service & maintenance                                                   | 100    | 100    | 100    | Aug-15  |
| Term Maintenance – Buildings Unit                                                                          | 250    | 250    | 250    | Sep-15  |
| <b>Health and Wellbeing</b>                                                                                |        |        |        |         |
| Adult Social Care Provision                                                                                | 9,133  | 9,133  | 9,133  | Jun-14  |
| Drug and alcohol support                                                                                   | 485    | 485    | 485    | Oct-14  |
| Joint equipment service                                                                                    | 231    | 231    | 231    | Mar-14  |
| Accommodation Based Services – net total contract                                                          | 22,749 | 22,749 | 22,749 | Various |
| Help and Care – Healthwatch                                                                                | 108    | 108    | 108    | Mar-16  |
| Community Based Services – net total contract                                                              | 4,905  | 4,905  | 4,905  | Various |
| Supporting People                                                                                          | 840    | 840    | 840    | Various |
| National Schizophrenia Fellowship                                                                          | 196    | 196    | 196    | Jan-16  |
| Gas Appliance Maintenance Services                                                                         | 500    | 500    | 500    | Jul-16  |
| Partnership Contract (Reading BC) for Responsive Maintenance, including Help Desk, General Repairs & Voids | 1,200  | 1,200  | 1,200  | Mar-14  |
| Leisure Contract                                                                                           | 675    | 692    | 709    | Apr-15  |
| Public Health joint arrangement                                                                            | 1,652  | 1,652  | 1,652  | TBC     |
| <b>Schools Block</b>                                                                                       |        |        |        |         |
| Early Education Funding – net total contract                                                               | 5,085  | 5,390  | 5,714  | Various |
| Independent School Fees – net total contract                                                               | 6,144  | 5,964  | 5,784  | Various |

\*Supported bus service contracts are currently out to tender and therefore the value may alter in year

## KEY ACTIVITY DATA

|                                                                      | Unit Description | 2014/15<br>Units | Ave Price<br>£ | Total<br>£'000 | Units   | 2015/16<br>Ave Price<br>£ | Total<br>£'000 | Units   | 2016/17<br>Ave Price | Total<br>£'000 | Risk<br>Indicator |
|----------------------------------------------------------------------|------------------|------------------|----------------|----------------|---------|---------------------------|----------------|---------|----------------------|----------------|-------------------|
| <b>Children's Services</b>                                           |                  |                  |                |                |         |                           |                |         |                      |                |                   |
| Foster Placement Allowances Independent Foster Placements            | weeks            | 1,199            | 897            | 1,075          | 1,304   | 889                       | 1,159          | 1,408   | 885                  | 1,246          | High              |
| Residential Care                                                     | weeks            | 821              | 2,433          | 1,996          | 627     | 2,557                     | 1,604          | 525     | 2,518                | 1,322          | High              |
| <b>Environment</b>                                                   |                  |                  |                |                |         |                           |                |         |                      |                |                   |
| Building Control - Inspection fee                                    | per application  | 8,800            | 40             | 352            | 8,800   | 42                        | 370            | 8,800   | 44                   | 387            | Low               |
| Building Control - Plan check fee                                    | per application  | 896              | 308            | 276            | 896     | 323                       | 289            | 896     | 338                  | 303            | Low               |
| Building Control - Regularisation                                    | per application  | 65               | 525            | 34             | 65      | 551                       | 36             | 65      | 576                  | 37             | Low               |
| Development Control - Planning Application Fees - Major              | per application  | 16               | 3,700          | 59             | 16      | 3,700                     | 59             | 16      | 3,700                | 59             | High              |
| Development Control - Planning Application Fees - Minor              | per application  | 1,482            | 187            | 277            | 1,482   | 187                       | 277            | 1,482   | 187                  | 277            | Medium            |
| Waste Disposal (based on 71,000 tonnes pa combined landfill and recy | charge per tonne | 70,428           | 103            | 7,254          | 70,851  | 106                       | 7,510          | 71,276  | 110                  | 7,840          | Medium            |
| Loddon Bridge Park & Ride                                            | per trip         | 40,000           | 4              | 160            | 0       | 0                         | 0              | 0       | 0                    | 0              | High              |
| <b>Finance and Resources</b>                                         |                  |                  |                |                |         |                           |                |         |                      |                |                   |
| Free Bus Pass                                                        | per pass         | 25,000           | 34             | 838            | 25,000  | 34                        | 838            | 25,000  | 34                   | 838            | Medium            |
| Investment Returns                                                   | % of return      | 28.5m            | 0.5%           | (143)          | 29.1m   | 0.50%                     | (146)          | 29m     | 1.25%                | (359)          | High              |
| Land Searches                                                        | per search       | 2,930            | 107            | 314            | 2,930   | 107                       | 314            | 2,930   | 107                  | 314            | High              |
| <b>Health &amp; Wellbeing</b>                                        |                  |                  |                |                |         |                           |                |         |                      |                |                   |
| Learning Disability, Residential Care                                | weeks            | 6,722            | 1,398          | 9,398          | 6,514   | 1,398                     | 9,398          | 6,410   | 1,398                | 9,398          | High              |
| Learning Disability, Supported Living                                | weeks            | 8,168            | 769            | 6,281          | 8,318   | 769                       | 6,463          | 8,468   | 769                  | 6,463          | High              |
| Mental Health, Residential Care                                      | weeks            | 465              | 852            | 396            | 569     | 852                       | 396            | 673     | 852                  | 396            | Medium            |
| Older People, Homecare                                               | hours            | 310,263          | 19             | 5,895          | 316,468 | 19                        | 5,934          | 341,786 | 19                   | 5,934          | High              |
| Older People, Nursing Care                                           | weeks            | 8,259            | 699            | 5,773          | 8,409   | 699                       | 5,831          | 8,559   | 699                  | 5,831          | Medium            |
| Older People, Residential Care                                       | weeks            | 8,172            | 656            | 5,361          | 8,432   | 656                       | 5,361          | 8,692   | 656                  | 5,361          | Medium            |
| Physical Disability, Homecare                                        | hours            | 38,263           | 38             | 2,127          | 39,028  | 38                        | 2,127          | 39,809  | 38                   | 2,127          | High              |
| Physical Disability, Residential Care                                | weeks            | 207              | 1,015          | 210            | 207     | 1,015                     | 210            | 207     | 1,015                | 210            | Medium            |
| <b>Schools Block - Dedicated Schools Grant</b>                       |                  |                  |                |                |         |                           |                |         |                      |                |                   |
| Independent Special School Placements                                | per pupil        | 114              | 53,281         | 6,074          | 120     | 53,283                    | 6,378          | 126     | 53,281               | 6,697          | 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 unfurnished (partially exempt under local rules)
- Are owned by a charity (exempt for up to six months)
- Require or are undergoing structural alteration or major repair (partially exempt under local rules)
- Are left empty by someone who has gone into prison, or who has moved to receive personal care in a hospital or a home or elsewhere
- Are left empty by someone who has moved in order to provide personal care to another person
- Are left empty by students
- Are waiting for probate or letters of administration to be granted (for up to six months after)
- Have been repossessed
- Are the responsibility of a bankrupt's trustee
- Are empty because their occupation is forbidden by law
- Are waiting to be occupied by a minister of religion
- Occupied by visiting forces (reciprocal arrangement)
- Consists of an empty caravan pitch or boat mooring
- Are occupied only by persons under 18
- Consists of an unoccupied annex which may not be let separately
- Are occupied only by severely mentally impaired persons
- Consists of an annex that is occupied by a 'dependant relative'. A dependant relative is someone that is over 65 years of age or is severely mentally impaired or is substantially and permanently disabled.

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



### 3 Council Tax - Discounts

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

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

- Full-time students, student nurses, apprentices and Youth Training trainees
- Patients resident in hospital
- People who are being looked after in care homes
- People who are severely mentally impaired
- People staying in certain hostels or night shelters
- 18 and 19 year olds who are at or have just left school
- Care Workers working for low pay, usually for charities (below £44 per week)
- 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)

### 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

From 1<sup>st</sup> April 2013, the national council tax benefit scheme is replaced with a local council tax support scheme. 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 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 value of fixed grant made available by Government towards funding the localised council tax reduction scheme.

The resulting figure is the Band D equivalent Tax base.

## 7 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  |

## 8 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 Authority. The precepts for 2013/14 and 2014/15 are as follows:

| Precept                                         | 2013/14<br>£ | Band D<br>£ | 2014/15<br>£ | Band D<br>£ | Increase % |
|-------------------------------------------------|--------------|-------------|--------------|-------------|------------|
| Police and Crime Commissioner for Thames Valley | 9,983,621    | 157.38      | 10,352,718   | 160.51      | 1.99       |
| Royal Berkshire Fire Authority                  | 3,848,052    | 60.66       | 3,912,503    | 60.66       | 0.0        |

A calculation has to be made of the estimated surplus/deficit on the Council Tax Collection Fund at 31st March 2015. 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 31<sup>st</sup> March 2015 the collection fund aims to achieve a surplus of £388,860, therefore the distribution of the surplus between the precepting authorities is:-

Wokingham Borough Council – £330,000

Police and Crime Commissioner for Thames Valley – £42,480

Royal Berkshire Fire Authority - £16,380

## PARISH PRECEPTS 2014/15

| PARISH               | TAX BASE        | 2013/14                | COUNCIL TAX<br>BAND D | TAX BASE        | 2014/15                | COUNCIL TAX<br>BAND D |
|----------------------|-----------------|------------------------|-----------------------|-----------------|------------------------|-----------------------|
|                      |                 | PARISH<br>PRECEPT<br>£ |                       |                 | PARISH<br>PRECEPT<br>£ |                       |
| Arborfield & Newland | 1,241.4         | 80,341                 | 64.72                 | 1,259.5         | 86,289.0               | 68.51                 |
| Barkham              | 1,428.1         | 37,142                 | 26.01                 | 1,427.8         | 38,342.0               | 26.85                 |
| Charvil              | 1,374.0         | 38,353                 | 27.91                 | 1,382.2         | 38,572.0               | 27.91                 |
| Earley               | 11,500.4        | 711,300                | 61.85                 | 11,664.5        | 735,213.0              | 63.03                 |
| Finchampstead        | 5,576.6         | 105,955                | 19.00                 | 5,653.7         | 122,408.0              | 21.65                 |
| Remenham             | 309.4           | 21,000                 | 67.87                 | 309.3           | 21,420.0               | 69.25                 |
| Ruscombe             | 484.8           | 9,575                  | 19.75                 | 487.9           | 9,766.0                | 20.02                 |
| St. Nicholas Hurst   | 1,014.2         | 22,500                 | 22.18                 | 1,022.8         | 22,500.0               | 22.00                 |
| Shinfield            | 4,383.4         | 205,143                | 46.80                 | 4,591.3         | 264,470.0              | 57.60                 |
| Sonning              | 775.2           | 31,459                 | 40.58                 | 787.5           | 31,459.0               | 39.95                 |
| Swallowfield         | 920.1           | 15,000                 | 16.30                 | 956.3           | 18,303.0               | 19.14                 |
| Twyford              | 2,911.6         | 58,191                 | 19.99                 | 2,944.0         | 58,599.0               | 19.90                 |
| Wargrave             | 2,050.7         | 147,253                | 71.81                 | 2,077.7         | 152,841.0              | 73.56                 |
| Winnersh             | 3,742.6         | 104,606                | 27.95                 | 3,800.7         | 107,801.0              | 28.36                 |
| Wokingham Town       | 13,444.0        | 604,764                | 44.98                 | 13,600.5        | 625,492.0              | 45.99                 |
| Wokingham Without    | 3,037.2         | 138,092                | 45.47                 | 3,073.3         | 143,925.0              | 46.83                 |
| Woodley              | 9,242.7         | 1,059,676              | 114.65                | 9,459.9         | 1,030,349.0            | 108.92                |
| <b>TOTAL</b>         | <b>63,436.4</b> | <b>3,390,350</b>       | <b>53.44</b>          | <b>64,498.9</b> | <b>3,507,749</b>       | <b>54.38</b>          |

## COUNCIL TAX BY BAND AND PARISH 2014/15

| Band                       | A<br>£          | B<br>£          | C<br>£          | D<br>£          | E<br>£          | F<br>£          | G<br>£          | H<br>£          |
|----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Average Council Tax</b> | <b>1,014.51</b> | <b>1,183.59</b> | <b>1,352.68</b> | <b>1,521.76</b> | <b>1,859.93</b> | <b>2,198.10</b> | <b>2,536.27</b> | <b>3,043.52</b> |
| WBC plus average Parish    | 867.06          | 1,011.57        | 1,156.08        | 1,300.59        | 1,589.61        | 1,878.63        | 2,167.65        | 2,601.18        |
| Average Parish             | 36.25           | 42.30           | 48.34           | 54.38           | 66.46           | 78.55           | 90.63           | 108.76          |
| Police Authority           | 107.01          | 124.84          | 142.68          | 160.51          | 196.18          | 231.85          | 267.52          | 321.02          |
| Fire Authority             | 40.44           | 47.18           | 53.92           | 60.66           | 74.14           | 87.62           | 101.10          | 121.32          |
| Wokingham Borough Council  | 830.81          | 969.27          | 1,107.74        | 1,246.21        | 1,523.15        | 1,800.08        | 2,077.02        | 2,492.42        |

| Band                   | A<br>£ | B<br>£ | C<br>£ | D<br>£ | E<br>£ | F<br>£ | G<br>£ | H<br>£ |
|------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Parish Precepts</b> |        |        |        |        |        |        |        |        |
| Arborfield & Newland   | 45.67  | 53.29  | 60.90  | 68.51  | 83.73  | 98.96  | 114.18 | 137.02 |
| Barkham                | 17.90  | 20.88  | 23.87  | 26.85  | 32.82  | 38.78  | 44.75  | 53.70  |
| Charvil                | 18.61  | 21.71  | 24.81  | 27.91  | 34.11  | 40.31  | 46.52  | 55.82  |
| Earley                 | 42.02  | 49.02  | 56.03  | 63.03  | 77.04  | 91.04  | 105.05 | 126.06 |
| Finchampstead          | 14.43  | 16.84  | 19.24  | 21.65  | 26.46  | 31.27  | 36.08  | 43.30  |
| Remenham               | 46.17  | 53.86  | 61.56  | 69.25  | 84.64  | 100.03 | 115.42 | 138.50 |
| Ruscombe               | 13.35  | 15.57  | 17.80  | 20.02  | 24.47  | 28.92  | 33.37  | 40.04  |
| St. Nicholas Hurst     | 14.67  | 17.11  | 19.56  | 22.00  | 26.89  | 31.78  | 36.67  | 44.00  |
| Shinfield              | 38.40  | 44.80  | 51.20  | 57.60  | 70.40  | 83.20  | 96.00  | 115.20 |
| Sonning                | 26.63  | 31.07  | 35.51  | 39.95  | 48.83  | 57.71  | 66.58  | 79.90  |
| Swallowfield           | 12.76  | 14.89  | 17.01  | 19.14  | 23.39  | 27.65  | 31.90  | 38.28  |
| Twyford                | 13.27  | 15.48  | 17.69  | 19.90  | 24.32  | 28.74  | 33.17  | 39.80  |
| Wargrave               | 49.04  | 57.21  | 65.39  | 73.56  | 89.91  | 106.25 | 122.60 | 147.12 |
| Winnersh               | 18.91  | 22.06  | 25.21  | 28.36  | 34.66  | 40.96  | 47.27  | 56.72  |
| Wokingham Town         | 30.66  | 35.77  | 40.88  | 45.99  | 56.21  | 66.43  | 76.65  | 91.98  |
| Wokingham Without      | 31.22  | 36.42  | 41.63  | 46.83  | 57.24  | 67.64  | 78.05  | 93.66  |
| Woodley                | 72.61  | 84.72  | 96.82  | 108.92 | 133.12 | 157.33 | 181.53 | 217.84 |

| Band                 | A<br>£   | B<br>£   | C<br>£   | D<br>£   | E<br>£   | F<br>£   | G<br>£   | H<br>£   |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>All Precepts</b>  |          |          |          |          |          |          |          |          |
| Arborfield & Newland | 1,023.93 | 1,194.58 | 1,365.24 | 1,535.89 | 1,877.20 | 2,218.51 | 2,559.82 | 3,071.78 |
| Barkham              | 996.16   | 1,162.17 | 1,328.21 | 1,494.23 | 1,826.29 | 2,158.33 | 2,490.39 | 2,988.46 |
| Charvil              | 996.87   | 1,163.00 | 1,329.15 | 1,495.29 | 1,827.58 | 2,159.86 | 2,492.16 | 2,990.58 |
| Earley               | 1,020.28 | 1,190.31 | 1,360.37 | 1,530.41 | 1,870.51 | 2,210.59 | 2,550.69 | 3,060.82 |
| Finchampstead        | 992.69   | 1,158.13 | 1,323.58 | 1,489.03 | 1,819.93 | 2,150.82 | 2,481.72 | 2,978.06 |
| Remenham             | 1,024.43 | 1,195.15 | 1,365.90 | 1,536.63 | 1,878.11 | 2,219.58 | 2,561.06 | 3,073.26 |
| Ruscombe             | 991.61   | 1,156.86 | 1,322.14 | 1,487.40 | 1,817.94 | 2,148.47 | 2,479.01 | 2,974.80 |
| St. Nicholas Hurst   | 992.93   | 1,158.40 | 1,323.90 | 1,489.38 | 1,820.36 | 2,151.33 | 2,482.31 | 2,978.76 |
| Shinfield            | 1,016.66 | 1,186.09 | 1,355.54 | 1,524.98 | 1,863.87 | 2,202.75 | 2,541.64 | 3,049.96 |
| Sonning              | 1,004.89 | 1,172.36 | 1,339.85 | 1,507.33 | 1,842.30 | 2,177.26 | 2,512.22 | 3,014.66 |
| Swallowfield         | 991.02   | 1,156.18 | 1,321.35 | 1,486.52 | 1,816.86 | 2,147.20 | 2,477.54 | 2,973.04 |
| Twyford              | 991.53   | 1,156.77 | 1,322.03 | 1,487.28 | 1,817.79 | 2,148.29 | 2,478.81 | 2,974.56 |
| Wargrave             | 1,027.30 | 1,198.50 | 1,369.73 | 1,540.94 | 1,883.38 | 2,225.80 | 2,568.24 | 3,081.88 |
| Winnersh             | 997.17   | 1,163.35 | 1,329.55 | 1,495.74 | 1,828.13 | 2,160.51 | 2,492.91 | 2,991.48 |
| Wokingham Town       | 1,008.92 | 1,177.06 | 1,345.22 | 1,513.37 | 1,849.68 | 2,185.98 | 2,522.29 | 3,026.74 |
| Wokingham Without    | 1,009.48 | 1,177.71 | 1,345.97 | 1,514.21 | 1,850.71 | 2,187.19 | 2,523.69 | 3,028.42 |
| Woodley              | 1,050.87 | 1,226.01 | 1,401.16 | 1,576.30 | 1,926.59 | 2,276.88 | 2,627.17 | 3,152.60 |

## **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:

- Signing 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
- Keeping the Business Partner informed of potential variations from budget and management action to rectify the situation.

#### **Directors**

The 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
- 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)
- 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
- 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 & 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 Business Partner will play an essential role in this process and must be informed of all variations to budget.**







**WOKINGHAM  
BOROUGH COUNCIL**

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