



Medium term financial plan

Revenue Budget Forecast & Capital Budget Forecast to 2019/20

WOKINGHAM BOROUGH COUNCIL MEDIUM TERM FINANCIAL PLAN

(Revenue Budget Forecast & Capital Budget Forecast to 2019/20)

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CHIEF FINANCE OFFICER'S STATUTORY REPORT

1. Introduction

The Local Government Act 2003 requires the Chief Finance Officer (CFO) to report to Members, when setting the level of council tax, on the robustness of the budget presented and adequacy of reserves. The report below provides a strategic overview of the council's financial position as a context before making specific considerations on the 2017/18 budget.

2. Strategic Overview

Government's Autumn Statement November 2016

The Government declared that the UK economy is resilient despite government finances being £122bn worse off than expected by 2020. The government is no longer planning to deliver a budget surplus in 2019/20, but remains committed to balancing public sector expenditure "as soon as practicable". Departmental spending plans which were set out in the 2015 Spending Review will remain in place.

The national living wage will increase to £7.50 per hour (from £7.20) from April 2017. A housing infrastructure fund of £2.3bn will help provide 100,000 new homes in high demand regions. £1.4bn will help provide 40,000 affordable homes. An additional £1.1bn will help provide extra investment in local transport networks across England.

The statement provides a high level context for the local government funding settlement and illustrates that the financial climate is expected to remain extremely challenging for a number of years.

Other financial notifications

The following items remain from previously announced government statements, and impact on the financial context for the 2017/18 budget setting. The apprenticeship levy will come into place in April 2017 at 0.5% of employers' pay bills, but can be partially offset by using these funds for apprenticeship training. The education services grant is being reformed for 2017/18, and is expected to take £1.8m of grant away from the authority. A 1% cumulative annual reduction in council dwelling rent will continue for three more years from April 2017.

Local government finance settlement

Due to years of local government funding driven by a formula biased toward deprivation factors (as opposed to recognising the basic cost of providing services) and grant reductions calculated on the amount received in previous years, Wokingham Borough Council went into the 2017/18 settlement as the lowest funded unitary authority (per head of population) in the country. This also meant that, because of such poor funding settlements in the past, more of Wokingham's local services are funded by its council taxpayers than any other unitary authority. It is important to emphasise that while some unitary authorities benefit from almost 70% of their service costs funded by Government, the corresponding figure is just 12% in the case of Wokingham, and is set out later in the report.

Wokingham has been hit the hardest because Wokingham's council taxpayers already pay for most of its local authority services (as previously illustrated). This is the second year of the current four year funding settlement. The settlement seeks to impose a triple taxation

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

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

The council's approach to the use of NHB is responding to these changes. It will no longer significantly be used for regeneration projects but will be required to fund core service budgets. This will of course have a detrimental impact on the council's regeneration ambitions and with it, its pursuit of financial self-sufficiency.

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

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

There is more of the same in future years: revenue support grant (RSG) will be cut to absolutely nothing in 2018/19. The council will receive transitional funding for the second year in 2017/18 to help mitigate the impact of these stringent cuts, but for 2018/19 this transitional relief drops out.

Negative revenue support grant

The council continues to oppose the concept of negative RSG, which is forecast at £7.14m in 2019/20. Negative RSG has the effect of distributing council taxpayers money out of the borough and creates an unviable financial platform for 2020 when business rates are 'returned' to local authorities. Wokingham would start off this new regime without any RSG and less than £7m of its £60m+ business rates.

Adult Social Care (ASC)

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

The Care Act 2014 set out a framework for local authority duties in relation to the funding of social care, along with a number of changes to the regulation of social care providers. Councils are now able to add up to 3% on to council tax, by way of a precept, to pay towards social care in 2017/18, 2018/19, and 2019/20, but this has been capped at 6% over the three years.

The settlement has provided the council with a grant of £0.4m in 2018/19 towards adult social care, but this will do little to address the ongoing increasing costs arising from an aging population.

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

Regeneration and strategic developments

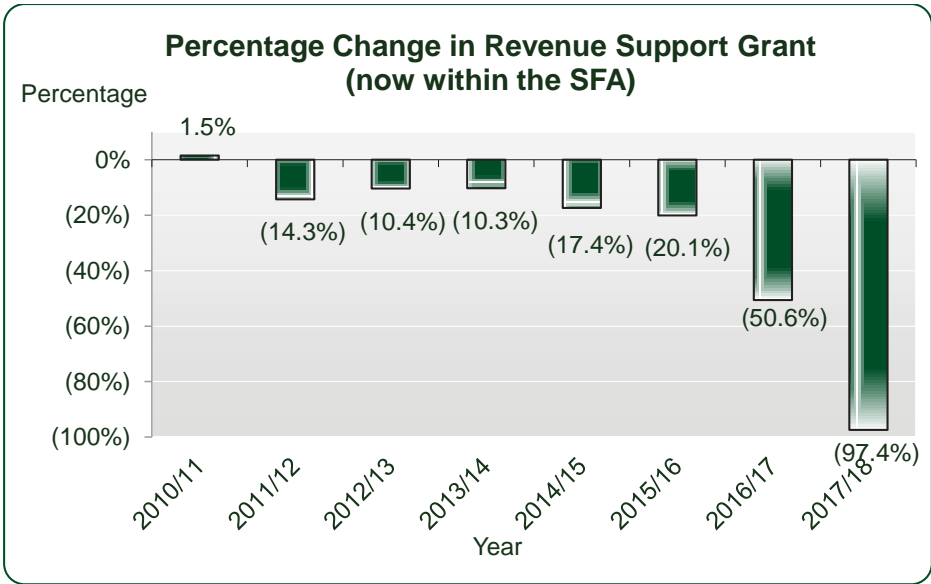
The council is continuing the development of Wokingham town centre to ensure that it remains an attractive location for businesses, and for people to visit for shopping and recreation. In addition, the four strategic development locations (SDLs) which the council has identified are starting the process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

3. Analysis of Reductions in Government Funding

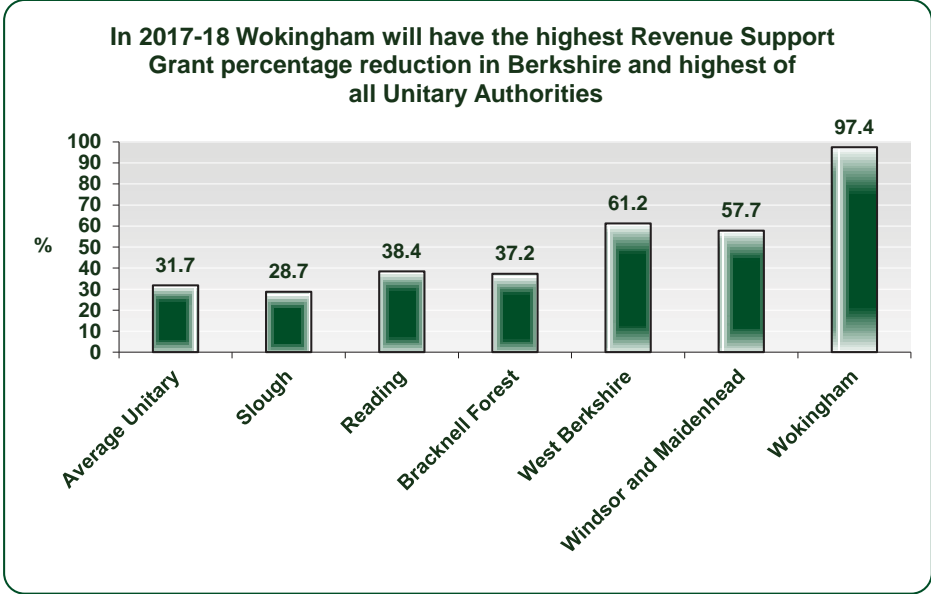
The percentage changes in Government Funding since 2010/11 are shown below. Following the December 2010 Local Government Finance Settlement, Wokingham suffered a reduction in RSG for the first time in 2011/12 of 14.3%, followed by reductions of 10.4% in 2012/13, 10.3% in 2013/14, 17.4% in 2014/15, 20.1% in 2015/16, 50.6% in 2016/17, and 97.4% in 2017/18. Wokingham will only receive £160k of RSG in 2017/18.

RSG was previously the significant unringfenced grant that supported the council's ongoing revenue expenditure. From 2013/14 it has been incorporated within the settlement funding assessment (SFA). The 97.4% reduction for Wokingham is significantly higher than the Berkshire average reduction of 46.4%, and the average for all unitary authorities.

The graph below shows the year upon year reductions in grant for Wokingham.

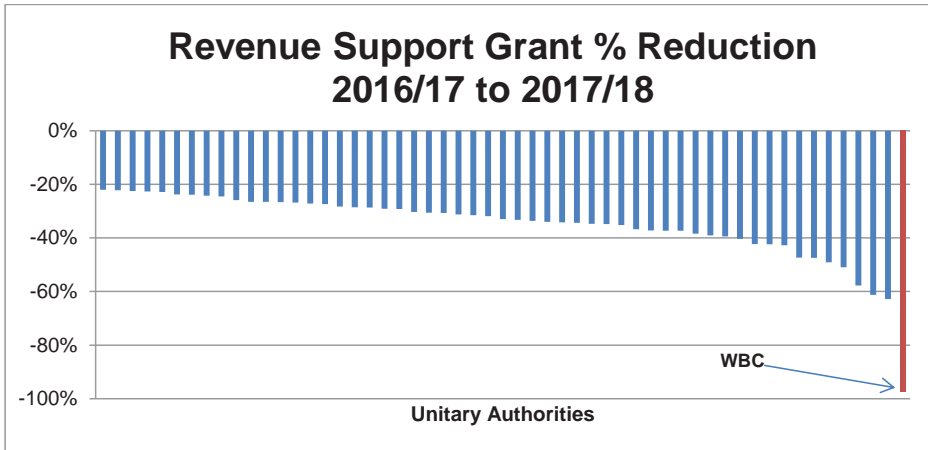


This further graph compares the 2017/18 RSG reductions across Berkshire councils, and the average for all unitaries. Despite already being the lowest funded unitary authority prior to the 2017/18 settlement, incredibly Wokingham managed to suffer the highest percentage reduction in RSG of all Berkshire and unitary authorities in the country, at 97.4%.

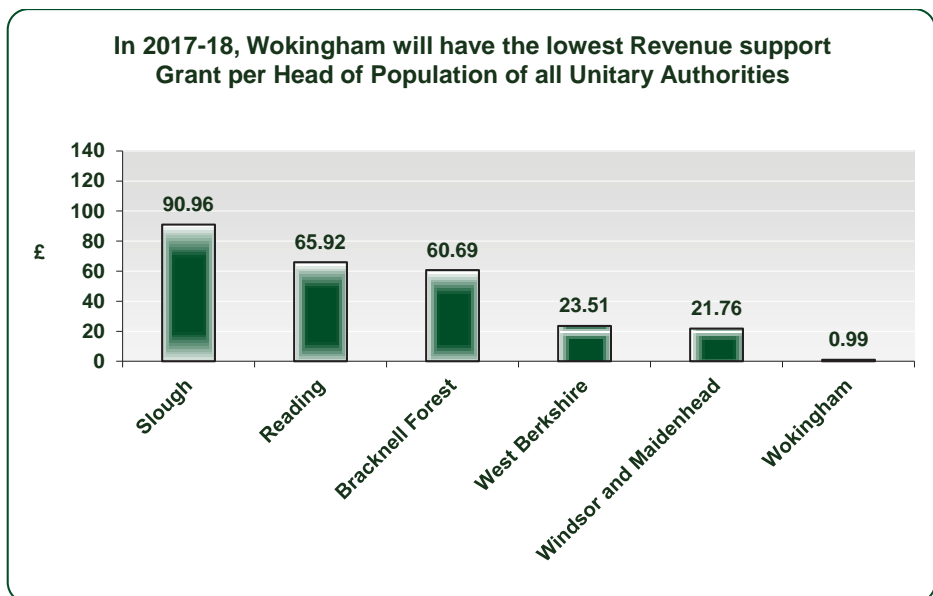


This figure shows a reduction of 97.4% of the council's RSG. The council now receives only £160k of RSG funding for the entire year, less than £500 per day to support local services.

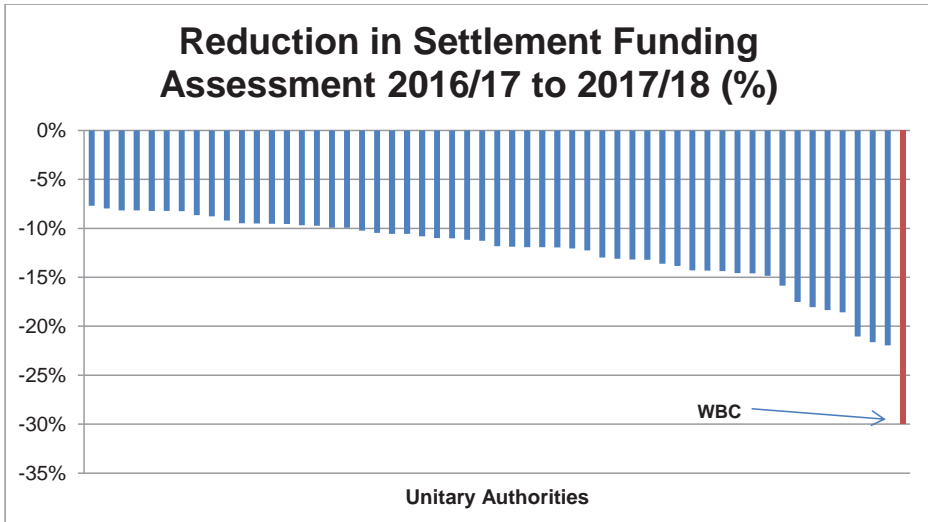
The graph below shows Wokingham's revenue support grant reduction compared to all other unitary authorities. This highlights what an outlier Wokingham is in the settlement.



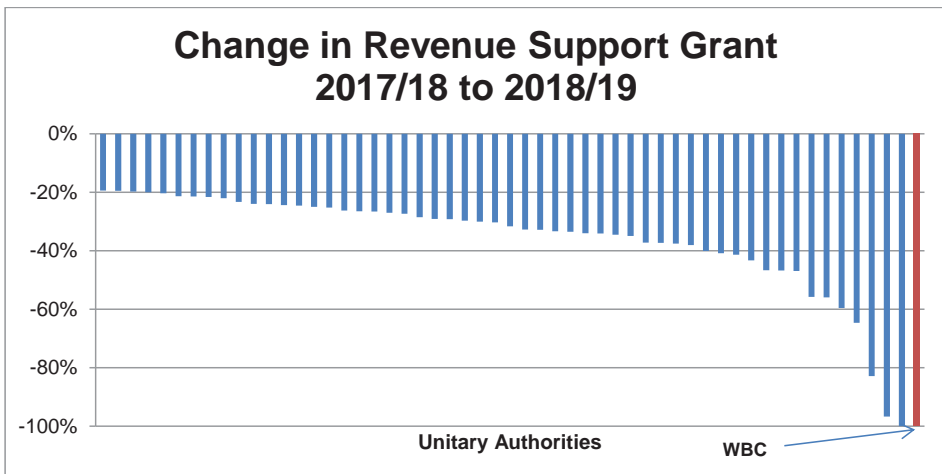
The graph below calculates the RSG for 2017/18 on a per head basis to enable a like for like comparison. The Wokingham figure of £0.99 per head is again the lowest in Berkshire as well as the lowest of any unitary authority. It shows a huge change from historic years, with Wokingham now receiving less than £1 per person per year in RSG for local services.



The above reductions are also reflected in respect of settlement funding assessment (SFA), which comprises retained business rates and RSG. Wokingham will also have the largest reduction, at 30%, of all unitaries from 2016/17 to 2017/18 as shown in the graph below.

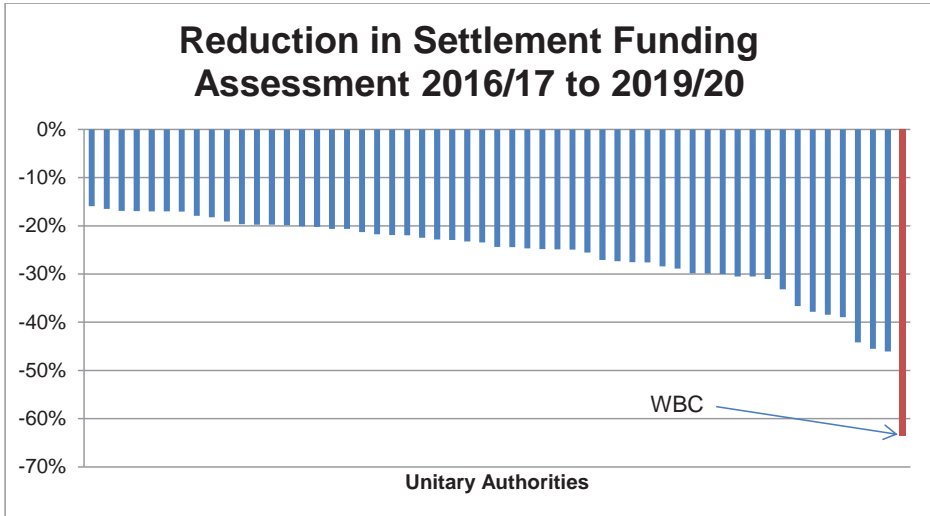


The graph below shows the change in RSG from 2017/18 to 2018/19 and again shows that Wokingham has the largest reduction of all unitaries. This confirms that for 2018/19, Wokingham sees a 100% reduction in its RSG, receiving no grant in 2018/19.

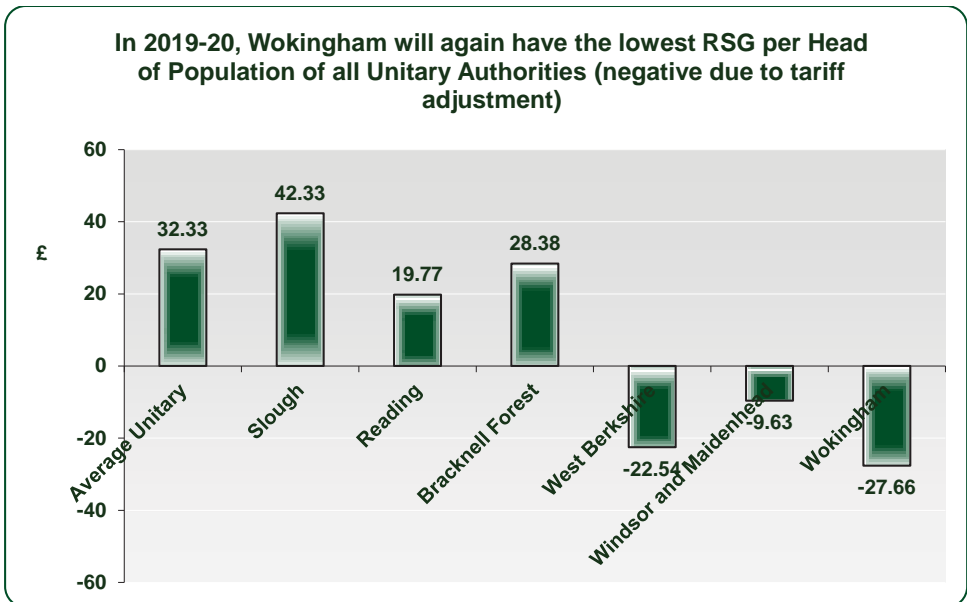


When looking at the four year horizon of the Settlement, the picture is bleak for Wokingham. Our remaining RSG is reduced by almost 100% in 17/18, down to £0.16m. A negative RSG is introduced when all of its' RSG has been removed. This negative RSG is enacted through a 'special' increase to the business rates tariff, which increases by £7.1m in 2019/20. As a result, by 2019/20 Wokingham expects to retain less than £7m of the £60m+ business rates we collect. The settlement funding assessment (made up of both RSG and retained

business rates) also shows Wokingham suffers more than any other unitary authority in the country. So, when looking at Wokingham's settlement from a RSG or SFA perspective we fare worst over the both the short term (2017/18) and the longer term (2019/20). Remember, these cuts are on top of our position going into this settlement; already the lowest funded authority per head of population. The graph below confirms that Wokingham will suffer the biggest reduction in Government support from 2016/17 to 2019/20 of all unitaries:



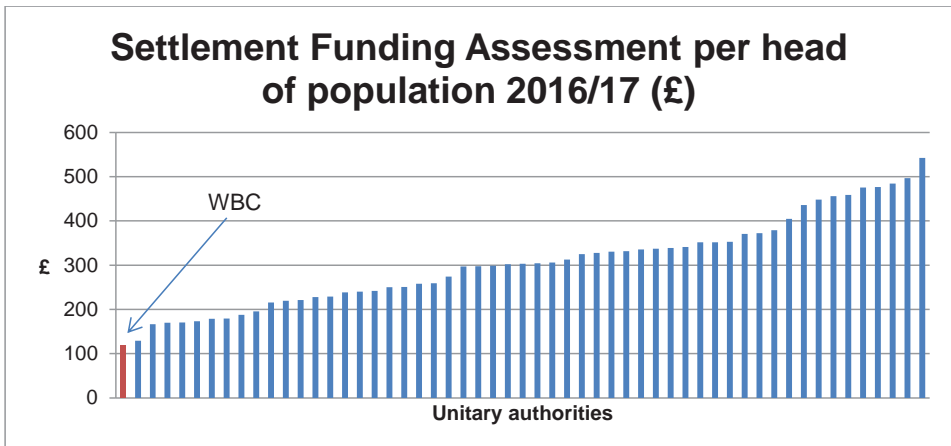
The graph below shows the specific impact by 2019/20 on a per head basis of the reductions in RSG (previously called Formula Grant).



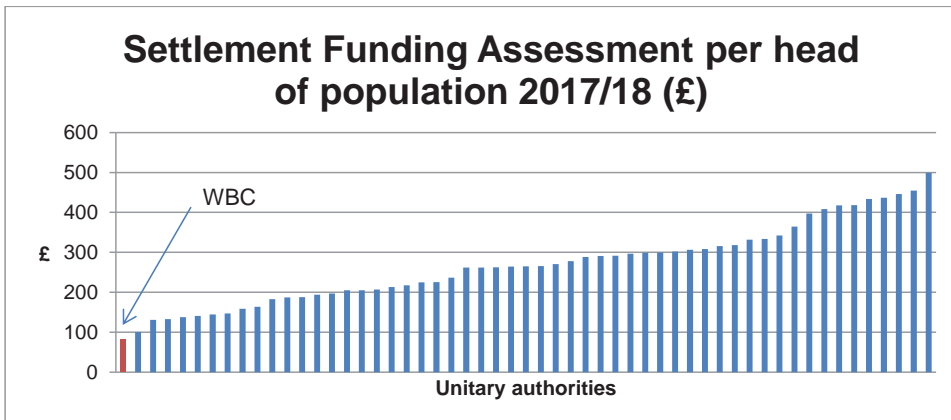
Settlement Funding Assessment (SFA)

Wokingham's total SFA will be £13.3m in 2017/18, compared to £19.1m in 2016/17, a reduction of 30.0%, or £5.8m.

The graph below confirms that Wokingham was starting from the position of being the lowest funded unitary authority in SFA terms in 2016/17, while the other graphs confirm that this position of being lowest funded is continued into later years.

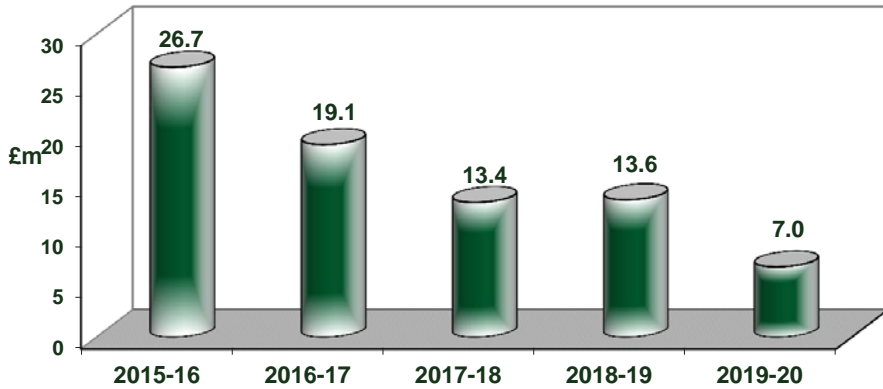


The graph below shows the position for 2017/18 and confirms that Wokingham remains the lowest funded, well below the unitary average, and less than 16% of the highest funded authority:



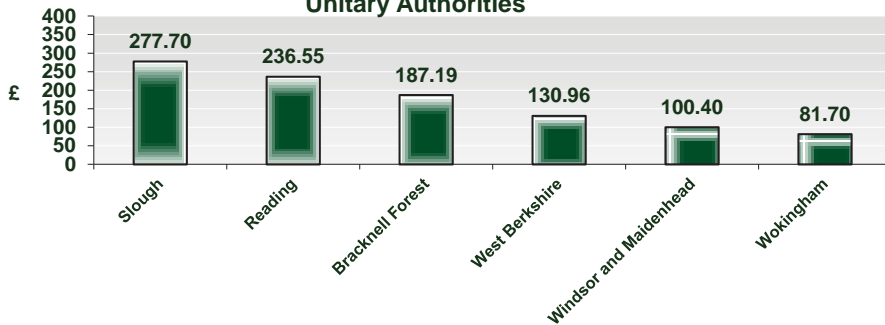
The graph below shows the settlement funding assessment for Wokingham over time, and the significant reduction in 2017/18 (30.0%) and further significant reductions planned for later years in the December 2016 settlement including a tariff adjustment in 2019/20. The cumulative changes from £19.1m in 2016/17 to £7.0m in 2019/20 represent a 64% reduction.

Settlement Funding Assessment for Wokingham

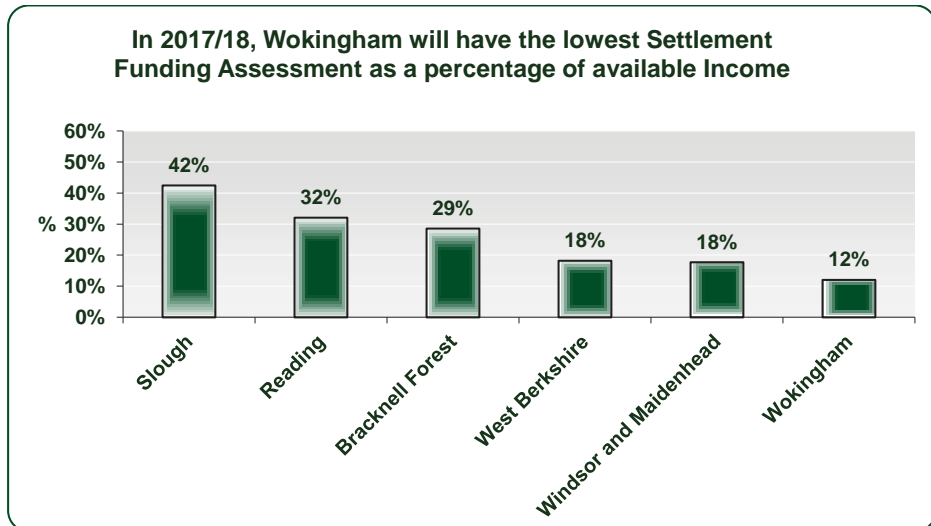


The graph below shows the settlement funding assessment on a per head of population basis for each Berkshire council. Wokingham will receive the SFA per head of £81.70, which is lower than the unitary authorities average. It is also less than half the funding of three of the Berkshire authorities.

In 2017/18, Wokingham will have the lowest Settlement Funding Assessment (SFA) per Head of Population of all Unitary Authorities



Wokingham's settlement funding assessment income is only 12% of its 2017/18 total available income (known as spending power). This is less than a third of one Berkshire council (42%), and lower than all other unitary authorities. The practical implication for Wokingham is that it must fund a higher proportion of the council's expenditure through council tax than any other unitary authority, and therefore increases/decreases in council tax have a greater proportional impact on services.



In 2017/18, Wokingham will receive the lowest percentage of SFA grant as a share of its total income, of any unitary authority. Wokingham will receive 12%, compared to some unitary councils for which government grants will fund over 65%, and an average of 37%. As a result, the percentage of expenditure met by Wokingham council tax payers is the highest of any unitary authority.

Analysis of spending power changes

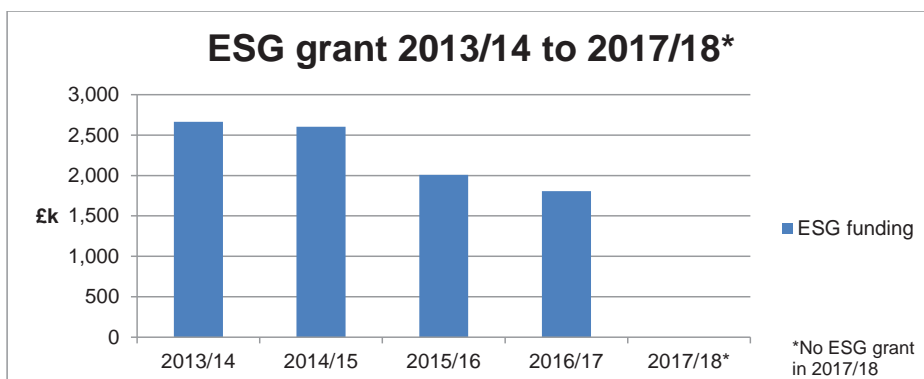
A headline that follows the local government finance settlement is the change in an authority's spending power. This can be misleading as it masks the real ongoing income position for the council that it must consider in its budget setting process. The table below shows that a £0.8m reduction in spending power is made up of a £5.8m reduction in settlement funding assessment, offset by other assumed increases. The largest contributor which offsets the large reduction in the SFA is assumed council tax base and inflationary council tax increases which are expected to bring in an additional £2.8m in 2017/18. On top of these is a further assumed 2% increase in council tax as a result of the adult social care precept. This brings the total assumed council tax increases to £4.6m. Without these assumed increases, the spending power would have fallen by £5.4m, not £0.8m. The change in spending power therefore substantially transfers the burden of funding council services to the council tax payer in 2017/18, since council tax as a percentage of spending power increases from 76.7% in 2016/17 to 81.4% in 2017/18. This is shown in the table below.

Spending Power	2016/17	2017/18	Change	Analysis
	£m	£m	£m	
Settlement Funding Assessment (SFA)	19.1	13.3	-5.8	£5.9m RSG reduction and other small changes
Assumed Council Tax	83.8	86.7	2.8	Assumed increase in council tax and base
New Adult Social Care (ASC) Precept	1.6	3.4	1.8	Assumed 2% increase
New Homes Bonus	4.8	4.8	0.0	Constant despite housing growth
Transition Grant	2.1	2.1	0.0	Ends in 2018/19
Adult Social Care Grant	0.0	0.4	0.4	New grant for 2017/18 only
Total Spending Power	111.5	110.7	-0.8	
% of spending power funded by assumed levels of council tax	76.7%	81.4%	6.1%	

Education Services Grant (ESG, formerly LACSEG)

The education services grant provides funding for services provided by the local authority which support local education such as school improvement, education welfare services, therapies, health services, asset management and support services. The grant was provided as part of RSG prior to 2013/14. The funding is payable on a per-pupil weighted basis and as schools have become academies, the funding has reduced. Although the council works hard to reduce its education support costs when responsibilities move to academies, it is very difficult to achieve reductions anywhere near the level of lost income because of the fixed costs involved and the education services grant being less than the cost of services provided.

The Government confirmed in the Autumn Statement 2015 that ESG would reduce in 2016/17 and cease entirely over the spending review period. The ESG grant has been reduced drastically for 2017/18 and transferred into DSG, with a transition grant provided, although a like for like comparison with ESG is not possible. This cut is in addition to those previously set out under the settlement funding assessment section of this report. Wokingham's ESG allocation for 2016/17 is £1.8m, compared to the £2.9m Wokingham is providing in services, leading to a £1.1m subsidy by tax payers. In 2017/18 DSG and transitional funding will provide £0.8m leading to a Wokingham subsidy of £1.8m.



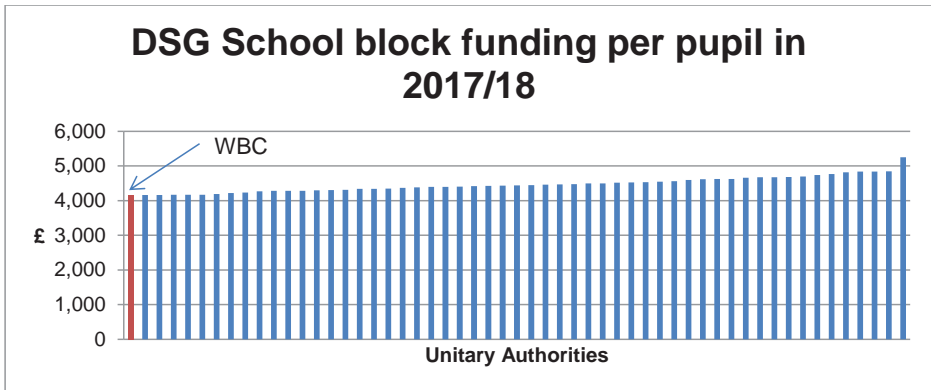
The Government advice to mitigate the shortfall of removing ESG is to allow local authorities to top slice early years funding by 7% in 2017/18 and 5% going forward. All local plans need to be agreed locally, and are subject to consideration by schools forum. This will put pressures on schools already facing reduced funding per pupil and have implications for adequate staffing due to a shortfall in pupils numbers partly as a result of academisation. The problem facing the council is two-fold due to the council not previously laying claim to this top slicing, and already having limited funding through on-going savings targets.

The Dedicated Schools Grant (DSG)

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

The amount of DSG the council has received in previous years for maintained schools and academies is shown below. The amount for 2017/18 was notified to the authority by the DfE in December 2016 however, a proportion of this amount is in respect of free schools and must be paid to them. The allocation available to the council for 2017/18 is £115.1m, compared to £114.8m in 2016/17. The increase to 2017/18 is accounted for by changes in the numbers of pupils, a reduction in the per pupil funding rate, and a transfer relating to ESG. 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.

The per pupil figure used to calculate DSG for 2017/18 is £4,152, compared to £4,155 for 2016/17, and is lower than the indicative figure for 2017/18 of £4,166. This is the lowest funding level of all local authorities. The graph below shows the funding per pupil for Wokingham compared to all other unitary authorities.

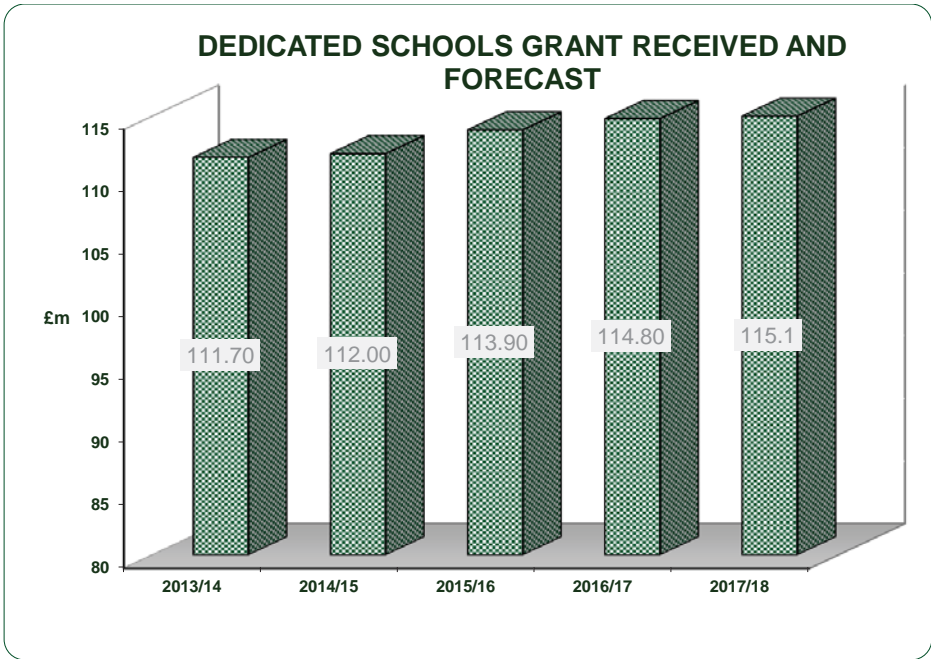


DSG and the national funding formula

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

In summary, the DSG changes mean that schools’ block money is much more aligned to pupil numbers, but there is no growth mechanism in the High Needs Block (HNB), and schools have less ability to incorporate fixed budget allocations. Schools with falling pupil numbers will therefore be more affected than others. Furthermore there are growing SEN pressures on the overall budget which may reduce the money available for allocation.

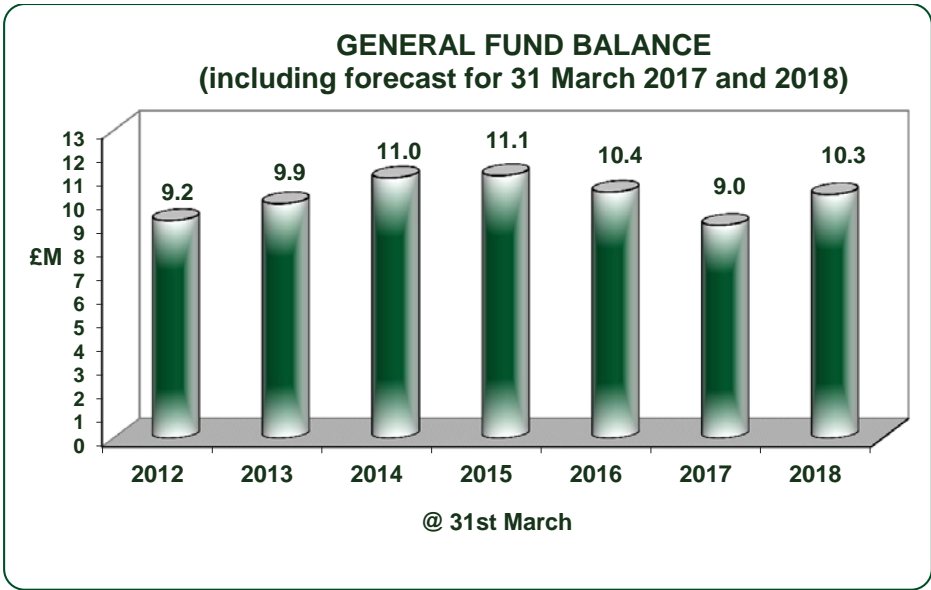
For the 2017/18 financial year schools will continue to be funded through the local authority funding formula but this will change for 2018/19 when the new national funding formula will apply.



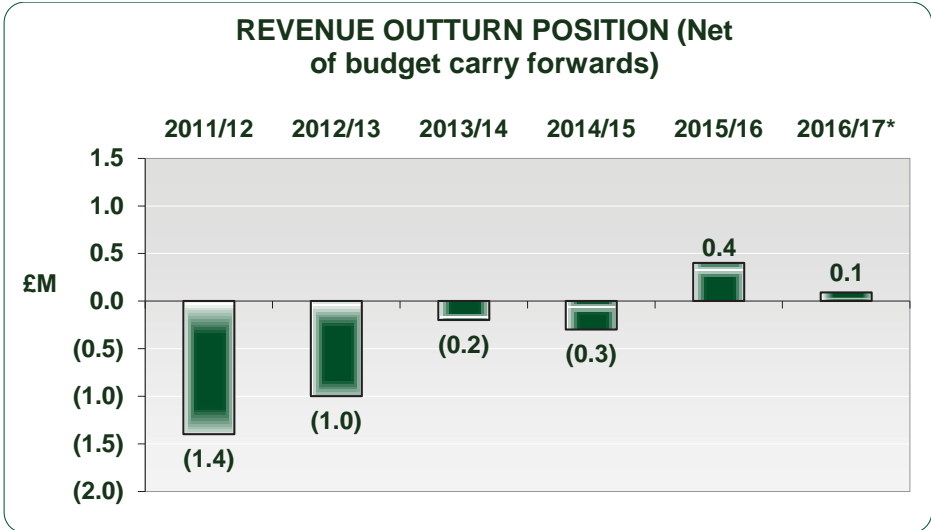
4. General fund balances (GFB)

The GFB is required as a contingency to meet unforeseen spending requirements and to provide stability in medium term financial planning (e.g. by using balances to contain growth in future years). The level of balances is informed by a budget risk analysis. This approach was introduced in 2003/04 when the council agreed the policy on GFBs. The budget risk analysis is included in the annual medium term financial plan. The graph below shows actual GFBs at 31 March 2016 and a forecast for 31 March 2017 and 31 March 2018.

GFBs need to remain in the region of £9m going forward as the number and level of risks facing the council's finances have increased significantly. They include the implication of future years of austerity; further grant reductions; additional service pressures; substantial regeneration programmes requiring forward funding of interest costs on SDL schemes; risks around business rate receipts, the level of retained business rates; and significant risks around the Care Act.



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



*This includes significant one off income adjustments such as supplementary estimates, which masks a substantial underlying pressure.

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

The forecast budget variance in 2016/17 currently shows an overspend of £0.1m compared to the budget approved in February 2016, based on November monitoring. It should be recognised that within the overall position there are significant underlying cost pressures within the 2016/17 budget including, for example, pressures on child placements; this will need to be considered within the 2017/18 budget submission.

5. Other balances

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

6. Council tax

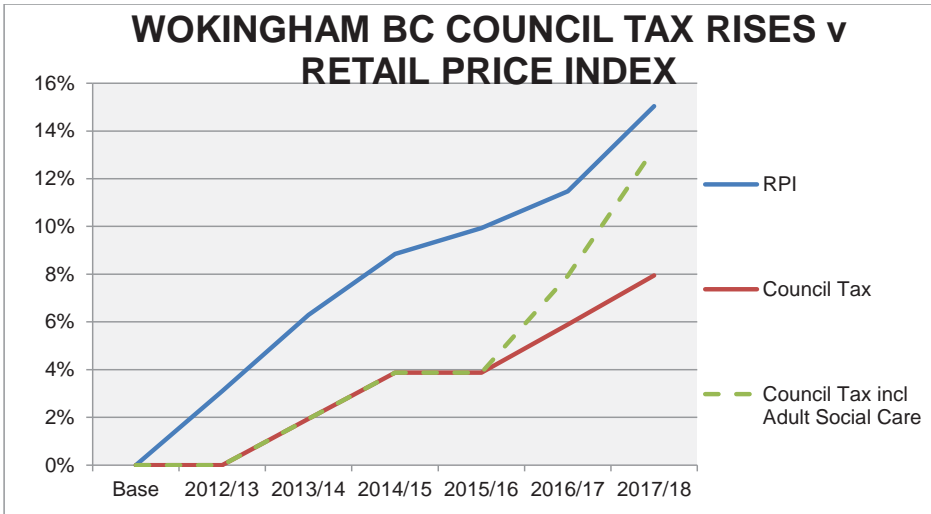
Funding is fixed by the Government and therefore increases in service funding affects the level of council tax that must be levied. This is a major area of tension in every budget setting year; the increase in council tax versus the quality and level of service delivery. This is a particularly difficult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

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

Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
RPI (May figures)	3.1%	3.1%	2.4%	1.0%	1.4%	3.2%*
Wokingham BC Council tax (core element)	0.0%	1.9%	1.9%	0.0%	1.9%	1.9%
Wokingham BC Council tax (Adult social care)	n/a	n/a	n/a	n/a	2.0%	3.0%

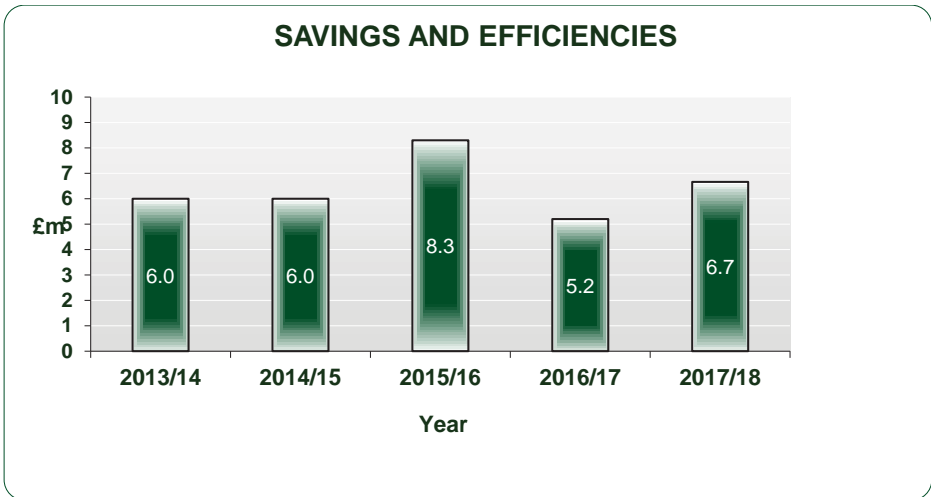
* OBR November 2016 forecast of 2017 RPI

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



Savings

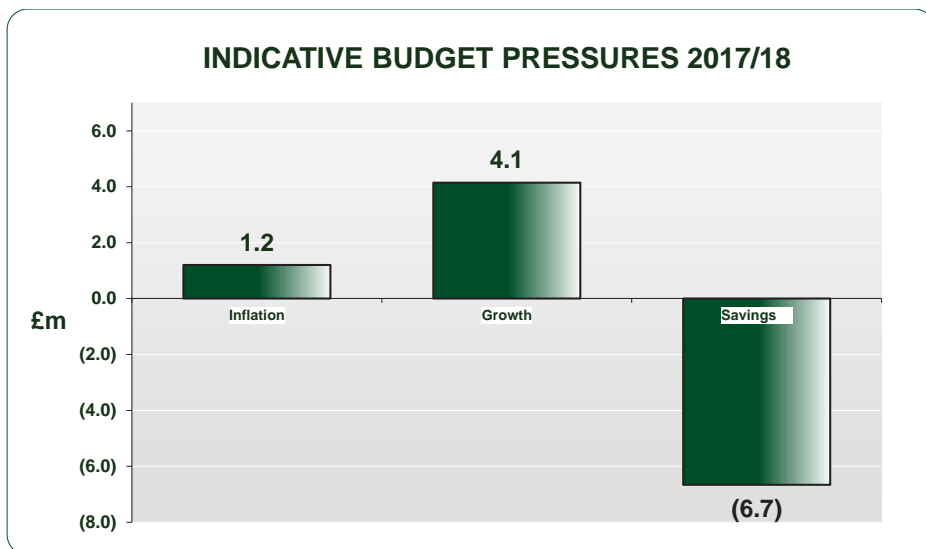
The total savings and efficiencies that have been identified in setting the council tax in previous years are shown below. It equates to over £31.6m over the five years. Savings are used to fund growth, inflation and reductions in Government grants.



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

7. Budget pressures

An overview of the 2017/18 budget pressures is shown below. The detail of the full and updated set of budget movements is contained in the Summary of Budget Movements (SoBM) section of the medium term financial plan (MTFP).



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

8. Revenue resources outlook and risks 2017/18 and beyond

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

A budget risk analysis has been undertaken for 2017/18 and is detailed in the MTFP. This identifies budgets where there remains a risk of overspending, given the best estimate is included in the budget submission. The budget risk analysis is used as a guide to determine the level of GFB required.

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

The capital resources outlook and risks are covered in paragraph 9 below. The major issues that may impact on future revenue resources are:

21st Century Council

The 21st century council programme changes the shape, structure and operating model of the organisation. It will improve availability of and access to council services through digital channels, deliver swifter resolution of issues and queries, give a greater focus to problem-solving and customer responsiveness and produce a leaner, more efficient council costing significantly less to run. The implementation of the programme is expecting to save £2m in

2017/18 and a further £2m in 2018/19. The detail of these plans is a significant area of work across the council and delivery of these plans is key to achieving a balanced budget.

Statutory costs of care

The Care Act introduced a new national threshold and the demand has significantly increased as a result of extending eligibility to certain adult services from the 'critical' threshold to the 'substantial' threshold. This has resulted in the need for an in-year £722k demand led supplementary estimate, with the requirement for additional ongoing budget relating to this. In addition, Children's Services also have budget pressures in 2016/17 for additional children's residential placements. The increase in the living wage to £7.50 in 2017/18 from £7.20 in 2016/17 will put additional pressure on care providers as they seek to retain staff. These pressures will need to be considered along with other budget pressures in the 2017/18 budget and beyond.

Demand led budgets (including increasing responsibilities from the Government)

Further to the pressures identified under the Care Act there are additional statutory services pressures, which are notoriously difficult to control. Although best efforts have been made to accurately forecast budget requirements and contain escalating demand through prevention, there will always be a considerable degree of uncertainty. In the context of reductions to public health funding and the costs of council tax support this uncertainty is compounded in the current economic climate alongside increasing service needs, and cost increases as a result of the living wage. Care providers are likely to be operating at even tighter margins leading to the risk that they could enter financial difficulties and possibly even provider failure. These risks will need to be managed as part of the 2017/18 budget and beyond.

Schools funding

The per pupil figure used to calculate DSG for 2017/18 is £4,152, compared to £4,155 for 2016/17, and is lower than the indicative figure for 2017/18 of £4,166. This is the lowest funding level of all local authorities.

Schools are under more pressure than previously as a result of staffing cost pressures, reductions in pupil numbers and the ESG pressures previously mentioned. The increase in the number of schools forecasting in-year deficits also puts pressure on 2017/18 budget setting as schools have to address the in-year deficit relating to 2016/17 and funding reductions for the 2017/18 financial year.

Funding the Council's ambitions for regeneration

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

New Homes Bonus (NHB)

The Autumn Statement 2015 proposed changes to the NHB which make the scheme less attractive for Wokingham by reducing the length of payments from six years to four. The council is now set to receive £4.8m for NHB in 2016/17, and again £4.8m for 2017/18. This grant should have increased to fund the authority for the significant amount of house building which has taken place in the borough. The government have reduced the national amount of NHB grant, and therefore the amount Wokingham receives has stayed constant.

Furthermore the NHB has been included in the council's core spending power calculation. These developments appear to fundamentally undermine the initial intention behind the NHB scheme: to incentivise housing growth and reinvest in regeneration. Although the council's previous approach has been to use NHB to fund special items, most notably for regeneration, the sustainability of such an approach has been brought into question due to its impact on the funding of essential council services.

Impact of the economic environment

The initial negative impact of the European Union referendum result on the economic environment has somewhat lessened. Subsequent surveys have shown a sharp recovery in confidence and business surveys and it is generally expected that the economy will now avoid flat lining and there are some positive signs. The ongoing impact of the wider current economic environment means that particular consideration as ever 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 developer contributions for infrastructure;
- Increase in benefit claimants and bad debts;
- Reduced capital receipts realised on planned asset disposals;
- Reduction in income from fees and charges

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

The Bank of England on August 4 addressed this expected slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. Capita Asset Services undertook a quarterly review of its interest rate forecasts after the MPC meeting of 4th August which cut the Bank Rate to 0.25% and gave forward guidance that it expected to cut the Bank Rate again to near zero before the year end. The Bank of England in November's statement shifted to a "neutral" policy position, stating that central bank policy can respond "to either direction" as per changes in the economic outlook, removing its previous view that a rate cut was a possibility. The governor of the Bank of England (Mark Carney) has repeatedly stated that increases in the bank rate will be slow and gradual after they do start. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently.

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, business rates revaluation and council tax

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

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

More recent Government announcements make clear an intention to return all business rates to local authority control in 2020. Although this sounds attractive, this is likely to mean little to Wokingham, as at this stage Wokingham will keep less than £7m of the £60m+ business rates.

9. Capital

Capital strategy

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

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

Under the prudential code, all authorities are able to borrow as much as they require to fund their capital programme provided it is affordable, prudent and sustainable. The financing costs of any new borrowing falls directly upon the council tax payer. The annual revenue cost of new borrowing is approximately 7.1% of the sum borrowed (4% principal and 3.1% interest).

Capital programme

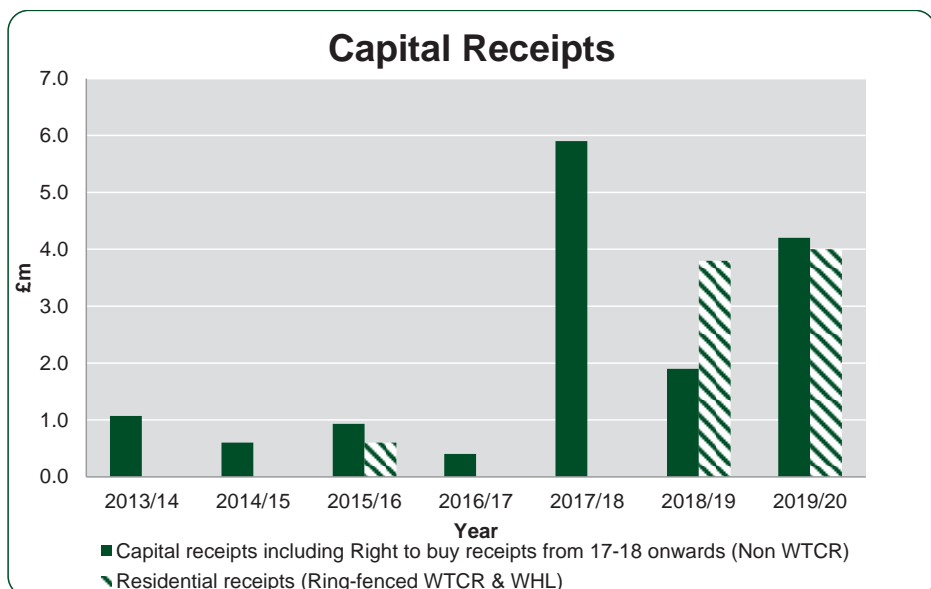
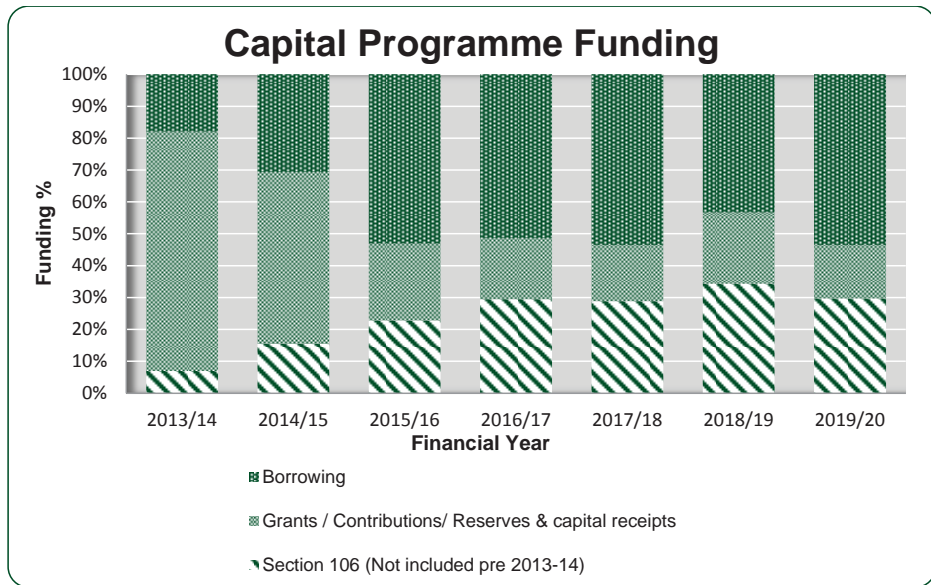
The first three years of the capital vision is effectively the capital programme. This has been developed following an assessment against key council priorities, including a value for money and risk analysis.

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

The capital programme is funded from a variety of sources: capital receipts, borrowing, grants and other contributions. The relative reliance on each funding source is set out below

and shows a greater dependency on developer contributions as the council embarks on its ambition to develop its four strategic development locations.

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



Note: Receipts for the current and future years are estimates

The significant amount of capital receipts forecast from 2016/17 onwards is due to forecast receipts from sale of houses arising from the Wokingham town centre regeneration.

Capital resources and borrowing outlook

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

Town centre regeneration

The first phase of Wokingham Town Centre Regeneration, which is one of the council's key investment priorities, was finished with the refurbishment of the Peach Place corner in 2014. Consent was granted for the main Peach Place scheme in March 2015 and construction will begin in January 2017 for approximately 18 months. Phase 1 of the Carnival scheme, the construction of a new multi-storey car park and new bowling alley, is currently underway and due to open in spring/summer 2017. Feasibility work on phase 2 of the Carnival scheme (including the extension of leisure facilities on the site) is currently being undertaken. Consent was granted for the Elms Field scheme in April 2016 and work is due to begin on site in early summer 2017. 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.

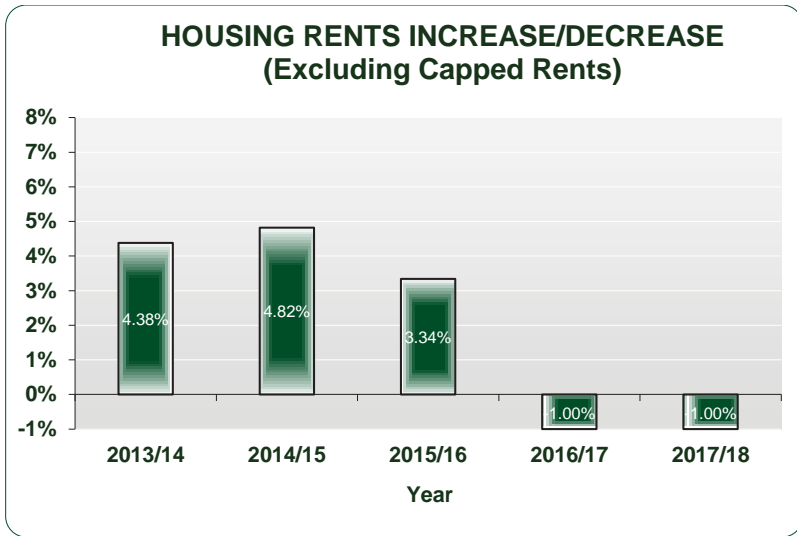
Capital receipts and contributions

Significant costs relating to the development of SDLs are in respect of building major roads and schools. Developer contributions through S106 contributions or Community Infrastructure Levy are key to funding these and minimising the burden on general council capital resources. Given the size of the investment required the timing of the capital receipts becomes important as the capital financing costs of any timing lag falls on the general fund. The capital ambition of the organisation is high, and future years of the programme show a rising deficit of funding available against investment ambition. This will be bridged through a combination of maximising resources, modifying and prioritising schemes.

10. Housing Revenue Account (HRA)

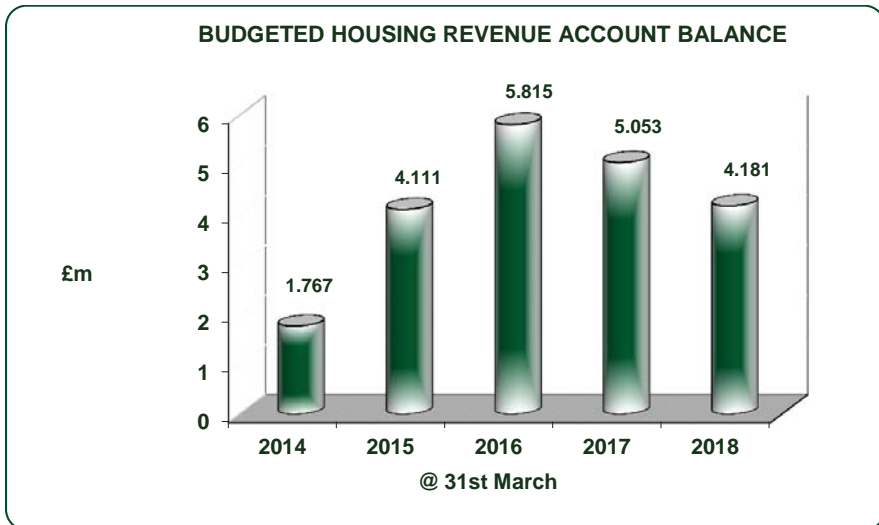
The HRA is a ring-fenced account and as such has no impact on the level of council Tax. The money spent maintaining the council's housing stock (valued at approximately £164m) and providing a service to council tenants is mainly funded by housing rents paid by council tenants. Gross expenditure on the HRA is in the region of £18.2m and is predominately in the areas of repairs and maintenance, capital financing, investment in capital works, and management. Housing rents are required to be adjusted annually in accordance with Government guidelines.

Under the Localism Act the council took control of its housing rental income thus enabling more effective planning for the long term management of these key assets. In return Wokingham took on its share of the £28bn national housing debt as part of the self-financing settlement. Although the council took on significant debt to do this, the scheme 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.



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

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



The chart above shows actual HRA balances at 31 March 2016 and a forecast for 31 March 2017. The estimated balance at 31 March 2017 will be used to fund capital expenditure in 2017/18 and later years, and fund the loss of rental income due to the 1% rent reduction.

11. 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. The ongoing expansion of Optalis through a merger with the Royal Borough of Windsor and Maidenhead is delivering on plans to grow the business, with a go-live date of 1 April 2017 planned.

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. The company has a detailed business plan and the financial impact of this is incorporated into the council's MTFP.

Graham Ebers

Director of Finance & Resources (and Chief Financial Officer)



12. Glossary

Abbreviation	Description
ASC	Adult social care
ESG	Education services grant
GFB	General fund balances
HRA	Housing revenue account
MTFP	Medium term financial plan
NDR	Non-domestic (business) rates
NHB	New homes bonus
RSG	Revenue support grant
SFA	Settlement funding assessment
SDL	Strategic development locations
SoBM	Summary of budget movements
TCR	Town centre regeneration
WHL	Wokingham Housing Limited

Reserves and Balances

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

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
General Fund Reserves:					
General Fund (Statutory)	Resource available to meet future running costs for non-housing services	<ul style="list-style-type: none"> Policy based on a combination of financial risks and Audit Commission guidance as follows: <ul style="list-style-type: none"> Min 5% of net expend (excluding Dedicated Schools Grant) – this equates to £5.4m Risk assessments of budgets - this suggests £9m approximately To enable stability in longer term financial planning Current recommended level of balances is £9m to £16.5m (medium & high financial risks) – see MTFP 	<p>2016 £10.4m</p> <p>2017 £9.0m</p> <p>2018 £10.3m</p> <p>2019 £10.4m</p> <p>2020 £9.8m</p>	<p>Provides:</p> <ul style="list-style-type: none"> General contingency for unavoidable or unforeseen expenditure Stability for longer term planning Interest on Balances helps to reduce costs to the taxpayer: Interest on Balances @ 0.5% = £50k 	<ul style="list-style-type: none"> Could be used to fund one off General Fund expenditure which would result in loss of interest £5k per £1m Could be used instead of borrowing @ 8% = £80k per £1m but loss of interest of £5k per £1m
Insurance Fund (Earmarked Reserve)	This is used to fund part of each insurance claim, up to losses of £900k in a year	<ul style="list-style-type: none"> Needs to be at a level where provision could sustain claims in excess of current claims history May have to meet claims incurred but not yet reported 	<p>2016 £2.0m</p> <p>2017 £2.0m</p> <p>2018 £1.8m</p> <p>2019 £1.6m</p> <p>2020 £1.2m</p>	<ul style="list-style-type: none"> Funds deductibles / excesses in order to minimise premiums Provides the Supply Teacher Scheme Helps maintain current rates charged to schools Interest earned builds up the reserves 	<ul style="list-style-type: none"> Excess funds could be used to fund one off General Fund expenditure

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Renewals Funds (Earmarked Reserves)	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"> Contributions to the reserve are made on the basis of the anticipated replacement cost of the items over their expected life 	2016 £0.4m 2017 £0.4m 2018 £0.4m 2019 £0.4m 2020 £0.4m	<ul style="list-style-type: none"> Reduces pressure on maintenance budgets Interest is accrued on the reserves at 0.5% = £3k which helps to reduce costs 	<ul style="list-style-type: none"> Could be used for alternative maintenance or other revenue expenditure
Waste PFI Equalisation Fund (Earmarked Reserve)	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	2016 £1.9m 2017 £1.2m 2018 £0.4m 2019 (£0.4m) 2020 £0.2m	<ul style="list-style-type: none"> Reserve was in deficit during the early years of the contract and returned to a surplus in 2012/13 Provides stability of budgets in the medium to long-term 	<ul style="list-style-type: none"> A reserve in deficit cannot be used for other purposes, it will be offset by General Fund Reserves
Interest Equalisation Fund (Earmarked Reserve)	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"> To build up reserve based on favourable investment returns over budget Contributions from the reserves will be used to fund Wokingham Town Centre Regeneration (WTCR) until cash flow becomes positive 	2016 £2.8m 2017 £2.8m 2018 £2.8m 2019 £ nil 2020 £ nil	<ul style="list-style-type: none"> Equals out market fluctuations in income due to volatile interest rates Interest is accrued on the reserves at 0.5% = £14k which helps to reduce costs Equalises WTCR scheme costs 	<ul style="list-style-type: none"> Could be used to support revenue expenditure
Committed Sums (Earmarked Reserve)	These are amounts received from developers for the maintenance of open spaces and will include Community Infrastructure Levy (CIL) fees from 2015/16 onwards.	<ul style="list-style-type: none"> There is no policy on the level of balances due to the nature of developer works and CIL agreements All contracts are unique to each developer and will vary depending on the nature of the particular project and may be subject to planning permissions etc. 	2016 £2.6m 2017 £2.6m 2018 £2.6m 2019 £2.6m 2020 £2.6m	<ul style="list-style-type: none"> Used to maintain parks and open spaces so avoiding service spend Interest to be used in a specified and agreed manner 	<ul style="list-style-type: none"> Money cannot be used for other purposes

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Capital Reserves:					
Usable Capital Receipts (Excluding right to buy) (Statutory)	<ul style="list-style-type: none"> • Proceeds of fixed asset sales available to meet future capital requirements and to act as a contingency 	<ul style="list-style-type: none"> • The current policy is to ensure that balances are sufficient to cover the first year of the capital programme (including urgent health & safety issues that may arise during the year) 	2016 £6.2m 2017 £ nil 2018 £ nil 2019 £ nil 2020 £ nil	<ul style="list-style-type: none"> • To finance future capital schemes • This provides stability for longer term planning • Interest on balances @ 0.5% helps to reduce costs to the taxpayer. 	<ul style="list-style-type: none"> • Could be used instead of borrowing @ 8% = £80k per £1m but loss of interest of £5k per £1m
Usable Capital Receipts (Right to buy element)	<ul style="list-style-type: none"> • The council's share of HRA sale receipts are ring fenced for One for One Replacement 	<ul style="list-style-type: none"> • Housing sales receipts must be used for social housing within the Borough 	2016 £2.6m 2017 £2.7m 2018 £1.7m 2019 £1.2m 2020 £0.0m	<ul style="list-style-type: none"> • Government's commitment to ensure that the receipts on every additional home sold under the Right to Buy are used to fund its replacement 	<ul style="list-style-type: none"> • Will be used to help fund the HRA reinvestment in new homes for affordable rent

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Other Capital Contributions:					
Developer contributions, Community Infrastructure Levy (CIL) and Revenue to Capital Contributions	<ul style="list-style-type: none"> Money received from developers as part of their development obligations and CIL fees from 2015/16 onwards. A time lag exists between receipt and design/delivery of schemes. 	<ul style="list-style-type: none"> There is no policy on the level of balances due to the nature of the contributions Where possible contributions should be used to fund schemes identified within the 3-year capital programme / 10-year capital vision All contracts are unique to each developer and will vary depending on the nature of the particular project and may be subject to planning permissions etc. Balances may increase due to restrictions on how contributions may be spent, and matching these to schemes within the capital programme 	2016 £18.4m 2017 £2.7m 2018 £3.1m 2019 £0.1m 2020 £0.1m	<ul style="list-style-type: none"> Interest on Contributions helps to reduce costs to the taxpayer: Interest on Balances @ 0.5% = £92k 	<ul style="list-style-type: none"> Monies can only be used for purposes specified in the agreement Contributions might be time restricted therefore if not utilised may need to be repaid to the developer
Ring Fenced Reserves:					
Housing Revenue Account (HRA) (Statutory)	<ul style="list-style-type: none"> Resources available to meet future running costs for council houses 	<ul style="list-style-type: none"> Local Government and Housing Act 1989 section 76 (3) forbids a year end deficit on the HRA Balance is determined by level of risk associated with the budget Min 5% of gross expenditure Current recommended minimum level of reserves is £0.9m 	2016 £5.8m 2017 £5.1m 2018 £4.2m 2019 £4.2m 2020 £2.1m	<ul style="list-style-type: none"> Provides general contingency for unavoidable or unforeseen expenditure or fall in income Stability for longer term planning and for meeting the decent homes standard Interest on Balances helps to reduce costs: Interest on Balances @ 0.5% = £8k 	<ul style="list-style-type: none"> Could be used to fund HRA Capital expenditure to help meet decent homes standard which would result in loss of interest £5k per £1m Could be used to fund HRA debt repayment

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Major Repairs Reserve (Statutory)	This records the unspent balance of HRA Capital projects	<ul style="list-style-type: none"> Use of Capital to meet Decent Homes Standard Redevelopment and regeneration of the council's housing stock 	2016 £3.0m 2017 £1.8m 2018 £0.9m 2019 £0.0m 2020 £0.0m	<ul style="list-style-type: none"> Provides capital to invest in stock to meet the government's Decent Homes Standard policy Provides general contingency for unavoidable or unseen expenditure 	<ul style="list-style-type: none"> Will be used to fund HRA capital expenditure to help meet decent homes standard
Specific School Reserves (ISB) (Earmarked Reserves)	To resource expenditure directly delegated to schools	<ul style="list-style-type: none"> The estimates are based on the existing number of schools and do assume any further transfers to academies, which would impact upon these estimates. 	2016 £4.6m 2017 £4.0m 2018 £3.7m 2019 £4.2m 2020 £4.2m	<ul style="list-style-type: none"> Provides general contingency for unavoidable or unseen expenditure Offset any deficit balance in DSG reserve Interest on Balances helps to reduce costs: Interest on Balances @ 0.5% = £25k 	<ul style="list-style-type: none"> School reserves are ring fenced to schools
Central Costs (Dedicated Schools Grant) (Earmarked Reserves)	To resource expenditure not directly delegated to schools	<ul style="list-style-type: none"> Risk assessments of budgets suggests £0.3m minimum To enable stability in longer term financial planning To improve education standards 	2016 £2.2m 2017 £0.6m 2018 £0.3m 2019 £0.8m 2020 £0.8m	<ul style="list-style-type: none"> Provides general contingency for unavoidable or unseen expenditure 	<ul style="list-style-type: none"> DSG is ring fenced

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
Other Earmarked Reserves	<p>These reserves are held for specific accounting reasons</p>	<ul style="list-style-type: none"> The funds in these reserves are ring fenced funds that cannot be used for other purposes 	<p>2016 £4.8m 2017 £4.8m 2018 £4.8m 2019 £4.8m 2020 £4.8m</p>	<p>Reserves include:</p> <ul style="list-style-type: none"> Housing Association reserve Challenge of business rates Energy contract reserve Building Control trading account reserves 	<ul style="list-style-type: none"> Interest on these reserves at 0.5% would be £20k which helps to reduce costs

GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2017/18

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

	2016/17 Estimate £	2016/17 Local Tax Rate £	2017/18 Estimate £	2017/18 Local Tax Rate £
Chief Executive	2,692,890	40.80	1,544,590	22.905
Children's Services	20,512,040	310.78	20,594,090	305.399
Environment	26,006,820	394.03	25,902,400	384.118
Finance & Resources	22,767,070	344.95	21,503,490	318.885
Health & Wellbeing	40,920,340	619.99	42,490,590	630.112
Total Net Expenditure	112,899,160	1,710.56	112,035,160	1,661.42
Appropriation to / (from) Balances	118,631	1.80	1,253,354	18.59
Borough Council Requirement	113,017,791	1,712.35	113,288,514	1,680.01
Income:				
Government Support	(20,551,926)	(311.39)	(14,098,453)	(209.07)
Transitional Grant	(2,109,435)	(31.96)	(2,104,069)	(31.20)
New Homes Bonus	(4,764,157)	(72.18)	(4,725,796)	(70.08)
Council Tax Collection Fund Surplus	(100,000)	(1.52)	(700,000)	(10.38)
Council Tax for Borough Council Purposes	85,492,273	1,295.31	91,660,197	1,359.27

General Fund Balance Estimates				
Brought Forward	10,370,000		9,012,000	
In year variation	(1,358,000)		1,253,354	
Carried Forward	9,012,000		10,265,354	
Local Tax Base	66,001.4		67,433.4	

The local tax Band D rate of £1,359.27 is a 1.94% increase in council tax and a 3% increase which forms the Adult Social Care precept.

GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2017/18

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

	2016/17 Estimate £	2016/17 Local Tax Rate £	2017/18 Estimate £	2017/18 Local Tax Rate £
Chief Executive	4,436,520	67.22	3,648,480	54.10
Children's Services	33,412,980	506.25	33,180,690	492.05
Environment	40,457,280	612.98	36,753,230	545.03
Finance & Resources	11,851,530	179.56	10,345,890	153.42
Health & Wellbeing	44,322,160	671.53	45,542,720	675.37
Depreciation Charges	(21,581,310)	(326.98)	(17,435,850)	(258.56)
Total Net Expenditure	112,899,160	1,710.56	112,035,160	1,661.42
Appropriation to / (from) Balances	118,631	1.80	1,253,354	18.59
Borough Council Requirement	113,017,791	1,712.35	113,288,514	1,680.01
Income:				
Government Support	(20,551,926)	(311.39)	(14,098,453)	(209.07)
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General Fund Balance Estimates				
Brought Forward	10,370,000		9,012,000	
In year variation	(1,358,000)		1,253,354	
Carried Forward	9,012,000		10,265,354	
Local Tax Base	66,001.4		67,433.4	

GRAND SUMMARY - FORECAST BUDGETS 2018/20

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.

	2018/19 Estimate £	2018/19 Local Tax Rate £	2019/20 Estimate £	2019/20 Local Tax Rate £
Chief Executive	(573,410)	(8.50)	(1,663,410)	(24.67)
Children's Services	20,463,090	303.46	20,539,090	304.58
Environment	25,986,400	385.36	26,214,400	388.75
Finance & Resources	22,689,360	336.47	22,287,230	330.51
Health & Wellbeing	42,916,590	636.43	43,972,590	652.09
Total Net Expenditure	111,482,030	1,653.22	111,349,900	1,651.26

The above figures are based on the bids detailed in the MTFP. Figures will be revised during the budget setting process for 2018/19 and 2019/20.

SERVICE NARRATIVES

CHIEF EXECUTIVE BUDGET 2017/20

Service Aims and Objectives

The Chief Executive's Directorate is split four main areas

- Chief Executive
- Governance & Improvement Services
- Town Centre Regeneration
- 21st Century

The Chief Executive is the head of the council who leads and takes responsibility for the work of 1,029 (full time equivalent) paid staff, who run the local authority on a day to day basis, along with ensuring legislation is translated and implemented.

Governance and Improvement Services

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:

➤ **Monitoring Officer & Borough Solicitor**

- Maintaining the Constitution;
- Ensuring lawfulness and fairness of decision making;
- Supporting the Standards Committee;
- Receiving reports. The Monitoring Officer will receive and act on reports made by ethical standards officers and decisions of case tribunals;
- Conducting investigations. The Monitoring Officer will make arrangements for investigations to be conducted into matters referred by the Standards Committee or by ethical standards officers and make reports or recommendations in respect of them to the Standards Committee or a sub-committee of the Standards Committee convened for that purpose;
- Proper Officer for access to information. The Monitoring Officer will ensure that Executive decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible;
- Advising whether Executive decisions are within the budget and policy Framework; and,
- Providing advice. The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues for councillors.

➤ **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;
- Risk – to support the council in embedding and integrating proactive risk management;
- Policy and Research – to develop and improve the council's corporate and service planning framework, and performance management framework; 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.
- **Shared Internal Audit and Investigation Service (with the Royal Borough of Windsor & Maidenhead Council)**
- Internal Audit – a statutory function to deliver an independent, objective assurance and consultancy service to the council and help the council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes; and,
 - Investigations – to provide a professional and independent investigations service into incidents of fraud, code of conduct breaches, whistleblowing allegations and other suspected irregularities.
- **Democratic Services**
- 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 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 incorporates the following:

- **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 Orders, commercial 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; and,
- 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

21st Century incorporates the following:

A change programme to transform the way the council operates to achieve the following benefits:

- Improved availability of, and access to, council services through digital channels;
- Swifter resolution of customer issues and queries;
- The ability for residents to track the progress of their issue as it is resolved by the council;
- A greater focus on problem-solving and customer responsiveness; and,
- A leaner, more efficient council costing significantly less to run.

Service Outputs – Key Facts and Figures

➤ **Business Improvement:**

- 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; and,
- 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.

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

- Internal Audit – to provide assurance and consultancy to the Audit Committee and senior management on a risk basis and report through an annual internal audit opinion on the adequacy of the council's internal control environment by delivering the approved annual Internal Audit plan;
- 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 co-ordinating the production of the council's Annual Governance Statement and delivering training sessions to Members and staff with respect to good governance; and,
- Investigations – The team in 15/16 identified over £322k of overpayments due to fraud or error.

➤ **Democratic Services:**

- During 2016 Democratic Services attended and serviced: 118 evening meetings, 28 daytime meetings, 34 Individual Member decisions, 36 tender openings and 145 daytime appeals;
- Of the 145 daytime appeals, 139 were school admissions, and 6 were licensing;
- The number of secondary school admission appeals lodged has decreased from 75 last year to 54 this year and the number of primary appeals has decreased from 228 to 186 which is in line with previous years. It is worth noting that whilst bulk admission appeals have decreased, in-year appeals have increased.

➤ **Electoral Services:**

- Has responsibility for running the authority's annual elections, along with all other elections and referenda – in 2016 ran the Police & Crime Commissioner election, local elections, the EU Referendum and a Neighbourhood Plan referendum.;
- 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,
- Is moving forward with the new system of Individual Elector Registration during 2017/18. At present this is still being funded by central government although more funding claims will need to be made. This still requires close working relationships with the Cabinet Office, Electoral Commission, Department for Works and Pensions, external printers, external software providers and Royal Mail as well as several directorates within the council.

➤ **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 2017/20

Major changes to Governance and Improvement Services include the following:

- Reducing insurance premium costs.

The directorate'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 local and national elections using the new system of Individual Electoral Registration;
- Continuing the implementation of the new system of Individual Electoral Registration; and,
- Subject to 21st Century IT requirements continuing the implementation of the committee decision management system Modern.Gov, whilst ensuring that it meets the needs of Members, Officers and the public.

Capital Budget & Service Changes 2017/20

Town Centre Regeneration Capital Schemes

The aim of Wokingham Town Centre Regeneration is to create a town centre which adapts to the changing face of the modern high street and supports local growth. This includes:

- Peach Place – Redevelopment of land at Peach Street, Market Place and Rose Street and the Rose Street car park to deliver new commercial and residential units and new public space. The scheme is being delivered in partnership with Wilson Bowden Developments.
- Elms Field – Development of land at Elms Field to deliver additional retail and leisure units with residential development and improved public open space provision. The scheme is being delivered in partnership with Wilson Bowden Developments and David Wilson Homes.
- Carnival Pool – 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.

REVENUE SERVICE BUDGETS 2017/18	Budget 2016/17 £'000	Budget 2017/18 £'000	Note
Chief Executive			
Chief Executive Office (inc Council Wide)	(277)	(85)	(1)
Governance & Improvement	2,149	2,110	
Town Centre Regeneration	821	21	(2)
21 st Century Council Programme	0	(502)	(3)
<i>Internal Recharges & Depreciation Charges</i>	<i>1,744</i>	<i>2,104</i>	
Total Chief Executive	4,437	3,648	

Explanation of Movement from 2016/17 to 2017/18

Note 1. Apprenticeship levy £190k

Note 2. Special item £800k for interest charges on the loan taken to fund the Town Centre Regeneration project from 2016/17 removed

Note 3. Savings (£2m), special item and cross service realignment to facilitate 21st Century £1.5m

CHILDREN'S SERVICES BUDGET 2017/20

Service Aims and Objectives

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

- Ensuring that Wokingham children are able to live, learn and thrive free from fear and harm, with a network of safe people around them;
- Enabling families to use their own resources so children live, learn and thrive in safety.

To deliver improved outcomes for children and families, through our Early Help approach, building on what works well, empowering professionals to always keep child-centred and designing services to enable excellent practice. To achieve this, we are implementing an ambitious Early Help and Innovation strategy, working with Professor Eileen Munro as part of a national innovation programme to improve our practice and service impact.

Children's Services incorporates the following:

- **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. It works closely with social care and intervention and local health commissioners to deliver integrated education, health and care for children with higher levels of special education needs and disabilities.
- **Social Work and Early Intervention Services**
 - Provides support for children at the point they need it to achieve the best possible start in life. Support delivered through early support services including parenting support and children's centres, targeted support services including social work, short breaks, therapy support and targeted family support and statutory social work including assessment teams, ongoing social work support and fostering services.
- **Strategic Commissioning and Central Services**
 - Provides commissioning leadership across services for children and adults. It supports all children's services in understanding need, developing strategies to meet need, monitoring and supporting improved quality and performance, managing partnerships and commissioning infrastructure. It 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 Partnership and commissioning leadership across both the Children's and Health & Wellbeing directorates. It works closely with local health commissioners to deliver integrated care services for children and adults.

Service Outputs - Key Facts and Figures

Children's Services has delivered the following:

- 69 schools – Head teachers, Governors, teachers, support staff and 22,847 pupils (DfE settlement 2017/18) in schools (includes maintained schools, Pupil Referral Units and academies, excludes independent and non-maintained schools);
- Training courses attended by over 2,100 teachers (days), 1,300 Governor training sessions and 1,680 early years participants;
- Provision in excess of 864,880 free school meals;
- On average support of 60 children subject to a Child Protection Plan;
- Corporate Parent for 83 Children in Care;
- Recruitment of 10 in-house Foster Carers;
- Supported 40 Care Leavers between the ages of 19-21;
- Short Breaks Services provision of 531 overnight stays, support & activities including 5,388 hours Day Care, 2,327 hours Saturday Club and 553 hours outreach;
- 9,446 children under the age of 5 living within the Ambleside and Brambles hub's geographical reach area, each consisting of three Childrens centres, the centres have registered 8,214 children under the age of 5 and 5,607 children and their families have accessed the services;
- Linked in and worked jointly with 34 primary schools and 73 Early Years settings to deliver services around getting children ready for school and supporting, monitoring and tracking the targeted 2 year funding entitled families;
- Supported on a 1:1 basis 220 children and their families in Early Help, Child Protection, Child In Need and Looked After Children plans;
- Supported 295 entitled families with application for 2 year old nursery funding;
- Supported 251 attendees with school readiness workshops;
- 216 parents have been supported by way of group work within parenting courses;
- A total of 40 young and teenage parents have been supported in the area;
- 218 parents took part in the centre's annual service consultation;
- Approximately 5,900 contacts screened;
- Provision of 891 statements of Education Health and Care Plans;
- 4,288 Nursery Provider places we provided for 3 and 4 year olds;
- 295 schools admission appeals received and 227 appeals heard for places;
- Processing of 2,137 primary applications to start in school in reception and 560 infant to junior transfer applications for children living in Wokingham Borough;
- Processing of 1,856 secondary transfer applications to transfer to year 7;
- 43 young people supported to reduce problematic substance misuse;
- Worked with 170 young people at risk of offending and 24 victims of youth crime;
- Engaged 452 young people through the youth service;
- Eight school kitchens reconfigured;
- Mainstream Home to School Transport over 268,000 return journeys; and,
- Special Education Needs Transport over 73,000 return journeys.

Revenue Budget & Service Changes 2017/20

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

- Reduction in the Learning and Achievement operational teams and increased contributions from Schools Block to meet the reduced Education Services Grant (ESG);
- Increased demand upon Placements budgets reflecting ongoing and new pressures including Residential Care, Fostering Care and national pressures in relation to the unaccompanied asylum seeking children dispersal programme.

Capital Budget & Service Changes 2017/20

Children's Services capital schemes include the following:

- 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;
- Capital investment in the provision of Special Education to best meet needs across Primary and Secondary, with a focus on additional capacity for children with challenging behaviour and Autistic Spectrum Disorder (ASD), younger children (KS1 and 2) with Social Emotional and Mental Health issues and high-achieving secondary age children with ASD;
- School kitchens – to improve school kitchens throughout the borough;
- Schools Access – to improve facilities in schools to allow for full integration of pupils and adults with disabilities;
- Young Person Supported Accommodation – increase the range of accommodation options to deliver our corporate parenting responsibility and helping to support young people towards independence;
- Schools urgent maintenance planned improvements and suitability issues;
- Completion of the Bohunt Wokingham secondary school in the south-west to meet demand due to Strategic Development Locations (SDL), rising pupil numbers and other developments;
- Development programme for new primary schools across the borough;
- Development work on schools to serve the SDLs; and,
- Adaptations to properties to enabled disabled children to be cared for in their home/respite care environment.

REVENUE SERVICE BUDGETS 2017/18	Budget 2016/17 £'000	Budget 2017/18 £'000	Note
Children's Services			
Learning & Achievement	3,122	1,826	(1)
Social Care & Intervention	11,722	13,352	(2)
Strategic Commissioning	5,668	5,416	(3)
<i>Internal Recharges & Depreciation Charges</i>	<i>12,901</i>	<i>12,587</i>	
Total Children's Services	33,413	33,181	

Explanation of Movement from 2016/17 to 2017/18

Note 1. Savings and efficiencies from service changes due to reduction in ESG funding (£1,082k), Early Intervention changes (£120k), therapeutic services contribution from other local authorities (£47k) and Early Years & Childcare (cease subsidised bursaries in line with other local authorities) (£10k).

Note 2. Growth for increase in looked after children £325k, residential care £268k, unaccompanied asylum seeking children dispersal programme £202k, independent fostering agencies £164k, in-house fostering £119k and children's disability service £74k. Special item for residential care £342k.

Note 3. Savings and efficiencies from Continued Health Claims (£102k), capitalisation of posts (£30k) and schools ICT (Local Authority no longer provide service to be fully funded by school) (£26k).

ENVIRONMENT BUDGET 2017/20

Service Aims and Objectives

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

➤ 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 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 (LEP), 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

- Highway Reactive Maintenance – responsible for the delivery of reactive highway maintenance, street lighting and land and highway drainage;
- Transport Assets – responsible for the long term maintenance of the borough's highway assets including roads, footpaths, structures (bridges, subways, retaining walls, culverts, embankments etc), street lights and the operation of car parks;
- Road Safety and Transport – responsible for the delivery of transport policies, traffic management and road safety schemes and road safety education, training and publicity (ETP) and the corporate transport unit;
- Highway Delivery – responsible for delivery of major highway and traffic management schemes and the 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. The Multi Activity Centre at Dinton Pastures provides a wide range of water-based activities and training opportunities. The service supports health, wellbeing and quality of life by providing a wide range of healthy outdoor recreational activities and experiences;
- Green Infrastructure leads on the development, application and implementation of the council's green infrastructure strategies (including the Public Open Space and Sports Facilities Strategy and Biodiversity Strategy) and ensures that major

developments within the borough deliver appropriate new facilities including SANGs, (Suitable Alternative Natural Greenspaces) public open space, playing pitches, children's play areas and allotments. The Service also leads on the in house delivery of new Green Infrastructure facilities and commissions the maintenance of the council's existing biodiversity and public rights of way assets;

- 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;
- Waste Management – 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 and A33;
- Libraries – responsible for the operational management of the borough's ten libraries; community outreach and engagement and planning. The service delivers a programme of events for children including holiday activities and child literacy schemes such as Bookstart;
- The Local Loo Scheme provides publically accessible toilets for residents and visitors to towns 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 for trees on private land;
- Public Protection is provided through a shared partnership service agreement with West Berkshire Council and Bracknell Forest 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, food safety, health and safety enforcement, trading standards and pest control; and,
- Building Control is provided through a joint service agreement with The Royal Borough of Windsor and Maidenhead Council (RBWM) and West Berkshire Council. Hosted by Wokingham Borough Council, the service provides a high quality, cost effective service for assessing plans and inspecting building works to ensure compliance with building regulations, in a way that exceeds customer needs to achieve a healthy, safe, accessible and sustainable built environment.

➤ Development and Infrastructure Delivery

- Providing a multi-disciplinary service to work with applicants, landowners, residents, Parish and Town Councils and other stakeholders in the four Strategic Development Location areas and Wokingham Town Centre Regeneration schemes to ensure the timely delivery of high quality infrastructure rich development to meet the borough's housing need;
- The SDLs will deliver over 10,000 new homes, £28,000 per dwelling in infrastructure (£280,000,000) comprising leisure, community, highway, schools, health, police and other service related infrastructure and 35% affordable housing up to 2026;
- Coordinating the planning and provision of the infrastructure required for the SDLs through the programming of feasibility studies, works and the co-ordination of funding sourcing including capital planning, the co-ordination of section 106 (s106) contributions and the Community Infrastructure Levy; and,
- Supporting the Local Plan update process via masterplanning, infrastructure delivery planning and assisting with site selection process.

Service Outputs – Key Facts and Figures

- Supporting and coordinating bids for infrastructure funding to support the council's growth agenda;
- Progression of the council's Local Plan documents;
- Commencement of the council's Local Transport Plan (LTP4)
- Engaging in a cross-Berkshire Strategic Housing Market Assessment and other related studies, and carrying out effective and timely monitoring to ensure the council continues to have a five year supply of deliverable housing land supply and sufficient employment floor space to support and sustain the local economy;
- Working with other Berkshire authorities to understand constraints and opportunities and to inform the distribution of final housing numbers that will be worked through individual Local Plans;
- Implementation of the new Economic Development Strategy for the council, linking into the LEP's Strategic Economic Plan and the Local Plan update;
- Overseeing delivery of City Deal at a local level;
- Continuing joint working to progress Reading University's Science Park;
- Supporting development and delivery of the Housing Strategy including negotiating appropriate affordable housing contributions through the s106 process;
- Determination of over 2,500 planning and related consent applications;
- Investigation of over 700 potential breaches of planning control;
- Promotion and defence of the council's policies at 95 planning appeals per year;
- Development and co-ordination of Infrastructure Delivery Plans and negotiations to secure acceptable development proposals for each of the four SDLs;
- Effective monitoring of the progress of developments, particularly in the SDL areas, to ensure the prompt payment of s106 monies due and the timely provision of infrastructure provided on site by the developer;
- Running five key programmes of community development in existing communities to promote self reliance and develop capacity;
- 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 – running at least 16 community forums per year;
- 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 – four Clerks Forums per annum, four Borough Parish Working Groups;

- 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 joint Building Control dealing with 3,600 building regulation submissions per year;
- Disposing of approximately 79,000 tonnes of municipal waste, of which around 30,000 tonnes is set to be reused or recycled;
- Removal of 800 incidents of fly tipping per annum;
- 3.38 million individual refuse and recycling collections per annum;
- Over 10,000 individual clinical waste collections to the elderly and vulnerable;
- Investigating 74 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 60 incidents of graffiti;
- Cleansing over 700 km of highway, including footways and cycle paths;
- Hosting over 465,000 visits to our ten libraries with over 850,000 items of library stock being issued;
- Worked with over 1,400 children on environmental education activities;
- Offered a comprehensive outdoor education programme including climbing, watersports, open water swimming, and team building exercises;
- Developed mass participation events such as triathlon, open water swims and cyclocross;
- Worked with volunteers who committed over 2,000 days worth of support in our Country Parks;
- Management of three busy Country Parks and 14 Nature Reserves;
- Managing nationally renowned fresh water fishery;
- Management of 283 hectares of parks and open spaces;
- Management of 100 children's play areas and three youth shelters;
- Management and maintenance of sports facilities;
- Management of two 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 1,700 children;
- Delivering the objectives of the borough's local transport plan 2011–26;
- Provision of 20 school crossing patrol sites throughout the borough;
- Managing and maintaining the council's 15 pay & display and 10 other free off-street car parks;
- Maintaining over 19,000 street lights, illuminated signs, feeder pillars and other similar equipment;
- Processing 55,000 notices for works on the highway to ensure co-ordinated works; and,
- Delivering the transport infrastructure associated with the strategic development locations.

Revenue Budget & Service Changes 2017/20

Major changes to the Environment revenue budget include the following:

➤ Growth Items

- Revenue cost increase relating to inflationary contract price increases;
- Revenue increases due to additional road references; and,
- Revenue increases for waste collection due to increase in property numbers.

➤ Special Items

- Continued support to deliver the Minerals and Waste Local Plan; and,
- Town centre parking – reduced spaces during Regeneration construction

➤ Savings:

- Savings from changing the way we work with our major suppliers in highways and transport;
- Street lighting – replacement of a significant proportion of older lighting columns and conversion to low energy LED units has eliminated the need for growth; and,
- Implementing self-service within libraries.

Capital Budget & Service Changes 2017/20

Environment capital schemes include the following:

- Street lighting renewal – upgrading street lights to modern LED units with lower energy consumption and longer life, extending part-night lighting;
- Road safety and traffic management – providing facilities to improve road safety for all users, reduce congestion, improving the efficiency of the transport network, promote and provide access to sustainable modes of transport;
- Highway carriageways – resurfacing roads and footways in the borough;
- Highway drainage – carry out major projects and remedial works to highways drainage network where flooding problems have been highlighted;
- Investing in local community venues;
- Traffic signal upgrade programme – continued upgrade of old and obsolete equipment, therefore 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;
- Improvements to leisure facilities in the borough including country parks;
- Superfast Broadband – partnership scheme with Berkshire Unitaries to provide 100% coverage with speeds of at least 25mb for Berkshire by end of 2018;
- Improvement to the Public Right of Way network;
- Continued investment in the waste collection arrangements;
- Strategic land purchases – investments to enable the capital programme;
- Air quality monitoring; and
- Investing in libraries to make more flexible use of space and increase the range of activities that the public can access within them.

REVENUE SERVICE BUDGETS 2017/18	Budget 2016/17 £'000	Budget 2017/18 £'000	Note
Environment			
Environment – Management Unit	433	433	
Building Control	(87)	(87)	
Community Services	15,676	15,916	(1)
Highways & Transportation	6,449	6,566	(2)
Development – Management & Enforcement	1,638	1,417	(3)
Development - Policy & Planning	975	805	(4)
Development – SDL	923	853	(5)
<i>Internal Recharges & Depreciation Charges</i>	<i>14,450</i>	<i>10,851</i>	<i>(6)</i>
Total Environment	40,457	36,753	

Explanation of Movement from 2016/17 to 2017/18

Note 1. Inflation £280k, savings Libraries self service (£45k), and growth for increased property numbers for waste £36k.

Note 2. Growth for highways, including maintenance and major refurbishments/strengthening £95k

Note 3. Special item 2016/17 for SDL (£252k) removed

Note 4. Special item for 2016/17 Core Strategy (£300k) removed, special item for minerals & waste £100k

Note 5. Special item from 2016/17 for SDL (£98k) removed

Note 6. Depreciation has decreased by approximately £4m on highways assets due to further information being included for the new valuation method of Highways Network Assets

FINANCE & RESOURCES BUDGET 2017/20

Service Aims and Objectives

The directorate makes a significant contribution in supporting services to deliver the council's vision and priorities. The overarching aim of Finance & Resources is to be as efficient and effective as possible so that residents receive the best possible outcomes for the best 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, to 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 council's concessionary travel scheme;
- To provide financial assessments for Social Care service users and general welfare benefits advice and claims support;
- 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;
- 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)

- First point of contact for customer enquiries via telephone, email, SMS, online and face to face;
- To provide information and voice technologies and solutions which meet business needs, improve performance and are value for money;
- Provides the communications and public relations function for the council;
- To advise and assist across the organisation on the secure and effective management of information;
- 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

- Works with the organisation in support of the people related priorities and interventions required to achieve the council's vision and priorities both now and in the future taking into account Learning and Organisational Development (OD and L&D), Human Resource & Health and Safety (H&S) requirements;
- 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, including but not limited to educational facilities, across two organisations, Wokingham Borough Council and Royal Borough of Windsor and Maidenhead, as part of a shared service;
- Undertake a significant planned maintenance programme, and reactive maintenance requirements to effectively maintain our assets and their value;
- Provision of administrative support across the range of council services including; front line service delivery, as well as managerial and service support functions. This support increases resilience in a cost effective way; and,
- Provision of a high quality, low cost Legal Services as part of a quasi-commercial shared service across two partner organisations and a growing number of traded clients.

➤ **Commercial Services and Procurement**

- Procuring and centrally managing key corporate contracts on behalf of the council, schools and other partners;
- Developing, executing and maintaining best practice in procurement and contract management across the organisation through Business Partnering and Operational Procurement support;
- Leading, supporting and co-ordinating delivery of targeted procurement efficiency savings across council directorates and services;
- Supporting remodelling and redesign of council services to improve cost effectiveness whilst maintaining or improving service delivery;
- Delivering the council transparency reporting obligations for contracts and monthly council spend over £500;
- Optimising income generation from existing revenue streams; and,
- Identifying, promoting and commercialising new income generation 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 £293m per annum gross, capital of £152.8m per annum and Housing Revenue Account (HRA) of £17m per annum gross;
- Invests an average of £61.2m per annum and manages borrowing of £152m;
- Collects council tax of £105m from 64,800 properties, generating over 110,000 accounts annually;
- Collects business rates of £59.7m per annum from 3,800 properties, generating over 9,000 accounts annually;
- Collect council rents of £15m per annum from just under 2,600 tenants;
- Collect over £12m per annum on sundry debtor accounts;
- Administer housing benefit and council tax support;
- Through cashiers, process over 204,000 transactions per annum totalling just over £608m per annum;
- Conduct Fairer Charging Visits and financial assessments for customers in receipt of home based social care;
- Conduct welfare advice visits helping the most vulnerable claim additional welfare benefit income per annum;
- Make over 57,000 salary payments to staff each year to a value exceeding £69m (including schools);

- Make over 55,000 payments to suppliers and contractors each year which represents 85,000 invoices with a value exceeding £246m; and,
- Manage over 26,000 elderly and disabled Concessionary Bus Passes and reimburse operators over £920k per annum for journeys taken.

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

- Delivery of the Optimising Resident and Customer Perceptions programme;
- Support of the implementation of Information and Communication Technology (ICT) and information projects including the Technology Futures Programme and key business application improvements;
- Management of the ICT estate, 1,500 PC's and 115 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;
- Handles approximately 160,000 telephone calls per annum;
- Deals with over 30,000 email requests per annum;
- Issues over 75,000 texts per annum;
- Deals with 3,000 visitors to Shute End main reception per month;
- Handles 3,000 web chats per annum;
- Deals with more than 800 media enquiries per annum; and,
- Handles around 120 complaints (based on total incoming stage 1 complaints and Early Resolution), 1,000 Freedom of Information enquiries and 150 subject access requests per annum.

➤ **Support Services:**

- Provide professional advice, guidance and support to ensure the organisation effectively and legally manages the health, wellbeing, productivity and effectiveness of a workforce of over 1,000;
- Coordinate the delivery of over 350 learning and development interventions;
- Act as 'competent person' in regards to Health and Safety which includes; undertaking over 40 independent audits, investigating an average of 20 significant health and safety incidents, and training around 400 people each year;
- Process and issue over 2,000 disabled parking badges, 140 access to record requests and 350 applications for 2 year old funding each year;
- Administer 900 statutory or regulatory meetings relating to safeguarding children and young people;
- Act as Corporate Landlord for the Operational Estate of over 50 properties and oversee the management, utilisation, compliance and valuation of the council's property assets valued at £700m;
- Manage the commercial estate which generates rentals of £2.5m per annum;
- Design, procure and deliver the capital programme with an expenditure of around £30m per annum;
- Active management of the council's energy (and other utilities) usage and costs, as well as those of our schools, currently £3m per annum;
- Provide legal advice, guidance and assurance across all matters to support officers and Members in the shared service partners and other public sector organisations;
- Conduct court room advocacy, including the defence of Judicial Reviews at the High Court;
- Process 2,500 applications for around 250 vacancies per annum;
- Process 580 contracts and pre-employment checks for new and existing employees and non-schools staff;
- Process 1,300 DBS applications, including schools staff; and
- Support the governance of shared service organisations as well as acting as Deputy Monitoring Officer and Borough Solicitor for corporate legal issues.

➤ **Commercial Services and Procurement**

- Develops and maintains the council's procurement & contract rules and procedures, which forms part of the council's constitution;
- Training and development of council staff around procurement and contract rules, procedures and best practice;
- Develops, manages and monitors contracts register with live contracts of over £88m annual value;
- Dashboard reporting on council-wide contracts status and activity;
- Administration of over 5,000 supplier records on the supplier base;
- Proactive and reactive procurement and contracts support on £125m of supplier expenditure across the council;
- Provides procurement & contract management expertise through advisory, consultancy and hands-on operational procurement support to services;
- Drives, facilitates and supports council-wide procurement cost savings of over £0.5m per annum; and,
- Procures and manages corporate contracts that delivers:
 - 1,575,995 school meals a year to children across 53 schools
 - Cleaning services to 37 schools and corporate sites
 - Commercial waste and recycling collection for 97 sites

Revenue Budget & Service Changes 2017/20

Major changes to the Finance and Resources revenue budget include the following: Staff movement to realise streamlined processes, continued implementation of ICT2016 and support to achieve procurement ambitions and commercial awareness.

Capital Budget & Service Changes 2017/19

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 and implementation of new software system across the council arising from new government legislation;
- Energy costs reduction/efficiencies schemes including solar panel implementation sustainable heating systems and replacement of strip lighting with energy-efficient alternatives; and
- Improvements to Wokingham Borough Council commercial properties to ensure they are suitable for letting.

REVENUE SERVICE BUDGETS 2017/18	Budget 2016/17 £'000	Budget 2017/18 £'000	Note
Finance & Resources			
Support Services	4,408	4,570	(1)
Customer Services	3,522	3,524	
Commercial Services	189	241	(2)
Finance	14,648	13,168	(3)
<i>Internal Recharges & Depreciation Charges</i>	<i>(10,916)</i>	<i>(11,158)</i>	
Total Finance & Resources	11,853	10,346	

Explanation of Movement from 2016/17 to 2017/18

Note 1. Pay Inflation £111k

Note 2. Delivery of procurement savings (£52k)

Note 3. Savings (£350k) business rates – increased base; (£450k) interest on balances; (£250k) minimum revenue provision; (£400) council tax discount, (£30k) concessionary fares; (£500k) one-off transfer of funding from Finance to Chief Executive to fund the 21st century change programme; transfer of Community resilience services from Customer Services to Finance £65k; growth £100k concessionary fares; and net effect of special items.

HEALTH AND WELLBEING SERVICES BUDGET 2017/20

Service Aims and Objectives

The purpose of the Health and Wellbeing Service is to work in partnership with key local agencies and the community to promote improved health and wellbeing for the people of Wokingham, through the provision of: -

- Adult social care;
- Housing services;
- Public health and leisure services;
- Working with local Health services to deliver integrated health and social care services through the Better Care Fund; and,
- Community based support and services.

Whilst the council has a wider duty to promote the health and wellbeing of all residents, Adult Social Care has a particular focus on delivering services to those whose safety or independence is most at risk – older people, those with disabilities and those with mental health needs. These services are often delivered in partnership with the National Health Service (NHS).

Decent, secure housing is the foundation for health and wellbeing. Wokingham Borough enjoys a very high level of home ownership, but affordability is an issue for many. The Housing Service aims to provide a range of affordable housing in the borough to meet housing need. For those already with a council tenancy, the Housing Service provides a comprehensive landlord function, managing, maintaining and improving the housing stock to enable tenants to peacefully enjoy their home and their neighbourhood.

Many public health duties transferred from the NHS back to Local Authorities in 2013. Wokingham residents are amongst the healthiest in the country when measured against a range of health outcomes. The aim of public health is to further improve good health and to extend that to all of our residents and communities. The key responsibilities of the public health team are:

- Improvement in the health of the population;
- Health protection; and,
- Delivery of public health care advice and support to the Clinical Commissioning Group (CCG) (health commissioners).

Leisure services play a vital role in encouraging residents to lead active healthy lives. The Leisure Service aims to ensure that there is the affordable opportunity for all to participate in a full range of sports and leisure activities.

Adult Social Care

Health and Wellbeing Services have statutory responsibilities to carry out an assessment of need for care and support in relation to any vulnerable local resident over the age of 18 years, their family or informal carers, and a duty to signpost to advice and information, allocate resources or arrange support to meet eligible assessed needs.

Health and Wellbeing Services include support to meet needs arising from old age, physical, sensory or learning disabilities or serious mental health problems. Care and support services offered to local residents aim to ensure that people live independently as long as possible, maintain their well-being and have choice and flexibility in the way their support is provided.

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 sources of help and support.

Increasingly there is a cross-over between a person's health needs and their social care needs. Government policy is focussed on the integration of health and social care so as to provide a seamless service to the individual. The Better Care Fund is a national ring-fenced fund aimed at bringing together health and social care. Wokingham's Better Care Fund of £9.5m is a pooled budget between the council and Wokingham Clinical Commissioning Group to fund joint health and social care projects and services. It is overseen by Wokingham's Health and Wellbeing Board (a committee of the council).

The vision of the Adult Social Care service is that:

- Information about how to access support, types of services and financial implications is readily available;
- People have a real say in how their services are arranged and have a choice of services;
- 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 is a wide range of community based services and 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. The service has key partnerships 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 as well as local businesses; and,
- The Clinical Commissioning Group, which has responsibility for commissioning healthcare for the borough's population.

Housing Services

Our Context

The Housing Service spans Asset Management, Tenancy Services (for general needs and specialist accommodation), Tenant Involvement and Housing Needs. Most functions fulfil our responses to statutory duties, legislation and other obligations e.g. our need to comply with the regulatory requirements of the Homes and Communities Agency.

As a stock-retaining council our aim is to provide good quality homes, managed effectively and via a service that provides good value for money. We have a programme to ensure that our homes meet the "Decent Homes standard".

The council's social housing stock is a valuable asset and we have a responsibility to manage, repair, maintain and improve the stock for our tenants but also as a means of protecting such an

important property portfolio. While we still have bathrooms and kitchens to refurbish, much of our recent activity is aimed at maintaining the stock, instigating a long term programme of external decorations and repairs and where necessary replace windows. Our aging tenancy base is leading to an increasing need for disabled adaptations.

Tenant and Resident Involvement

Involvement of our tenants and residents is something to which we are committed and which underpins the way that our service develops and improves. The involvement is at a mature stage with a multitude of effective opportunities available for tenants and residents to work in partnership with the council to provide a high quality services and improved quality of life.

As well as traditional methods of involvement, strategic involvement of our Involved Tenants has developed over the past couple of years. As well as attendance to the council's Affordable Housing Implementation Group, an Involved Tenant is involved in Wokingham Homes Limited and is also a non-Executive Board Member of Loddon Homes.

The council empowers tenants and residents and provides them with the skills and knowledge to help reassess services and deliver cost-effective solutions that bring real and long-lasting change to communities.

Housing Needs

Homelessness is presenting as a growing area of need for the council and over the last two years we have seen increases of over 100%. Main causes of homelessness are as a result of the cost of housing in the Borough increasing and the availability of affordable, accessible, privately rented accommodation shrinking. There are progressively more limited private rental accommodation options as landlords end assured shorthold tenancies, in line with the national picture, and fewer options again that fall on or under the value of the Local Housing Allowance rates. Evidence shows that those who have poor housing choices also have reduced life outcomes and it is likely that as the population of the Borough increases, and the cost of housing continues to rise, the number of those who are in extreme housing need will increase.

The Housing Strategy and Homelessness Strategy are the documents where our strategic direction and plans for responding to current housing need and anticipating future need are set out. Due to the recent increase in homelessness in the Borough (reflecting the national trend), the council are investing in additional good-quality affordable options for temporary accommodation to reduce reliance on expensive out of Borough provision. As important as provision is accessibility to good quality advice and assistance so that where possible homelessness can be prevented and poor housing situations improved. For example, due to recognising a particular need in our Borough, we have recruited a Housing Adviser to work specifically with young people and help them with their housing difficulties and prevent homelessness and crises wherever possible.

In our housing register we have an active and up to date record of local housing need and are able to efficiently fill any vacancies in social housing that arise (either council or housing association). New affordable housing that is being developed on our SDL areas will contribute greatly to our ability to re-house those in housing need on the housing register.

Housing Management

These services make up our landlord role for council-owned stock (including sheltered housing, two gypsy and traveller sites, our temporary accommodation for homeless households and leasehold management). Housing management duties range from individual help to tenants e.g. tenancy sustainment or advice about rights and responsibilities through to enforcement action due to anti-social behaviour and court action to seek possession.

As well as the traditional service functions such as housing officer, we have invested in two Tenancy Sustainment workers. These officers provide an extra support to our vulnerable tenants and have had great successes (recognised nationally) in helping people keep their homes and make improvements to the quality of their lives. These officers provide a safety net to people who may otherwise be floundering and potentially losing their homes. We also provide a housing support advice service to people with a learning disability or mental health problems and this role acts as a lynchpin between the Housing Service and Adult Social Care Services.

Public Health

The Public Health and Leisure Development teams work fully supports the council's vision for the borough to be: *"A great place to live, an even better place to do business"*.

In particular there is focus on the themes to:

- *"Increase the vibrancy of all our communities"* through involvement in physical activity, sports and leisure activities;
- *"Continue to work with our partners to maintain our outstanding educational attainment"* through positive partnership with our Children's Services teams, especially having gained the responsibility for commissioning of 0-5 early years health services from October 2015;
- *"Deliver well designed development and strong communities"* through the provision of expert knowledge with a focus on creating health promoting design and community facilities in working with planning and environment service areas; and to,
- *"Invest in prevention services that increase or maintain our resident's independence"* across the full life course and with a particular focus on bringing the expertise of the Sports Development Team in promoting physical activity with those least motivated to participate.

The underpinning principle to *"look after the vulnerable"* forms an important driver for all public health programmes in the borough, as we focus on eliminating inequalities in health outcomes and encouraging those with poorer outcomes to become self-sufficient and self-reliant.

The underpinning principle to *"Improve health, wellbeing and quality of life"* essentially underlies the work of the whole service, acting as a driver for collaborative one-council working and also including our statutory core offer to the Clinical Commissioning Group (CCG) to improve outcomes through commissioning services.

Finally the underpinning principle to *"Deliver quality in all that we do"* reflects the fact that Public Health is a professionally regulated service with staff needing registration, regulation and requiring revalidation. Delivering quality and maintaining professional standards at all times therefore is of paramount importance to the service.

In line with the Health and Social Care Act, local authorities are required to discharge their statutory public health responsibilities, detailed in the Public Health Outcomes framework. The Framework identifies three key tasks for the local authority to deliver: -

- Improvement in the health of population through commissioning specific services;
- Health protection; and,
- Delivery of public health care advice and support to local commissioners.

Service Outputs – Key Facts and Figures

Adult Social Care - key performance measures 2015/16:

Performance Measures

- Number of contacts from new customers in year – 4,960;
- Number of new people assessed in year – 1,232;
- Number of people reviewed in year – 1,800;
- Number of people receiving long term services – 1,785;
- Number of carers who have had assessment or review – 632;
- Proportion of people receiving a community based service – 84%;
- Percentage of community-based clients who receive Self Directed Support – 86%;
- Percentage of people who received a Direct Payment – 37.4%; and,
- Permanent admissions to residential and nursing homes – 137.

An annual customer experience survey is carried out as part of the national adult social care outcome measures. The summary results for the last published survey (2015/16), showing the proportion of people who use service, were:

Outcome Measure

- 81.0% – have as much control over their daily life as they want or who have adequate control over daily life;
- 67.3% – are extremely or very satisfied with the care and support services they receive;
- 73.0% – find it very easy or fairly easy to find information about services (includes carers);
- 67.3% – feel as safe as they want; and,
- 78.8% – say that those services have made them feel safe and secure.

Housing – key activities 2015/16

Tenant Services

- Manage and deliver all aspects of the council's landlord function for all council-owned social housing, including managing void properties – currently 2,598 tenanted properties, plus 88 shared equity tenants, 187 leaseholders and 735 garages;
- Provide a Housing Officer service to all tenants and leaseholders including temporary accommodation provision and advice on legislative rights and responsibilities (e.g. succession, joint tenancies and tenure);
- Provide a Tenancy Sustainment Service to vulnerable tenants;
- Provide a specialist response to Anti-Social Behaviour within social housing stock;
- Manage the council's 10 sheltered schemes across the Borough;
- The asset management team ensure the council's strategies, policies and action plans provide efficient and effective management in promoting, maintaining and preserving the council's housing stock, contributing to sustainable communities;
- To ensure a fit for purpose property portfolio, within a value for money context and available resources;
- To ensure that the council's housing stock continues to meet the Government's Decent Homes Standard (currently at 97%);
- Ensure the portfolio complies with current regulation to provide safe properties for both tenants and contractors;
- Provide an efficient void process;
- Undertake disabled adaptations to help tenants remain in their homes for as long as possible;
- Manage the contracts procured to deliver the repairs and maintenance function to the housing stock; two gypsy and traveller sites; mobile home sites and homeless accommodation;
- Ensure the provision of Estates Services with the cleaning of communal blocks, management of housing land and estates; and,

- Respond to, manage and take enforcement action to unauthorised encampments on council land.

Housing Needs

- Manage the housing register (waiting list) currently circa 2,774 registered applicants including assessing individual housing need, administering and inputting applications, updating and renewing applications and communication with customers; administer the priority schemes (Medical and Social Priority) so that urgent need is recognised and addressed;
- House applicants into council or housing association vacancies (including new-build developments and sheltered accommodation) - usually approximately 350 housing allocations annually, prioritise and nominate households to shared ownership vacancies;
- Respond to face to face and telephone enquiries and applications regarding homelessness, housing advice, housing register, allocations c4000 per annum;
- Investigate, decide and provide for statutory homeless applications (Housing Act 96 Part VII) - 142 applications were dealt with between 1 January and 30 September 2016;
- Manage and deliver the homelessness prevention service using options such as the Deposit Loan Scheme and other creative and individual responses;
- Provide a statutory review service (Part VI and Part VII of the Housing Act 1996) and prepare County Court Appeal responses where homelessness decisions are challenged; and,
- Respond to the needs of rough sleepers and work in conjunction with local support agencies.

Revenue Budget & Service Changes 2017/20

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 Act and the Better Care Fund;
- Continue integration of Health responsibilities;
- Commission further community support and prevention, including services for carers;
- 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 2017/20

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

- A programme to develop day services for the physically disabled;
- Continuation of significant capital investment programmes 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;
- To increase the nursing care and physical disabilities provisions in a mixture of settings / projects; and,
- To increase good quality affordable housing developments (Wokingham Housing Limited).

REVENUE SERVICE BUDGETS 2017/18	Budget 2016/17 £'000	Budget 2017/18 £'000	Note
Health and Wellbeing			
Adult Social Care – excl. Mental Health	38,987	40,357	(1)
Adult Social Care – Mental Health	2,484	2,456	
Public Health	(596)	(582)	
Housing Needs and Benefits	46	260	(2)
<i>Internal Recharges & Depreciation Charges</i>	3,402	3,052	
Total Health and Wellbeing	44,322	45,543	

Explanation of Movement from 2016/17 to 2017/18

Note 1. Growth £2,321k, savings (£1,151k), removal of 2016/17 special items (£771k); special items £656k and contract inflation £275k.

Note 2. Homelessness special item £200k and growth £70k.

Note 3. The social care precept of £4.3m, an increase £2.6m from 2016/17, will be used to fund the increase in budget for adult social care, comprising of the growth £2,321k, special items £737k, contract inflation of £300k and pay related increases of £60k.

	£'000
Total Adult Social Care inc. mental health 2016/17	41,471
Remove 16/17 one off special items	(846)
Total Adult Social Care 2016/17	40,625
Growth	2,321
Special Items	711
Contract Inflation	300
Pay related increases	60
Total Adult Social Care 2017/18	44,017
Net movement on Adult Social Care	3,392

Summary of Budget Movements 2017/2018

2016/2017 Restructured Service Budget (excluding Capital & Internal recharges)	Chief Executive £'000	Children's Services £'000	Environment £'000	Finance & Resources £'000	Health & Wellbeing £'000	Total £'000
Adjustments/Additions	2,693	20,512	26,007	22,767	40,920	112,899
Exclusive one off revenue items in 2016/2017 (Special Items)	(843)	(306)	(735)	(2,553)	(921)	(5,358)
Inflation for non-pay activities	0	77	417	6	300	800
Pay award	14	117	84	111	43	369
Superrannation - increase in employers' contribution across Council	7	60	42	85	22	216
Adjustments between services (e.g. budget reallocations Inc.)	596	57	(84)	(544)	(24)	0
Total	(226)	5	(276)	(2,896)	(580)	(3,973)
Funding to Maintain / Improve Services						
Apprenticeship levy	190	0	0	0	0	190
Sponsorship and advertising - resource to support project	10	0	0	0	0	10
Traded services- resource to support	80	0	0	0	0	80
Development in Children's service disability strategy	0	74	0	0	0	74
Increase in independent fostering agencies	0	164	0	0	0	164
Increase in inhouse fostering	0	119	0	0	0	119
Increase in looked after children	0	325	0	0	0	325
Increase in residential care	0	268	0	0	0	268
Increase in unaccompanied asylum seeking children	0	202	0	0	0	202
Highway drainage increased maintenance costs due to additional network length	0	0	15	0	0	15
Highway structures - major refurbishments/strengthening	0	0	10	0	0	10
Highways maintenance - carriageways and footways	0	0	39	0	0	39
Neighbourhood Plan	0	0	0	0	0	0
Revenue implications of integrated transport capital scheme	0	0	30	0	0	30
Waste and recycling - increase in property numbers and contract renewal	0	0	21	0	0	21
Winter service - increased maintenance costs due to additional network length	0	0	36	0	0	36
Concessionary fares – increase in numbers of users	0	0	10	0	0	10
Local Land Charges – reduction in income	0	0	0	100	0	100
Capacity to deliver Continued Health Claims	0	0	0	0	0	0
Care Act - increased demand for services due to government changes	0	0	0	0	80	80
Care packages - increases in volumes and rates	0	0	0	0	375	375
Increased homelessness within the borough	0	0	0	0	725	725
Increased housing support payments due to changes in the benefit cap	0	0	0	0	50	50
Loss of payment assumed from the Department of Health	0	0	0	0	20	20
Transitional children - children entering a adult social care - increase in demand	0	0	0	0	700	700
Total	280	1,152	161	160	2,391	4,144

Summary of Budget Movements 2017/2018

Special Items 2017/2018	Chief Executive £'000	Children's Services £'000	Environment £'000	Finance & Resources £'000	Health & Wellbeing £'000	Total £'000
21st century council implementation	998	0	0	0	0	998
Increase in residential care	0	342	0	0	0	342
Minerals & Waste local plan preparation	0	0	100	0	0	100
School crossing patrols	0	0	85	0	0	85
Town centre parking - reduced spaces during Regeneration construction	0	0	70	0	0	70
Concessionary Travel – replacement of expired bus passes	0	0	0	65	0	65
Estimated resource requirement to deliver future savings	0	0	0	400	0	400
Forward funding (infrastructure bridging loan)	0	0	0	1,850	0	1,850
Adult social care contract	0	0	0	0	276	276
Capacity to deliver value for money on high cost packages	0	0	0	0	80	80
Deprivation of Liberty Safeguarding pressures - increase in demand due to the Supreme Court judgement of enhanced client assessment	0	0	0	0	300	300
Increased homelessness within the borough	0	0	0	0	255	255
Total	998	342	255	2,315	911	4,821

Funded by the following Service Efficiencies

21st century council - staff saving	(2,000)	0	0	0	0	(2,000)
Review insurance premiums and alternative covers	(70)	0	0	0	0	(70)
Sponsorship and advertising	(30)	0	0	0	0	(30)
Traded services	(100)	0	0	0	0	(100)
Capitalisation of posts	0	(30)	0	0	0	(30)
Continued Health Claims	0	(102)	0	0	0	(102)
Early intervention changes achieving better unit costs than within existing provider contract	0	(120)	0	0	0	(120)
Early Years & Childcare cease subsidised bursaries in line with Other Local Authorities	0	(10)	0	0	0	(10)
Schools ICT to be fully funded by schools	0	(26)	0	0	0	(26)
Service efficiencies and increased contribution from Schools Block following changes to Education Services Grant	0	(1,082)	0	0	0	(1,082)
Therapeutic services contribution from other local authorities	0	(47)	0	0	0	(47)
Highways and transport – service efficiencies	0	0	(50)	0	0	(50)
Implementing self-service within libraries	0	0	(45)	0	0	(45)
Street lighting energy and maintenance saving	0	0	(150)	0	0	(150)
Business rates - increased base	0	0	0	(350)	0	(350)
Concessionary fares - changes to scheme	0	0	0	(30)	0	(30)
Council tax discount – empty homes	0	0	0	(400)	0	(400)
Grants to Town/Parishes phased out over 5 years	0	0	0	(20)	0	(20)
Interest on balances	0	0	0	(450)	0	(450)
Minimum Revenue Provision	0	0	0	(250)	0	(250)
Revised Council Tax Reduction Scheme	0	0	0	(150)	0	(150)
Benchmarking of Carers personal budgets in line with neighbouring authorities	0	0	0	0	(25)	(25)

Summary of Budget Movements 2017/2018

	Chief Executive £'000	Children's Services £'000	Environment £'000	Finance & Resources £'000	Health & Wellbeing £'000	Total £'000
Domiciliary Care and opportunities from Better Care Fund	0	0	0	0	(50)	(50)
Further review and a application for Continued Health Claims	0	0	0	0	(200)	(200)
Health and social care integration	0	0	0	0	(524)	(524)
Review and redesign of non statutory services	0	0	0	0	(50)	(50)
Review value for money on high cost packages	0	0	0	0	(200)	(200)
Use of extra care facilities to aid rehabilitation	0	0	0	0	(102)	(102)
Total	(2,200)	(1,417)	(245)	(1,650)	(1,151)	(6,663)

Council Tax Collection Fund adjustments

Council Tax Discount - empty homes	0	0	0	400	0	400
Council tax reduction scheme	0	0	0	367	0	367
Penalties for non-compliance	0	0	0	40	0	40
Total	0	0	0	807	0	807

Service Budget 2017/2018

(excluding Capital & Internal recharges)	1,545	20,594	25,902	21,503	42,491	112,035
<i>Internal Recharges & Depreciation Charges</i>	2,104	12,587	10,851	(11,158)	3,052	17,436

Service Budget 2017/2018

(including Capital & Internal recharges)	3,648	33,181	36,753	10,346	45,543	129,471
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THREE YEAR BUDGET FORECAST

	2017/2018 £'000	2018/2019 £'000	2019/2020 £'000
Growth			
Chief Executive			
Apprenticeship levy	190	190	190
Sponsorship and advertising - resource to support project	10	15	20
Traded services- resource to support	80	195	300
Children's Services			
Development in Children's service disability strategy	74	74	74
Increase in independent fostering agencies	164	65	87
Increase in inhouse fostering	119	158	197
Increase in looked after children	325	500	675
Increase in residential care	268	268	59
Increase in unaccompanied asylum seeking children	202	242	291
Environment			
Highway drainage increased maintenance costs due to additional network length	15	30	45
Highway structures -major refurbishments/strengthening	10	20	30
Highways maintenance - carriageways and footways	39	78	117
Neighbourhood Plan	30	30	30
Revenue implications of integrated transport capital scheme	21	42	63
Waste and recycling - increase in property numbers and contract renewal	36	81	527
Winter service - increased maintenance costs due to additional network length	10	20	30
Finance & Resources			
Concessionary fares – increase in numbers of users	100	100	100
Local Land Charges – reduction in income	60	60	60
Health & Wellbeing			
Capacity to deliver Continued Health Claims	80	80	80
Care Act - increased demand for services due to government changes	375	644	902
Care packages - increases in volumes and rates	725	1,468	2,228
Increased homelessness within the borough	50	50	50
Increased housing support payments due to changes in the benefit cap	20	20	20
Loss of payment assumed from the Department of Health	700	700	700
Prevention - investment in preventative services	0	300	400
Transitional children - children entering adult social care - increase in demand	441	977	1,597
Total Growth	4,144	6,407	8,872
Savings			
Chief Executive			
21st century council - staff saving	(2,000)	(4,000)	(4,000)
One public estate	0	(50)	(50)
Review insurance premiums and alternative covers	(70)	(70)	(70)
Sponsorship and advertising	(30)	(70)	(120)
Traded services	(100)	(250)	(400)
Children's Services			
Capitalisation of posts	(30)	(30)	(30)
Continued Health Claims	(102)	(102)	(102)
Early intervention changes achieving better unit costs than within existing provider contract	(120)	(120)	(120)
Early Years & Childcare cease subsidised bursaries in line with Other Local Authorities	(10)	(10)	(10)
Schools ICT to be fully funded by schools	(26)	(26)	(26)
Service efficiencies and increased contribution from Schools Block following changes to Education Services Grant	(1,082)	(1,026)	(1,026)
Therapeutic services contribution from other local authorities	(47)	(47)	(47)
Environment			
Countryside service increased income	0	0	(50)
Highways and transport – service efficiencies	(50)	(100)	(150)
Implementing self-service within libraries	(45)	(45)	(58)

THREE YEAR BUDGET FORECAST

	2017/2018 £'000	2018/2019 £'000	2019/2020 £'000
Public protection shared service	0	(55)	(55)
Street lighting energy and maintenance saving	(150)	(246)	(246)
Finance & Resources			
Business rates - increased base	(350)	(400)	(400)
Concessionary fares - changes to scheme	(30)	(60)	(60)
Council tax discount - empty homes	(400)	(400)	(400)
Grants to Town/Parishes phased out over 5 years	(20)	(40)	(60)
Interest on balances	(450)	(450)	(450)
Minimum Revenue Provision	(250)	(250)	(250)
Revised Council Tax Reduction Scheme	(150)	(150)	(150)
Health & Wellbeing			
Benchmarking of Carers personal budgets in line with neighbouring authorities	(25)	(50)	(50)
Domiciliary Care and opportunities from Better Care Fund	(50)	(50)	(50)
Further review and application for Continued Health Claims	(200)	(400)	(600)
Health and social care integration	(524)	(673)	(785)
Recommissioning of the leisure contract	0	(500)	(500)
Review and redesign of non statutory services	(50)	(50)	(50)
Review value for money on high cost packages	(200)	(400)	(500)
Use of extra care facilities to aid rehabilitation	(102)	(149)	(149)
Total Savings	(6,663)	(10,269)	(11,014)
Special Items			
Chief Executive			
21st century council implementation	998	1,000	0
Children's Services			
Increase in residential care	342	0	0
Environment			
Core Strategy	0	300	100
Minerals & Waste local plan preparation	100	100	100
School crossing patrols	85	0	0
Town centre parking - reduced spaces during Regeneration construction	70	0	0
Finance & Resources			
Concessionary Travel – replacement of expired bus passes	65	0	0
Estimated resource requirement to deliver future savings	400	400	400
Forward funding (infrastructure bridging loan)	1,850	1,900	0
Health & Wellbeing			
Adult social care contract	276	0	0
Capacity to deliver value for money on high cost packages	80	80	40
Deprivation of Liberty Safeguarding pressures - increase in demand due to the Supreme Court judgement of enhanced client assessment	300	300	300
Increased homelessness within the borough	255	230	0
Total Special Items	4,821	4,310	940

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2017/18 - 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		
				Low	Medium	High
£'000	£'000	£'000	£'000	£'000	£'000	
Children's Services						
Youth offending service secure restriction of Liberty Order (average £50k per client)	0	5	55	0	50	0
Traded services for schools - under achievement of predicted income	(139)	(92)	(46)	0	18	28
Early intervention commissioning contract - risk of delay in contract negotiations	116	116	127	11	0	0
Increased school redundancy costs funded by local authority	8	8	38	20	5	5
Delay in partnership arrangements i.e. school improvements	226	226	256	15	10	5
Additional residential placements	2,628	2,828	3,431	121	302	181
Additional Independent Foster Agency placements	891	983	1,167	92	46	46
Dispersal of Unaccompanied Asylum Seeking Children based on net cost for 10 placements (demand led service)	100	202	247	27	9	9
Failure to recruit to essential social worker posts and management with permanent staff resulting in high cost agency cover. Requirement to backfill post whilst on maternity leave.	52	52	327	8	81	186
Performance allowances - increased activity and/or eligibility for payments of allowances due to changes in benefit system including Special Guardianship Orders in line with changes in Government Agenda	434	454	499	27	9	9
Foster placement allowance scheme - increased number of children being placed	845	904	994	18	36	36
Joint legal team litigation, appeals (demand led service)	311	313	345	5	7	20
Emergency duty team (supporting children's and health & wellbeing) (demand led service)	139	151	166	5	5	5
Children in care remaining with foster carers until 21 years old in line with strategic vision (demand led service)	23	23	63	20	10	10
Direct payments increased activity and costs (demand led service)	258	284	314	10	10	10
Health funding towards children's placements	(165)	(165)	(85)	20	30	27
Grants reduced government funding	(1,570)	(1,570)	(1,407)	110	27	27
Additional mainstream home to school transport packages	1,111	1,111	1,286	20	60	65
Additional special educational needs home to school transport packages	1,215	1,215	1,415	20	60	120
TOTAL Children's Services	6,483	7,048	9,163	549	775	791
Environment						
S106 monitoring fees - under achievement of predicted income	(101)	(101)	(60)	0	11	40
Planning applications - under achievement of predicted fee income	(975)	(975)	(900)	175	150	150
Pre applications fees - under achievement of predicted fee income	(120)	(120)	(30)	20	20	30
Savings generated through the commencement of the Community Infrastructure Levy charge	(258)	(258)	(201)	0	0	57
Street lighting - energy cost increase	600	600	650	40	10	0
Potential loss of countryside income due to bad weather or customer resistance	(237)	(237)	(165)	10	32	30
Emergency tree works in parks due to bad weather	0	0	10	5	5	0
Additional grounds maintenance works due to heavy and prolonged rainfall	950	950	980	10	10	10
New Roads and Street Works Act - decrease in recovered income due to less road works	(158)	(158)	(118)	0	40	0
Loss of permit income due to less road works	(200)	(200)	(175)	0	15	10
Loss of income from fishing season tickets (fish disease in fisheries)	(75)	(75)	0	75	0	0
Loss of income due to excessive weed algal growth prohibiting use of the Multi Activity Centre	(277)	(277)	(60)	150	67	0
Loss of countryside income due to poor weather or customer resistance	(350)	(350)	(150)	180	20	0
Failure of an embankment on the highway	0	0	600	500	100	0
Emergency maintenance (road traffic accidents; water bursts, etc.)	45	45	55	10	0	0
Highways (roads and footways) urgent repairs following flooding and freezing and disposal of Tar bound material	1,252	1,252	1,462	150	50	0
Winter maintenance (bad weather)	154	197	264	0	67	0
Third party income (accident damage without ability to recover the costs)	(35)	0	21	15	6	0
County archives - shared agreement	142	142	162	0	10	10
Savings target for car parks weekend and evening charges	(137)	(197)	(135)	0	30	32
Fees relating to checking developer works - inability to secure full income	(258)	(258)	(142)	116	0	0
Loss of car parking income due to town centre regeneration - general disruption and contract negotiation	(1,181)	(1,181)	(1,111)	30	40	0
Library overdue charges - risk of under achievement due to service improvements reducing risk of overdue items	(74)	(74)	(64)	0	5	5
TOTAL Environment	(1,293)	(1,275)	1,273	1,486	688	374

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2017/18 - 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.

Relative Risk

Description	Best Case £'000	Most Likely as per Budget £'000	Worst Case £'000	Relative Risk		
				Low £'000	Medium £'000	High £'000
Finance & Resources						
Failure to achieve targeted procurement savings across the council	(120)	(120)	0	50	70	0
Council-wide income growth target not realised (corporate traded services; energy, advertising & sponsorship)	(290)	(290)	0	100	190	0
Changes in local job market	0	0	0	0	100	0
Income target from property portfolio not realised	(2,300)	(2,300)	(1,700)	450	100	50
Costs due to legislation changes e.g. health and safety, fire, legionella etc.	(890)	0	150	100	30	20
Decrease in contribution to Shared Service by RBWM	(890)	(890)	(640)	0	0	250
Increase in legal challenge and costs due to legislation changes, e.g. Care Act	0	0	500	300	150	50
Loss of data or sensitive information	0	0	120	70	40	10
Interest cost of borrowing budget - risk for SDL forward funding overspend	400	400	750	270	80	0
Major emergency within the community e.g. weather event / pandemic flu or major incident	0	0	2,000	1,000	500	500
TOTAL Finance & Resources	(3,200)	(3,200)	1,280	2,340	1,260	880
Health & Wellbeing						
Learning disability - unknown high cost placements	5,310	5,450	5,910	210	150	100
Mental health - unknown high cost placements	1,075	1,145	1,400	105	75	75
Physical disability - unknown high cost placements	425	460	540	10	35	35
Older people - increases above expected levels	3,400	3,450	4,050	150	200	250
Transfers of ordinary residence	0	0	1,380	930	250	200
Risk of litigation / compensation against assessment outcomes (including Deprivation of Liberty Safeguarding)	0	0	500	200	200	100
Inflationary increases in providers rates	0	300	800	250	100	150
Saving targets not being achieved	0	0	300	180	70	50
Leisure Trust - in the event of change of current legislation	(600)	(600)	0	0	600	0
Impact of eligibility criteria change from Critical to Substantial	0	375	2,175	600	500	700
Increase in homelessness duties and impact on budget and resources required to deliver service	396	396	596	100	50	50
Risk of market failure	0	0	500	350	100	50
TOTAL Health & Wellbeing	10,006	10,976	18,151	3,085	2,530	1,760
Non-Specific						
Uninsurable event / major event up to Belwin threshold	0	0	228	100	100	28
TOTAL Non-Specific	0	0	228	100	100	28
Total Variable - General fund	11,996	13,549	30,095	7,560	5,153	3,833

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 2016	10.4
Estimated Balance 31 March 2017	9.0
Estimated Balance 31 March 2018	10.3
Estimated Balance 31 March 2019	10.4
Estimated Balance 31 March 2020	9.8

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 £5.4m, which would fund council services for 18 days.

Good financial management practice requires a budget risk assessment to inform the level of reserves. Such a risk assessment is undertaken on an annual basis (as part of the budget setting process) and is detailed on the previous page. Although it should not be seen as an exact science, it provides an informed assessment of the level of risk inherent in the budgets (value and likelihood). The assessment of the budget contained in the MTFP for 2017/18 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): -

- £5.4m – absolute minimum (5% net budget)
- £8m to £16.5m – ideal level (High/Medium risks)
- £16.5m – upper limit (High/Medium/Low risks)

<u>2016/17 Budget</u> <u>£'000</u>	<u>Gross Income and Expenditure</u>	<u>2017/18 Budget</u> <u>£'000</u>
	<u>Income</u>	
	General Fund	
17,134	Fees and Charges	16,690
43,629	Specific Grants	44,986
1,641	Other Income	2,091
2,639	Internal Income	3,284
65,043		67,051
	Dedicated Schools Grant	
96,295	Specific Grants	99,549
303	Movements from reserves	261
96,598		99,809
	Housing Revenue Account	
15,704	Fees and Charges	15,608
1	Specific Grants	1
36	Other Income	49
800	Movements from reserves	871
16,541		16,530
178,181	Total Income	183,390
	<u>Expenditure</u>	
	General Fund	
5,543	Chief Executive	6,909
35,548	Children's Services	35,819
49,285	Environment	46,010
19,951	Finance & Resources	19,778
89,195	Health & Wellbeing	88,006
199,523		196,522
	Dedicated Schools Grant	
14,029	Central Schools Block	15,017
82,569	Individual Schools Block	84,792
0	Less: surplus to reserves	0
96,598		99,809
	Housing Revenue Account	
16,541	Housing Revenue Account	16,530
0	Less: surplus to reserves	0
16,541		16,530
312,662	Sub Total Expenditure	312,861
21,581	Less: depreciation	17,436
5,358	Less: special items	4,821
26,939		22,257
285,723	Total Expenditure	290,605
107,541	Net Expenditure	107,214

Notes

Movements between years are described in detail in the summary of budget movements, service narratives and housing revenue account and dedicated schools grant pages

Depreciation has decreased by approximately £4m on highways assets due to further information being included for the new valuation method of Highways Network Assets

HOUSING REVENUE ACCOUNT BUDGET 2017/18

	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000
INCOME				
Rents				
Dwelling Rents	(14,937)	(14,813)	(14,685)	(14,561)
Garage Rents	(217)	(220)	(221)	(222)
Commercial Rents	(5)	(2)	(2)	(2)
Total Rents	(15,159)	(15,035)	(14,908)	(14,786)
Fees & Charges				
Service Charges	(452)	(482)	(484)	(486)
Leasehold Charges	(58)	(58)	(58)	(58)
Other Charges for Services & Facilities	(43)	(48)	(48)	(49)
Interest on balances	(28)	(36)	(28)	(22)
Total Income	(15,740)	(15,659)	(15,526)	(15,400)
EXPENDITURE				
Housing Repairs	2,588	2,711	2,738	2,765
General Management	2,347	2,483	2,507	2,533
Sheltered Accommodation	666	647	653	660
Other Special Expenses	174	150	152	154
Depreciation	Note 1 3,239	3,257	3,384	3,464
Revenue Contribution to Capital	Note 2 2,007	1,833	908	3,091
Capital Finance Interest Charge	2,956	2,901	2,846	2,840
HRA Principal Repayments	2,564	2,548	2,284	1,998
Total Expenditure	16,541	16,530	15,473	17,505
Net Expenditure / (Income)	801	871	(53)	2,105
REVENUE ACCOUNT				
Balance at Beginning of Year	(5,815)	(5,052)	(4,181)	(4,234)
Transfer (to)/from earmarked reserve	763	871	(53)	2,105
Balances at End of Year	(5,052)	(4,181)	(4,234)	(2,129)

Note 1 The contribution from HRA to Major Repairs Reserve

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

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2017/18 - 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	Best		Key Variable		Worst Case		
	Most Likely		Worst		Relative Risk		
	Case £'000	as per Budget £'000	Case £'000	Case £'000	Low £'000	Medium £'000	High £'000
Health & Wellbeing (Housing Revenue Account)							
Contractor Failure or termination of contract due to poor performance	2,290	2,290	2,390		0	100	0
Increase in rent arrears as a result of the introduction of Universal Credit and other changes to the welfare system	0	0	200		100	50	50
Disposals and reduction in stock	0	0	200		0	50	150
Impact of Housing and Planning Bill, disposal of assets levy	0	0	20		0	20	0
TOTAL Housing Revenue Account	2,290	2,290	2,810		100	220	200

HOUSING REVENUE ACCOUNT RESERVES - POLICY STATEMENT

1 Definition / Purpose

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

The balance serves two additional purposes:-

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

	£m
Balance as at 31st March 2016	5.8
Estimated Balance 31st March 2017	5.1
Estimated Balance 31st March 2018	4.2
Estimated Balance 31st March 2019	4.2
Estimated Balance 31st March 2020	2.1

This excludes any capital balances.

2 Policy (Criteria for Calculating Fund Requirement)

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

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

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

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

3 Budget Risk Analysis

£0.9m - minimum (5% of gross expenditure)

£0.5m - Covers high/medium/low risks based on risk assessments

SCHOOLS BLOCK BUDGET - presented to Schools Forum 20 January 2016

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.

	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	(Note 4) 2019/20 Budget £'000
INCOME				
Dedicated Schools Grant (Note 1)	(90,491)	(99,549)	(94,907)	(94,907)
Education Funding Agency specific grant	(3,191)	(3,258)	(3,224)	(3,224)
Pupil Premium	(2,613)	(2,628)	(2,686)	(2,686)
Total Income	(96,295)	(99,549)	(100,817)	(100,817)
EXPENDITURE				
Individual Schools Budget (ISB)	73,655	75,049	75,424	75,802
Expenditure for Education of Children under 5s in Private, voluntary/ independent settings	6,464	6,963	6,998	7,032
Pupil Premium allocated to schools	2,613	2,780	2,794	2,808
School-specific contingencies	340	340	342	343
Contingency for Growth	1,232	1,300	1,307	1,313
Early Years Contingency	229	229	230	231
Provision for pupils with SEN (including assigned resources)	2,418	2,517	2,530	2,543
Moderating Panels and balancing variance	0	358	360	362
NQT Induction	0	32	32	32
Provision for pupils with SEN, provision not included above	20	20	20	20
Support for Inclusion	562	507	510	512
Fees for pupils at independent special schools & abroad (Note 2)	5,580	6,119	6,150	6,181
Special Educational Needs Transport	230	230	231	232
Pupil Referral Units	500	470	472	475
Behaviour Support Services	321	321	323	324
Education out of school	617	710	714	717
Support to under-performing ethnic minority groups and bilingual learners	146	146	147	147
Insurance	586	598	601	604
School admissions	281	304	306	307
Licences/subscriptions	339	346	348	349
Miscellaneous	92	97	97	98
Servicing of schools forums	4	4	4	4
Staff costs - supply cover (not sickness)	369	369	371	373
Total Expenditure	96,598	99,809	100,308	100,810
NET EXPENDITURE / (INCOME)	303	261	(509)	(8)
Balance Brought Forward (Note 3)	(1,151)	(552)	(291)	(800)
Budgeted Net Expenditure / (Income)	303	261	(509)	(8)
Forecast in-year over / (under) spend	296	0	0	0
Balance Carried Forward	(552)	(291)	(800)	(808)

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

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

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

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

CAPITAL PROGRAMME 2017/20 and Prudential Indicators

1 Process

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

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

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

2 Capital Programme

An overview of the proposed programme over the next three years is shown below. It includes the re-profiled 16/17 budgets of £54.2m, this was highlighted in sept 2016 when the council reviewed the profile of all its capital schemes for 2016/17. 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.

	Year 1 2017/18	Year 2 2018/19	Year 3 2019/20
	£'000	£'000	£'000
Service Unit			
Chief Executive	35,572	18,952	27,493
Children's Services	23,930	11,175	13,076
Environment	39,342	30,219	44,130
Finance & Resources	17,912	9,204	19,256
Health & Wellbeing	36,093	22,743	25,016
Total	152,849	92,293	128,971

3 Capital Funding

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

The proposed capital budget for 2017/18 is £152.8m. It is proposed that this be funded by a combination of grants (£15.9m), developer's contributions (£44.4m), capital receipts from sale of assets and reserves (£5.9m), borrowing (£82.5m) and the Housing Revenue Account contributing towards housing schemes (£4.1m).

4 Capital Vision

Capital Strategy

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

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

5 Prudential Indicators

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

The Prudential Indicators and limits for 2016/17 to 2019/20 are set as:

	2016/17 Revised	2017/18 Estimated	2018/19 Estimated	2019/20 Estimated
Capital Expenditure £'000	87,561	152,849	92,923	128,971
Capital Financing Requirement £'000	209,413	286,625	320,573	382,668
Authorised Limit for external debt £'000	243,288	358,400	400,800	478,400
Operational Boundary for external debt £'000	205,200	301,000	336,700	401,900
Ratio of financing costs to net revenue stream - non HRA	2.90%	3.37%	3.40%	3.47%
Ratio of financing costs to net revenue stream - HRA	18.80%	18.21%	19.05%	18.44%
Incremental impact of capital investment decisions on Band D Council Tax £,p	39.80	(3.44)	(3.95)	(4.80)

The Treasury Management Prudential Indicators are set as:

Interest Rate Exposures	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000
Limits on fixed interest rates:				
· Debt only	180,000	251,500	293,800	373,900
· Investments only	(80,000)	(80,000)	(80,000)	(80,000)
Total	100,000	171,500	213,800	293,900
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)
Total	0	0	0	0

Maturity Structure of Fixed Interest Rate Borrowing

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

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

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total	
	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000
Chief Executive								
Strategic acquisition sites								
Strategic purchase of sites in relation to town centre regeneration	0	0	0	3,000	0	0	3,000	0
Town centre development including Peach Place and Carnival Pool area								
The schemes will support existing and new businesses, increase employment, secure ongoing investment into the town centre (including surrounding areas) and improve the quality of the open space within the town centre	0	0	0	32,572	18,952	27,493	32,572	18,952
Total Chief Executive	0	0	0	35,572	18,952	27,493	35,572	18,952
Children's Services								
Basic needs primary - additional places								
Extension/new build projects to provide additional places throughout the Borough to meet need	13,895	9,247	11,006	0	0	0	13,895	9,247
Basic needs secondary - additional places								
Extension/new build projects to provide additional places throughout the Borough to meet need	4,160	372	372	0	0	0	4,160	372
Enhancing provision for children and young people with disabilities								
Adaptations to properties to enable disabled children to be cared for in their home/respite care environment	152	71	71	0	0	0	152	71
ICT equipment for children in care								
To purchase/replace equipment that is provided to children in care in line with our children in care pledge	19	19	19	0	0	0	19	19
Schools access								
To improve school facilities to enable full integration of pupils and adults with disabilities	45	45	43	0	0	0	45	45
School kitchens								
To improve various school meals kitchens throughout the Borough including delivery of the universal free school meal programme	95	95	95	0	0	0	95	95
Schools led enhancement								
Specific government grant to carry out capital works, controlled by schools	468	371	371	0	0	0	468	371
Schools urgent maintenance								
Urgent capital planned improvements and suitability issues	599	599	599	0	0	0	599	599
Secondary improvement programme								
To improve standards of learning in Secondary provision	1,318	0	0	0	0	0	1,318	0
Special education needs								
Capital investment required to reconfigure Primary and Secondary special education needs provision to best meet needs	3,179	356	500	0	0	0	3,179	356
Total Children's Services	23,930	11,175	13,076	0	0	0	23,930	11,175

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000
Environment									
Barkham Bridge Improvement to Barkham Bridge & road alignment	0	0	0	197	198	1,332	197	198	1,332
Bridge strengthening To maintain Wokingham Borough Councils bridges in such condition that they remain safe for highway users and available for use by traffic permitted to use them	0	0	0	475	475	475	475	475	475
Byways To bring a number of rural routes up to a minimum standard of repair to make them suitable for vehicular use for the Borough's residents	95	95	95	0	0	0	95	95	95
Country park capital investment programme Investment in the Borough's country parks	2,232	0	0	0	0	0	2,232	0	0
Future road building/Enhancements across the Borough Investment in future road building/enhancement across WBC road network. (including new relief roads)	0	0	0	17,591	20,114	33,544	17,591	20,114	33,544
Greenways A network of quiet commuting and leisure routes for pedestrians and cyclists	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000
Highway drainage schemes To arrest the overall degradation of the highway drainage network which suffers from 'siltling up', breakages, tree root damage, inadequate size and increased loading	190	190	190	0	0	0	190	190	190
Highway infrastructure flood alleviation schemes To raise the level of various roads on the highway network to reduce the need for their closure during times of flooding	1,085	1,900	0	0	0	0	1,085	1,900	0
Highways carriageways structural maintenance Resurfacing of carriageways to improve highway safety	2,280	2,280	2,280	0	0	0	2,280	2,280	2,280
Highways footway structural maintenance programme Resurfacing of footways to improve their condition and increase surface water run-off thereby improving pedestrian safety	95	95	95	0	0	0	95	95	95
Integrated transport schemes Providing facilities to ensure that the public are safe on the Borough's roads	464	380	380	0	0	0	464	380	380
Land acquisition for major road schemes Opportunity to purchase land for strategic purposes	0	0	0	2,215	0	0	2,215	0	0

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000
Environment continued									
LED streetlight replacement programme Investment in new street lighting equipment that will reduce the council's energy bill, improve street lighting quality and lower the risk of column failure	2,699	90	0	0	0	0	2,699	90	0
Improvements Library service Continuation of the implementation of the Library Offer including the implementation of self-service. In implementing the Offer and driving improvements, the Library Service in Wokingham Borough will be on track to further embed itself as a central community facility fit to deliver broad 21st Century services, whilst offering exceptional value for money for Wokingham Council Tax payers.	450	0	0	0	0	0	450	0	0
Matthews Green School/Community Centre The construction of a new community centre within the new Matthews Green School	566	157	0	0	0	0	566	157	0
Park and ride schemes Investment in park and ride schemes across the Borough	0	0	0	700	0	0	700	0	0
Provision and Installation of air quality monitoring equipment To provide air quality management areas (AQMA) with a greater level of detailed monitoring to ensure full data capture.	10	0	0	0	0	0	10	0	0
Public rights of way network Investment in all public rights of way and other non-motorised routes to support the needs of all types of users	50	250	50	0	0	0	50	250	50
Public transport network Investment in an integrated and inclusive public transport network that provides a convenient, acceptable, reliable and affordable alternative to car travel	0	942	1,200	0	0	0	0	942	1,200
Ryeish Green sports hub Enhancement and additional facilities at the site	0	0	0	2,247	0	0	2,247	0	0
Safe route to Arborfield school To progress the design and construction, and to include all feasibility work	0	0	0	214	0	0	214	0	0
Safety/crash barriers Improving safety/crash barriers on the highway to reduce the risk of injury to road users	404	713	713	0	0	0	404	713	713
Southlake dam crest repair To mitigate the risk of a breach to the dam	10	10	0	0	0	0	10	10	0
Sports provision across the borough - (excludes Bulmershe leisure centre) Investment in the Borough's sport provision	0	0	0	0	0	40	0	0	40
Street lighting column structural testing Annual testing to determine rate of deterioration of column structural stability	38	38	38	0	0	0	38	38	38
Strengthening approach embankments to bridges To repair major damage caused by deterioration, vehicle impact and where appropriate to meet the changing demands of users.	19	19	1,425	0	0	0	19	19	1,425
Super fast broadband Provision of 100% coverage of 25mb broadband for Berkshire by 2017. The scheme is in partnership with the other Berkshire unitary councils	0	0	0	301	0	0	301	0	0

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000
Environment continued									
Town centre improvements Improving the Wokingham town centre including a partnership scheme for market place with Wokingham town council	0	0	0	2,005	0	0	2,005	0	0
Traffic signal upgrade programme To carry out urgent upgrades on old and obsolete equipment, also giving the opportunity of installing low energy equipment	238	238	238	0	0	0	238	238	238
Waste schemes - purchase of brown bins, paper sacks and recycling boxes The purchase of brown bins, paper sacks and recycling boxes to enable the Borough to continue their waste/recycling scheme	85	85	85	0	0	0	85	85	85
Wokingham borough cycle network Investment in current/future cycle networks in the Borough	1,787	950	950	0	0	0	1,787	950	950
	12,797	8,432	7,739	26,945	21,787	36,391	39,742	30,219	44,130
Finance & Resources									
Affordable housing future schemes	0	0	0	13,335	4,557	11,087	13,335	4,557	11,087
Central contingency reserve For allocation to Wokingham Borough Council schemes as required	0	0	0	2,039	2,012	3,154	2,039	2,012	3,154
Commercial portfolio - improvement to industrial units To ensure commercial properties are suitable for letting	0	0	0	143	143	143	143	143	143
ICT Technical Refresh The Council's owned server hardware and network estate requires a rolling refresh programme to ensure a good and reliable service can be delivered. This budget has been reduced from previous years as the bulk of our server estate moves to a cloud based solution.	0	0	0	0	0	95	0	0	95
Property maintenance and compliance The ongoing maintenance of the operational property estate to retain the function and value of the asset, while ensuring compliance with legislative and regulatory requirements e.g. asbestos and legionella	333	333	333	0	0	0	333	333	333
Repayment of forward funded schemes loans Allocation of developers contributions to completed schemes which were forward funded	0	0	0	0	1,946	4,189	0	1,946	4,189
Support services energy reduction schemes Investment in energy reduction schemes through various mechanisms e.g. lighting, insulation and improvements; which is envisaged to deliver demonstrable energy bill savings	0	0	0	85	213	255	85	213	255
The 21st Century Council Implementation of the key IT improvements to contribute towards the 21st century council programme	0	0	0	1,577	0	0	1,577	0	0
	0	0	0	17,179	8,871	18,923	17,512	9,204	19,256
Total Finance & Resources									

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000	Year 1 2017/18 £'000	Year 2 2018/19 £'000	Year 3 2019/20 £'000
Health & Wellbeing									
Aborfield Leisure									
To provide leisure facilities in the area	0	0	0	1,500	0	0	1,500	0	0
Bulmershe sports centre									
The redevelopment of Bulmershe Leisure centre	0	0	0	5,336	4,664	0	5,336	4,664	0
Bungalows for people with profound multiple disabilities									
To provide suitable housing for this group of people	0	0	0	10	760	0	10	760	0
Carnival pool									
The redevelopment of Carnival pool	0	0	0	0	0	5,336	0	0	5,336
Connected care									
Integration of health and social care ICT systems	95	95	95	0	0	0	95	95	95
Day services for adults with physical disability									
Feasibility into the provision of day services for adults with physical disability	0	1,129	0	0	0	0	0	1,129	0
H&W urgent maintenance & refurbishment									
The urgent maintenance/refurbishment of the Health and Wellbeing estate to retain the function and value of the asset and to meet and health and safety issues	0	0	0	95	95	95	95	95	95
HRA - Tape Lane									
Year 2 of redevelopment of the site with new properties for the HRA housing stock	0	0	0	1,774	0	0	1,774	0	0
Investment in the council's housing stock (inc. adaptations/estate improvements)									
Investment programme in the council housing stock, which meets the government's decent homes standard	4,100	4,100	4,100	0	0	0	4,100	4,100	4,100
Investment in Wokingham Housing - Loan to provide capital									
Mandatory disabled facility grants	0	0	0	17,640	6,000	7,590	17,640	6,000	7,590
Mandatory means tested grants for adapting the homes of people with disabilities to enable them to live independently at home	732	600	600	0	0	0	732	600	600
Nursing home									
A joint Nursing Home project between WBC and Opitalis. To provide good quality in the local nursing care market as well as providing much needed places at favourable rates	0	0	0	1,500	3,500	3,200	1,500	3,500	3,200
Purchase of council houses HRA									
A programme to replace HRA housing stock using the 1 for 1 Right to Buy receipts	0	0	0	3,200	1,800	4,000	3,200	1,800	4,000
Suffolk Lodge upgrade									
To upgrade the current residential care home to better focus on the needs of the dementia clients it now supports and to replace outdated fire alarm systems and wiring	0	0	0	111	0	0	111	0	0
Total Health & Wellbeing	4,927	5,924	4,795	31,166	16,819	20,221	36,093	22,743	25,016
Total council services	41,654	25,631	25,610	110,862	66,429	103,028	152,849	92,293	128,971

ESTIMATED CAPITAL RESOURCES STATEMENT

	Note	Ring Fenced Funding			Non - Ring fenced Funding			Total		
		2017/18 £'000	2018/19 £'000	2019/20 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000
Proposed Capital Programme - including reprofiled 16/17 schemes		133,613	82,332	115,141	19,236	9,961	13,830	152,849	92,293	128,974
Basic Need Grant		0	0	0	8,786	2,855	2,855	8,786	2,855	2,855
Better Care Fund Grant		1,205	733	733	0	0	0	1,205	733	733
Borrowing (forward funding)		14,279	7,690	25,358	0	0	0	14,279	7,690	25,358
Borrowing (standard allocation)		0	0	0	4,850	3,400	3,700	4,850	3,400	3,700
Borrowing (Wokingham Housing)		17,640	6,000	7,590	0	0	0	17,640	6,000	7,590
Borrowing (Wokingham town centre regeneration)		35,572	15,152	23,493	0	0	0	35,572	15,152	23,493
Borrowing (Invest to Save)		10,186	8,369	7,507	0	0	0	10,186	8,369	7,507
Capital Maintenance Grant		0	0	0	2,431	1,561	1,202	2,431	1,561	1,202
Capital receipts (non Wokingham town centre regeneration)	1	0	0	0	945	150	150	945	150	150
Capital receipts - Peach Place redevelopment	2	0	3,800	4,000	0	0	0	0	3,800	4,000
Developers contributions (community infrastructure levy)		3,436	11,629	9,041	0	0	0	3,436	11,629	9,041
Developers contributions (section 106)		41,012	20,517	28,427	0	0	0	41,012	20,517	28,427
Devolved formula capital	3	860	392	392	0	0	0	860	392	392
Integrated Transport Maintenance Block Grant		0	0	0	143	0	0	143	0	0
Local transport plan direct grant - capital maintenance grant		0	0	0	3,302	3,302	3,302	3,302	3,302	3,302
Major repairs reserve		4,100	4,100	4,100	0	0	0	4,100	4,100	4,100
Local Enterprise Partnership Grant (Park and Ride)		349	2,150	500	0	0	0	349	2,150	500
Right to buy receipts	1	4,974	1,800	4,000	0	0	0	4,974	1,800	4,000
Thames Valley Berkshire Growth Deal 2014 Grant		0	0	0	171	0	0	171	0	0
Total Capital Reserves		133,613	82,332	115,141	20,628	11,268	11,209	154,241	93,600	126,350
					In Year Surplus (-) / Deficit(+)			(1,392)	(1,307)	2,621
					Cumulative Surplus (-) / Deficit(+)			(1,392)	(2,699)	(78)

ESTIMATED CAPITAL RESOURCES STATEMENT

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Note			
Proposed capital programme (including 16/17 re-profiled schemes)	152,849	92,293	128,971
Total Capital Programme	152,849	92,293	128,971
Ring fenced funding	133,613	82,332	115,141
Non ring fenced funding	20,628	11,268	11,209
Total Funding	154,241	93,600	126,350
In Year Surplus () / Deficit(+)	(1,392)	(1,307)	2,621
Cumulative Surplus () / Deficit(+)	(1,392)	(2,699)	(78)
Movement on Capital Reserves			
Opening balance (including capital grants)	(6,562)	(1,392)	(2,699)
Estimate of capital receipts from sale of assets	(150)	(3,950)	(4,150)
Capital reserves/receipts used to fund capital programme	5,320	2,643	6,771
Closing Balance	(1,392)	(2,699)	(78)

Notes

All grants for 2017/18 onwards are estimates and could change

Note 1. All Capital receipts listed may not materialise

Note 2. Capital receipts in 2018/19 relate to Wokingham town centre first phase of housing sales

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

CAPITAL RESERVES – POLICY STATEMENT

1 Definition / Purpose

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

Any surplus resources will be held in the following:

- Capital receipts reserve
- Capital grants and contributions unapplied reserve

Both reserves will contribute to the financing of future capital schemes. Estimated uncommitted balances on the capital receipts reserve are shown below.

Estimated Uncommitted Balance	£m
Estimated Uncommitted Balance 31 March 2017	6.5
Estimated Uncommitted Balance 31 March 2018	1.4
Estimated Uncommitted Balance 31 March 2019	2.8
Estimated Uncommitted Balance 31 March 2020	0

2 Criteria for Calculating Fund Requirement

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

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

Funding streams available to the council consists of:

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

10-YEAR CAPITAL VISION

SCHEME

The schemes below include 2016/17 schemes re-profiled

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 to 2026/27 £'000	Total £'000
Anticipated Capital Schemes							
Strategic acquisition sites	3,000	0	0	0	0	0	3,000
Town centre development including Peach Place, Elms Field and Carnival Pool area	32,572	18,952	27,493	0	0	0	79,017
Total Chief Executive	35,572	18,952	27,493	0	0	0	82,017
Children's Services							
Basic needs primary - additional places	13,895	9,247	11,006	13,656	1,216	7,077	56,097
Basic needs secondary - additional places	4,160	372	372	740	920	4,598	11,162
Enhancing provision for children and young people with disabilities	152	71	71	71	71	356	792
ICT equipment for children in care	19	19	19	19	19	95	190
School access	45	45	43	43	43	214	433
School kitchens	95	95	95	95	95	475	950
Schools led enhancement	468	371	371	371	371	1,854	3,806
Schools urgent maintenance	599	599	599	599	599	2,993	5,988
Secondary improvement programme	1,318	0	0	0	0	0	1,318
Special education needs	3,179	356	500	4,750	0	0	8,785
Total Children's Services	23,930	11,175	13,076	20,344	3,336	17,662	89,521

10-YEAR CAPITAL VISION

SCHEME

The schemes below include 2016/17 schemes re-profiled

Environment	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 to 2026/27 £'000	Total £'000
Barkham Bridge	197	198	1,332	282	0	0	2,009
Bridge strengthening	475	475	475	475	475	2,375	4,750
Byways		95	95	95	95	95	475
Country park capital investment programme	2,232	0	0	0	0	0	2,232
Future road building/Enhancements across the Borough	17,591	20,114	33,544	24,836	22,715	1,019	119,819
Greenways	1,000	1,000	1,000	950	950	4,750	9,650
Highway drainage schemes	190	190	190	190	190	950	1,900
Highway infrastructure flood alleviation schemes	1,085	1,900	0	0	0	0	2,985
Highways carriageways structural maintenance	2,280	2,280	2,280	2,280	2,280	11,400	22,800
Highways footway structural maintenance/investment programme	95	95	95	95	95	6,175	6,650
Improvements Library service	450	0	0	0	0	0	450
Integrated transport schemes	464	380	380	380	380	1,900	3,884
Land acquisition for major road schemes	2,215	0	0	0	0	0	2,215
LED streetlight replacement programme	2,699	90	0	0	0	0	2,789
Matthews Green School/Community Centre	566	157	0	0	0	0	723
Park and ride schemes	700	0	0	1,154	0	0	1,854
Provision and installation of air quality monitoring equipment	10	0	0	0	0	0	10
Public rights of way network	50	250	50	250	48	333	981
Public transport network	0	942	1,200	952	808	3,573	7,475
Ryesh Green sports hub	214	0	0	0	0	0	214
Safe route to Arborfield school	2,247	0	0	0	0	0	2,247
Safety/crash barriers	404	713	713	713	713	2,850	6,106
Southlake dam crest reparation	10	10	0	0	0	0	20
Sports provision across the borough - (excludes Bulmershe leisure centre)	0	0	40	3,445	2,978	0	6,463
Street lighting column structural testing	38	38	38	38	38	190	380
Strengthening approach embankments to bridges	19	19	1,425	903	903	95	3,364
Super fast broadband	301	0	0	0	0	0	301
Town centre improvements	2,005	0	0	0	0	0	2,005
Traffic signal upgrade programme	238	238	238	238	238	1,188	2,378
Waste schemes - purchase of brown bins, paper sacks and recycling boxes	85	85	85	85	85	423	848
Wokingham borough cycle network	1,787	950	950	950	950	4,750	10,337
Total Environment	39,742	30,219	44,130	38,311	33,941	41,971	228,314

10-YEAR CAPITAL VISION

SCHEME

The schemes below include 2016/17 schemes re-profiled

2022/23

to

2026/27

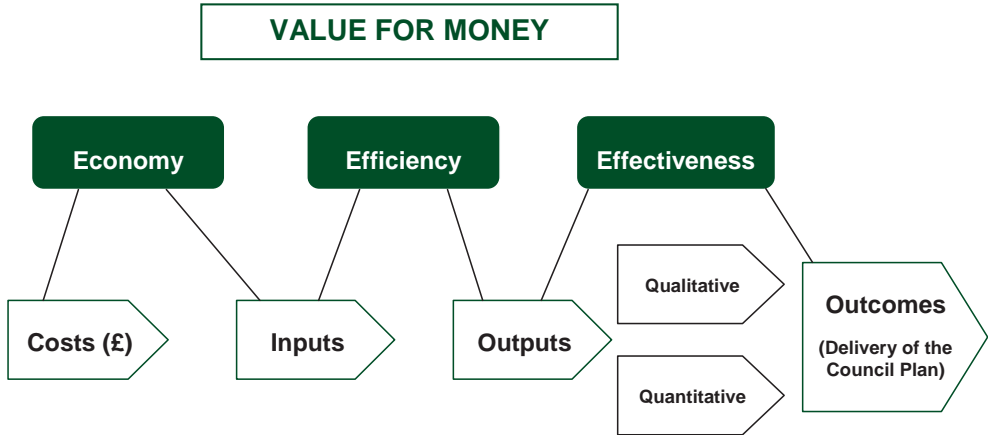
Total

£'000

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 to 2026/27 £'000	Total £'000
Finance & Resources							
Affordable housing future schemes	13,335	4,557	11,087	20,175	0	0	49,154
Central contingency reserve	2,039	2,012	3,154	3,597	3,082	8,292	22,176
Commercial portfolio - improvement to industrial units	143	143	143	143	143	713	1,428
Laptop refresh	0	0	0	333	0	0	333
Network hardware replacement	0	0	95	95	95	475	760
Property maintenance and compliance	333	333	333	333	333	1,663	3,328
Repayment of forward funded schemes loans	0	1,946	4,189	597	3,594	29,672	39,998
Support services energy reduction schemes	85	213	255	255	255	1,275	2,338
The 21st century council	1,577	0	0	0	0	0	1,577
Total Finance & Resources	17,512	9,204	19,256	25,526	7,501	42,089	121,092
Health & Wellbeing incl Housing							
Aborfield Leisure	1,500	0	0	0	0	0	1,500
Burnershe sports centre	5,336	4,664	0	0	0	0	10,000
Bungalows for people with profound multiple disabilities	0	760	0	0	0	0	770
Carnival pool	10	0	5,336	4,664	0	0	10,000
Connected care	95	95	95	95	95	380	855
Day services for adults with physical disability	0	1,129	0	0	0	0	1,129
H&W urgent maintenance & refurbishment	1,774	95	95	95	95	475	950
HRA - Tape Lane	0	0	0	0	0	0	1,774
Investment in the council's housing stock (inc. adaptations/estate improvements)	4,100	4,100	4,100	4,100	4,100	20,500	41,000
Investment in Wokingham Housing Loan	17,640	6,000	7,590	6,000	6,000	30,000	73,230
Mandatory disabled facility grants	732	600	600	600	600	3,000	6,132
Nursing home	1,500	3,500	3,200	0	0	0	8,200
Provision of new swimming pool in Aborfield	0	0	0	3,800	2,850	0	6,650
Purchase of council houses HRA	3,200	1,800	4,000	3,200	2,500	12,500	27,200
Suffolk Lodge upgrade	111	0	0	0	0	0	111
Total Health & Wellbeing incl Housing	36,093	22,743	25,016	22,554	16,240	66,855	189,502
Total council services budget	152,849	92,293	128,971	106,735	61,018	168,577	710,445

VALUE FOR MONEY

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



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

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

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

KEY ACTIVITY DATA

	2017/18	2018/19	2019/20		Risk					
Unit Description	Units	Ave Price £	Total £'000	Units	Ave Price £	Total £'000	Units	Ave Price £	Total £'000	Indicator
Children's Services										
Foster Placement Allowances Independent Foster Placements	1,105	910	1,006	1,032	879	907	1,025	906	929	High
Residential Care	1,168	2,047	2,391	933	2,196	2,049	737	2,495	1,839	High
Environment										
Waste Disposal (based on 79,000 tonnes pa combined landfill and recycling and 1% growth per annum. Average price based on current year actuals plus increase in landfill tax year on year)	80,000	132	10,560	81,000	135	10,935	82,000	138	11,316	Medium
Building Control - Inspection fee	22,933	46	1,055	22,933	48	1,101	22,933	50	1,147	Low
Building Control - Plan check fee	2,389	353	843	2,389	369	882	2,389	384	918	Low
Building Control - Regularisation	173	601	104	173	626	109	173	651	113	Low
Development Control - Planning Application Fees - Major	20	5,000	100	20	5,000	100	20	5,000	100	High
Development Control - Planning Application Fees - Minor	1,671	203	339	1,671	203	339	1,671	203	339	Medium
Finance & Resources										
Free Bus Pass	26,200	35	917	26,700	35	934	27,200	35	952	High
Investment Returns - includes day to day cash flow	£61.2m	0.36%	(351)	£60.5m	0.45%	(351)	£58.0m	0.55%	(400)	High
Land Searches	1,962	120	235	1,962	120	235	1,962	120	235	High
Health & Wellbeing										
Learning Disability, Residential Care	5,150	1,471	7,576	5,010	1,471	7,370	4,942	1,471	7,270	High
Learning Disability, Supported Living	8,900	857	7,625	9,193	866	7,961	9,678	866	8,381	High
Mental Health, Supported Living	2,220	446	990	2,220	446	990	2,220	446	990	Medium
Older People, Homecare	339,165	17	5,766	350,149	17	5,953	363,767	17	6,184	High
Older People, Nursing Care	6,065	751	4,555	5,989	751	4,498	5,932	751	4,455	Medium
Older People, Residential Care	7,925	726	5,754	8,870	726	6,440	9,858	726	7,157	High
Physical Disability, Homecare	117,235	17	1,993	118,412	17	2,013	118,412	17	2,013	Medium
Physical Disability, Supported Living	1,583	360	570	1,583	360	570	1,583	360	570	Medium
Schools Block - Dedicated Schools Grant										
Independent Special School Placements	126	48,563	6,119	103	48,563	5,000	103	48,563	5,000	High

Note - Building Control units based on 3 way Shared Service

COUNCIL TAX BACKGROUND INFORMATION

1 Council Tax – Valuation Bands

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

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

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

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

2 Council Tax – Exempt Dwellings

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

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

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

3 Council Tax - Discounts

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

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

- Full-time students, student nurses, apprentices and Youth Training trainees
- Patients resident in hospital
- People who are being looked after in care homes
- People who are severely mentally impaired
- People staying in certain hostels or night shelters
- 18 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)

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

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

4 Council Tax – People with Disabilities

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

5 Council Tax - Reduction

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

6 Council Tax – Premium

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

7 Council Tax Base

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

From this figure an adjustment is made:

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

The resulting figure is the Band D equivalent Tax base.

8 Council Tax Rate

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

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

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

9 Precepts and Collection Fund Surplus / Deficit

Wokingham Borough Council also collects council tax on behalf of the Police and Crime Commissioner for Thames Valley, and the Royal Berkshire Fire and Rescue Authority. The precepts for 2016/17 and 2017/18 are set out below, however the Royal Berkshire Fire and Rescue Authority precept is subject to approval on 27th February 2017.

Precept	2016/17 £	Band D £	2017/18 £	Band D £	Increase %
Police and Crime Commissioner for Thames Valley	11,019,594	166.96	11,482,559	170.28	1.99
Royal Berkshire Fire Authority	4,043,906	61.27	4,213,913	62.49	1.99

A calculation has to be made of the estimated surplus/deficit on the Council Tax Collection Fund at 31st March 2017. The calculation was made on the 15th January as required by the legislation. The surplus / deficit is required to be apportioned between the precepting authorities pro rata to the previous year's precept. As at the 31st March 2017 the collection fund expects to achieve a surplus of £823,337.55 therefore the distribution of the surplus between the precepting authorities is:-

Wokingham Borough Council – £700,000.00

Police and Crime Commissioner for Thames Valley – £90,226.56

Royal Berkshire Fire Authority - £33,110.99

PARISH PRECEPTS 2017/18

PARISH	2016/17		2017/18	
	TAX BASE	PARISH PRECEPT £	TAX BASE	PARISH PRECEPT £
		COUNCIL TAX BAND D £		COUNCIL TAX BAND D £
Arborfield & Newland	1,260.00	87,866	1,263.40	95,150
Barkham	1,440.60	42,342	1,526.90	46,342
Charvil	1,399.60	39,655	1,409.30	40,715
Earley	11,704.00	778,784	11,755.90	812,780
Finchampstead	5,665.30	123,848	5,725.00	126,944
Remenham	317.50	22,250	321.90	23,150
Ruscombe	497.90	10,266	501.50	10,266
St. Nicholas Hurst	1,044.20	25,035	1,053.10	30,000
Shinfield	4,780.70	316,950	5,144.00	341,047
Sonning	806.90	34,700	808.30	35,568
Swallowfield	995.10	19,108	1,006.00	19,308
Twyford	2,961.50	67,798	2,994.50	77,921
Wargrave	2,085.00	161,465	2,098.30	168,345
Winnersh	3,801.30	107,801	3,897.10	110,521
Wokingham Town	14,294.60	710,990	14,685.20	766,961
Wokingham Without	3,107.10	145,415	3,109.90	145,543
Woodley	9,840.10	1,039,607	10,133.10	1,081,303
TOTAL	66,001.4	3,733,880	67,433.4	3,931,863
		56.57		58.31

COUNCIL TAX BY BAND AND PARISH 2017/18

Band	A £	B £	C £	D £	E £	F £	G £	H £
Average Council Tax	1,100.23	1,283.60	1,466.98	1,650.35	2,017.10	2,383.84	2,750.58	3,300.70
WBC plus average Parish	945.05	1,102.56	1,260.07	1,417.58	1,732.60	2,047.62	2,362.63	2,835.16
Average Parish	38.87	45.35	51.83	58.31	71.27	84.23	97.18	116.62
Police Authority	113.52	132.44	151.36	170.28	208.12	245.96	283.80	340.56
Fire Authority	41.66	48.60	55.55	62.49	76.38	90.26	104.15	124.98
Adult social care precept	42.52	49.61	56.69	63.78	77.95	92.13	106.30	127.56
Wokingham Borough Council excluding ASC precept	863.66	1,007.60	1,151.55	1,295.49	1,583.38	1,871.26	2,159.15	2,590.98
Wokingham Borough Council total	906.18	1,057.21	1,208.24	1,359.27	1,661.33	1,963.39	2,265.45	2,718.54

*Percentage increases based on total 2016/17 council tax level, as per legislation

Band Parish Precepts	A £	B £	C £	D £	E £	F £	G £	H £
Arborfield & Newland	50.21	58.57	66.94	75.31	92.05	108.78	125.52	150.62
Barkham	20.23	23.61	26.98	30.35	37.09	43.84	50.58	60.70
Charvil	19.26	22.47	25.68	28.89	35.31	41.73	48.15	57.78
Earley	46.09	53.78	61.46	69.14	84.50	99.87	115.23	138.28
Finchampstead	14.78	17.24	19.71	22.17	27.10	32.02	36.95	44.34
Remenham	47.95	55.94	63.93	71.92	87.90	103.88	119.87	143.84
Ruscombe	13.65	15.92	18.20	20.47	25.02	29.57	34.12	40.94
St. Nicholas Hurst	18.99	22.16	25.32	28.49	34.82	41.15	47.48	56.98
Shinfield	44.20	51.57	58.93	66.30	81.03	95.77	110.50	132.60
Sonning	29.33	34.22	39.11	44.00	53.78	63.56	73.33	88.00
Swallowfield	12.79	14.93	17.06	19.19	23.45	27.72	31.98	38.38
Twyford	17.35	20.24	23.13	26.02	31.80	37.58	43.37	52.04
Wargrave	53.49	62.40	71.32	80.23	98.06	115.89	133.72	160.46
Winnersh	18.91	22.06	25.21	28.36	34.66	40.96	47.27	56.72
Wokingham Town	34.82	40.62	46.43	52.23	63.84	75.44	87.05	104.46
Wokingham Without	31.20	36.40	41.60	46.80	57.20	67.60	78.00	93.60
Woodley	71.14	83.00	94.85	106.71	130.42	154.14	177.85	213.42

Band Parish Precepts	A £	B £	C £	D £	E £	F £	G £	H £
Band Parish Precepts	£	£	£	£	£	£	£	£
Arborfield & Newland	1,111.57	1,296.82	1,482.09	1,667.35	2,037.88	2,408.39	2,778.92	3,334.70
Barkham	1,081.59	1,261.86	1,442.13	1,622.39	1,982.92	2,343.45	2,703.98	3,244.78
Charvil	1,080.62	1,260.72	1,440.83	1,620.93	1,981.14	2,341.34	2,701.55	3,241.86
Earley	1,107.45	1,292.03	1,476.61	1,661.18	2,030.33	2,399.48	2,768.63	3,322.36
Finchampstead	1,076.14	1,255.49	1,434.86	1,614.21	1,972.93	2,331.63	2,690.35	3,228.42
Remenham	1,109.31	1,294.19	1,479.08	1,663.96	2,033.73	2,403.49	2,773.27	3,327.92
Ruscombe	1,075.01	1,254.17	1,433.35	1,612.51	1,970.85	2,329.18	2,687.52	3,225.02
St. Nicholas Hurst	1,080.35	1,260.41	1,440.47	1,620.53	1,980.65	2,340.76	2,700.88	3,241.06
Shinfield	1,105.56	1,289.82	1,474.08	1,658.34	2,026.86	2,395.38	2,763.90	3,316.68
Sonning	1,090.69	1,272.47	1,454.26	1,636.04	1,999.61	2,363.17	2,726.73	3,272.08
Swallowfield	1,074.15	1,253.18	1,432.21	1,611.23	1,969.28	2,327.33	2,685.38	3,222.46
Twyford	1,078.71	1,258.49	1,438.28	1,618.06	1,977.63	2,337.19	2,696.77	3,236.12
Wargrave	1,114.85	1,300.65	1,486.47	1,672.27	2,043.89	2,415.50	2,787.12	3,344.54
Winnersh	1,080.27	1,260.31	1,440.36	1,620.40	1,980.49	2,340.57	2,700.67	3,240.80
Wokingham Town	1,096.18	1,278.87	1,461.58	1,644.27	2,009.67	2,375.05	2,740.45	3,288.54
Wokingham Without	1,092.56	1,274.65	1,456.75	1,638.84	2,003.03	2,367.21	2,731.40	3,277.68
Woodley	1,132.50	1,321.25	1,510.00	1,698.75	2,076.25	2,453.75	2,831.25	3,397.50

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

Directors

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

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

Corporate Leadership Team

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

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

Members

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

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

S151 Officer (Chief Finance Officer)

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

BUDGET MANAGEMENT - ESSENTIAL PRACTICE FOR BUDGET MANAGERS

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

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

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

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

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

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

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

Glossary of Terms

Adult Social Care (ASC) Precept

The Spending Review announced that for the rest of the current Parliament, local authorities responsible for adult social care ("ASC authorities") " will be given an additional 2% flexibility on their current council tax referendum threshold to be used entirely for adult social care". This flexibility is being offered in recognition of demographic changes which are leading to growing demand for adult social care, and increased pressure on council budgets.

Apprenticeship Levy

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

Autumn Statement

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

Business Rates Retention Scheme (BRRS)

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

Care Act 2014

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

Community Infrastructure Levy (CIL)

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

Core Spending Power

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

Council Tax Freeze Grant

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

Dedicated Schools Grant (DSG)

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

Education Services Grant (ESG)

This is a method of providing for the transfer of part of the local authority central education budget to academies and free schools for their administrative costs. It is paid on a per pupil weighted basis. It is forecast to cease by 2020.

Formula Grant

The previous name for Revenue Support Grant (RSG).

Local Government Funding Settlement

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

Medium Term Financial Plan (MTFP)

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

National Funding Formula

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

New Homes Bonus

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

Northern Powerhouse

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

Precept

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

Prudential Code

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

Revenue Support Grant (RSG)

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

'Rolled-in' Grant

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

Section 106 Contributions

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

Settlement Funding Assessment (SFA)

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

Strategic Development Locations (SDLs)

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

Summary of Budget Movements

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

Unitary Authority

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

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