



Medium term financial plan 2016/2017

Including Revenue Budget Forecast and
Capital Budget Forecast to 2018/19



WOKINGHAM BOROUGH COUNCIL MEDIUM TERM FINANCIAL PLAN

(Revenue Budget Forecast & Capital Budget Forecast to 2018/19)

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VISION

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

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

The underpinning Principles

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

Priorities

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

We plan to:

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



CHIEF FINANCE OFFICER'S STATUTORY REPORT

1 Introduction

The Local Government Act 2003 requires the Chief Finance Officer (CFO) to report to Members, when setting the level of council tax, on the robustness of the budget presented and adequacy of reserves. The report below provides a strategic overview of the council's financial position as a context before making specific considerations on the 2016/17 budget.

2 Strategic Overview

Government's Autumn Statement November 2015

The Government was able to confirm that public finances had improved faster than expected, and that over the next four years the deficit would be eliminated and replaced with a surplus. These changes would mean that departmental spending would fall at less than half the rate of the previous five years, and that planned changes to tax credits would no longer be made.

There are a significant number of new initiatives and other measures included in the proposed overall Government spending estimated at £4 trillion over the next five years. The precise impact on Wokingham of all these measures is being assessed. The various education changes and proposals are identified in the following paragraph, while many other proposals will affect local government and other public services, in particular NHS England will receive an extra £10bn a year in real terms by 2020, compared to 2014/15. Public Health grant will remain ring fenced until 2017/18, but be cut by 3.9% each year to 2020/21, leading to reduced expenditure; it is also proposed that councils will fund public health from retained business rates as part of the move towards 100% business rate retention. Other key projects include a new Help to Buy equity loan scheme for London to give buyers 40% of the home value from early 2016, as opposed to 20% under the current scheme, plus other schemes including Shared Ownership to help people onto the housing ladder, and these schemes will be funded by extra taxes on buy to let properties and second homes. The police budget will also be inflation proofed, reversing a planned reduction set out in last year's Autumn Statement, and funding provided for the National Crime Agency, and more firearms officers, while the defence budget will be increased to meet the 2% NATO target by 2020-21. The cost of green energy will be reduced by £30 a year for on average 24 million households from 2017, while 300,000 homes will be better protected from flooding at a cost of £2.3bn. Regional investment will include £400m for the Northern Powerhouse investment fund to help small businesses to grow, while Scotland, Wales and Northern Ireland will all receive more money for infrastructure projects.

The Government also announced a number of funding changes, those affecting local government include the proposal to allow councils to keep 100% of business rates by 2020 in place of formula grant, but the current "tariff/top up" system will stay to protect those councils with insufficient business rates to replace their formula grant. Councils will be able to cut business rates in part or all of their area, in order to make their area more attractive to businesses. An Apprenticeship Levy will come into place in April 2017, at 0.5% of employers' pay bills, while councils would be able to raise up to 2% on council tax towards social care costs as highlighted above, and police forces will also be raise council tax by 2%. A change previously flagged is the 1% cumulative annual reduction in council tax rent for four years from April 2016, the effects of which are addressed in more detail in the section on the HRA. Changes are proposed on the New Homes Bonus, subject to consultation, which will reduce

the length of payments from six years to four, generating savings of £800m to be used for social care. Councils will be incentivised to dispose of capital assets to provide land for house building and regeneration by allowing 100% of the receipts to be used (excluding right to buy), subject to spending the extra funds on qualifying “reform projects”

This announcement provides a high level context for the Local Government Finance Settlement and illustrates that the financial climate is expected to be extremely challenging for a number of years.

Local Government Finance Settlement (Provisional)

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 increases calculated on the amount received in previous years, Wokingham Borough Council went into the 2016/17 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 over 20% in the case of Wokingham, and is set out in the graph on SFA.

Wokingham has been hit the hardest because Wokingham’s council taxpayers already pay for most of its’ Local Authority services (as previously illustrated). The new Finance Settlement proposal seeks to impose a triple taxation effect on them; 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, the highest possible local taxation levy is assumed each of the 4 years (increase of 2% council tax plus 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 New Homes Bonus has been introduced into the core spending 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, and to deliver effectively on our future plans we need to use NHB on regeneration activities going forward. Now that our housing supply projects are underway and delivering on their intention, our NHB is also increasing. Previously such an increase provided the council with more resources to plough back into services and regeneration, as was the stated intention of the scheme on its inception. Furthermore, NHB funding is assumed to fall by at least 1/3rd by 2018/19 and a consultation is underway to consider its’ future. This adds to the uncertainty going forward.

Over the next 4 years, the indicative grant cuts assume the council increases council tax by 2% and Adult Social Care (ASC) precept by 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 impact in 2016/17 is that the council is approximately £3m worse off (when taking into account the ‘rolled in’ Care Act funding) from an already pessimistic estimate. Almost £2m of

this will have to be funded from balances in 2016/17, with the problem effectively 'passported' into 2017/18 (to provide some time for a considered response). 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). Having contributed to the size of the Grant cut it must then 'step away' from helping meet the council savings challenge, or it may be in danger of not being able to demonstrate net growth of £1.6m (needed to justify the Precept).

There is more of the same in 2017/18 with a Grant cut of £5.8m which is a reduction of almost 100% (again the worst hit Unitary Authority in the country) and takes almost all of the remaining RSG. By 2019/20 we are in negative grant by over £7m. Although the council's financial plans entertained the notion of losing all of the RSG over the period of time, negative grant was unimaginable and raises the question of the future financial viability of the council. It is hard to understand how the new Local Authority Business Rates retention scheme will work when introduced in 2020; at a time when we are not permitted to retain any, or little, of our own.

More immediately, the council's approach to the use of NHB will need to be reviewed. The size of re-investment in regeneration no longer looks sustainable and we are effectively being forced to use NHB 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.

Recommended Representations

In the interests of its council tax payers, the council should fundamentally disagree with the new approach to using their income in calculating grant cuts. It is simply unfair on the residents of Wokingham to be hit by this 'triple taxation' impact. The logical conclusion to this new approach is that all costs of our local services are paid for by our council taxpayers, a contribution which is used to create a penalty (theoretical grant cut), meaning their money simply transfers to other Local Authorities. This is effectively what is happening under the new settlement and we would seriously question the morality of this.

If the fundamental flaw cannot be addressed in time for the 2016/17 final settlement the council would suggest that the following 'tinkering' could be made to the proposed new methodology;

- i. Introduce a 'floor' to cap the extent of grant reductions.
- ii. Retain the original New Homes Bonus scheme and remove it from the general income calculation (Core Spending Power).
- iii. Do not inflate future council tax levels by 4%. This gives a very unfortunate message to Local Authorities and the public, in that it is seen as an expectation. Also, by doing this the penalty on our council taxpayers is maximized.
- iv. Dispense with the notion of negative RSG which 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 Revenue Support Grant and less than £7m of its £60m+ business rates.

Final Local Government Finance Settlement

Following the announcement of the Provisional Local Government Finance Settlement, representations were made to ministers by this Council and other Councils that had suffered the most severe cuts. This appeared to have some success. The Final Local Government Finance Settlement announced in February 2016 included a Transitional Relief scheme whereby Wokingham receive a payment in 2016/17 and 2017/18 of £2.1m each year. Furthermore there was the removal of negative revenue support grant in 2018/19 but this was reinstated in 2019/20. For Wokingham this means the position is £3.4m better in 2018/19 but the overall grant loss by 2019/20 remains the same, at approximately £20m.

Although the Final Settlement provides an improved position, it does not change any of the graphical funding analysis that features later in this report.

Adult Social Care (ASC) Reforms

The Government's aim set out in the Autumn Statement 2015 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 new 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. The grant anticipated, to address the consequences of this act, has been 'rolled into' the RSG and therefore the cut in RSG would have been even more if it were not 'topped up' by this grant. The potential service implications, and the number of additional clients, are still being quantified as the system has only been operational since April 2015, however the extra costs are likely to be in the millions of pounds annually and will need to be met within an overall council budget suffering severe reductions in its funding. Councils will be able to add up to 2% on council tax, by way of a precept, to pay towards social care from April 2016 onwards. This precept puts the council at a perverse financial disadvantage. It is assumed to be levied at the maximum amount by the Government as a way of justifying the highest possible grant cut. The resulting grant cut 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.

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.

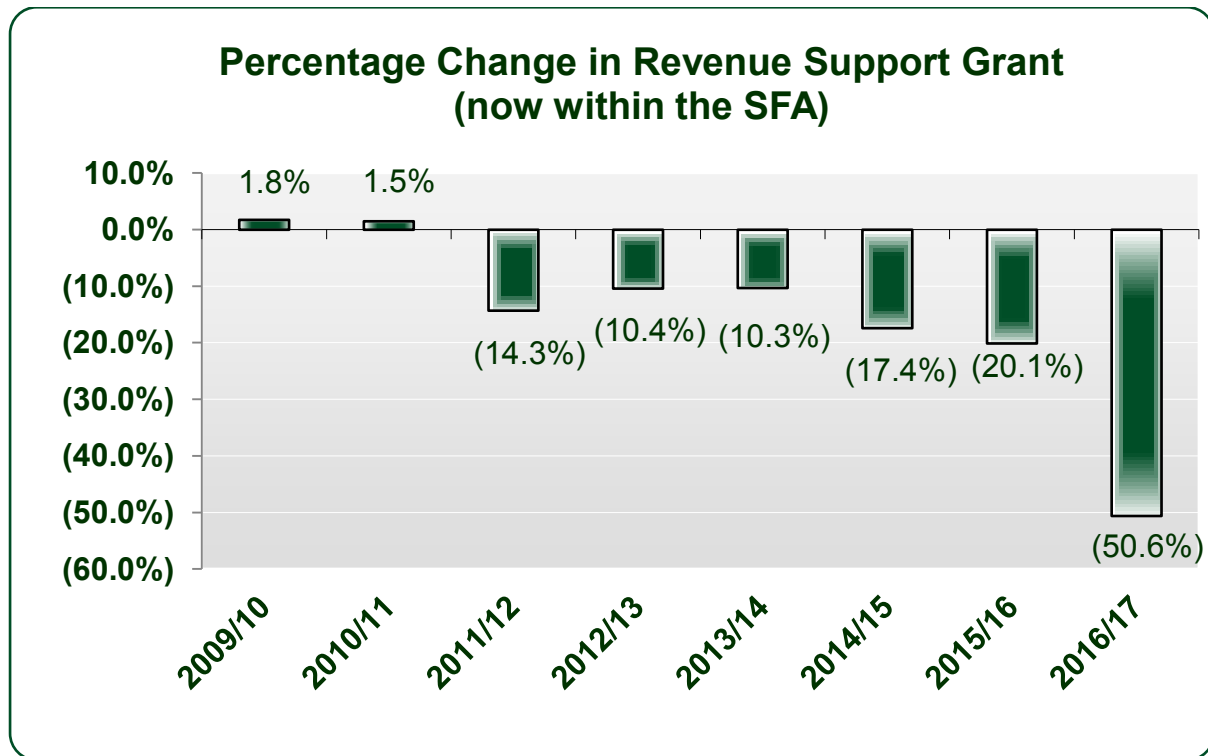
3 Analysis of Reductions in Government Funding

The percentage changes in Government Funding since 2009/10 are shown below. Following the December 2010 Local Government Finance Settlement, Wokingham suffered a reduction in Revenue Support grant (Previously called Formula Grant) for the first time in 2011/12 (of 14.3%), followed by reductions of 10.4% in 2012/13, 10.3% in 2013/14, 17.4% in 2014/15, 20.1% in 2015/16 and 50.6% in 2016/17.

Revenue Support Grant was previously the significant unringfenced grant that supported the council's ongoing revenue expenditure. From 2013/14 it has been incorporated within the

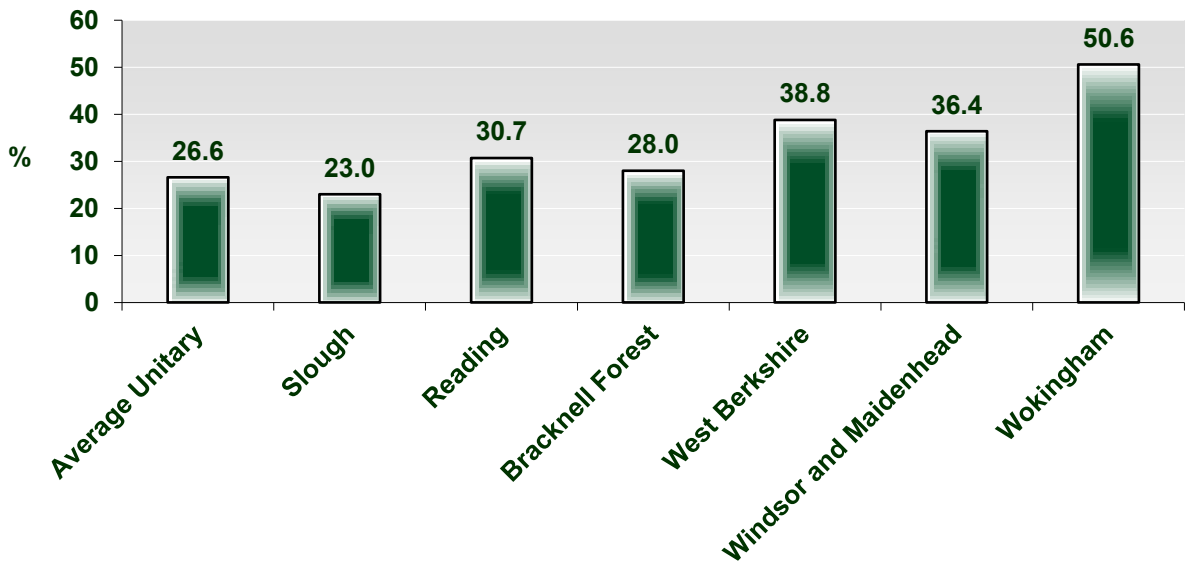
Settlement Funding Assessment (SFA). The graph below reconstructs the revenue support grant to enable a year on year and like for like comparison. The 50.6% reduction for Wokingham is significantly higher than the Berkshire average reduction of 34.6%, and the average for all unitary authorities of 26.6%.

The graph below shows the year upon year reductions in grant for Wokingham, followed by a further graph which compares the 2016/17 RSG reductions across Berkshire Councils, and the average for all Unitaries. Despite already being the lowest funded Unitary Authority prior to the 2016/17 settlement, incredibly Wokingham managed to suffer the highest percentage reduction in RSG of all Unitary Authorities in the country, at over 50%.



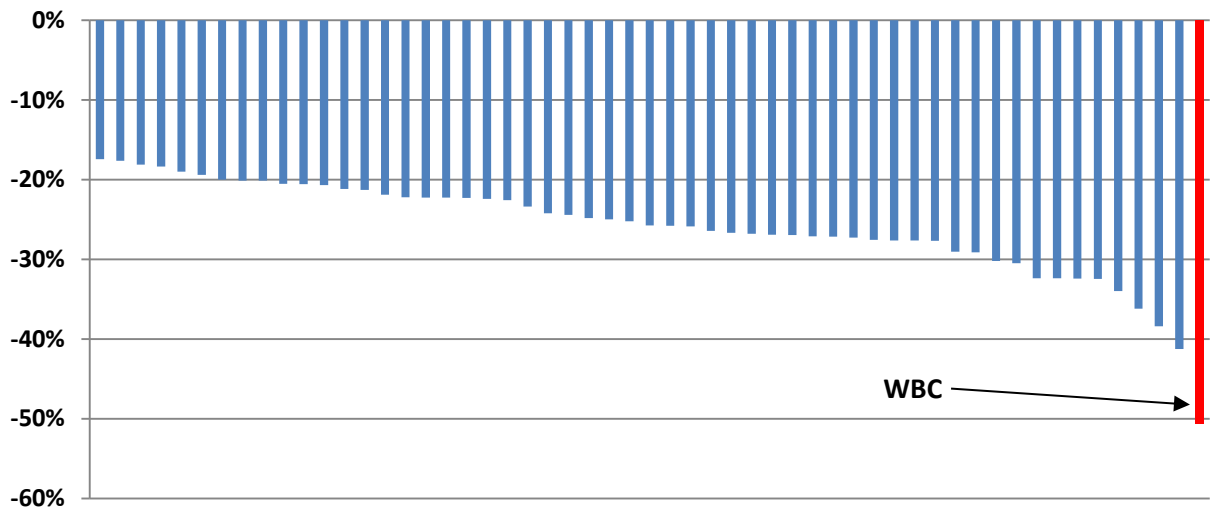
The Revenue Support Grant loss for Wokingham in 2016-17 is the highest at 50.6% in percentage terms of all Berkshire councils, and also of all 55 unitary authorities as shown in the following two graphs.

In 2016-17, Wokingham will have the highest Revenue Support Grant percentage reduction in Berkshire and highest of all Unitary Authorities



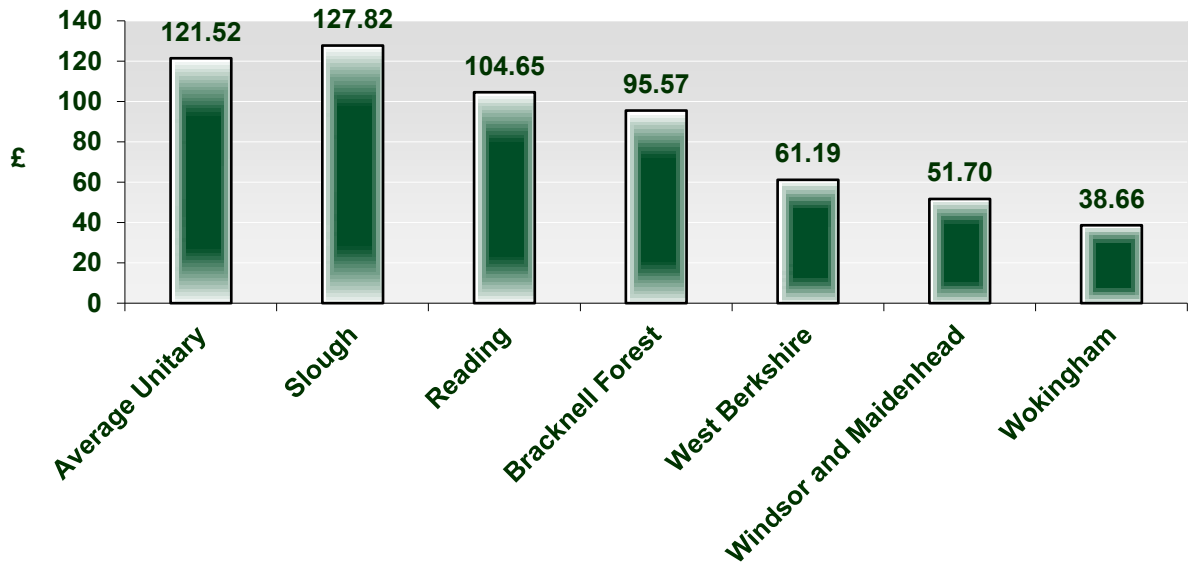
However, when taking into account that council tax freeze grant and care act grant were 'rolled into' the 16/17 RSG, the real reduction is 56%, much higher than the 50.6% figure shown in the RSG reduction below.

Revenue Support Grant % Reduction 2015/16 to 2016/17 (all unitaries)

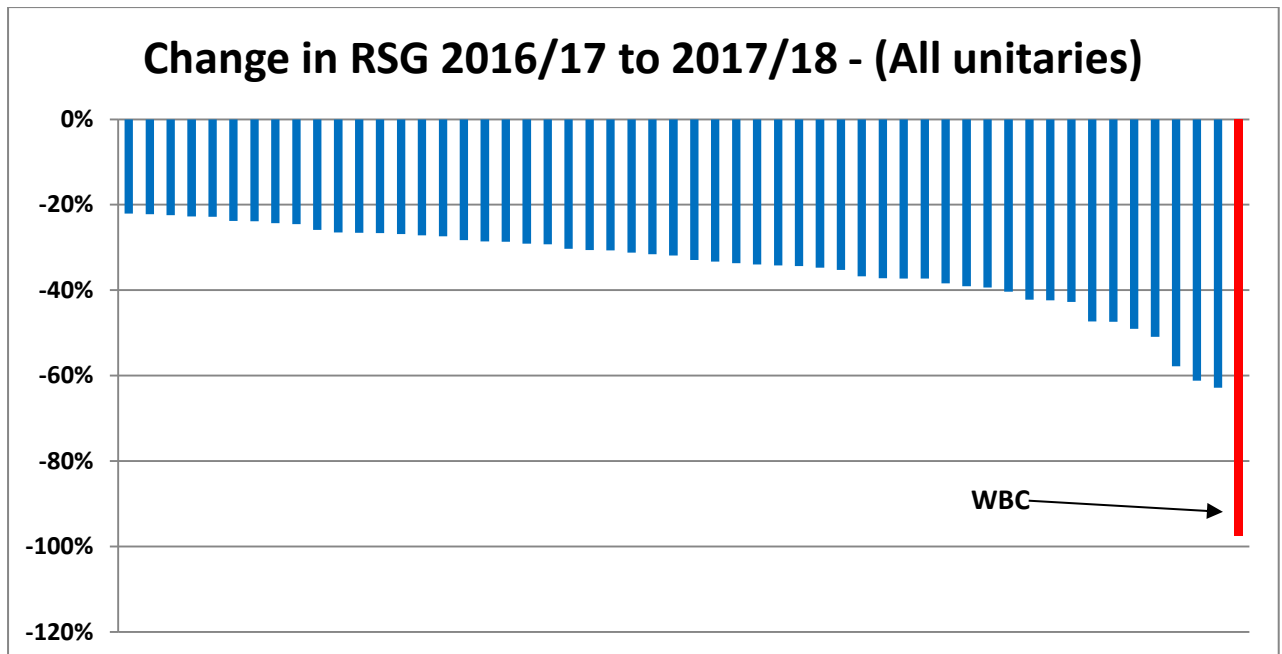


The graph below reconstructs the formula grant for 2016/17 on a per head basis to enable a year on year and like for like comparison. The Wokingham figure of £38.66 per head is again the lowest in Berkshire as well as the lowest of any unitary authority. It is only 32% of the average for all unitary authorities of £121.52.

In 2016-17, Wokingham will have the lowest Revenue Support Grant per Head of Population of all Unitary Authorities

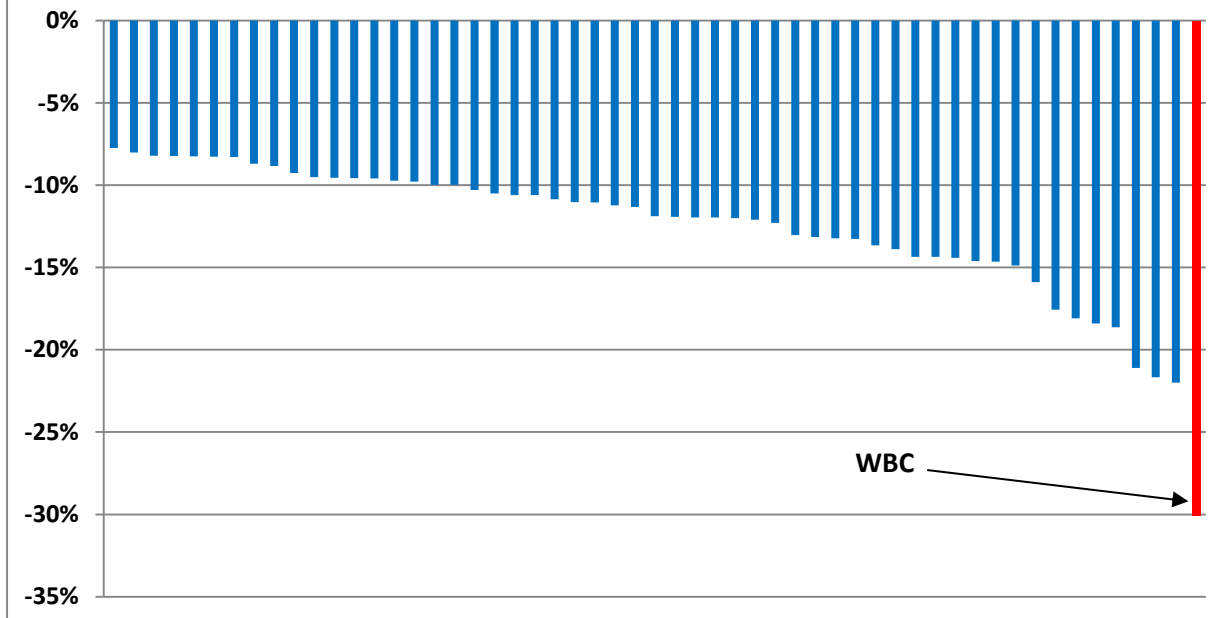


The graph below shows the change in Revenue Support Grant from 2016/17 to 2017/18 and again shows that Wokingham has the largest reduction of all Unitaries.

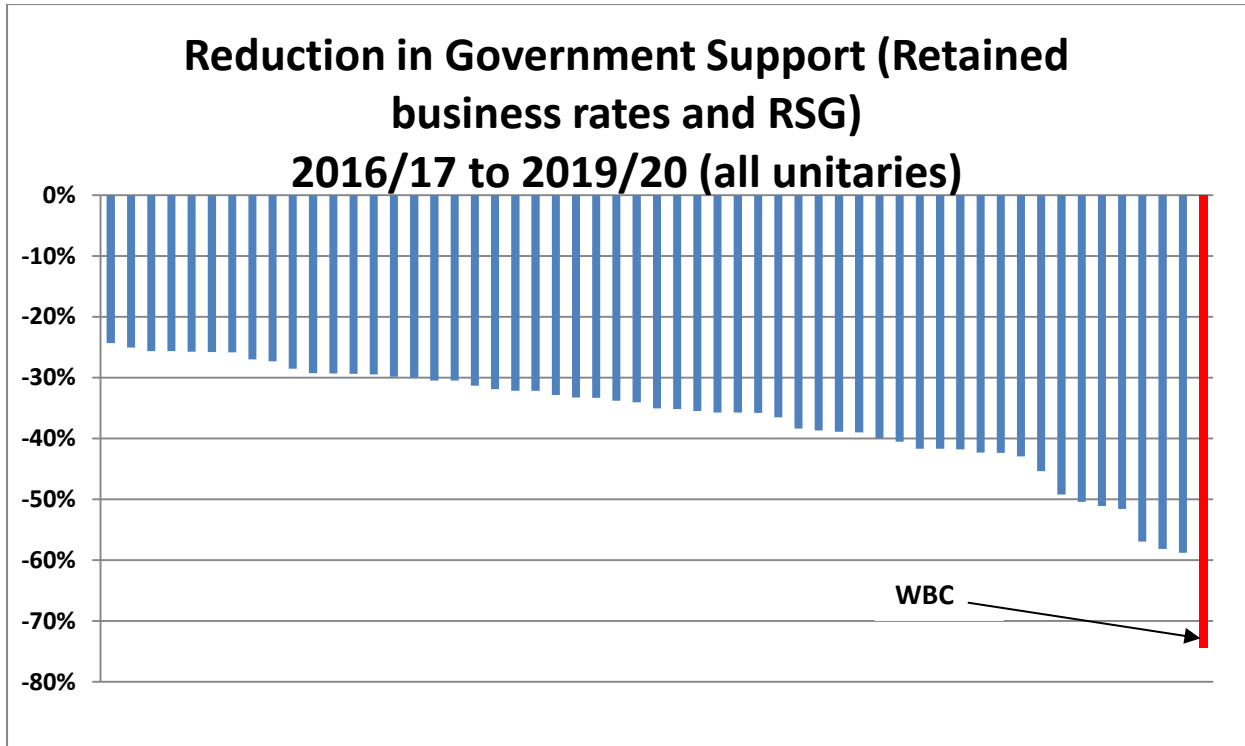


The above reductions are also reflected in respect of overall Government support which comprises retained business rates and RSG. Wokingham will also have the largest reduction, at 30%, of all unitaries from 2016/17 to 2017/18 as shown in the graph below :

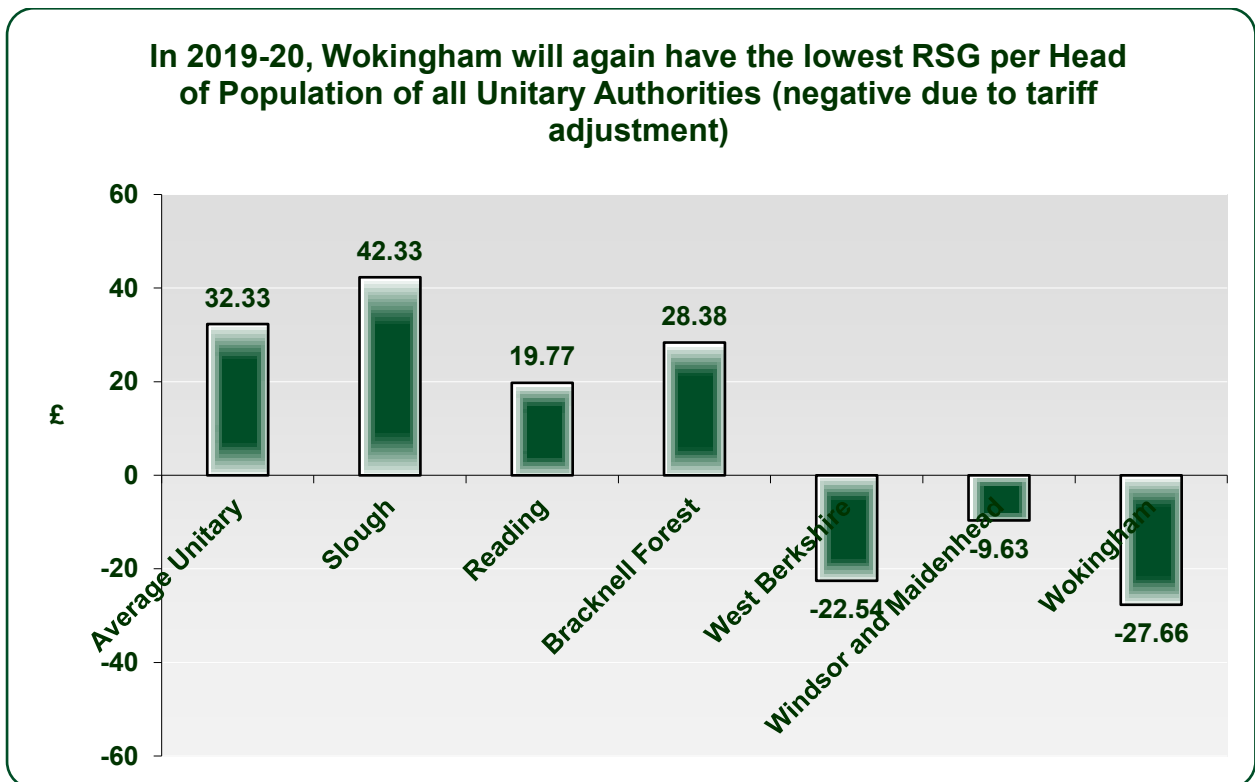
Reduction in Government Support (Retained Business Rates and RSG) 2016/17 to 2017/18 (All Unitaries)



When looking at the 4 year horizon of the Settlement, the picture becomes even bleaker for Wokingham. Our remaining RSG is reduced by almost 100% in 17/18, down to £0.2m. A negative RSG is introduced when all of the RSG has been removed. This negative RSG is enacted through a 'special' increase to the Business Rates Tariff, which increases by £7.1m in 2019/20. As a result, by 2019/20 Wokingham retain less than £10m of the £60m Business Rates we collect. The four year Settlement Funding Assessment (made up of both RSG and retained Business Rates) also shows Wokingham suffer greater 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 (2016/17) and the longer term (2020). Remember, these cuts are on top of our position going into this Settlement; already the lowest funded Authority per head of population. The following graph 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 Formula grant.



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

Expenditure Reductions since 2010/11

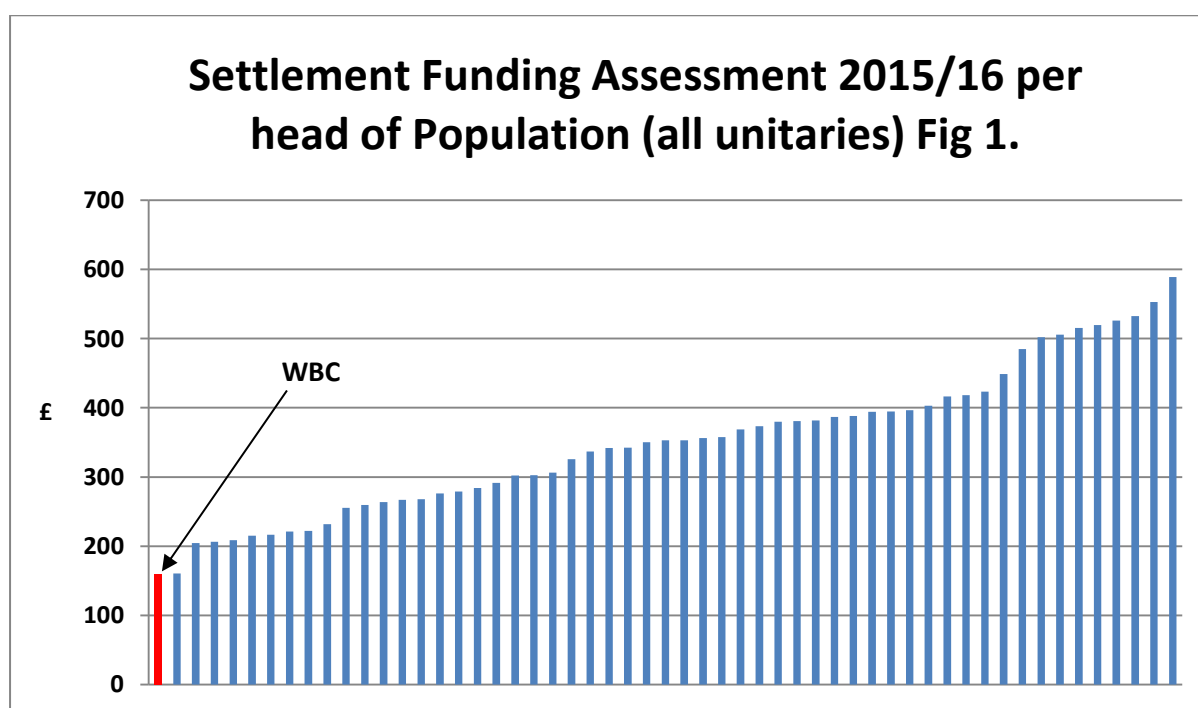
The reductions in Government grants highlighted above have had a major impact on the Council's finances and budgets since 2010/11. The Council's net expenditure budget has been reduced each year since 2010/11 as shown in the table below, which indicates that the net expenditure budget has been reduced by £27.1m (26%) between 2010/11 and 2016/17.

	£m
WBC 2016/17 Net Expenditure Budget	112.9
Less Rolled in Grants from services to Formula Grant	(12.5)
Less discount re inflation since 2010/11 (based on CPI)	(16.0)
Less discount re growth in council tax base since 2010/11	(6.3)
Net Expenditure Budget 2016/17 Discounted to 2010/11 Prices	78.1
2010/11 Net Expenditure Budget	105.2
Reduction in Expenditure since 2010/11	£27.1m (26%)

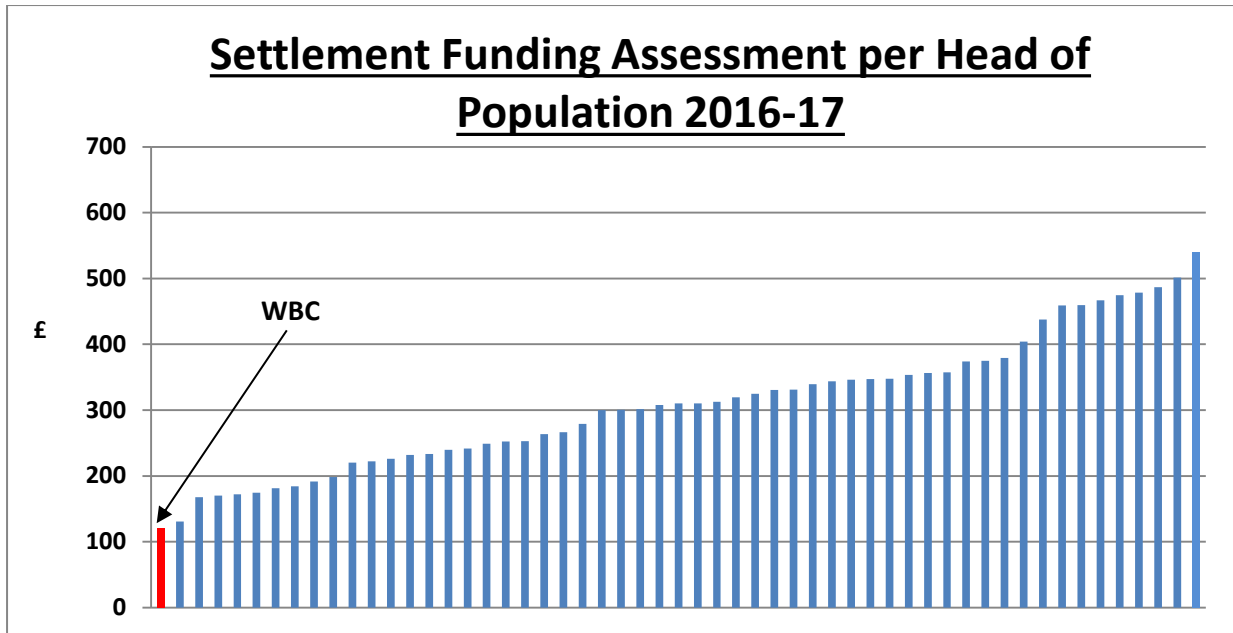
Settlement Funding Assessment (SFA)

In 2014/15 the Government introduced the new terminology of 'Settlement Funding Assessment' which has continued in 2016-17. This comprises the Revenue Support Grant (former Formula Grant), plus grants previously provided for specific activities (ring-fenced), and for new responsibilities, as explained in the table below. Wokingham's total SFA will be £19.07m in 2016-17, compared to an adjusted £26.72m in 2015-16, a reduction of 28.6%. The ongoing reduction is £7.65m year on year.

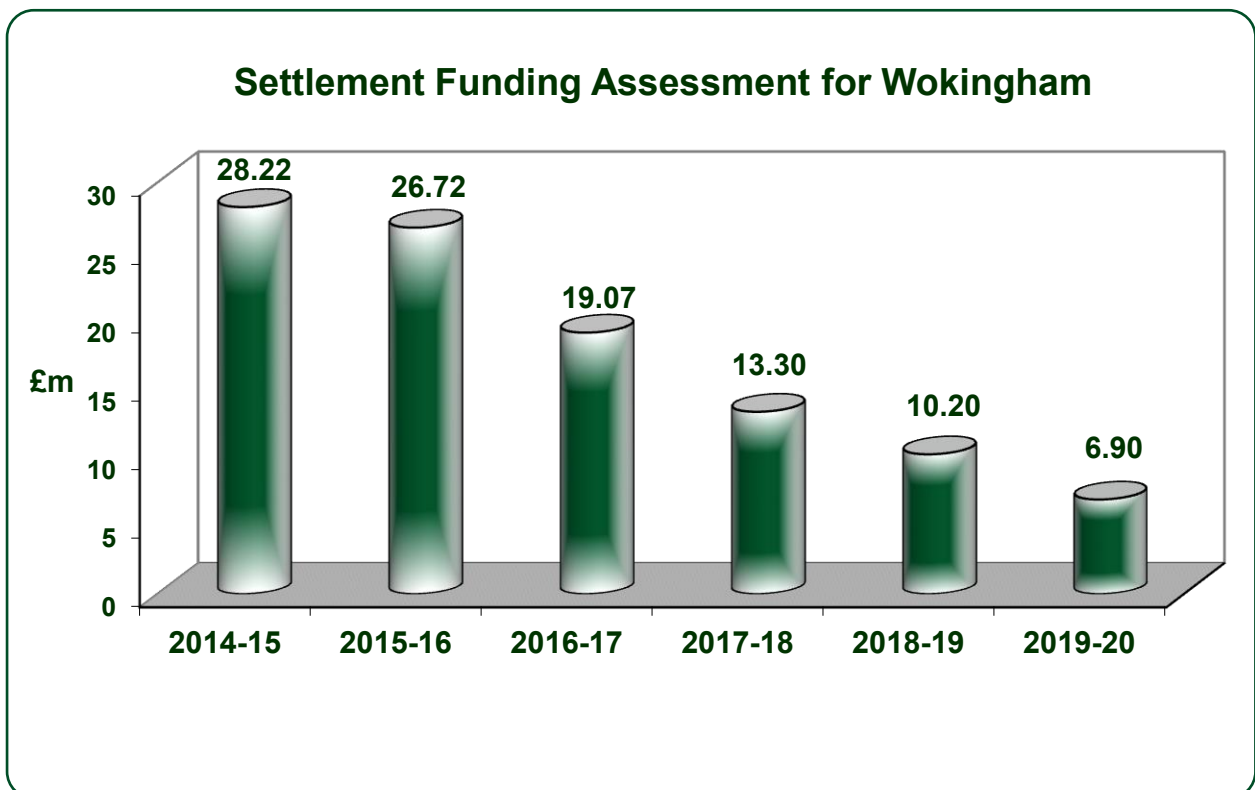
The graph below confirms that Wokingham was starting from the position of being the lowest funded unitary authority in SFA terms in 2015-16, while the other graphs confirm that this position of being lowest funded is continued into later years.



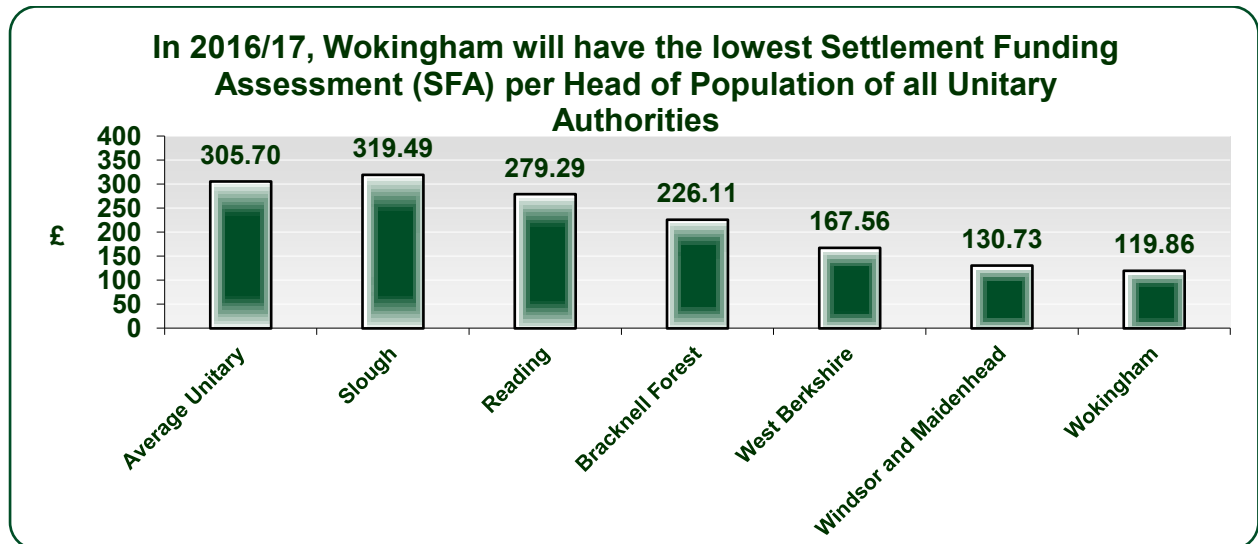
The graph below shows the position for 2016/17 and confirms that Wokingham remains the lowest funded, well below the unitaries average, and less than 25% of the highest funded authority :



The graph below shows the Settlement Funding Assessment for Wokingham and the significant reduction in 2016-17 (28.6%) and further significant reductions planned for later years in the December 2015 settlement including a tariff adjustment in 2018-19 and 2019-20. The cumulative changes from £26.72m in 2015-16 to £6.9m in 2019-20 represent a 74% reduction.

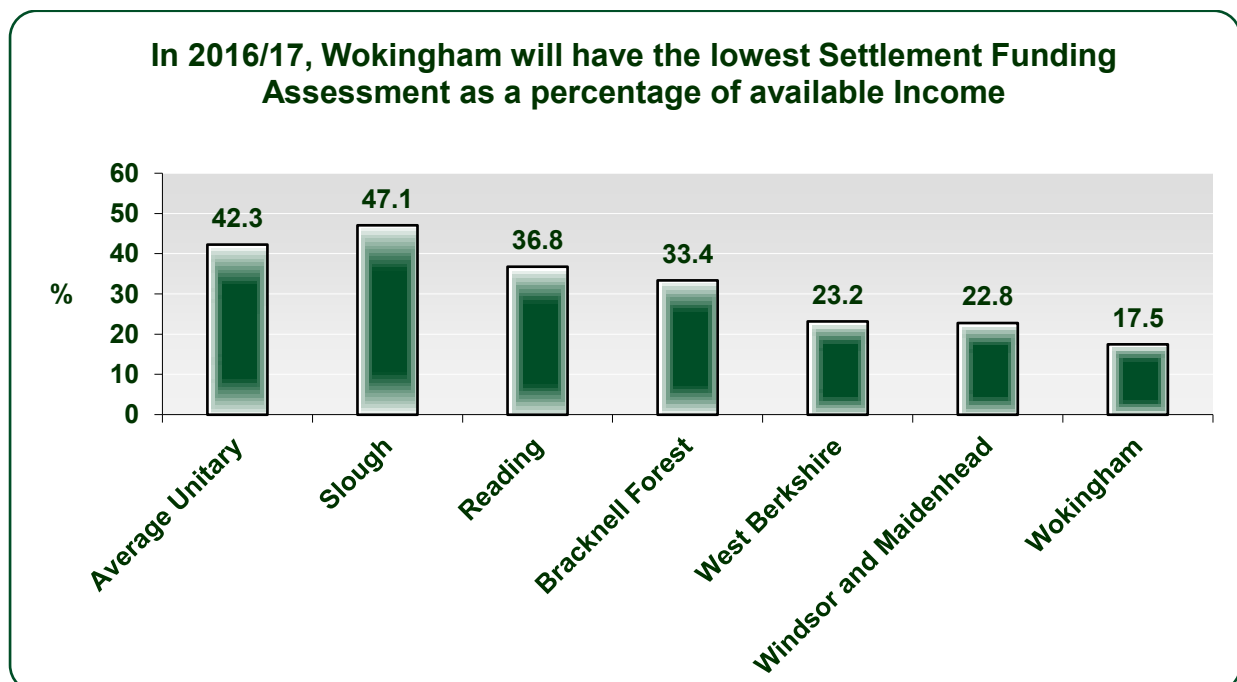


The graph below shows the Settlement Funding Assessment on a per head of population basis for each Berkshire council as well as an average for all unitary authorities. Wokingham will receive the lowest grant per head of £119.86, which is less than half (39%) of the unitary authorities average of £305.70. It is also less than half the two highest Berkshire authorities.



Wokingham's Settlement Funding Assessment Grant is only 17.5% of its 2016-17 total available income (known as Spending Power). This is less than half the highest funded Berkshire council (47.1%), and approximately half the average for all 55 unitary councils of 42.3%. The practical implication for Wokingham is that it must fund a higher proportion of the council's expenditure through its council tax than any other Unitary Authority, and therefore increases/decreases in council tax have a much greater proportional impact on services.

The following graph shows the SFA per head of population for 2016-17 for each unitary authority, with Wokingham at the foot of the graph with the lowest SFA per head (£119.86), and Blackpool at the top with the highest SFA (£539.82).



In 2016/17, Wokingham will receive the lowest percentage of SFA grant as a share of its total income, of any unitary authority. Wokingham will receive 17.5%, compared to some unitary council's for whom government grants will fund over 60%, and an average of 42.5%. As a result, the percentage of expenditure met by Wokingham council tax payers is the highest of any unitary authority.

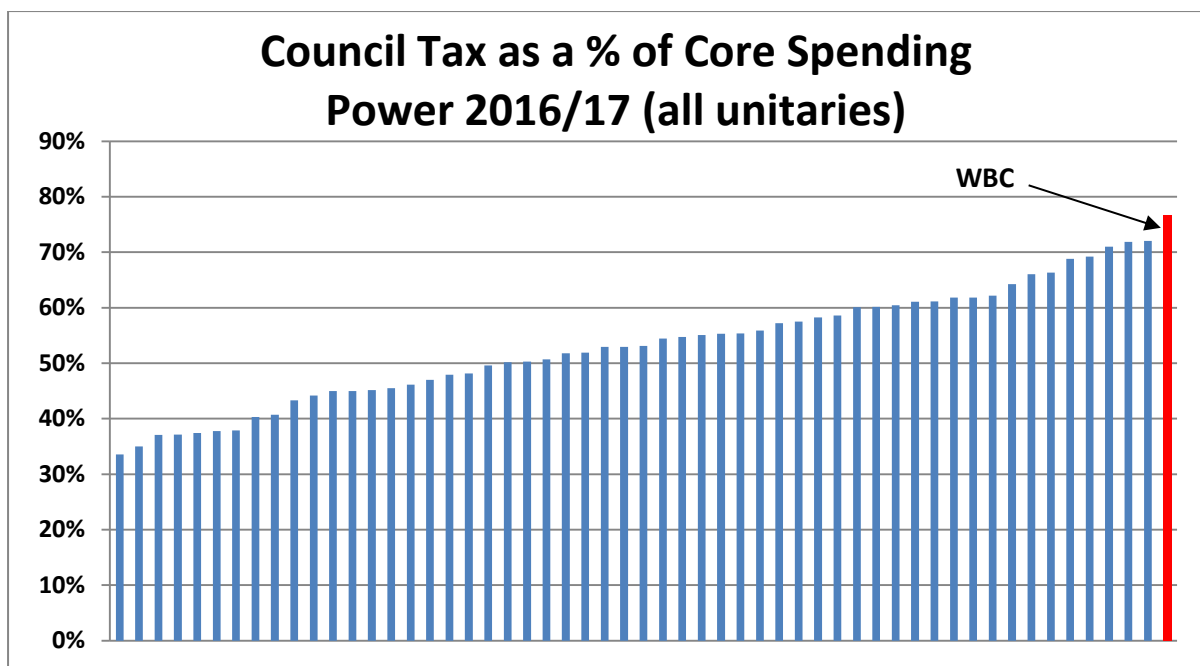
Analysis of Spending Power Changes

A 'headline' that follows the Local Government Finance Settlement is the change in an authorities 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 £2.5m reduction in spending power is assumed to be funded by a 2% increase in council tax, plus a further 2% increase in council tax for the ASC precept, and a £1.3m increase in New Homes Bonus. These assumed increases are required to offset the reductions in Government funding, and without the assumed total increases in council tax of £3.8m, the spending power would have fallen by £6.3m, not £2.5m. The change in spending power shown below therefore substantially transfers the burden of funding council services to the council tax payer in 2016-17, since council tax as a percentage of SFA increases from 72.9% in 2015-16 to 78% in 2016-17.

Spending Power	2015-16 Adjusted	2016-17	Change	Analysis
	£m	£m	£m	
Settlement Funding Assessment (SFA)	26.7	19.1	-7.6	£6.3m RSG reduction and £1.2m miscellaneous changes
Assumed Council Tax	81.2	83.4	2.2	2% increase plus increase in council tax base of 0.75%
New Adult Social Care (ASC) Precept	0	1.6	1.6	2% increase assumed
New Homes Bonus	3.5	4.8	1.3	
Total Spending Power	111.4	108.9	-2.5	2.2% reduction
% of spending power funded by assumed levels of council tax	72.9%	78.0%	5.1%	

Council Tax as a % of Core Spending Power

The following graph shows that for Wokingham, council tax as a percentage of core spending is forecast to be the highest of all unitary authorities in 2016-17.



Education Services Grant (ESG, formerly LACSEG)

The Government introduced the Education Services Grant in 2013/14 to replace the LACSEG grant (Local Authority Central Spend Equivalent Grant). It is a method of providing funding for the transfer of local authority central education budget to academies and free schools. The grant is payable on a per pupil weighted basis, and whenever a school becomes an academy or free school, the council loses grant in the region of £250,000-£300,000 per year for each secondary school. 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 cost involved and the assumed element of Education Services Grant being far greater than actual costs.

The Government confirmed in the Autumn Statement 2015 that ESG would reduce in 2016/17 and cease entirely over the spending review period. The implications for Wokingham are a loss in grant income of over £1.5m over the next 4 years, which is an additional cut to those previously set out under the Settlement Funding Assessment section of this report.

The Dedicated Schools Grant (DSG)

DSG was introduced in 2006/07 and had the effect of turning a significant part of the council's Revenue Support Grant into a ring fenced specific grant. The council receives DSG annually and it must be used in support of the Schools Budget as defined in the Early Years and Schools Finance (England) Regulations 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, however, the net amount received for council maintained schools is shown in the 'Schools Block Budget' page included later in the MTFP. An amount of £116.8m for 2016/17 was notified by the DfE in December 2015, however approximately £2m of this amount is in respect of free schools and must be paid to them. The allocation available to the council is therefore approximately £114.8m, compared to £113.9m for 2015/16. The increase from 2015/16 is accounted for by changes in the age ranges of pupils, as pupil numbers have not changed from 2015/16 to 2016/17 numbers, and there is

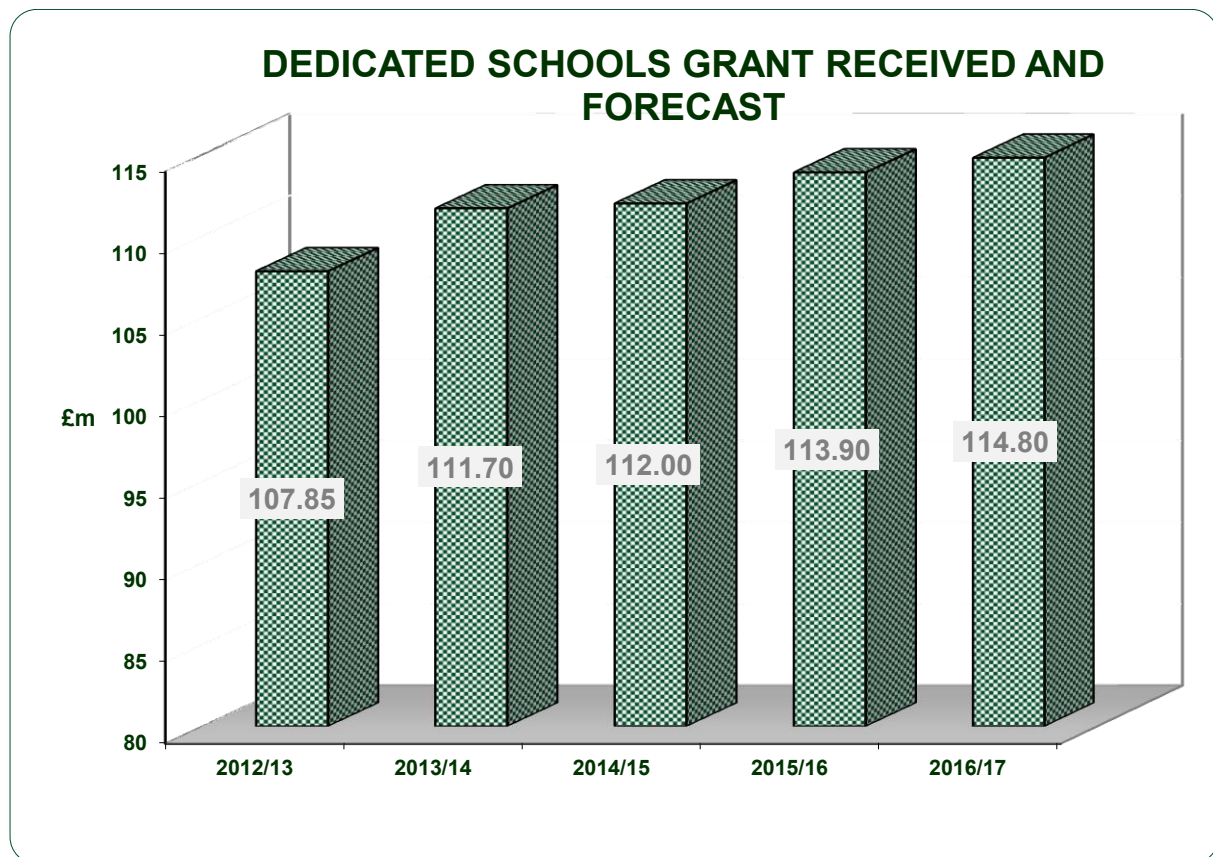
no allowance for inflation. The actual DSG available to the council in 2016-17 is estimated to fall by £5.2m representing a transfer of funding of £5m in respect of Waingels College which became an academy school in 2015-16, and a small amount for other pupils transferring from maintained schools to academies. Due to the funding reforms introduced from April 2013 schools will continue to have more direct control over how money is spent. This is particularly relevant when looking at the support services the council provides to the Schools and the reduction in Education Services Grant.

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

The Government's DSG funding reforms implemented in 2013/14 were intended to move into the second phase of a longer term plan for a National Funding Formula by 2015/16. The over-arching objective is to have a simpler, transparent and more equitable approach to funding pupils irrespective of where they live in the country. The implications for Wokingham schools is that a number of them may lose out, as there is less ability for the council to target funding to the most vulnerable schools and pupils. This will have the effect of compounding the financial challenge already being faced by schools across the borough resulting in an increased need for 'licensed deficits' 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 Special Educational Needs (SEN) pressures on the overall budget which may reduce the money available for allocation.

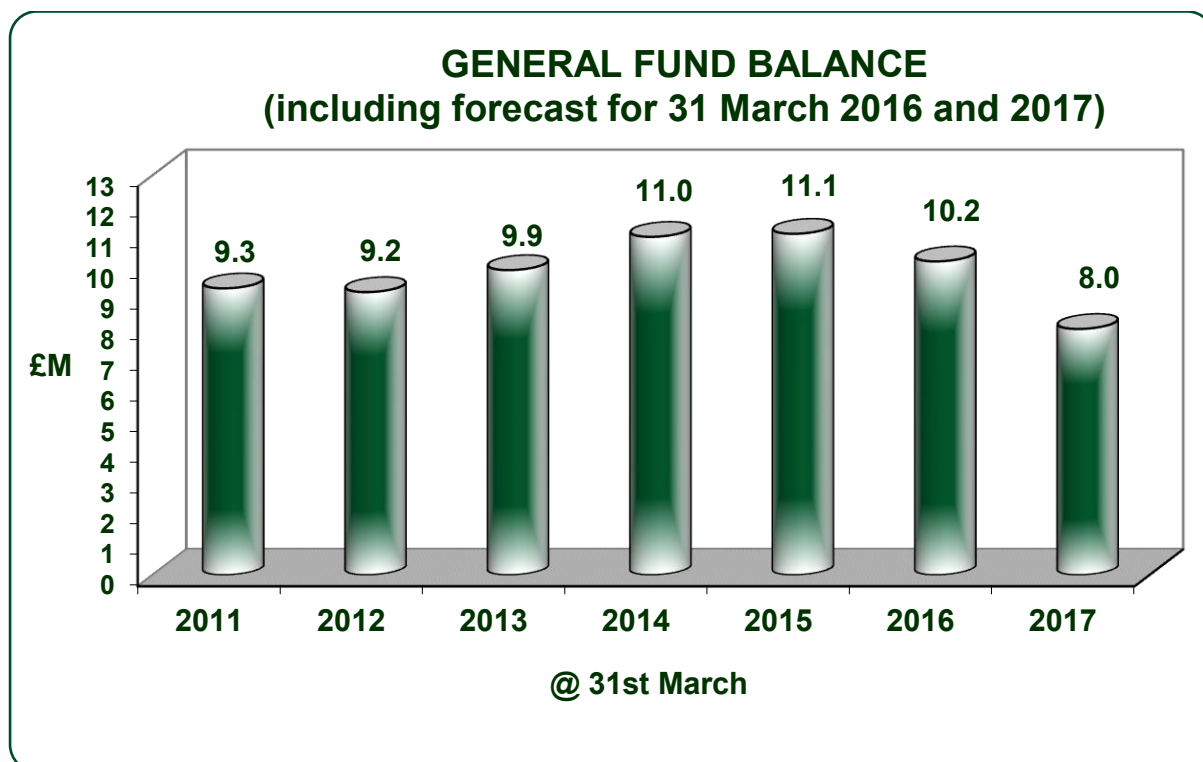
The Government confirmed in the Autumn Statement 2015 that the National Funding Formula would be introduced in 2017/18, subject to consultation on the content.



4 General Fund Balances (GFB)

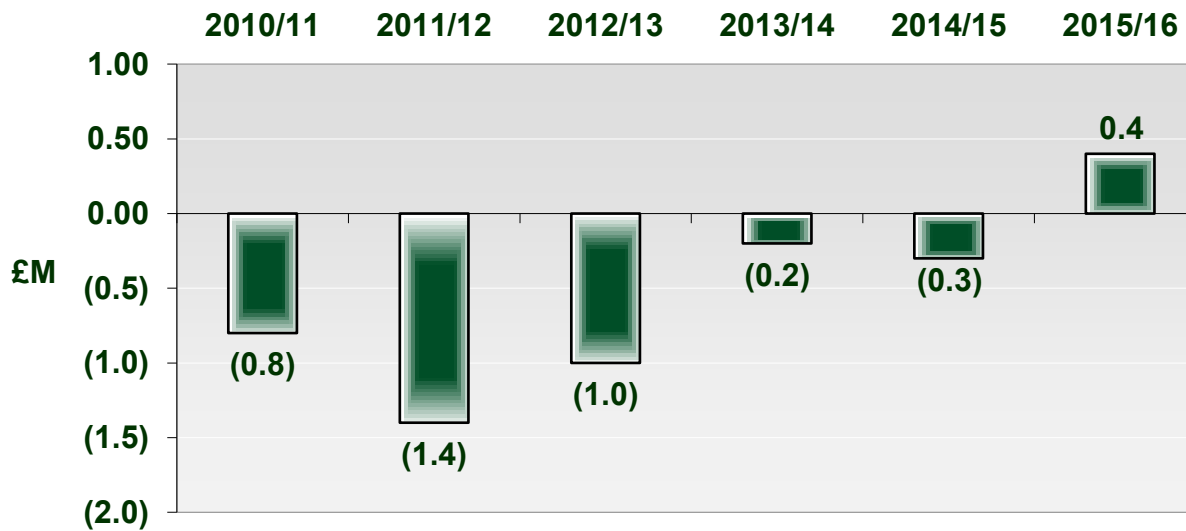
The GFB is required as a contingency to meet unforeseen spending requirements and to provide stability in Medium Term Financial Planning (e.g. by using balances to contain growth in future years). The level of balances is informed by a budget risk analysis. This approach was introduced in 2003/04 when the council agreed the policy on General Fund Balances. The budget risk analysis for 2016/17 is included in the Medium Term Financial Plan. The table below shows actual general fund balances at 31 March 2015 and a forecast for 31 March 2016 and 31 March 2017.

General Fund balances need to remain in the region of £10m 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 and further grant reductions, additional service pressures, substantial regeneration programmes requiring forward funding of interest costs on SDL schemes, risks around NDR receipts and the level of retained business rates, and significant risks around the Care Act potentially in the millions of pounds.



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

REVENUE OUTTURN POSITION (Net of budget carry forwards)



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 2015/16 currently shows an overspend of £0.4m compared to the budget approved in February 2015, and in addition there has been a supplementary estimate of £0.35m. It should be recognised that within the overall position there are significant underlying cost pressures within the 2015/16 budget including, for example, pressures on child placements above expectations; this will need to be considered within the 2016/17 budget submission.

5 Other Balances

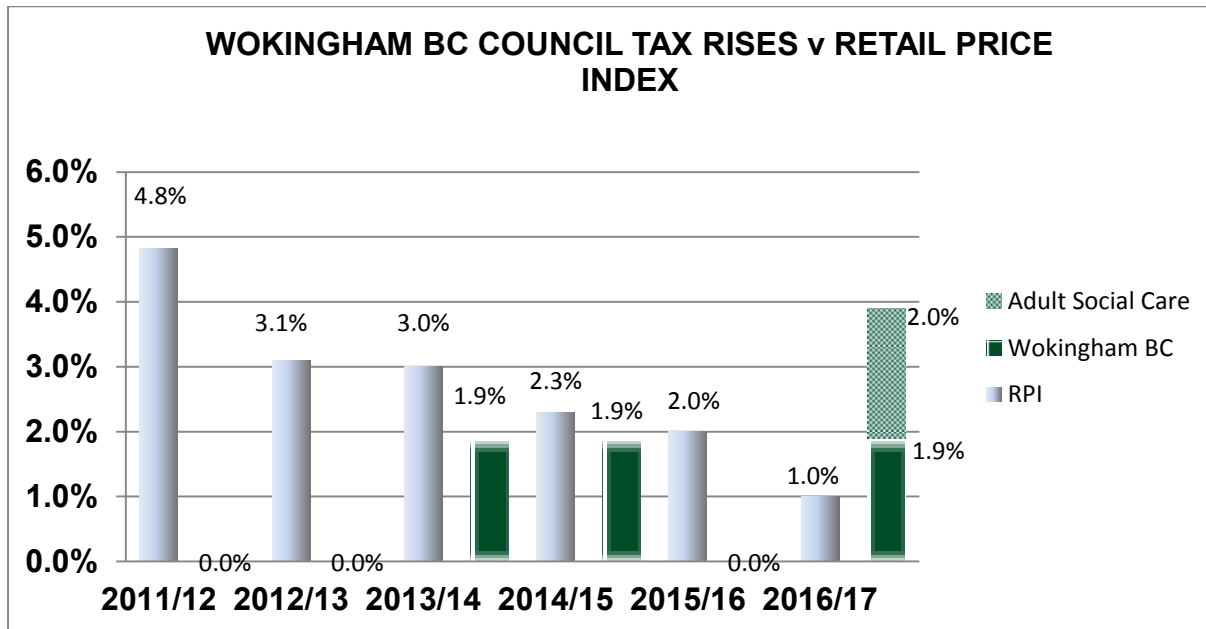
The council holds other balances in addition to the General Fund balance. These should be reviewed as part of the budget submission and in the context of their benefit and opportunity cost.

6 Council Tax

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

The expenditure pressures for council tax increases above inflation are similar each year: client increases (particularly in social care); increase in statutory requirements (e.g. recycling, standards of care); unavoidable expenditure increases above inflation (e.g. maintenance contracts, social care contracts and land fill tax) and pressures to improve services from both the public and the Government. In recent years Wokingham has

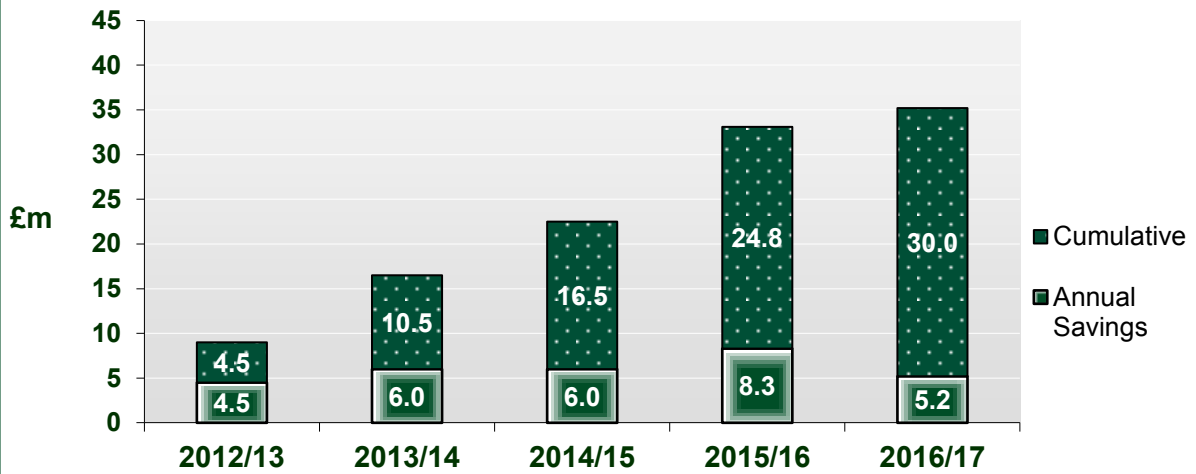
succeeded in keeping council tax increases in line with or below inflation (achieving a freeze in 2011/12, 2012/13 and 2015/16) as shown in the graph. This is a reflection of the council's continuing pursuit of efficiencies and value for money, particularly relevant in the context of it being the lowest grant funded Unitary Authority per head of population. The overall council tax increase in 2016/17 is 3.94% however 2% of this is in respect of the Adult Social Care (ASC) 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 £30m over the 5 years below, and £36.5m since 2011/12. Savings are used to fund growth, inflation and reductions in Government grants.

SAVINGS AND EFFICIENCIES

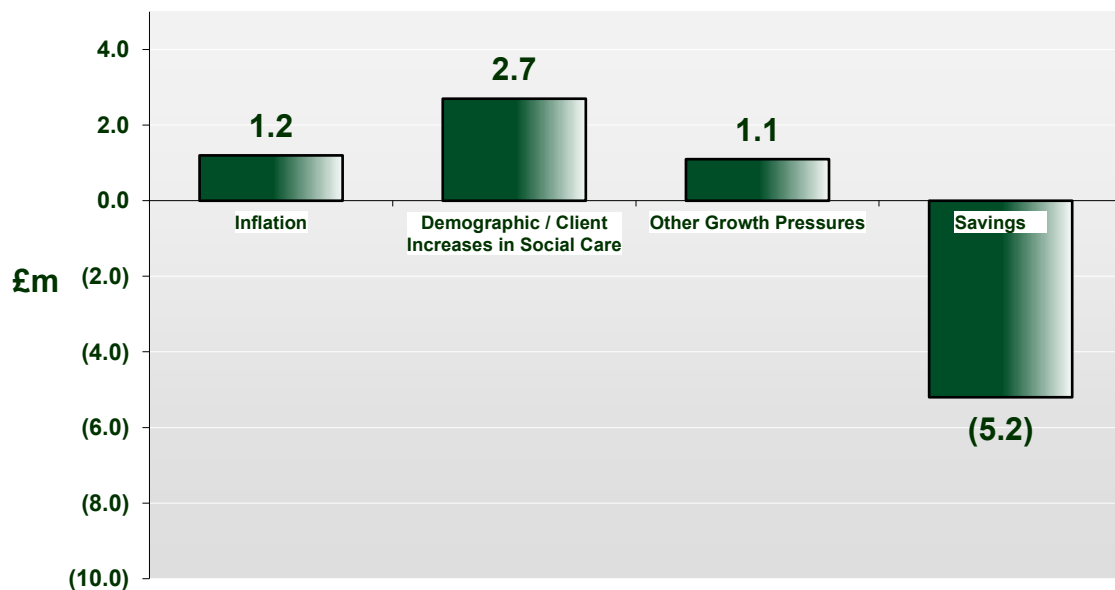


The savings shown for 2016/17 of £5.2m are those included in the 2016/17 MTFP as part of the budget setting process.

7 Budget Pressures

An overview of the 2016/17 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).

INDICATIVE BUDGET PRESSURES 2016/17



The demographic growth includes pressures in adults services including eligibility criteria changes arising from the Care Act, and additional high cost children's placements. The 'other growth' includes pressures such as: the loss of grants and contributions for specific functions, and a national insurance increase linked to changes to the state pension.

8 Revenue Resources Outlook and Risks 2017/18 and beyond

Given the stark nature of the financial settlement for Wokingham, its financial future remains extremely challenging. The council will experience pressure on its resources in a way it has not had to endure previously. The 2016/17 budget proposes that £1.7m of balances is used to fund the severe and unexpected level of grant cut notified in December 2015. This will provide time for a more considered and managed approach to bridging the budget shortfall. It will however have the effect of reducing the level of general fund balances and adds to the ongoing budget challenges arising in 2017/18.

A budget risk analysis will be undertaken for 2017/18 (annually updated) and is detailed in the MTFP. This identifies budgets where there remains a risk of overspending, given the best estimate is included in the budget submission. The budget risk analysis will be used as a guide to determine the level of General Fund balance required. Many of the risks are largely those that featured in the budget submission February 2015, updated where appropriate, and some such as the economic downturn, include capital as well as revenue risks.

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

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

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

Statutory Costs of Care

The Care Act has introduced a new national threshold and the potential demand from extending eligibility to certain adult services from the Critical threshold to the Substantial threshold is expected to be significant, with a potential cost in the millions of pounds each year to the council. In addition, budget pressures in Children's Services in 2016/17 in respect of high cost additional children's placements are emerging. These pressures will need to be considered along with other budget pressures in the 2016-17 budget and beyond.

Funding the Council's Ambitions for Regeneration

The council is at the stage of significant investment in its Strategic Development Locations (SDL's) 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 has proposed changes to the New Homes Bonus which make the scheme less attractive for Wokingham by reducing the length of payments from six years

to four. The council is due to receive £4.8m for New Homes Bonus in 2016/17. This is expected to be a similar amount in 2017/18, but the grant in later years is expected to be at least one third less, and a consultation is currently underway on its' future. 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 incentivize 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 Downturn

Although the impact of the economic downturn has significantly reduced, and economic growth has been considerable in certain areas of the economy, it is still having an impact in certain areas of the council's budget as set out below. 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 the economic downturn will need to continue to meet the increased level of demand.

Sustainability

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

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

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

Localisation of Business Rates and Council Tax

All local authorities are facing significant extra financial risks from 2013/14 onwards due to Government legislation on localisation of business rates and council tax. From 2013/14 onwards local authorities have been able to share part of any growth in business rates, which is an incentive to encourage growth. However, councils will also have to bear a share of any shortfall on business rates, due to closures of premises, successful appeals against valuations of which many are 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 benefits and will bear the risk of economic conditions giving rise to an increase in claims.

More recent Government announcements make clear an intention to return all business rates to local authority control in 2020. Given that is the year they intend to increase our tariff payment back to them by a further £7m, it is hard to know what this means. At this stage we will be able to keep a mere £6m of our £60m+ business rates.

Economic Outlook

The UK has experienced the strongest rate of growth on average of the G7 countries (the former G8 major world economies, less Russia, suspended in March 2014) since 2010, and for 2015 growth is currently estimated by the OBR (Office of Budget Responsibility) at 2.4%. Growth of 2.4% and 2.5% respectively is forecast for 2016 and 2017 as forward surveys show business investment is also strongly recovering. The manufacturing sector has also been encouraging though recent figures indicate a weakening in the future trend rate of growth. However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance.

In the Autumn Statement in November 2015, the Chancellor stated that inflation would fall below 1% to near zero in 2015, and is forecast to remain below the 2% target level until at least 2019. The first increase in Bank Rate is now expected in the fourth quarter of 2016 and increases after that are expected to be at a slow rate.

Employment hit a record 31.2 million in work in the three months to September 2015, 2.1 million more than the same quarter in 2010. A record 73.7% of adults are now employed, and the female employment rate has also hit a record. The unemployment rate has fallen to 5.3%, the lowest since 2008, while real wages have increased by 2.9% in the last year. The National Living Wage will increase pay for many people by 40% in five years.

The return to strong growth has also helped lower forecasts for the increase in Government debt over the next five years, and a budget surplus is forecast for 2019-20. Government borrowing as a percentage of GDP is forecast to reduce to 71.3% in 2020/21.

9 Capital

Capital Strategy

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

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

Under the Prudential Code, all authorities are able to borrow as much as they require to fund their capital programme provided it is affordable, prudent and sustainable. As Wokingham is on the 'floor' the financing costs of any new borrowing falls more directly upon the council tax payer. The annual revenue cost of new borrowing is approximately 7.5% of the sum borrowed (4% principal, 3.5% interest).

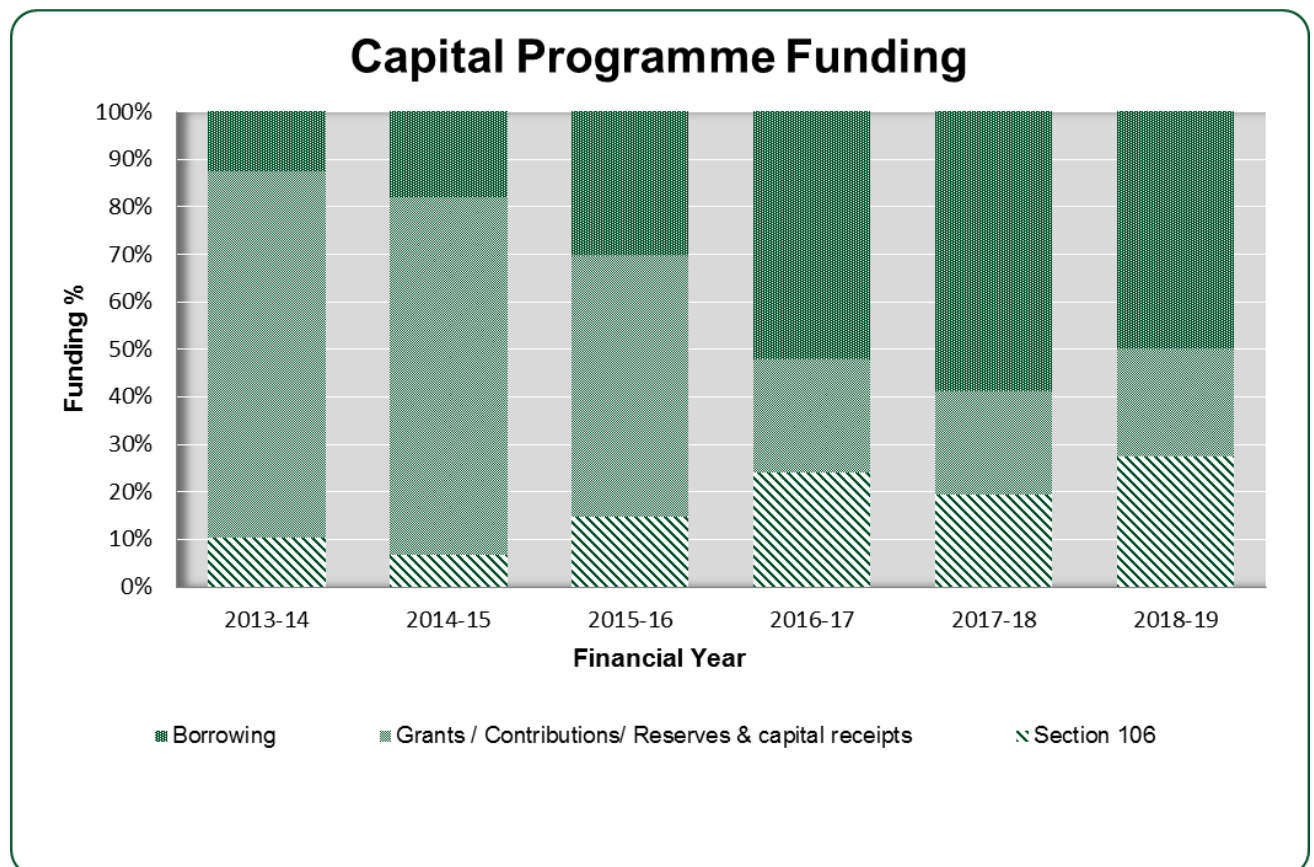
Capital Programme

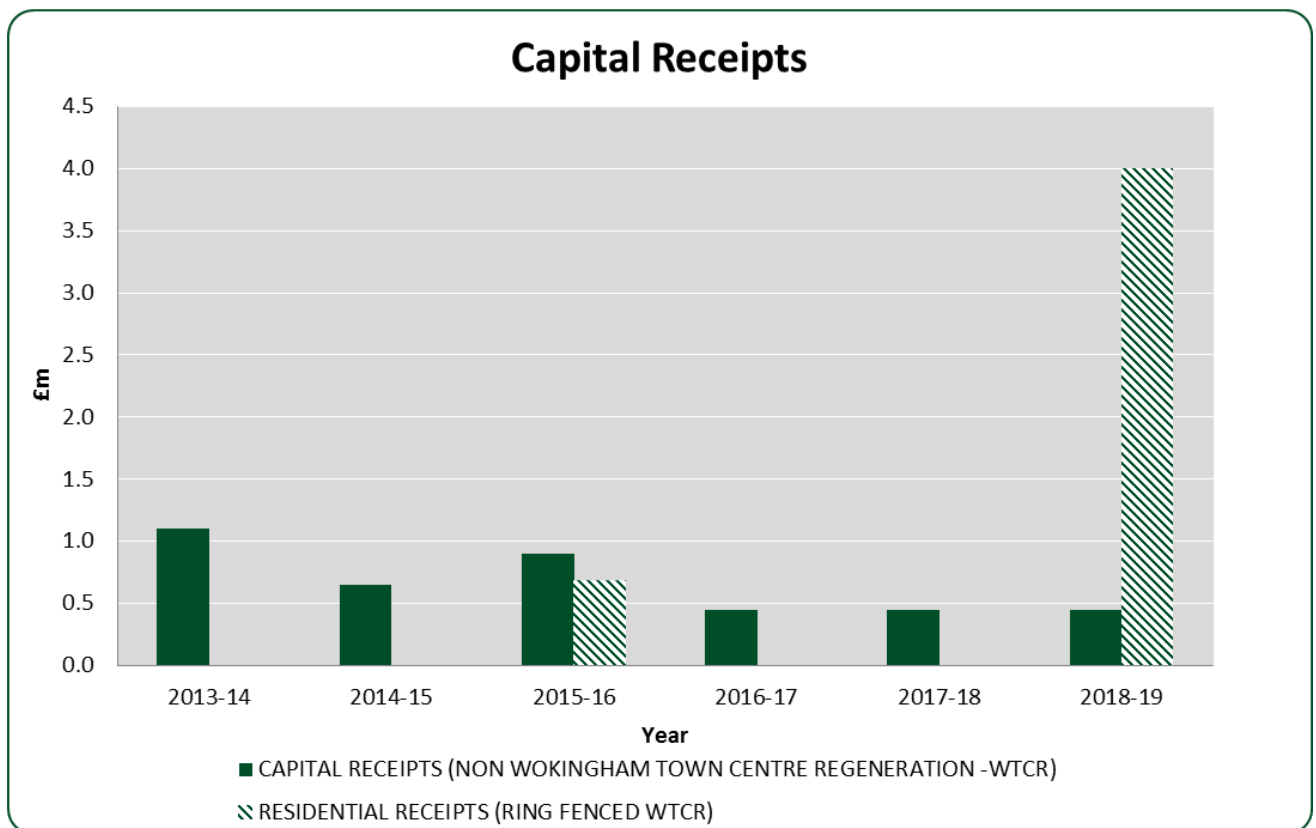
The first three years of the capital vision is effectively the capital programme. This has been developed following an assessment against key council priorities, including a value for money and risk analysis.

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

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

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





Note: Receipts from 2015-16 to 2018/19 are estimates

The significant amount of capital receipts forecast from 2018-19 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, has now finished with the refurbishment of Peach Place. The Peach Place planning application for the Redevelopment of Peach Place has now been submitted. Subject to planning consent, Peach Place Redevelopment works are expected to commence late 2016. Scoping works for Elms Field and Carnival Pool are progressing for the final stages of Wokingham Town Centre Regeneration. It is essential that anticipated build costs and forecast capital receipts are closely monitored as small variations could have a significant impact on capital resources.

Capital Receipts/Contributions

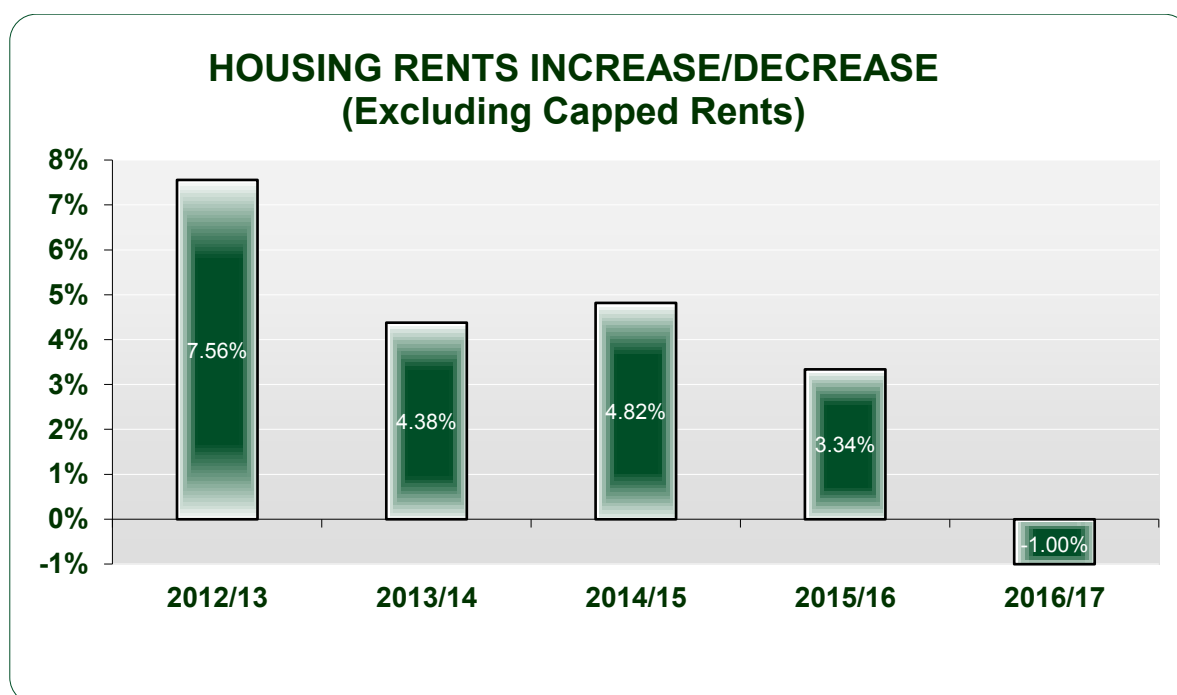
Significant costs relating to the development of SDL’s are in respect of building major roads and schools. Developer contributions through S106 contributions or Community Infrastructure Levy are key to funding these and minimizing the burden on general council capital resources. Given the size of the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

Years two and three in the capital programme show a rising deficit in investment ambition verses funding available. This will be bridged by through a combination of maximising resources, prioritising and modifying schemes.

10 Housing Revenue Account (HRA)

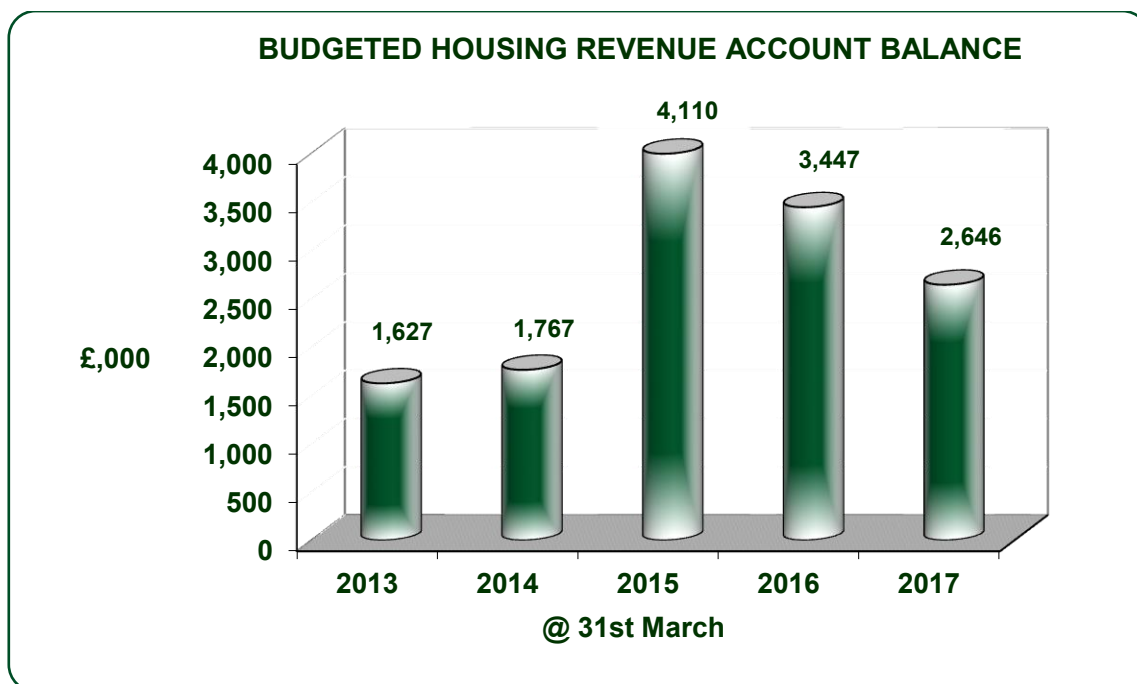
The HRA is a ring-fenced account and as such has no impact on the level of council tax. The money spent maintaining the council's housing stock (valued at approximately £150m) and providing a service to council tenants is mainly funded by housing rents paid by council tenants. Gross expenditure on the HRA is in the region of £16.5m and is predominately in the areas of repairs and maintenance, capital financing, investment in capital works, and management. Housing rents are required to be increased annually in accordance with Government guidelines.

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



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 relet.

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



The table above shows actual HRA balances at 31 March 2015, and a forecast for 31 March 2016 and 31 March 2017. The estimated balance at 31 March 2016 will be used to fund capital expenditure in 2016/17 and later years, and fund the loss of rental income due to the 1% 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. There are plans in place to grow the business over the next few years and this growth will be reflected in the MTFP when the financial impact is clearer. Savings are included in the MTFP in respect of a reduction in contract payment.

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)

Reserves and Balances

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

Reserve	Purpose	Policy	Estimated Level @ end of March	Benefit	Opportunity Cost
General Fund Reserves:					
General Fund (Statutory)	Resource available to meet future running costs for non-housing services	<ul style="list-style-type: none"> Policy based on a combination of financial risks and Audit Commission guidance as follows: Min 5% of net expend (excluding Dedicated Schools Grant) – this equates to £5.6m Risk assessments of budgets - this suggests £10m approximately To enable stability in longer term financial planning Current recommended level of balances is £9m to £10.5m (medium & high financial risks) – see MTFP 	2015 £11.1m 2016 £10.1m 2017 £10.2m 2018 £10.2m 2019 £10.2m	Provides: <ul style="list-style-type: none"> General contingency for unavoidable or unforeseen expenditure Stability for longer term planning Interest on Balances helps to reduce costs to the taxpayer: Interest on Balances @ 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 £600k 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 	2015 £2.0m 2016 £1.9m 2017 £1.7m 2018 £1.6m 2019 £1.4m	<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 	2015 £0.6m 2016 £0.6m 2017 £0.6m 2018 £0.6m 2019 £0.6m	<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	2015 £1.0m 2016 £1.0m 2017 £1.0m 2018 £1.0m 2019 £1.0m	<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 	2015 £2.6m 2016 £1.7m 2017 £0.1m 2018 £ nil 2019 £ 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
Commuted 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. 	2015 £1.9m 2016 £1.9m 2017 £ nil 2018 £ nil 2019 £ nil	<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) 	2015 £6.1m 2016 £4.7m 2017 £ nil 2018 £ nil 2019 £ 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 	2015 £2.4m 2016 £2.5m 2017 £2.3m 2018 £1.9m 2019 £1.9m	<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:					
S106 (developer contributions) and Community Infrastructure Levy (CIL) Capital Contributions	<ul style="list-style-type: none"> Money received from developers as part of their S106 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 	2015 £17.6m 2016 £17.3m 2017 £2.7m 2018 £3.1m 2019 £0.1m	<ul style="list-style-type: none"> Interest on Contributions helps to reduce costs to the taxpayer: Interest on Balances @ 0.5% = £180k 	<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)	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 	2015 £4.1m 2016 £3.4m 2017 £2.6m 2018 £1.9m 2019 £1.1m	<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 	2015 £3.0m 2016 £3.0m 2017 £ nil 2018 £ nil 2019 £ nil	<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. 	2015 £5.8m 2016 £4.7m 2017 £4.3m 2018 £4.0m 2019 £3.7m	<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 	2015 £0.6m 2016 £0.7m 2017 £0.5m 2018 £0.5m 2019 £0.4m	<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	These reserves are held for specific accounting reasons	<ul style="list-style-type: none"> The funds in these reserves are ring fenced funds that cannot be used for other purposes 	2015 £4.1m 2016 £4.1m 2017 £4.1m 2018 £4.1m 2019 £4.1m	Reserves include: <ul style="list-style-type: none"> Highways Fund Housing Association reserve Energy contract reserve Library stock reserve LAA and other grant reserves Building Control trading account reserves Sold council houses repairs fund 	<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 2016/17

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

	2015/16 Estimate £	2015/16 Local Tax Rate £	2016/17 Estimate £	2016/17 Local Tax Rate £
Chief Executive	3,464,210	53.17	2,692,890	40.800
Children's Services	19,974,830	306.56	20,512,040	310.782
Environment	25,957,390	398.38	26,006,820	394.034
Finance & Resources	22,786,240	349.71	22,767,070	344.948
Health & Wellbeing	39,931,020	612.84	40,920,340	619.992
Total Net Expenditure	112,113,690	1,720.66	112,899,160	1,710.56
Appropriation to / (from) Balances	417,654	6.41	118,631	1.80
Borough Council Requirement	112,531,344	1,727.07	113,017,791	1,712.35
Income:				
Government Support	(26,749,420)	(410.54)	(20,551,926)	(311.39)
Transitional Grant	0	0.00	(2,109,435)	(31.96)
New Homes Bonus	(3,426,000)	(52.58)	(4,764,157)	(72.18)
Council Tax Freeze Grant	(837,890)	(12.86)	0	0.00
Council Tax Collection Fund Surplus	(318,480)	(4.89)	(100,000)	(1.52)
Council Tax for Borough Council Purposes	81,199,554	1,246.21	85,492,273	1,295.31
General Fund Balance Estimates				
Brought Forward	11,139,000		10,116,000	
In year variation	(1,023,000)		118,631	
Carried Forward	10,116,000		10,234,631	
Local Tax Base	65,157.2		66,001.4	

The local tax Band D rate of £1,295.31 is a 3.94% increase on the 2015/16 figure, of which 2% forms the Adult Social Care precept.

GRAND SUMMARY - GENERAL FUND PROPOSED BUDGET 2016/17

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

	2015/16 Estimate £	2015/16 Local Tax Rate £	2016/17 Estimate £	2016/17 Local Tax Rate £
Chief Executive	6,146,040	94.33	4,436,520	67.22
Children's Services	32,581,530	500.04	33,412,980	506.25
Environment	34,633,180	531.53	40,457,280	612.98
Finance & Resources	11,175,520	171.52	11,851,530	179.56
Health & Wellbeing	43,174,960	662.63	44,322,160	671.53
Depreciation Charges	(15,597,540)	(239.38)	(21,581,310)	(326.98)
Total Net Expenditure	112,113,690	1,720.66	112,899,160	1,710.56
Appropriation to / (from) Balances	417,654	6.41	118,631	1.80
Borough Council Requirement	112,531,344	1,727.07	113,017,791	1,712.35
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Carried Forward	10,116,000		10,234,631	
Local Tax Base	65,157.2		66,001.4	

GRAND SUMMARY - FORECAST BUDGETS 2017/19

This takes into account budget pressures identified to deliver the Council's Vision. Work will be on-going to

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

	2017/18 Estimate £	2017/18 Local Tax Rate £	2018/19 Estimate £	2018/19 Local Tax Rate £
Chief Executive	2,449,887	37.12	2,449,887	37.12
Children's Services	20,070,110	304.09	20,070,110	304.09
Environment	25,670,331	388.94	25,499,331	386.35
Finance & Resources	23,909,070	362.25	25,276,935	382.98
Health & Wellbeing	41,793,560	633.22	43,018,560	651.78
Total Net Expenditure	113,892,958	1,725.61	116,314,823	1,762.31

The above figures are based on the bids detailed in the MTFP. Figures will be revised during the budget setting

SERVICE NARRATIVES

CHIEF EXECUTIVE BUDGET 2016/19

Service Aims and Objectives

The Chief Executive's Directorate is split into three main areas:-

- Chief Executive
- Governance & Improvement Services
- Town Centre Regeneration

The Chief Executive is the head of the council who leads and takes responsibility for the work of 1,150 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
- 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 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.

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 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 14/15 identified £243k of overpayments due to fraud or error.

➤ **Democratic Services:**

- During 2015 Democratic Services attended and serviced: 124 evening meetings, 30 daytime meetings, 37 Individual Member decisions, 19 tender openings and 209 daytime appeals;
- Of the 209 daytime appeals, 205 were school admissions, 1 was a home to school transport appeal and 3 were licensing;
- The number of secondary school admission appeals lodged slightly decreased from 93 last year to 75 this year and the number of primary appeals increased significantly from 165 to 228.

➤ **Electoral Services:**

- Has responsibility for running the authority's annual elections, along with all other elections and referenda – in May 2015 ran the Parliamentary election, borough elections and town/parish elections;
- 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 2016/17. 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 2016/19

Major changes to Governance and Improvement Services include the following:

- Reducing the cost of the internal audit and investigations function through sharing the service with another authority, trading services to other organisations, and internal efficiency through leaner processes;
- Generating income through the provision of monitoring officer advice to another authority; and,
- 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 2016 local elections and Police & Crime Commissioner elections using the new system of Individual Electoral Registration;
- Continuing the implementation of the new system of Individual Electoral Registration; and,
- 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 2016/19

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 2016/2017	Budget 2015/2016 £'000	Budget 2016/2017 £'000	Note
Chief Executive			
Chief Executive Office (inc Council Wide)	(19)	(277)	(1)
Governance & Improvement	2,347	2,149	(2)
Town Centre Regeneration	1,136	821	(3)
<i>Internal Recharges & Depreciation Charges</i>	2,682	1,744	
Total Chief Executive	6,146	4,437	

Explanation of Movement from 2015/16 to 2016/17

Note 1. Council wide savings (£250k)

Note 2. Council wide savings target (£160k) for improving customer services and digitising to become paperless

Note 3. Special item reduced by £325k for interest charges on the loan taken to fund the Town Centre Regeneration project

CHILDREN'S SERVICES BUDGET 2016/19

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, we have a refreshed and renewed focus on 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:

- 66 schools - Head teachers, Governors, teachers, support staff and 24,705 pupils in schools (includes maintained schools, Pupil Referral Units and academies);
- Training courses attended by over 2,080 teachers (days), 1,400 Governor training sessions and 2,139 early years participants;
- Provision in excess of 859,400 free school meals;
- On average support of 50 children subject to a Child Protection Plan;
- Corporate Parent for 71 Children in Care;
- Recruitment of seven in-house Foster Carers;
- Supported 39 Care Leavers between the ages of 19-21;
- Short Breaks Services provision of 773 overnight stays, support & activities including 5,846 hours Day Care, 2,412 hours Saturday Club and 1,257 hours outreach;
- 4,426 children and 5,054 adults have been seen within Children's Centres;
- Approximately 5,000 contacts screened;
- Provision of 755 statements of Education Health and Care Plans;
- 4,260 Nursery Provider places we provided for 3 and 4 year olds;
- 197 schools admission appeals heard during the 2014/2015 academic year and 171 appeals heard for places during the 2014/2015 academic year (figures exclude aided schools who handle their own appeals);
- Processing of 2,045 primary applications to start in school in reception (F2) in the academic year 2014/15; and 551 infant to junior transfer applications for children living in the Wokingham Borough;
- Processing of 1,849 secondary transfer applications to transfer to year 7 in a secondary school in the academic year 2014/15;
- More than 488 parents receiving education and/or support through 1-1 work parenting programmes and workshops;
- 41 young people supported to reduce problematic substance misuse;
- Worked with 158 young people at risk of offending and 22 victims of youth crime;
- Engaged 469 young people through the youth service;
- Seven school kitchens reconfigured;
- Mainstream Home to School Transport 267,400 return journeys; and,
- Special Education Needs Transport 72,580 return journeys.

Revenue Budget & Service Changes 2016/19

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

- Delivery of £552k (3%) budget savings and efficiencies. Savings and efficiencies delivered through Contract Market Testing commissioning strategy; changes in service delivery including application of best practice and deleting some vacant posts.

Capital Budget & Service Changes 2016/19

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 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;
- The new 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;
- Expansion of primary schools in Earley and Woodley from 2016;
- Development work on schools to serve the SDL's, including early opening (in 2016) of a new school in the Shinfield area, in advance of the construction of the permanent home for that school; and,
- Adaptations to properties to enable disabled children to be cared for in their home/respite care environment.

REVENUE SERVICE BUDGETS 2016/2017	Budget 2015/2016 £'000	Budget 2016/2017 £'000	Note
Children's Services			
Learning & Achievement	3,446	3,122	(1)
Social Work and Early Intervention Services	11,421	11,722	(2)
Strategic Commissioning and Central Services	4,877	5,668	(3)
Central Services	231	0	(4)
<i>Internal Recharges & Depreciation Charges</i>	12,607	12,901	
Total Children's Services	32,582	33,413	

Explanation of Movement from 2015/16 to 2016/17

Note 1. Savings and efficiencies from Education Psychology (£55k), Targeted Youth (£50k) and Education Welfare (£25k) matched to current levels of provision including deletion of vacant posts. Early Intervention (£50k) and Therapeutic Services (£34k) recontracting and greater partnership working. Early Years and Childcare in line with other local authorities cease subsidised bursary scheme (£21k).

Note 2. Growth for additional residential and high cost complex placements £285k. Reduction in Health funding following lower levels of receipts than originally estimated £85k. Special item for social worker recruitment and retention strategy reflecting significant challenges £109k and implementation of Child Sexual Exploitation Programme £43k. Savings through contracts - market testing commissioning strategy (£200k).

Note 3. Special item Innovation Programme £100k and Continuing Health Care resource to deliver savings £30k. Schools ICT operate on a traded basis removing subsidy (£37k). Reduction in grants £234k. Growth for Adopt Berkshire Service previously funded by grant £149k. Special item for reshaping of Children's Services £24k. Cross service allocation of consultancy budgets £20k.

Note 4. Service moved from Central Services to Strategic Commissioning and Central Services.

ENVIRONMENT BUDGET 2016/19

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 and implementing flood protection;
- Transport Assets - responsible for the long term maintenance of the borough's highway assets including roads, 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; and,
- 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 and Destination Play Area at Dinton. 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;

- 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 and the management of trees on the council's own estate. 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;
- 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 town and village centres and is delivered in partnership with local businesses and community organisations;
- Community Development/Engagement - engaging and supporting evolving communities (SDLs) to ensure sustainability beyond bricks and mortar in particular establishing opportunities for business, voluntary, cultural, leisure, community, sport and health activities in the new communities, all of which are vital to ensure social and economic sustainability; and,
- Engaging and supporting established communities through developing community capacity and self sufficiency.

➤ **Development Management and Regulatory Services**

- Responsible for providing a high quality customer responsive service to determine planning applications, present the council's case effectively at appeal and to investigate and resolve breaches of planning control;
- Maintaining and extending tree protection and provide a professional and responsive landscape and tree advice service for trees on private land;
- Environmental Health, Licensing and Trading Standards - these services are provided through a joint service agreement with West Berkshire Council. This provides a wide range of regulatory services to achieve improvements in the quality of life for those who live, work and visit the borough. Services include licensing, environmental protection, food safety, health and safety enforcement, trading standards and pest control; and,
- Building Control will be provided through a joint service agreement with The Royal Borough of Windsor and Maidenhead Council (RBWM) and West Berkshire District Council. Reading Borough Council may join the service at a later date. 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 of leisure, community, highway, schools, health, police and other service related infrastructure and 35% affordable housing up to 2026; and,
- Coordinating the planning and provision of the infrastructure required for the SDL's 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.

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;
- 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;
- Preparation of a 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 120 planning appeals per year;
- Development and co-ordination of Infrastructure Delivery Plans and negotiations to secure acceptable development proposals for each of the four SDL's;
- Effective monitoring of the progress of developments, particularly in the SDL areas, to ensure the prompt payment of s106 monies due and the timely provision of infrastructure provided on site by the developer;
- 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 2,500 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 570 incidents of fly tipping;

- 3.35 million individual refuse and recycling collections per annum;
- Over 10,000 individual clinical waste collections to the elderly and vulnerable;
- Investigating 106 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 36 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 25 school crossing patrol sites throughout the borough;
- Managing and maintaining the council's 16 pay & display and 10 other free off-street car parks;
- Maintaining over 19,000 street lights, illuminated signs, feeder pillars and other similar equipment;
- Processing 55,000 notices for works on the highway to ensure co-ordinated works;
- Delivering the transport infrastructure associated with the strategic development locations; and,
- Implementing the flood and water management act.

Revenue Budget & Service Changes 2016/19

Major changes to the Environment revenue budget include the following:

- Building Control transfer to 3 way shared service model of delivery with Royal Borough of Windsor and Maidenhead Council and West Berkshire District Council, with the opportunity for Reading Borough Council to join the agreement.

➤ Growth Items

- Revenue cost increase relating to inflationary contract price increases.

➤ **Special Items**

- Continued support to deliver the Local Plan Review and Minerals and Waste Local Plan.

➤ **Savings:**

- Savings from changing the way we work with our major suppliers in highways and transport;
- Increased income from country park activities and enhanced memorial services;
- Additional income from extended parking charges – evenings and Sundays; and,
- Street lighting – replacement of a significant proportion of older lighting columns and conversion to low energy LED units has eliminated the need for growth.

Capital Budget & Service Changes 2016/19

Environment capital schemes include the following:

- Safety/crash barriers – completion of the concrete barrier and improved parapets on the Loddon viaduct;
- Strengthening and major maintenance of road bridge at Sutton Seeds;
- 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 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 2017;
- Improvement to the Public Right of Way network;
- Continued investment in the waste collection arrangements;
- Strategic land purchases – investments to enable the capital programme; and,
- Air quality monitoring.

REVENUE SERVICE BUDGETS 2016/2017	Budget 2015/2016 £'000	Budget 2016/2017 £'000	Note
Environment			
Environment – Management Unit	433	433	
Building Control	(90)	(87)	
Community Services	15,495	15,676	(1)
Highways & Transportation	6,527	6,449	(2)
Development – Management & Enforcement	1,621	1,638	
Development - Policy & Planning	1,074	975	(3)
Development – SDL	897	923	
<i>Internal Recharges & Depreciation Charges</i>	<i>8,676</i>	<i>14,450</i>	<i>(4)</i>
Total Environment	34,633	40,457	

Explanation of Movement from 2015/16 to 2016/17

Note 1. Savings (£57k) including increased income target for Countryside, transfer of asset budgets from Finance & Resources £78k and contract inflation £135k

Note 2. Savings (£400k) including increased income for car parking, growth for increased road length £110k; special item £85k and contract inflation £126k

Note 3. Special item for minerals & waste (£100k) removed

Note 4. Depreciation has increased by approximately £5m on highways assets due to a required change in how we value Highways Network Assets from 16/17

FINANCE & RESOURCES BUDGET 2016/19

Service Aims and Objectives

The directorate makes a significant contribution in supporting services to deliver the councils 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 councils concessionary travel scheme;
- To provide financial assessments for Social Care service users and general welfare benefits advice and claims support;
- To provide a corporate wide cashiers service; and,
- To administer an effective and efficient payments service including staff payroll and suppliers.

➤ Customer Services and Information Management and Technology (IMT)

- 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;
- 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;
- 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;
- 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 Shared Legal 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 c£291m per annum gross, capital of c£140.7m per annum and Housing Revenue Account (HRA) of c£17m per annum gross;
- Invests an average of £67m per annum and manages borrowing of c£132m;
- Collects Council Tax of c£99.9m from c64,500 properties, generating over 110,000 accounts annually;
- Collects Business Rates of c£57.9m per annum from 3,700 properties, generating over 9,000 accounts annually;
- Collect council rents of c£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 196,000 transactions per annum totalling just over c£589m 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 60,000 salary payments to staff each year to a value exceeding £67m (including schools);
- Make over 50,000 payments to suppliers and contractors each year which represents 85,000 invoices with a value exceeding £225m;
- Process c3,000 applications for around 300 vacancies per annum;

- Process c580 contracts and pre-employment checks for new and existing employees and non-schools staff;
 - Process c1,320 CRB applications, including schools staff; 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, c1,500 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 190,000 telephone calls per annum;
 - Deals with over 37,000 email requests per annum;
 - Issues over 70,000 texts per annum;
 - Deals with c2,000 visitors to Shute End main reception per month;
 - Handles 2,075 web chats per annum;
 - Deals with more than 800 media enquiries per annum; and,
 - Handles around 250 complaints (based on total incoming stage 1 complaints and Early Resolution), 1,100 Freedom of Information enquiries and 20 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 1000;
 - Coordinate the delivery of over 300 learning and development interventions;
 - Act as 'competent person' in regards to Health and Safety which includes; undertaking over 50 independent audits, investigating an average of 15 significant health and safety incidents, and training around 400 people each year;
 - Process and issue over 2,000 disabled parking badges, 152 access to record requests and 368 applications for 2 year old funding each year;
 - Administer 947 statutory or regulatory meetings relating to safeguarding children and young people;
 - Act as Corporate Landlord for the Operational Estate of over 44 properties and oversee the management, utilisation, compliance and valuation of the council's property assets valued at c£677m;
 - Manage the commercial estate which generates rentals of c£2.5m per annum;
 - Design, procure and deliver the capital programme with an expenditure of around c£25m per annum;
 - Active management of the council's energy (and other utilities) usage and costs, as well as those of our schools, currently c£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;
 - Generate c£95k income for April 2015 to October 2015;
 - Conduct court room advocacy, including the defence of Judicial Reviews at the High Court;
 - Support the governance of shared service organisations as well as acting as Deputy Monitoring Officer and Borough Solicitor for corporate legal issues.

➤ **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 £60m annual value;
- Dashboard reporting on council-wide contracts status and activity;
- Administration of over 5000 supplier records on the supplier base;
- Proactive and reactive procurement and contracts support on £130m 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 £0.7m 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 2016/19

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 2016/19

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 2016/2017	Budget 2015/2016 £'000	Budget 2016/2017 £'000	Note
Finance & Resources			
Support Services	4,358	4,408	(1)
Customer Services	3,812	3,522	(2)
Commercial Services	7	189	(3)
Finance	14,609	14,649	
<i>Internal Recharges & Depreciation Charges</i>	<i>(11,611)</i>	<i>(10,916)</i>	
Total Finance & Resources	11,176	11,852	

Explanation of Movement from 2015/16 to 2016/17

Note 1. Transfer of services from Finance to Support Services £90k

Note 2. New ICT service model (£400k) offset in part by transfers from other services

Note 3. Delivery of procurement savings £250k, procurement efficiencies (£30k)

HEALTH AND WELLBEING SERVICES BUDGET 2016/19

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

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 NHS.

Decent, secure housing is the foundation for health and wellbeing. Wokingham 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 central aim of the Public Health department in Wokingham is to improve the health of local residents, reduce differences between life expectancy, and improve healthy life expectancy. The team work with the Leisure Development team to form a strong public health function fulfilling the public health duties placed upon the council, and works within a Berkshire-wide matrix to support on specific topics, joint commissioning and on health protection functions. The key responsibilities of the public health team are: -

- Improvement in the health of the population
- Health protection
- 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, and makes a significant contribution to preventing illness, isolation and frailty. 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 allocate resources or arrange support to meet eligible assessed needs, including a new duty to meet carers' needs. Services are organised to respond to needs arising from old age, physical, sensory or learning disabilities or serious mental health problems.

Health and Wellbeing Services also have a wider role in safeguarding vulnerable adults and enabling community wellbeing by developing and facilitating community support and prevention services to enhance statutory services, as well as a responsibility to ensure the availability of good information and advice services regarding local facilities.

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).

New legislation, the Care Act 2014, came into effect from April 2015. The council has new duties under the Care Act to: -

- Provide services to those who are eligible by reference to new national eligibility criteria (a significant change for Wokingham as the new criteria includes more people and a wider range of provision than the previously adopted Fair Access to Care Services (FACS) criteria of meeting only those people with the highest needs;
- Extend services to carers who become entitled to services in their own right; and,
- Provide a 'deferred payment' scheme so that no-one is forced to sell their home to pay for their care in their lifetime – though the council is already providing a similar discretionary service.

The vision of the Adult Social Care service is that:

- People have a real say in how their services are arranged;
- Services are equally accessible to all residents from all backgrounds;
- Specialist services are focussed on the most vulnerable residents;
- Services enable residents to retain or regain independence, and to have choice and control over their lives;
- There will be a shift towards more preventive community support;
- Community health and social care services have local presence and work in partnership to achieve integrated delivery through a single point of access; and,
- Health & social care needs are a recognised priority across all council services, promoted and coordinated by the Health and Wellbeing Board.

Partnership is an essential ingredient in how we set about achieving our vision. 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;
- The Clinical Commissioning Group, which has responsibility for commissioning healthcare for the borough's population at both a local Wokingham level and where appropriate as a Berkshire West health and social care economy; and,
- Community and voluntary sector organisations; local businesses.

Housing

Housing services provide key housing delivery functions within the Health and Wellbeing Service. These include provision of housing management services to the council owned stock, two Gypsy and Traveller sites, and our temporary accommodation for the homeless. Currently the Housing Needs team is dealing with the 100% increase in homelessness in the borough.

Other activities include

Housing Needs

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

Tenant Services

Ensuring that the council's landlord function is managed effectively, including:

- Managing neighbourhoods;
- Neighbourhood nuisance issues;
- Enabling tenant / leaseholder participation;
- Managing the environment around council properties;
- Meeting the requirements of the Homes and Communities agency; and,
- Management of two council owned gypsy & traveller sites.

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. This includes the management and negotiation of the council's management contract for the provision of our leisure centres. This contract will be re-procured from April 2018;
- *"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 SHINE service for older people and a range of specially tailored services such as the "Live well Gym" for people with long-term conditions.

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*
- *Delivery of public health care advice and support to local commissioners*

Service Outputs - Key Facts and Figures

Adult Social Care - key performance measures 2014/15:

Performance Measures

- Number of contacts from new customers in year – 4,650
- Number of new people assessed in year – 1,210
- Number of people reviewed in year – 2,014
- Number of people receiving long term services – 1,765
- Number of carers who have had assessment or review – 500
- Proportion of people receiving a community based service – 86%
- Percentage of community-based clients who receive Self Directed Support – 85%
- Percentage of people who received a Direct Payment – 36.4%
- Permanent admissions to residential and nursing homes – 140

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 (2014-15), showing the proportion of people who use service, were:

Outcome Measure

- 82.1% - have as much control over their daily life as they want or who have adequate control over daily life
- 67.8% - are extremely or very satisfied with the care and support services they receive
- 80.3% - find it very easy or fairly easy to find information about services (includes carers)
- 72.4% - feel as safe as they want
- 87.2% - say that those services have made them feel safe and secure

Housing - key activities 2014/15

Tenant Services

- Manage and deliver all aspects of the council's landlord function to households in council accommodation;
- Currently 2,611 properties, 89 shared equity tenants, 180 leaseholders and 800 garages;
- 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 96%);
- Manages 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; and,
- To ensure the provision of Estates Services with the cleaning of communal blocks and management of housing land and estates.

Housing Needs

- Manage the Housing Register (Waiting List) currently circa 1,650 registered applicants including assessing individual housing need, administering and inputting applications, updating and renewing applications and communication with customers;
- House applicants into council or housing association vacancies (including new-build developments and sheltered accommodation) - usually approximately 350 housing allocations annually (264 allocations made so far in 2015);
- 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) - 161 applications were dealt with between 1 January and 30 September 2015; and,
- Manage and deliver the homelessness prevention service using options such as the Deposit Loan Scheme and other creative and individual responses.

Revenue Budget & Service Changes 2016/19

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 from April 2015,
- 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 2016/19

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

- Investment in suitable and sustainable accommodation for vulnerable people with mental health needs;
- 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;
- A programme to develop extra care and nursing care provision;
- To increase good quality affordable housing developments (Wokingham Housing Limited); and,
- Replacement or refurbishment of our leisure centre estate, beginning with Bulmershe Leisure Centre.

REVENUE SERVICE BUDGETS 2016/2017	Budget 2015/2016 £'000	Budget 2016/2017 £'000	Note
Health and Wellbeing			
Adult Social Care - excl. Mental Health	38,244	38,987	(1)
Adult Social Care - Mental Health	2,572	2,484	(2)
Public Health	(647)	(596)	
Housing Needs and Benefits	(238)	46	(3)
<i>Internal Recharges & Depreciation Charges</i>	3,244	3,402	
Total Health and Wellbeing	43,175	44,322	

Explanation of Movement from 2015/16 to 2016/17

Note 1. Growth £2,135k, savings (£1,589k), special items £771k, in year efficiencies (£139k), contract inflation £200k, pay award and national insurance increase £116k and removal of 2015/16 special items (£835k)

Note 2. Growth £200k mental health placements, special item homelessness £75k, offset by realignment of supported living and residential respite requirements (£350k)

Note 3. Homelessness growth £100k, special item £75k, costs for Local Welfare Provision payments moved from Finance & Resources £26k and movement in funding stream from adult social care £78k

Note 4.

The social care precept of £1.624m, will be used to fund the increase in budget for adult social care, comprising of the growth £2,235k, savings (£1,589k), special items £856k, contract inflation of £200k and the pay related increases of £116k.

	£'000
Total Adult Social Care inc. mental health 2015/16	40,816
Remove 15/16 one off special items	(835)
Total Adult Social Care 2015/16	39,981
Growth	2,235
Savings	(1,589)
Special Items	856
Contract Inflation	200
Pay related increases	116
realignment of supported living and residential respite requirements	(350)
Add back movements from ASC to other areas of Health & Wellbeing	168
Total Adult Social Care 2016/17	41,647
Net movement on Adult Social Care	1,636

Summary of Budget Movements 2016/2017

	Chief Executive £'000	Children's Services £'000	Environment £'000	Finance & Resources £'000	Health & Wellbeing £'000	Total £'000
2015/2016 Restructured Service Budget (excluding Capital & Internal recharges)	3,464	19,975	25,958	22,786	39,931	112,114
Adjustments/Additions						
Exclusive one off revenue items in 2015/2016 (Special Items)	(1,126)	(50)	(750)	(1,350)	(835)	(4,111)
Inflation for non-pay activities	0	24	261	316	200	800
Pay award	21	118	79	114	37	369
Adjustments between services (e.g. budget reallocations inc.)	51	143	81	(413)	138	0
Total	(1,054)	234	(329)	(1,333)	(460)	(2,942)
Funding to Maintain / Improve Services						
Additional residential and high cost complex placements	0	285	0	0	0	285
Adopt Berkshire Service previously funded by Grant	0	149	0	0	0	149
Reduction in continued health claim funding following lower level of receipts than originally estimated	0	85	0	0	0	85
Highway drainage increased maintenance costs due to additional network length	0	0	15	0	0	15
Highway structures (bridges) - revenue implications of increased capital scheme (major)	0	0	10	0	0	10
Highways maintenance - carriageways and footways	0	0	39	0	0	39
Revenue implications of integrated transport capital scheme (to contain congestion, improve safety and	0	0	21	0	0	21
Traffic management associated with Henley Regatta	0	0	15	0	0	15
Winter service - increased maintenance costs due to additional network length	0	0	10	0	0	10
National Insurance increase due to changes in state pension	0	0	0	670	0	670
Permanent marketing & business development resource - funded through corresponding income target	0	0	0	50	0	50
Care Act - increased demand for services due to government changes	0	0	0	0	800	800
Homelessness	0	0	0	0	100	100
Learning disability - increase in complexity and cost	0	0	0	0	200	200
Mental Health - increase in complexity and cost	0	0	0	0	200	200
Older people - increase in complexity and cost	0	0	0	0	230	230
Older people domiciliary care - increase in complexity and cost	0	0	0	0	290	290
Physical disabilities - increase in complexity and cost	0	0	0	0	120	120
Transitional children - children entering adult social care	0	0	0	0	495	495
Total	0	519	110	720	2,435	3,784
Special Items 2016/2017						
Management service efficiency target	43	0	0	0	0	43
Wokingham Town Centre upfront funding (repaid when income generating)	800	0	0	0	0	800
Children's Social Worker Recruitment & Retention Strategy	0	109	0	0	0	109
Continuing health care resource to deliver savings	0	30	0	0	0	30
Implementation of Child Sexual Exploitation Programme	0	43	0	0	0	43
Innovation programme	0	100	0	0	0	100

Summary of Budget Movements 2016/2017

	Chief Executive £'000	Children's Services £'000	Environment £'000	Finance & Resources £'000	Health & Wellbeing £'000	Total £'000
Reshaping of Children's Services	0	24	0	0	0	24
Core Strategy	0	0	300	0	0	300
School crossing patrols – alternative delivery / funding model	0	0	85	0	0	85
Strategic Development Location posts	0	0	350	0	0	350
Encroachment Officer	0	0	0	23	0	23
Estimated resource requirement to deliver future savings	0	0	0	700	0	700
Forward Funding (infrastructure bridging loan)	0	0	0	1,630	0	1,630
Provision for business rates appeals	0	0	0	200	0	200
Adult social care contract	0	0	0	0	276	276
Capacity to deliver Continued Health Claims	0	0	0	0	150	150
Capacity to deliver value for money on high cost packages	0	0	0	0	80	80
Deprivation of Liberty Safeguarding pressures	0	0	0	0	265	265
Homelessness	0	0	0	0	150	150
Total	843	306	735	2,553	921	5,358

Funded by the following Service Efficiencies

Council wide procurement savings	(150)	0	0	0	0	(150)
Energy agency (reselling/distribution)	(51)	0	0	0	0	(51)
Full implementation of Modern.Gov committee decision management system	(10)	0	0	0	0	(10)
Grow advertising & sponsorship income and grow traded services	(90)	0	0	0	0	(90)
Management service efficiency target	(85)	0	0	0	0	(85)
Monitoring officer work for Royal Borough of Windsor and Maidenhead	(40)	0	0	0	0	(40)
Re-organisation/restructuring - business improvement	(40)	0	0	0	0	(40)
Review insurance covers and alternatives	(50)	0	0	0	0	(50)
Shared internal audit - further process efficiencies	(10)	0	0	0	0	(10)
Staff efficiencies - political assistants	(14)	0	0	0	0	(14)
Trading income - shared service - audit & investigations	(20)	0	0	0	0	(20)
Contracts - efficiency savings	0	(200)	0	0	0	(200)
Early Intervention changes (to seek better unit costs within Adviza contract)	0	(50)	0	0	0	(50)
Early Years & Childcare (cease subsidised bursaries in line with Other Local Authorities)	0	(21)	0	0	0	(21)
Education Psychology Service (not recruiting to vacancy)	0	(55)	0	0	0	(55)
Education Welfare Service (not recruiting to vacancy / schools forum no longer funding)	0	(25)	0	0	0	(25)
Health contract changes (to seek better unit costs particularly focusing on therapeutic services)	0	(34)	0	0	0	(34)
Review & reshape span of control of management post	0	(50)	0	0	0	(50)
Schools ICT (Local Authority no longer provide service to be fully funded by schools)	0	(37)	0	0	0	(37)
Targeted Youth Service / Youth Offending Service (not recruiting to vacancy)	0	(50)	0	0	0	(50)
Balfour Beatty Living Places - saving from contract	0	0	(50)	0	0	(50)
Charging for highway structures approvals	0	0	(6)	0	0	(6)
Charging for requests to switch on /off traffic signals	0	0	(10)	0	0	(10)
Country Parks - commercial activities income	0	0	(2)	0	0	(2)
Increased income target for Countryside Service	0	0	(50)	0	0	(50)

Summary of Budget Movements 2016/2017

	Chief Executive £'000	Children's Services £'000	Environment £'000	Finance & Resources £'000	Health & Wellbeing £'000	Total £'000
Introduce evening and Sunday car park charges, and Saturday charges at Shute End	0	0	(137)	0	0	(137)
Memorial Garden	0	0	(5)	0	0	(5)
Planning pre application fees - increase in charge	0	0	(10)	0	0	(10)
Reclassification of revenue and capital funding	0	0	(95)	0	0	(95)
Street lighting energy and maintenance saving	0	0	(42)	0	0	(42)
Street numbering and naming charges	0	0	(10)	0	0	(10)
WSP – savings from contract	0	0	(50)	0	0	(50)
Administrative efficiencies	0	0	0	(18)	0	(18)
Amalgamate reception areas	0	0	0	(20)	0	(20)
Bring together facilities management and procurement	0	0	0	(30)	0	(30)
Business rates - increased base	0	0	0	(350)	0	(350)
Centralisation of stationery budgets	0	0	0	(20)	0	(20)
Centralise finance system support	0	0	0	(20)	0	(20)
Deputyship – increase charging and higher client numbers	0	0	0	(20)	0	(20)
Grants to Town/Parishes phased out over 5 years	0	0	0	(20)	0	(20)
Implement shared service for operational property	0	0	0	(60)	0	(60)
Increase adverts in Borough News	0	0	0	(18)	0	(18)
Increased rent from commercial portfolio	0	0	0	(10)	0	(10)
Interest on balances	0	0	0	(200)	0	(200)
Investment strategy -fully risk assessed longer dated investments	0	0	0	(74)	0	(74)
Local Welfare Provision - (match to actual spend)	0	0	0	(20)	0	(20)
More robust records management processes to reduce archive costs	0	0	0	(20)	0	(20)
New ICT service model	0	0	0	(400)	0	(400)
Penalties for non compliance (Benefits)	0	0	0	(40)	0	(40)
Raise Citizenship Ceremony costs	0	0	0	(5)	0	(5)
Reduce revenue costs from buildings declared surplus following assets review	0	0	0	(30)	0	(30)
Registrars increased income - nationality checking	0	0	0	(3)	0	(3)
Re-provision of IT training	0	0	0	(15)	0	(15)
Re-shape community resilience Business Community	0	0	0	(15)	0	(15)
Review postage	0	0	0	(40)	0	(40)
Revised Council Tax Reduction Scheme	0	0	0	(217)	0	(217)
Schools finance support service fully funded by schools	0	0	0	(25)	0	(25)
Staff training	0	0	0	(50)	0	(50)
Benchmarking of Carers personal budgets in line with neighbouring authorities	0	0	0	0	(53)	(53)
Commission further block contracts to reduce rates	0	0	0	0	(50)	(50)
Domiciliary Care and opportunities from Better Care Fund	0	0	0	0	(50)	(50)
Electronic time recording for providers	0	0	0	0	(50)	(50)
Further review and application for Continued Health Claims	0	0	0	0	(600)	(600)
Income from 1 life for 50 week swimming lessons	0	0	0	0	(30)	(30)
Income generation - charging for support at sheltered accommodation	0	0	0	0	(15)	(15)
Increased physical activity provision for older adults	0	0	0	0	(3)	(3)
Increased sports facility hire	0	0	0	0	(5)	(5)

Summary of Budget Movements 2016/2017

	Chief Executive £'000	Children's Services £'000	Environment £'000	Finance & Resources £'000	Health & Wellbeing £'000	Total £'000
Means-tested access to all leisure interventions	0	0	0	0	(15)	(15)
Negotiation of drug and alcohol services contract	0	0	0	0	(60)	(60)
Negotiation of sexual health contract	0	0	0	0	(95)	(95)
Negotiation of smoking cessation contract price	0	0	0	0	(70)	(70)
Promote direct payments - payments cards	0	0	0	0	(24)	(24)
Promote use of direct payments through the use of pre-paid payment cards	0	0	0	0	(12)	(12)
Recommissioning supported living services via approved provider list	0	0	0	0	(30)	(30)
Review and redesign of non statutory services	0	0	0	0	(50)	(50)
Review of Carers sitting service following implementation of Care Act	0	0	0	0	(20)	(20)
Review of out of area sexual health payments	0	0	0	0	(5)	(5)
Review of policy for accepting bids against Disabled Facilities Grant	0	0	0	0	(20)	(20)
Review of project resources	0	0	0	0	(30)	(30)
Review of provision of home care services provided by Optalis	0	0	0	0	(208)	(208)
Review of training provision for public health staff	0	0	0	0	(5)	(5)
Review the provision of Supported Employment Service	0	0	0	0	(100)	(100)
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	(57)	(57)
Use of internal resource to drive initiatives	0	0	0	0	(50)	(50)
Total	(560)	(522)	(467)	(1,740)	(1,907)	(5,196)
Council Tax Collection Fund adjustments						
Collection fund income	0	0	0	(218)	0	(218)
Total	0	0	0	(218)	0	(218)
Service Budget 2016/2017 (excluding Capital & Internal recharges)	2,693	20,512	26,007	22,767	40,920	112,899
<i>Internal Recharges & Depreciation Charges</i>	1,744	12,901	14,450	(10,916)	3,402	21,581
Service Budget 2016/2017 (including Capital & Internal recharges)	4,437	33,413	40,457	11,852	44,322	134,480

THREE YEAR BUDGET FORECAST

	2016/2017 £'000	2017/2018 £'000	2018/2019 £'000
Growth			
Children's Services			
Additional residential and high cost complex placements	285	285	285
Adopt Berkshire Service previously funded by Grant	149	149	149
Reduction in continued health claim funding following lower level of receipts than originally estimated	85	85	85
Health & Wellbeing			
Care Act - increased demand for services due to government changes	800	1,300	1,500
Homelessness	100	100	100
Learning disability - increase in complexity and cost	200	400	600
Mental Health - increase in complexity and cost	200	400	600
Older people - increase in complexity and cost	230	450	650
Older people domiciliary care - increase in complexity and cost	290	580	900
Physical disabilities - increase in complexity and cost	120	250	410
Prevention - investment in preventative services	0	0	300
Transitional children - children entering adult social care	495	750	1,000
Environment			
Highway drainage increased maintenance costs due to additional network length	15	30	45
Highway structures (bridges) - revenue implications of increased capital scheme (major refurbishments/strengthening)	10	20	30
Highways maintenance - carriageways and footways	39	78	117
Revenue implications of integrated transport capital scheme (to contain congestion, improve safety and environmental impact)	21	42	63
Traffic management associated with Henley Regatta	15	30	45
Winter service - increased maintenance costs due to additional network length	10	20	30
Finance & Resources			
National Insurance increase due to changes in state pension	670	670	670
Permanent marketing & business development resource - funded through corresponding income target	50	50	50
Total Growth	3,784	5,689	7,629
Savings			
Chief Executive			
Council wide procurement savings	(150)	(150)	(150)
Energy agency (reselling/distribution)	(51)	(51)	(51)
Full implementation of Modern.Gov committee decision management system	(10)	(10)	(10)
Grow advertising & sponsorship income and grow traded services	(90)	(90)	(90)
Management service efficiency target	(85)	(85)	(85)
Monitoring officer work for Royal Borough of Windsor and Maidenhead	(40)	(40)	(40)
Re-organisation/restructuring - business improvement	(40)	(40)	(40)
Review insurance covers and alternatives	(50)	(50)	(50)
Shared internal audit - further process efficiencies	(10)	(10)	(10)
Staff efficiencies - political assistants	(14)	(14)	(14)
Trading income - shared service - audit & investigations	(20)	(20)	(20)
Children's Services			
Contracts - efficiency savings	(200)	(200)	(200)
Early Intervention changes (to seek better unit costs within Adviza contract)	(50)	(170)	(170)
Early Years & Childcare (cease subsidised bursaries in line with Other Local Authorities)	(21)	(31)	(31)
Education Psychology Service (not recruiting to vacancy)	(55)	(55)	(55)
Education Welfare Service (not recruiting to vacancy / schools forum no longer funding)	(25)	(25)	(25)
Health contract changes (to seek better unit costs particularly focusing on therapeutic services)	(34)	(34)	(34)
Review & reshape span of control of management post	(50)	(50)	(50)
Schools ICT (Local Authority no longer provide service to be fully funded by schools)	(37)	(63)	(63)
Targeted Youth Service / Youth Offending Service (not recruiting to vacancy)	(50)	(50)	(50)
Health & Wellbeing			
Benchmarking of Carers personal budgets in line with neighbouring authorities	(53)	(106)	(158)
Commission further block contracts to reduce rates	(50)	(50)	(50)
Domiciliary Care and opportunities from Better Care Fund	(50)	(100)	(100)
Electronic time recording for providers	(50)	(50)	(50)
Further review and application for Continued Health Claims	(600)	(600)	(600)
Income from 1 life for 50 week swimming lessons	(30)	(30)	(30)

THREE YEAR BUDGET FORECAST

	2016/2017 £'000	2017/2018 £'000	2018/2019 £'000
Income generation - charging for support at sheltered accommodation	(15)	(15)	(15)
Increased physical activity provision for older adults	(3)	(4)	(4)
Increased sports facility hire	(5)	(6)	(6)
Means-tested access to all leisure interventions	(15)	(15)	(15)
Negotiation of drug and alcohol services contract	(60)	(60)	(60)
Negotiation of sexual health contract	(95)	(95)	(95)
Negotiation of smoking cessation contract price	(70)	(70)	(70)
Promote direct payments - payments cards	(24)	(24)	(24)
Promote use of direct payments through the use of pre-paid payment cards	(12)	(12)	(12)
Recommissioning supported living services via approved provider list	(30)	(70)	(110)
Review and redesign of non statutory services	(50)	(100)	(100)
Review of Carers sitting service following implementation of Care Act	(20)	(20)	(20)
Review of out of area sexual health payments	(5)	(5)	(5)
Review of policy for accepting bids against Disabled Facilities Grant	(20)	(20)	(20)
Review of project resources	(30)	(30)	(30)
Review of provision of home care services provided by Optalis	(208)	(208)	(208)
Review of training provision for public health staff	(5)	(5)	(5)
Review the provision of Supported Employment Service	(100)	(150)	(150)
Review value for money on high cost packages	(200)	(400)	(600)
Use of extra care facilities to aid rehabilitation	(57)	(159)	(196)
Use of internal resource to drive initiatives	(50)	(50)	(50)
Environment			
Balfour Beatty Living Places - saving from contract	(50)	(50)	(50)
Charging for highway structures approvals	(6)	(6)	(6)
Charging for requests to switch on /off traffic signals	(10)	(10)	(10)
Country Parks - commercial activities income	(2)	(2)	(2)
Increased income target for Countryside Service	(50)	(50)	(50)
Introduce evening and Sunday car park charges, and Saturday charges at Shute End	(137)	(137)	(137)
Memorial Garden	(5)	(5)	(5)
Planning pre application fees - increase in charge	(10)	(10)	(10)
Reclassification of revenue and capital funding	(95)	(95)	(95)
Street lighting energy and maintenance saving	(42)	(192)	(288)
Street numbering and naming charges	(10)	(10)	(10)
WSP – savings from contract	(50)	(50)	(50)
Finance & Resources			
Administrative efficiencies	(18)	(18)	(18)
Amalgamate reception areas	(20)	(20)	(20)
Bring together facilities management and procurement	(30)	(30)	(30)
Business rates - increased base	(350)	(450)	(500)
Centralisation of stationery budgets	(20)	(20)	(20)
Centralise finance system support	(20)	(20)	(20)
Deputyship – increase charging and higher client numbers	(20)	(20)	(20)
Grants to Town/Parishes phased out over 5 years	(20)	(20)	(20)
Implement shared service for operational property	(60)	(60)	(60)
Increase adverts in Borough News	(18)	(18)	(18)
Increased rent from commercial portfolio	(10)	(10)	(10)
Interest on balances	(200)	(200)	(200)
Investment strategy -fully risk assessed longer dated investments	(74)	(74)	(74)
Local Welfare Provision - (match to actual spend)	(20)	(20)	(20)
More robust records management processes to reduce archive costs	(20)	(20)	(20)
New ICT service model	(400)	(400)	(400)
Penalties for non compliance (Benefits)	(40)	(40)	(40)
Raise Citizenship Ceremony costs	(5)	(5)	(5)
Reduce revenue costs from buildings declared surplus following assets review	(30)	(30)	(30)
Registrars increased income - nationality checking	(3)	(3)	(3)
Re-provision of IT training	(15)	(15)	(15)
Re-shape community resilience Business Community	(15)	(15)	(15)
Review postage	(40)	(40)	(40)
Revised Council Tax Reduction Scheme	(217)	(217)	(217)
Schools finance support service fully funded by schools	(25)	(25)	(25)
Staff training	(50)	(50)	(50)
Total Savings	(5,196)	(6,149)	(6,624)

THREE YEAR BUDGET FORECAST

	2016/2017 £'000	2017/2018 £'000	2018/2019 £'000
Special Items			
Children's Services			
Children's Social Worker Recruitment & Retention Strategy	109	0	0
Continuing health care resource to deliver savings	30	0	0
Implementation of Child Sexual Exploitation Programme	43	0	0
Innovation programme	100	0	0
Reshaping of Children's Services	24	0	0
Health & Wellbeing			
Adult social care contract	276	276	0
Capacity to deliver Continued Health Claims	150	0	0
Capacity to deliver value for money on high cost packages	80	80	80
Deprivation of Liberty Safeguarding pressures	265	0	0
Homelessness	150	150	150
Environment			
Core Strategy	300	200	100
Minerals & Waste local plan preparation	0	100	100
School crossing patrols – alternative delivery / funding model	85	85	0
Strategic Development Location posts	350	0	0
Finance & Resources			
Encroachment Officer	23	0	0
Chief Executive			
Estimated resource requirement to deliver future savings	700	700	700
Forward Funding (infrastructure bridging loan)	1,630	1,630	1,630
Provision for business rates appeals	200	200	200
Management service efficiency target	43	0	0
Wokingham Town Centre upfront funding (repaid when income generating)	800	700	700
Total Special Items	5,358	4,121	3,660

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2016/17 - TO INFORM THE LEVEL OF GENERAL FUND BALANCE

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

Description	Best Case	Most Likely as per Budget	Worst Case	Relative Risk		
	£'000	£'000	£'000	Low £'000	Medium £'000	High £'000
Children's Services						
Youth offending service secure restriction of Liberty Order (average £50k per client)	0	10	50	0	40	0
Traded services for schools - under achievement of predicted income	(143)	(143)	(114)	0	9	20
Early intervention commissioning contract - risk of delay in contract negotiations	238	238	251	13	0	0
Increased school redundancy costs funded by local authority	38	38	76	9	10	19
Delay in partnership arrangements i.e. school improvements	320	320	384	32	32	0
Additional residential placements (between £70k and £300k depending on needs)	1,932	2,002	2,742	70	450	220
Additional Independent Foster Agency placements (average £48k per client)	774	868	1,060	48	48	96
Dispersal of Unaccompanied Asylum Seeking Children based on net cost for 10 placements (demand led service)	0	0	183	93	54	36
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.	0	0	161	59	64	38
Permanence allowances - increased activity and/or eligibility for payments of allowances due to changes in benefit system including Special Guardianship Orders in line with changes in Government Agenda	467	495	545	30	10	10
Foster placement allowance scheme - increased number of children being placed	835	840	924	30	24	30
Joint legal team litigation, appeals (demand led service)	368	368	400	5	7	20
Emergency Duty Team (supporting children's and health & wellbeing) (demand led service)	93	93	125	10	10	12
Children in care remaining with foster carers until 21 years old in line with strategic vision (demand led service)	52	52	92	30	10	0
Direct payments increased activity and costs (demand led service)	284	284	340	30	13	13
Health funding towards children's placements	(190)	(165)	(85)	20	20	40
Grants reduced government funding	(1,023)	(1,023)	(923)	80	20	0
Additional mainstream home to school transport packages	1,086	1,086	1,239	54	72	27
Additional special educational needs home to school transport packages	1,625	1,625	1,880	81	133	41
TOTAL Children's Services	6,756	6,988	9,330	694	1,026	622
Environment						
S106 monitoring fees - under achievement of predicted income	(101)	(101)	(50)	0	11	40
Planning applications - under achievement of predicted fee income	(875)	(975)	(500)	175	150	150
Pre applications fees - under achievement of predicted fee income	(120)	(120)	(50)	20	20	30
Savings generated through the commencement of the Community Infrastructure Levy charge	(256)	(256)	(201)	0	0	55
Street lighting - energy cost increase	638	645	652	5	2	0
Potential loss of income due to bad weather or customer resistance	(242)	(242)	(165)	10	37	30
Emergency tree works in parks due to bad weather	0	0	10	5	5	0
Additional works due to heavy and prolonged rainfall	535	535	565	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 green waste income due to not maintaining participation levels	(800)	(716)	(700)	16	0	0
Loss of income from fishing season tickets (fish disease in fisheries)	0	(75)	0	75	0	0
Loss of income due to excessive weed algal growth prohibiting use of the Multi Activity Centre	(275)	(275)	(60)	150	65	0
Loss of countryside income due to poor weather or customer resistance	(336)	(336)	(136)	180	20	0
Failure of an embankment on the highway	0	0	600	500	100	0
Emergency maintenance (road traffic accidents; water bursts, etc.)	63	63	73	10	0	0
Highways (roads and footways) urgent repairs following flooding and freezing and disposal of Tar bound material	1,121	1,121	1,321	150	50	0
Winter maintenance (bad weather)	143	183	300	0	117	0
Loss against Mere oak park and ride - contract with Reading	0	111	131	10	10	0
Third party income (accident damage without ability to recover the costs)	(35)	(31)	(21)	5	5	0
Bus shelter sponsorship income	(17)	(17)	0	0	10	7
County Archives - shared agreement	142	142	152	0	10	0

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2016/17 - TO INFORM THE LEVEL OF GENERAL FUND BALANCE

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

Description	Best Case	Most Likely as per Budget	Worst Case	Relative Risk		
	£'000	£'000	£'000	Low £'000	Medium £'000	High £'000
New savings target for car parks weekend and evening charges	(137)	(137)	(87)	0	50	0
Fees relating to checking developer works – inability to secure full income	(192)	(192)	(142)	50	0	0
Loss of car parking income due to town centre regeneration - general disruption and contract negotiation	(1,024)	(1,024)	(924)	30	70	0
TOTAL Environment	(2,126)	(2,055)	475	1,401	797	332
Finance & Resources						
Failure to achieve targeted procurement savings across the council	(150)	(150)	0	0	0	150
Council-wide income growth target not realised (corporate traded services, energy, advertising & sponsorship)	(141)	(141)	0	0	0	141
Changes in local job market	0	0	40	0	0	40
Income target from property portfolio not realised	(2,300)	(2,300)	(1,700)	500	50	50
Costs due to legislation changes e.g. health and safety, fire, legionella etc.	0	0	100	50	30	20
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	100	50	40	10
Interest cost of borrowing budget - risk for SDL forward funding overspend	1,310	1,310	2,180	670	200	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	(1,281)	(1,281)	3,220	2,570	970	961
Health & Wellbeing						
Learning disability - unknown high cost placements	378	438	918	230	150	100
Mental health - unknown high cost placements	193	247	497	100	75	75
Physical disability - unknown high cost placements	188	218	278	10	25	25
Older people - increases above expected levels	479	583	1,183	150	200	250
Transfers of ordinary residence	0	0	600	300	200	100
Risk of litigation / compensation against assessment outcomes (including Deprivation of Liberty Safeguarding)	0	0	500	200	200	100
Inflationary increases in providers rates	0	200	500	50	150	100
Saving targets not being achieved	0	0	450	300	80	70
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	0	2,000	500	500	1,000
Risk of market failure	0	0	300	150	100	50
TOTAL Health & Wellbeing	638	1,086	7,226	1,990	2,280	1,870
Non-Specific						
Uninsured 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	3,987	4,738	20,479	6,755	5,173	3,813

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 2015	£11.1m
Estimated Balance 31 March 2016	£10.1m
Estimated Balance 31 March 2017	£10.2m
Estimated Balance 31 March 2018	£10.2m
Estimated Balance 31 March 2019	£10.2m

2 Policy (Criteria for Calculating Fund Requirement)

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

There is no generally applicable minimum level of reserves, although, previous guidance from the Audit Commission suggested a crude measure as 5% of net expenditure (excluding the dedicated schools grant) as a minimum. For Wokingham Borough Council, this criterion currently equates to approximately £5.6m, 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 2016/17 indicates that balances of at least £9m 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): -

- £5.5m – absolute minimum (5% net budget)
- £9m to £15.7m – ideal level (High/Medium risks)
- £15.7m – upper limit (High/Medium/Low risks)

<u>2015/16 Budget</u> <u>£'000</u>	<u>Gross Income and Expenditure</u>	<u>2016/17 Budget</u> <u>£'000</u>
	<u>Income</u>	
	General Fund	
17,135	Fees and Charges	17,134
39,206	Specific Grants (1)	43,629
1,567	Other Income	1,641
1,677	Internal Income	2,639
59,585		65,043
	Dedicated Schools Grant	
102,087	Specific Grants (2)	96,295
687	Internal Income	0
658	Plus movements from reserves	303
103,432		96,598
	Housing Revenue Account	
15,718	Fees and Charges	15,704
2	Specific Grants	1
14	Other Income	36
918	Plus movements from reserves	800
16,651		16,541
179,669	Total Income	178,181
	<u>Expenditure</u>	
	General Fund	
6,962	Chief Executive	5,543
35,021	Children's Services	35,548
42,913	Environment	49,285
19,075	Finance & Resources	19,951
83,326	Health & Wellbeing	89,195
187,297		199,523
	Dedicated Schools Grant	
13,993	Central Schools Block	14,029
89,439	Individual Schools Block	82,569
0	Less: surplus to reserves	0
103,432		96,598
	Housing Revenue Account	
16,651	Housing Revenue Account	16,541
0	Less: surplus to reserves	0
16,651		16,541
307,380	Sub Total Expenditure	312,662
	Less: depreciation (3)	21,581
15,598	Less: special items	5,358
4,111		26,939
19,709		
287,672	Total Expenditure	285,723
108,003	Net Expenditure	107,541

Notes

Note 1. Introduction of the Better Care Fund

Note 2. The DSG income and expenditure has decrease from 2015/16 due to the transfer of funding in respect of Waingels College, which became an academy during 2015/16

Note 3. Depreciation has increase by approximately £5m on highways assets due to a required change in how we value Highways Network Assets from 2016/17

HOUSING REVENUE ACCOUNT BUDGET 2016/17

	2015/16 Budget £'000	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000
INCOME				
Rents				
Dwelling Rents Note 1	(14,993)	(14,937)	(14,788)	(14,639)
Garage Rents	(204)	(217)	(219)	(222)
Commercial Rents	(5)	(5)	(5)	(5)
Total Rents	(15,202)	(15,159)	(15,012)	(14,866)
Fees & Charges				
Service Charges	(365)	(452)	(463)	(475)
Leasehold Charges	(49)	(58)	(58)	(58)
Other Charges for Services & Facilities	(80)	(43)	(44)	(44)
Interest on balances	(6)	(28)	(28)	(29)
Total Income	(15,702)	(15,740)	(15,605)	(15,472)
EXPENDITURE				
Housing Repairs	2,768	2,588	2,615	2,641
General Management	2,525	2,347	2,371	2,395
Sheltered Accommodation	655	666	672	679
Other Special Expenses	197	174	182	191
Depreciation	3,313	3,239	3,305	3,383
Revenue Contribution to Capital Note 2	3,412	2,007	1,695	1,617
Capital Finance Interest Charge	2,838	2,956	2,912	2,885
HRA Principal Repayments Note 3	912	2,564	2,564	2,564
Total Expenditure	16,620	16,541	16,316	16,355
Net Expenditure / (Income)	918	801	711	883
REVENUE ACCOUNT				
Balance at Beginning of Year	(4,110)	(3,447)	(2,646)	(1,935)
Transfer (to)/from earmarked reserve Note 4	663	801	711	883
Balances at End of Year	(3,447)	(2,646)	(1,935)	(1,052)

Note 1. The rental reduction in 2016/17 and each successive year is 1% on a cumulative basis

Note 2. A reduction in the Revenue Contribution to Capital is partly due to HRA principal repayments

Note 3. Based on the maturity of the loans taken up to fund HRA Self Financing

Note 4. The transfer from the HRA reserve each year will reduce the HRA reserve to a more usual level

BUDGET VARIABLES AND FINANCIAL RISK ANALYSIS 2016/17 - TO INFORM THE LEVEL OF THE HOUSING REVENUE ACCOUNT RESERVES

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

Description	Key Variable			Worst Case Relative Risk		
	Best	Most Likely	Worst	Low	Medium	High
	Case	as per Budget	Case			
£'000	£'000	£'000	£'000	£'000	£'000	
Health & Wellbeing (Housing Revenue Account)						
Failure of major equipment e.g. lifts, boilers etc	0	0	200	100	100	0
Climate / natural disasters - impacts on properties - cold weather issues	0	0	300	150	150	0
Bad debt provision increase due to welfare reform, increase in rent arrears as a result of the introduction of Universal Credit and other changes to the welfare system	65	0	200	0	150	50
Inability to meet customer demands as a result of the Housing and Planning Bill, awaiting outcome of pay to stay and disposal of high value voids	0	0	2,500	2,000	500	0
TOTAL Housing Revenue Account	65	0	3,200	2,250	900	50

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.

	£'000
Balance as at 31st March 2015	4,110
Estimated Balance 31st March 2016	3,447
Estimated Balance 31st March 2017	2,646
Estimated Balance 31st March 2018	1,935
Estimated Balance 31st March 2019	1,052

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 £0.83m.

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

3 Budget Risk Analysis

£0.83m - minimum (5% of gross expenditure)

£3.2m - 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.

	2015/16 Budget £'000	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000
INCOME				
Dedicated Schools Grant (Note 1)	(95,742)	(90,491)	(90,742)	(91,000)
Education Funding Agency specific grant	(4,000)	(3,191)	(2,750)	(2,500)
Pupil Premium	(3,000)	(2,613)	(2,613)	(2,613)
Total Income	(102,742)	(96,295)	(96,105)	(96,113)
EXPENDITURE				
Individual Schools Budget (ISB)	80,076	73,655	73,655	74,000
Expenditure for Education of Children under 5s in Private, voluntary/ independent settings	6,438	6,464	6,852	7,000
Pupil Premium allocated to schools	3,000	2,613	2,613	2,613
School-specific contingencies	132	340	340	340
Contingency for Growth (Note 2)	765	1,232	1,500	1,500
Early Years Contingency	229	229	229	229
Provision for pupils with SEN (including assigned resources)	2,418	2,418	2,000	1,800
Provision for pupils with SEN, provision not included above	100	20	20	20
Support for Inclusion	577	562	425	400
Fees for pupils at independent special schools & abroad	6,340	5,580	5,400	5,000
Special Educational Needs Transport	230	230	230	230
Pupil Referral Units	500	500	500	500
Behaviour Support Services	321	321	321	321
Education out of school	600	617	600	600
Support to under-performing ethnic minority groups and bilingual learners	146	146	146	146
Insurance	558	586	586	586
School admissions	281	281	281	281
Licences/subscriptions	224	339	339	339
Miscellaneous	92	92	92	92
Servicing of schools forums	4	4	4	2
Staff costs - supply cover (not sickness)	369	369	369	0
Total Expenditure	103,400	96,598	96,502	95,999
NET EXPENDITURE / (INCOME)	658	303	397	(114)
Balance Brought Forward (Note 3)	(1,382)	(800)	(497)	(100)
Budgeted Net Expenditure / (Income)	658	303	397	(114)
Forecast in-year over / (under) spend	(76)	0	0	0
Balance Carried Forward	(800)	(497)	(100)	(214)

Note 1. The fall in 16/17 reflects the conversion to Academy of a Secondary School with the funds paid direct from the Education Funding Agency

Note 2. Introduced under the 2012 Funding Reforms for the provision of funds to support pupil growth in school places anticipated across the Borough

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

The DSG shown above is the actual amount available to the council for 2016/17

The total allocation for 2016/17 is £116.8m, which includes the amounts in respect of frees schools and academies

CAPITAL PROGRAMME 2016/19 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 an estimated brought forward for the 2015-16 Capital Programme (as at December 2015). 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.

	2016/17 £'000	2017/18 £'000	2018/19 £'000
Service			
Chief Executive	10,703	24,654	18,952
Children's Services	24,649	20,765	11,654
Environment	25,995	26,948	34,822
Finance & Resources	9,305	6,742	7,469
Health & Wellbeing including Housing	14,005	18,630	18,450
Total new bids	84,657	97,739	91,347
	2015/16 £'000		
Estimated bought forward 2015/16			
Chief Executive	14,583		
Children's Services	12,880		
Environment	6,664		
Health & Wellbeing including Housing	1,798		
Finance & Resources	20,095		
Total estimated bought forwards	56,020		
Total Programme	140,677		

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 2016/17 is £140.7m. It is proposed that this be funded by a combination of grants (£16.1m), developer's contributions (£34.0m), capital receipts from sale of

assets and reserves (£5.0m), revenue contributions (£1.3m), borrowing (£74.3m) and the Housing Revenue Account contributing towards housing schemes (£10.0m).

4 Capital Vision

Capital Strategy

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

To finance the capital strategy a funding approach has been developed involving asset disposals, the flexible use of future Section 106 contributions and the leveraging in of external funding where possible.

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 2015/16 to 2018/19 are set as:

	2015/16 Revised	2016/17 Estimated	2017/18 Estimated	2018/19 Estimated
Capital Expenditure £'000	£48,328	£140,677	£97,739	£91,347
Capital Financing Requirement £'000	£207,273	£273,286	£320,661	£351,454
Authorised Limit for external Debt £'000	£225,000	£268,000	£310,000	£341,000
Operational Boundary For external debt £'000	£212,000	£226,000	£262,000	£288,000
Ratio of financing costs to net revenue stream - Non HRA	3.45%	4.55%	5.39%	6.08%
Ratio of financing costs to net revenue stream - HRA	18.16%	18.74%	18.62%	18.60%
Incremental impact of capital investment decisions on Band D Council Tax £,p	29	38	39	41

The Treasury Management Prudential Indicators are set as:

Interest Rate Exposures	2015/16 Budget £'000	2016/17 Budget £'000	2017/18 Budget £'000	2018/19 Budget £'000
Limits on fixed interest rates:				
· Debt only	212,000	268,000	310,000	341,000
· Investments only	(80,000)	(80,000)	(80,000)	(80,000)
Total	132,000	188,000	230,000	261,000
Limits on variable interest rates				
· Debt only	40,000	40,000	40,000	40,000
· Investments only	(40,000)	(40,000)	(40,000)	(40,000)
Total				

Maturity Structure of Fixed Interest Rate Borrowing

**Maturity structure of fixed interest rate borrowing
2015/16 as at 31-03-2016**

Under 12 months	6.45%
1 to 2 years	3.23%
3 to 5 years	6.45%
6 to 10 years	22.58%
10 years and above	61.29%

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive									
Strategic acquisition sites									
Strategic purchase of sites in relation to town centre regeneration	0	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	10,703	21,654	18,952	10,703	21,654	18,952
Total New Budget	0	0	0	10,703	24,654	18,952	10,703	24,654	18,952
Town centre development including Peach Place and Carnival Pool area									
	0	0	0	14,583	0	0	14,583	0	0
Total Carried forward from 2015/16	0	0	0	14,583	0	0	14,583	0	0
Total Chief Executive	0	0	0	25,286	24,654	18,952	25,286	24,654	18,952
Children's Services									
Basic needs primary - additional places									
Extension/new build projects to provide additional places throughout the Borough to meet need	2,715	5,612	9,500	0	0	0	2,715	5,612	9,500
Basic needs secondary - additional places									
Extension/new build projects to provide additional places throughout the Borough to meet need	18,402	11,146	372	0	0	0	18,402	11,146	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	75	75	75	0	0	0	75	75	75
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	0	0	0	20	20	20	20	20	20
Schools access									
To improve school facilities to enable full integration of pupils and adults with disabilities	50	50	50	0	0	0	50	50	50
School kitchens									
To improve various school meals kitchens throughout the Borough including delivery of the universal free school meal programme	150	150	150	0	0	0	150	150	150
Schools led enhancement									
Specific government grant to carry out capital works, controlled by schools	412	412	412	0	0	0	412	412	412
Schools urgent maintenance									
Urgent capital planned improvements and suitability issues	650	700	700	0	0	0	650	700	700
Secondary improvement programme									
To improve standards of learning in Secondary provision	0	0	0	1,000	0	0	1,000	0	0
Special education needs									
Capital investment required to reconfigure Primary and Secondary special education needs provision to best meet needs	225	2,600	375	0	0	0	225	2,600	375
Young person supported accommodation - new build									
To increase the range of accommodation options to deliver our corporate parenting responsibility and helping to support young people towards independence	950	0	0	0	0	0	950	0	0
Total New Budget	23,629	20,745	11,634	1,020	20	20	24,649	20,765	11,654

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Basic needs primary - additional places	3,571	0	0	0	0	0	3,571	0	0
Basic needs secondary - additional places	3,982	0	0	0	0	0	3,982	0	0
Children, young people, families - other	0	0	0	125	0	0	125	0	0
School kitchens	0	0	0	0	0	0	0	0	0
Schools access	75	0	0	0	0	0	75	0	0
Schools led enhancement	565	0	0	0	0	0	565	0	0
Schools urgent maintenance	49	0	0	0	0	0	49	0	0
Secondary improvement programme	1,933	0	0	0	0	0	1,933	0	0
Special education needs	2,580	0	0	0	0	0	2,580	0	0
Total carried forward from 2015/16	12,755	0	0	125	0	0	12,880	0	0
Total Children's Services	36,384	20,745	11,634	1,145	20	20	37,529	20,765	11,654
Environment									
Arborfield cross relief road									
Design and implementation of the new road	0	0	0	870	500	10,800	870	500	10,800
Bridge strengthening									
To maintain Wokingham Borough Council's bridges in such condition that they remain safe for highway users and available for use by traffic permitted to use them	670	500	500	0	0	0	670	500	500
Car park entry/exit barriers - feasibility									
To investigate the feasibility and determine the cost benefits of installing entry/exit barriers and associated payment systems in off street car parks	0	0	0	250	0	0	250	0	0
Civil parking enforcement									
The council taking on the responsibility of enforcing on-street parking restrictions	0	0	0	135	0	0	135	0	0
Country park capital investment programme									
Investment in the Borough's country parks	0	0	0	800	900	1,400	800	900	1,400
Full northern relief road (Wokingham)									
Design and implementation of the new road	0	0	0	620	600	2,050	620	600	2,050
Greenways									
A network of quiet commuting and leisure routes for pedestrians and cyclists	0	0	0	50	1,000	1,000	50	1,000	1,000
Highway drainage schemes									
To arrest the overall degradation of the highway drainage network which suffers from 'silting up', breakages, tree root damage, inadequate size and increased loading	200	200	200	0	0	0	200	200	200
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	0	1,000	2,000	0	0	0	0	1,000	2,000
Highways carriageways structural maintenance									
Resurfacing of carriageways to improve highway safety	2,400	2,400	2,400	0	0	0	2,400	2,400	2,400
Highways footway structural maintenance programme									
Resurfacing of footways to improve their condition and increase surface water run-off thereby improving pedestrian safety	0	0	0	100	100	100	100	100	100
Integrated transport schemes									
Providing facilities to ensure that the public are safe on the Borough's roads	300	400	400	0	0	0	300	400	400
Land acquisition for major road schemes									
Opportunity to purchase land for strategic purposes	0	0	0	0	2,000	2,000	0	2,000	2,000

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'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	1,825	1,825	270	0	0	0	1,825	1,825	270
London Road landfill reparation To support the monitoring and any resultant work on the London Road Landfill Site	60	60	60	0	0	0	60	60	60
New allotments/enhancements To provide new allotment facilities and/or enhancement of facilities at existing allotment in the Borough.	0	0	0	0	138	0	0	138	0
Nine Mile Ride extension To progress the design of the new road to detailed design and construction, and to include all feasibility work up to and including planning application submission	0	0	0	750	3,000	0	750	3,000	0
Park and ride schemes Investment in park and ride schemes across the Borough	0	0	0	50	700	0	50	700	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	10	0	0	0	0	10	10	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	0	0	0	0	25	125	0	25	125
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	0	0	65	0	992	65	0	992
Ryeish Green sports hub Enhancement and additional facilities at the site	0	0	0	2,000	0	0	2,000	0	0
Safe route to Arborfield school To progress the design and construction, and to include all feasibility work	1,950	0	0	0	0	0	1,950	0	0
Safety/crash barriers Improving safety/crash barriers on the highway to reduce the risk of injury to road users	0	0	0	750	50	750	750	50	750
Shinfield eastern relief road To progress the design of the new road to detailed design and construction, and to include all feasibility work up to and including planning application submission	0	0	0	6,159	4,286	5,621	6,159	4,286	5,621
South Wokingham distributor road Design and implementation of the new road	0	0	0	1,150	2,270	1,000	1,150	2,270	1,000
Southlake dam crest reparation To mitigate the risk of a breach to the dam	35	10	5	0	0	0	35	10	5
Sports provision across the borough - (excludes Bulmershe leisure centre) Investment in the Borough's sport provision	0	0	0	0	100	500	0	100	500
Station link Road phase 2 The continuation of the station link road scheme	0	0	0	25	475	0	25	475	0
Street lighting column structural testing Annual testing to determine rate of deterioration of column structural stability	40	40	40	0	0	0	40	40	40
Strengthening approach embankments to bridges To repair major damage caused by deterioration, vehicle impact and where appropriate to meet the changing demands of users	20	20	20	0	0	0	20	20	20
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	122	0	0	122	0	0

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Environment continued									
Town centre improvements Working with Wokingham town council on improving the Wokingham town market place	0	0	0	2,500	0	0	2,500	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	250	250	250	0	0	0	250	250	250
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	89	89	89	0	0	0	89	89	89
Winnersh relief road phase 2 Design and implementation of the new road	0	0	0	750	3,000	1,250	750	3,000	1,250
Wokingham borough cycle network Investment in current/future cycle networks in the Borough	0	0	0	1,000	1,000	1,000	1,000	1,000	1,000
Total New Budget	7,849	6,804	6,234	18,146	20,144	28,588	25,995	26,948	34,822
Crash barrier	1,521	0	0	0	0	0	1,521	0	0
Drainage	136	0	0	0	0	0	136	0	0
Economic sustainability	115	0	0	0	0	0	115	0	0
Environment - other	464	0	0	0	0	0	464	0	0
Highways structures	29	0	0	0	0	0	29	0	0
Integrated transport	479	0	0	0	0	0	479	0	0
Street lighting	3,920	0	0	0	0	0	3,920	0	0
Total carried forward from 2015/16	6,664	0	0	0	0	0	6,664	0	0
Total Environment	14,513	6,804	6,234	18,146	20,144	28,588	32,659	26,948	34,822

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Finance & Resources									
Affordable housing future schemes	0	0	0	8,193	5,842	4,557	8,193	5,842	4,557
Commercial portfolio - improvement to industrial units To ensure commercial properties are suitable for letting	0	0	0	40	150	150	40	150	150
Customer programme To provide online booking facilities to residents and to integrate with line of business systems	0	0	0	270	0	0	270	0	0
IT hardware replacement To replace unreliable/out of warranty components	0	0	0	100	100	0	100	100	0
Laptop refresh Refresh the councils laptop estate on a 4 year life cycle	0	0	0	350	0	0	350	0	0
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	170	350	350	0	0	0	170	350	350
Repayment of forward funded schemes loans Allocation of developers contributions to completed schemes which were forward funded	0	0	0	0	0	2,112	0	0	2,112
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	0	300	300	0	300	300
Technology futures programme 2016/17 Continue the implementation of new technologies to support the efficient functioning of the council	0	0	0	105	0	0	105	0	0
Web resource - customer programme, self service and web improvement This project is to continue to redesign and improve the website, supporting improvements to residents and customers on line particularly around self service	0	0	0	77	0	0	77	0	0
Total New Budget	170	350	350	9,135	6,392	7,119	9,305	6,742	7,469
Finance - other	90	0	0	0	0	0	90	0	0
Property - other	32	0	0	0	0	0	32	0	0
Strategic assets - other	543	0	0	0	0	0	543	0	0
Strategic capital reserve	1,133	0	0	0	0	0	1,133	0	0
Total carried forward from 2015/16	1,798	0	0	0	0	0	1,798	0	0
Total Finance & Resources	1,968	350	350	9,135	6,392	7,119	11,103	6,742	7,469

CAPITAL SERVICE BUDGETS

	Statutory Capital Programme			Service Development Capital Programme			Total		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Health & Wellbeing									
Bulmershe swimming pool/leisure centre									
New build of leisure facilities in the Woodley area	0	0	0	0	6,000	4,700	0	6,000	4,700
Renovation of Bulmershe leisure centre - including additional health and fitness gym									
Renovation of Bulmershe leisure centre (including additional health and fitness gym) *subject to bid above*	0	0	0	0	1,000	1,000	0	1,000	1,000
Connected care									
Integration of health and social care ICT systems	0	100	100	0	0	0	0	100	100
Day services for adults with physical disability									
Feasibility into the provision of day services for adults with physical disability	50	0	1,320	0	0	0	50	0	1,320
HRA - Tape Lane									
Year 2 of redevelopment of the site with new properties for the HRA housing stock	0	0	0	1,500	0	0	1,500	0	0
Investment in the council's housing stock (Inc. adaptations/estate improvements)									
Investment programme to provide council housing stock which meets the government's decent homes standard	5,050	5,000	5,000	0	0	0	5,050	5,000	5,000
Investment in Wokingham Housing Loan									
	0	0	0	6,810	6,200	6,000	6,810	6,200	6,000
Mandatory disabled facility grants									
Mandatory means tested grants for adapting the homes of people with disabilities to enable them to live independently at home	330	330	330	0	0	0	330	330	330
Online carers self screening form									
Online self assessment tool kit	15	0	0	0	0	0	15	0	0
Temporary accommodation									
Second year of a scheme to provide additional council owned temporary accommodation for the homeless and those in housing crisis	250	0	0	0	0	0	250	0	0
Total New Budget	5,695	5,430	6,750	8,310	13,200	11,700	14,005	18,630	18,450
Mandatory disabled facility grants	177	0	0	0	0	0	177	0	0
Strategic commissioning - Health & Wellbeing	300	0	0	0	0	0	300	0	0
Supported living accommodation	1,215	0	0	0	0	0	1,215	0	0
Temporary accommodation	500	0	0	0	0	0	500	0	0
Tenant services housing repairs & adaptations for disabled	1,971	0	0	0	0	0	1,971	0	0
Wokingham Housing	15,932	0	0	0	0	0	15,932	0	0
Total carried forward from 2015/16	20,095	0	0	0	0	0	20,095	0	0
Total Health & Wellbeing	25,790	5,430	6,750	8,310	13,200	11,700	34,100	18,630	18,450
Total council services	78,655	33,329	24,968	62,022	64,410	66,379	140,676	97,739	91,347

Note: The deficit in years 2017/18 and 2018/19 will be addressed through a combination of maximising resources, prioritising and modifying schemes

ESTIMATED CAPITAL RESOURCES STATEMENT

	Note	Ring Fenced Funding			Non - Ring fenced Funding			Total		
		2016/17 £'000	2017/18 £'000	2018/19 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Proposed Capital Programme - excluding carried forwards		69,488	70,593	63,017	15,169	27,146	28,330	84,657	97,739	91,347
Adult personal social services grant		224	224	224	0	0	0	224	224	224
Affordable housing commuted sums (off-site)		8,193	5,842	4,557	0	0	0	8,193	5,842	4,557
Attributable debt on sales		1,250	0	0	0	0	0	1,250	0	0
Basic need grant		0	0	0	2,182	7,226	1,200	2,182	7,226	1,200
Borrowing (forward funding)		20,138	16,802	13,000	0	0	0	20,138	16,802	13,000
Borrowing (standard allocation)		0	0	0	3,150	3,300	3,400	3,150	3,300	3,400
Borrowing (Wokingham Housing)		6,810	6,200	6,000	0	0	0	6,810	6,200	6,000
Borrowing (Wokingham town centre regeneration)		10,703	24,684	15,202	0	0	0	10,703	24,684	15,202
Capital maintenance grant		0	0	0	2,295	2,295	2,295	2,295	2,295	2,295
Capital receipts (non Wokingham town centre regeneration)	1	0	0	0	150	150	150	150	150	150
Capital receipts - Peach Place redevelopment	2	0	0	3,800	0	0	0	0	0	3,800
Corporate revenue contribution to capital		0	0	0	750	750	750	750	750	750
Developers contributions (community infrastructure levy)		0	171	1,110	1,172	2,135	1,917	1,172	2,306	3,027
Developers contributions (section 106)		12,197	9,433	13,442	0	0	0	12,197	9,433	13,442
Devolved formula capital	3	412	412	412	0	0	0	412	412	412
Disabled facilities grant		0	0	0	341	341	341	341	341	341
Local transport plan direct grant		0	0	0	735	735	735	735	735	735
Local transport plan direct grant - capital maintenance grant		0	0	0	2,434	2,360	2,136	2,434	2,360	2,136
Major repairs reserve		5,050	5,000	5,000	0	0	0	5,050	5,000	5,000
Reserves		0	0	0	2,000	0	0	2,000	0	0
Right to buy receipts	1	1,500	0	0	0	0	0	1,500	0	0
Street lighting loan		1,825	1,825	270	0	0	0	1,825	1,825	270
Super fast broadband		37	0	0	0	0	0	37	0	0
Town Centre improvements		1,149	0	0	0	0	0	1,149	0	0
Total Capital Reserves		69,488	70,593	63,017	15,209	19,292	12,924	84,697	89,885	75,941

In Year Surplus (-) / Deficit(+) (40) 7,854 15,406

Cumulative Surplus (-) / Deficit(+) (40) 7,814 23,220

ESTIMATED CAPITAL RESOURCES STATEMENT

	Note	Ring Fenced Funding			Non - Ring fenced Funding			Total		
		2016/17 £'000	2017/18 £'000	2018/19 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Estimated Capital Budgets carried forward from 15/16										
Section 106/community infrastructure levy		12,425	0	0	0	0	0	12,425	0	0
Grants and Contributions		11,705	0	0	0	0	0	11,705	0	0
Borrowing		30,477	0	0	0	0	0	30,477	0	0
Reserves and capital receipts		1,413	0	0	0	0	0	1,413	0	0
		56,020	0	0	0	0	0	56,019	0	0
	Note	2016/17 £'000	2017/18 £'000	2018/19 £'000						
Proposed capital programme (excluding carried forwards)		84,657	97,739	91,347						
Estimated capital budgets carried forwards from 15/16		56,020	0	0						
Total Capital Programme		140,677	97,739	91,347						
Ring fenced funding		125,508	70,593	63,017						
Non - ring fenced funding		15,209	19,292	12,924						
Total Funding		140,717	89,885	75,941						
In Year Surplus () / Deficit(+)		(40)	7,854	15,406						
Cumulative Surplus () / Deficit(+)		(40)	7,814	23,220						
Movement on Capital Reserves										
Opening balance (including capital grants)		2,030	40	0						
Estimate of capital receipts from sale of assets	2	150	150	3,950						
Capital reserves/receipts used to fund capital programme		(2,140)	(190)	(3,950)						
Closing Balance		40	0	0						

Notes

All grants for 16-17 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

The deficits in 17/18 and 18/19 will be addressed in future years' service planning and budget setting process. This will include a combination of seeking additional capital resources, re-profiling schemes across years and curtailing them where necessary

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 is 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 2016	7.2
Estimated Uncommitted Balance 31 March 2017	2.3
Estimated Uncommitted Balance 31 March 2018	1.9
Estimated Uncommitted Balance 31 March 2019	1.9

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

2016/17 bids include carried forwards from 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 to 2025/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Anticipated Capital Schemes							
Chief Executive							
Strategic acquisition sites	0	3,000	0	0	0	0	3,000
Town centre development including Peach Place and Carnival pool area	25,286	21,654	18,952	27,493	0	0	93,385
Total Chief Executive	25,286	24,654	18,952	27,493	0	0	96,385
Children's Services							
Basic needs primary - additional places	6,286	5,612	9,500	9,939	7,283	7,316	45,936
Basic needs secondary - additional places	22,384	11,146	372	372	1,340	4,840	40,454
Enhancing provision for children and young people with disabilities	200	75	75	75	75	375	875
ICT equipment for children in care	20	20	20	20	20	100	200
Schools access	125	50	50	50	50	250	575
Schools kitchens	150	150	150	150	150	750	1,500
Schools led enhancement	977	412	412	412	412	2,060	4,685
Schools urgent maintenance	699	700	700	700	700	3,500	6,999
Secondary Improvement Programme	2,933	0	0	0	0	0	2,933
Special education needs	2,805	2,600	375	0	0	0	5,780
Young person supported new build	950	0	0	0	0	0	950
Total Children's Services	37,529	20,765	11,654	11,718	10,030	19,191	110,887

10-YEAR CAPITAL VISION

2016/17 bids include carried forwards from 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 to 2025/26	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Environment							
Arborfield Cross relief road	870	500	10,800	13,000	2,900	0	28,070
Bridge strengthening	699	500	500	500	500	2,500	5,199
Car park entry/exit barriers	250	0	0	0	0	0	250
Civil parking enforcement	135	0	0	0	0	0	135
Country park capital investment programme	800	900	1,400	0	0	0	3,100
Environment - various small schemes carry forward from 2015/16	579	0	0	0	0	0	579
Full northern relief road (Wokingham)	620	600	2,050	7,000	8,000	0	18,270
Future road building/enhancements across the Borough	750	3,000	1,250	1,600	0	0	6,600
Greenways	50	1,000	1,000	1,000	1,000	5,000	9,050
Highway drainage schemes	336	200	200	200	200	1,000	2,136
Highway infrastructure flood alleviation schemes	0	1,000	2,000	0	0	0	3,000
Highways carriageways structural maintenance	2,400	2,400	2,400	2,400	2,400	12,000	24,000
Highways footway structural maintenance programme	100	100	100	100	100	500	1,000
Integrated transport schemes	300	400	400	400	400	2,000	3,900
Land acquisition for major road schemes	479	2,000	2,000	2,000	0	0	6,479
LED streetlight replacement programme	5,745	1,825	270	0	0	0	7,840
London Road landfill reparation	60	60	60	60	60	300	600
New allotments to serve non SDL development	0	138	0	0	138	0	276
Nine Mile Ride extension	750	3,000	0	0	0	0	3,750
Park and ride schemes	50	700	0	0	1,214	0	1,964
Provision and installation of air quality monitoring equipment	10	10	0	0	0	0	20
Public rights of way network	0	25	125	200	200	200	750
Public transport network	65	0	992	1,262	1,003	4,468	7,790
Ryeish Green sports hub	2,000	0	0	0	0	0	2,000
Safe route to Arborfield School	1,950	0	0	0	0	0	1,950
Safety/crash barriers	2,271	50	750	750	750	3,750	8,321
Shinfield eastern relief road	6,159	4,286	5,621	5,234	2,397	10,885	34,582
South Wokingham distributor road	1,150	2,270	1,000	14,000	14,000	0	32,420
South Wokingham railway crossings (foot and cycle)	0	0	0	0	0	6,000	6,000
Southlake dam crest reparation	35	10	5	0	0	0	50
Sports provision across the Borough (excludes Bulmershe leisure centre)	0	100	500	4,000	0	2,000	6,600
Station link road	25	475	0	0	0	0	500
Street lighting column structural testing	40	40	40	40	40	200	400
Strengthening approach embankments to bridges	20	20	20	1,500	950	1,030	3,540
Super fast broadband	122	0	0	0	0	0	122
Town centre improvements	2,500	0	0	0	0	0	2,500
Traffic signal upgrade programme	250	250	250	250	250	1,250	2,500

10-YEAR CAPITAL VISION

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 to 2025/26	Total
2016/17 bids include carried forwards from 2015/16	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Environment continued							
Waste schemes	89	89	89	89	89	445	890
Wokingham Borough cycle network	1,000	1,000	1,000	1,000	1,000	5,000	10,000
Total Environment	32,659	26,948	34,822	56,585	37,591	58,528	247,133
Finance & Resources							
Affordable housing future schemes	8,193	5,842	4,557	11,087	20,175	0	49,854
Commercial portfolio - improvement to industrial units	40	150	150	150	150	750	1,390
Customer programme	270	0	0	0	0	0	270
Finance & resources - various small schemes carry forward from 2015/16	665	0	0	0	0	0	665
Information technology (IT) hardware replacement	100	100	0	0	0	0	200
Laptop refresh	350	0	0	0	350	0	700
Property maintenance and compliance	170	350	350	350	350	1,750	3,320
Repayment of forward funded schemes loans	0	0	2,112	4,007	15,576	53,498	75,193
Strategic capital reserve	1,133	0	0	0	0	0	1,133
Support services energy reduction schemes	0	300	300	300	300	1,500	2,700
Technology futures programme	105	0	0	0	0	0	105
Web resource - customer programme, self serve and web improvement	77	0	0	0	0	0	77
Total Finance & Resources	11,103	6,742	7,469	15,894	36,901	57,498	135,607

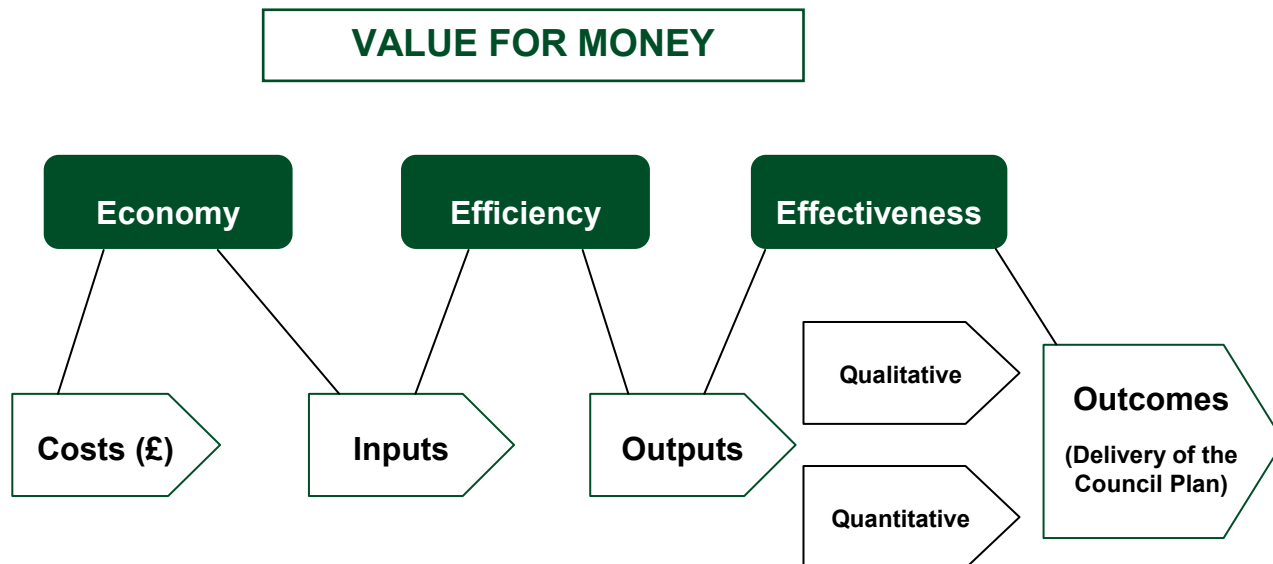
10-YEAR CAPITAL VISION

2016/17 bids include carried forwards from 2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 to	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Health & Wellbeing including Housing							
Bulmershe swimming pool/leisure centre	0	7,000	5,700	0	0	0	12,700
Day services for adults with physical disability	50	0	1,320	0	0	0	1,370
HRA - Tape Lane	1,500	0	0	0	0	0	1,500
Investment in the council's housing stock (Inc. adaptations/ estate improvements)	20,982	5,000	5,000	4,838	3,990	19,568	59,378
Investment in Wokingham Housing loan	8,781	6,200	6,000	7,590	0	0	28,571
Leisure investment in the Borough	0	0	0	4,000	3,000	0	7,000
Mandatory disabled facility grants	507	330	330	330	330	1,650	3,477
New assessment/resource allocation module linked to Frameworki	0	100	100	100	100	500	900
Online carers self screening form	15	0	0	0	0	0	15
Strategic commissioning - Health & Wellbeing	300	0	0	0	0	0	300
Supported living accommodation	1,215	0	0	0	0	0	1,215
Temporary accommodation	750	0	0	0	0	0	750
Total Health & Wellbeing including Housing	34,100	18,630	18,450	16,858	7,420	21,718	117,176
Total council services budget	140,677	97,739	91,347	128,548	91,942	156,935	707,188

Note: The deficit in years 2017/18 and 2018/19 will be addressed through a combination of maximising resources, prioritising and modifying schemes
The 10 year Capital vision for 2016/17 is used to set the capital programme for 2016/17

VALUE FOR MONEY

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



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

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

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

KEY ACTIVITY DATA

	Unit Description	2016/17 Units	Ave Price £	Total £'000	Units	2017/18 Ave Price £	Total £'000	Units	2018/19 Ave Price	Total £'000	Risk Indicator	
Children's Services												
	Foster Placement Allowances Independent Foster Placements	weeks	1,058	847	896	1,079	850	917	976	851	831	High
	Residential Care	weeks	830	2,558	2,123	700	2,719	1,903	673	2,854	1,921	High
Health & Wellbeing												
	Learning Disability, Residential Care	weeks	5,315	1,489	7,914	5,315	1,489	7,914	5,315	1,489	7,914	High
	Learning Disability, Supported Living	weeks	8,222	857	7,046	8,688	857	7,446	9,155	857	7,846	High
	Mental Health, Residential Care	weeks	196	1,429	280	196	1,429	280	196	1,429	280	Medium
	Older People, Homecare	hours	267,412	17	4,546	305,647	17	5,196	343,882	17	5,846	High
	Older People, Nursing Care	weeks	6,252	761	4,758	6,515	761	4,958	6,647	761	5,058	Medium
	Older People, Residential Care	weeks	5,805	672	3,901	6,103	672	4,101	6,400	672	4,301	Medium
	Physical Disability, Homecare	hours	55,282	39	2,156	61,692	39	2,406	68,103	39	2,656	High
	Physical Disability, Residential Care	weeks	366	770	282	366	770	282	366	770	282	Medium
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)	charge per tonne	79,000	129	10,191	80,000	132	10,560	81,000	135	10,935	Medium
	Building Control - Inspection fee	per application	17,200	44	757	17,200	46	791	17,200	48	826	Low
	Building Control - Plan check fee	per application	1,792	338	606	1,792	353	633	1,792	369	661	Low
	Building Control - Regularisation	per application	130	576	75	130	601	78	130	626	81	Low
	Development Control - Planning Application Fees - Major	per application	25	10,350	259	20	5,000	100	20	5,000	100	High
	Development Control - Planning Application Fees - Minor	per application	1,671	203	339	1,671	203	339	1,671	203	339	Medium
Finance and Resources												
	Free Bus Pass	per pass	25,700	35	899	26,200	35	917	26,700	35	934	High
	Investment Returns - includes day to day cash flow	% of return	£73m	0.48%	(350)	£67.5m	0.52%	(351)	£60.5m	0.58%	(351)	High
	Land Searches	per search	2,200	107	235	2,200	107	235	2,200	107	235	High
Schools Block - Dedicated Schools Grant												
	Independent Special School Placements	per pupil	107	52,210	5,580	104	52,046	5,400	96	52,046	5,000	High

Note - Building Control units based on 2 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 value of fixed grant made available by Government towards funding the localised council tax reduction scheme.

The resulting figure is the Band D equivalent Tax base.

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 2015/16, and 2016/17 are set out below:

Precept	2015/16 £	Band D £	2016/17 £	Band D £	Increase %
Police and Crime Commissioner for Thames Valley	10,666,234	163.70	11,019,594	166.96	1.99
Royal Berkshire Fire Authority	3,952,436	60.66	4,043,906	61.27	1.0

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 aims to achieve a surplus of £118,010, therefore the distribution of the surplus between the precepting authorities is:-

Wokingham Borough Council – £100,000

Police and Crime Commissioner for Thames Valley – £13,140

Royal Berkshire Fire Authority - £4,870

PARISH PRECEPTS 2016/17

PARISH	TAX BASE	2015/16	COUNCIL TAX	TAX BASE	2016/17	COUNCIL TAX
		PARISH PRECEPT £	BAND D £		PARISH PRECEPT £	BAND D £
Arborfield & Newland	1,259.5	86,280	68.50	1,260.00	87,866	69.73
Barkham	1,440.1	38,342	26.62	1,440.60	42,342	29.39
Charvil	1,392.4	39,451	28.33	1,399.60	39,655	28.33
Earley	11,671.1	747,387	64.04	11,704.00	778,784	66.54
Finchampstead	5,653.7	122,410	21.65	5,665.30	123,848	21.86
Remenham	317.5	21,420	67.46	317.50	22,250	70.08
Ruscombe	495.6	9,766	19.71	497.90	10,266	20.62
St. Nicholas Hurst	1,039.6	22,500	21.64	1,044.20	25,035	23.98
Shinfield	4,621.2	277,919	60.14	4,780.70	316,950	66.30
Sonning	805.9	34,400	42.69	806.90	34,700	43.00
Swallowfield	957.0	18,540	19.37	995.10	19,108	19.20
Twyford	2,944.0	58,598	19.90	2,961.50	67,798	22.89
Wargrave	2,078.7	154,937	74.54	2,085.00	161,465	77.44
Winnersh	3,800.7	107,801	28.36	3,801.30	107,801	28.36
Wokingham Town	14,042.0	665,195	47.37	14,294.60	710,990	49.74
Wokingham Without	3,073.3	143,925	46.83	3,107.10	145,415	46.80
Woodley	9,564.9	1,010,532	105.65	9,840.10	1,039,607	105.65
TOTAL	65,157.2	3,559,403	54.63	66,001.4	3,733,880	56.57

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COUNCIL TAX BY BAND AND PARISH 2016/17

Band	A £	B £	C £	D £	E £	F £	G £	H £
Average Council Tax	1,053.40	1,228.97	1,404.54	1,580.11	1,931.24	2,282.37	2,633.51	3,160.23
WBC total precept plus average Parish	901.25	1,051.46	1,201.67	1,351.88	1,652.30	1,952.72	2,253.13	2,703.76
Average Parish	37.71	44.00	50.28	56.57	69.14	81.71	94.28	113.15
Police Authority	111.31	129.86	148.41	166.96	204.06	241.16	278.27	333.92
Fire Authority	40.84	47.65	54.46	61.27	74.88	88.50	102.11	122.54
Adult Social Care Precept	16.61	19.38	22.15	24.92	30.46	36.00	41.53	49.84
Wokingham Borough Council excluding ASC precept	846.93	988.08	1,129.24	1,270.39	1,552.70	1,835.00	2,117.32	2,540.78
Wokingham Borough Council total precept	863.54	1,007.46	1,151.39	1,295.31	1,583.16	1,871.00	2,158.85	2,590.62

Band	A £	B £	C £	D £	E £	F £	G £	H £
Parish Precepts								
Arborfield & Newland	46.49	54.23	61.98	69.73	85.23	100.72	116.22	139.46
Barkham	19.59	22.86	26.12	29.39	35.92	42.45	48.98	58.78
Charvil	18.89	22.03	25.18	28.33	34.63	40.92	47.22	56.66
Earley	44.36	51.75	59.15	66.54	81.33	96.11	110.90	133.08
Finchampstead	14.57	17.00	19.43	21.86	26.72	31.58	36.43	43.72
Remenham	46.72	54.51	62.29	70.08	85.65	101.23	116.80	140.16
Ruscombe	13.75	16.04	18.33	20.62	25.20	29.78	34.37	41.24
St. Nicholas Hurst	15.99	18.65	21.32	23.98	29.31	34.64	39.97	47.96
Shinfield	44.20	51.57	58.93	66.30	81.03	95.77	110.50	132.60
Sonning	28.67	33.44	38.22	43.00	52.56	62.11	71.67	86.00
Swallowfield	12.80	14.93	17.07	19.20	23.47	27.73	32.00	38.40
Twyford	15.26	17.80	20.35	22.89	27.98	33.06	38.15	45.78
Wargrave	51.63	60.23	68.84	77.44	94.65	111.86	129.07	154.88
Winnersh	18.91	22.06	25.21	28.36	34.66	40.96	47.27	56.72
Wokingham Town	33.16	38.69	44.21	49.74	60.79	71.85	82.90	99.48
Wokingham Without	31.20	36.40	41.60	46.80	57.20	67.60	78.00	93.60
Woodley	70.43	82.17	93.91	105.65	129.13	152.61	176.08	211.30

Band	A £	B £	C £	D £	E £	F £	G £	H £
All Precepts								
Arborfield & Newland	1,062.18	1,239.20	1,416.24	1,593.27	1,947.33	2,301.38	2,655.45	3,186.54
Barkham	1,035.28	1,207.83	1,380.38	1,552.93	1,898.02	2,243.11	2,588.21	3,105.86
Charvil	1,034.58	1,207.00	1,379.44	1,551.87	1,896.73	2,241.58	2,586.45	3,103.74
Earley	1,060.05	1,236.72	1,413.41	1,590.08	1,943.43	2,296.77	2,650.13	3,180.16
Finchampstead	1,030.26	1,201.97	1,373.69	1,545.40	1,888.82	2,232.24	2,575.66	3,090.80
Remenham	1,062.41	1,239.48	1,416.55	1,593.62	1,947.75	2,301.89	2,656.03	3,187.24
Ruscombe	1,029.44	1,201.01	1,372.59	1,544.16	1,887.30	2,230.44	2,573.60	3,088.32
St. Nicholas Hurst	1,031.68	1,203.62	1,375.58	1,547.52	1,891.41	2,235.30	2,579.20	3,095.04
Shinfield	1,059.89	1,236.54	1,413.19	1,589.84	1,943.13	2,296.43	2,649.73	3,179.68
Sonning	1,044.36	1,218.41	1,392.48	1,566.54	1,914.66	2,262.77	2,610.90	3,133.08
Swallowfield	1,028.49	1,199.90	1,371.33	1,542.74	1,885.57	2,228.39	2,571.23	3,085.48
Twyford	1,030.95	1,202.77	1,374.61	1,546.43	1,890.08	2,233.72	2,577.38	3,092.86
Wargrave	1,067.32	1,245.20	1,423.10	1,600.98	1,956.75	2,312.52	2,668.30	3,201.96
Winnersh	1,034.60	1,207.03	1,379.47	1,551.90	1,896.76	2,241.62	2,586.50	3,103.80
Wokingham Town	1,048.85	1,223.66	1,398.47	1,573.28	1,922.89	2,272.51	2,622.13	3,146.56
Wokingham Without	1,046.89	1,221.37	1,395.86	1,570.34	1,919.30	2,268.26	2,617.23	3,140.68
Woodley	1,086.12	1,267.14	1,448.17	1,629.19	1,991.23	2,353.27	2,715.31	3,258.38

BUDGET MANAGEMENT PROTOCOL

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

Roles & Responsibilities:

Budget Manager

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

- Signing annual resources statements for all budgets under their remit
- Ensuring there is sufficient budget approved for the level of service agreed
- Ensuring a budget monitoring system is in place to properly monitor and forecast service expenditure/income for the year
- Keeping net expenditure within budget
- Where expenditure cannot be kept within budget, securing additional resources prior to committing expenditure
- Seeking value for money in commitment decisions
- Keeping the 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
- Formulating and implementing an action plan to address any forecast overspends that cannot be contained within the department budget, as directed by Corporate Leadership Team or members.

Corporate Leadership Team

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

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

Members

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

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

S151 Officer (Chief Finance Officer)

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

BUDGET MANAGEMENT - ESSENTIAL PRACTICE FOR BUDGET MANAGERS

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

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

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

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

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

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

7) If you are the budget manager you are responsible for all of the above. Your 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 following 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.





WOKINGHAM
BOROUGH COUNCIL

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