

Current

CURRENT CAPITAL PROGRAMME POSITION

	2011/12		2012/13		2013/14		Funding 2011/12 £' 000		Funding 2012/13 £' 000		Funding 2013/14 £' 000		Total
	£000	£' 000	£' 000	£' 000	£' 000	£' 000	Grant	S106s Receipts	Grant	S106s Receipts	Grant	S106s Receipts	
Education													
Committed Schemes													
Emmer Green Co-Location CAT and Children's Centre	78						78						
Hamilton Road Centre CAT, Children's Centre and Youth Provision	118						118						
Holybrook Special School Extension	15						15						
Kendrick Faraday and Sixth Form (retentions)	170						170						
Module Classrooms	83	65					83	65					
Norcot Nursery - Hillside building replacement	100						100						
Prospect School Vocational Skills Centre (retentions)	55						55						
Reading Girls BESD Unit (retentions)	22						22						
Reading Girls Vocational Skills Centre	2						2						
Reading College Disability and SEN provision	15	1,310					15	1,310					
Thameside Roof (retentions)	34						34						
Whitley Park - convert to all-through Primary School	68						68						
Whitley Park - Replacement Foundation Stage	2,017						1,943	74					
	2,777	1,375					2,703	74					
									1,375				
										1,375			
													1,375
Prioritised Schemes													
Masterplanning and Condition Surveys	237						237						
Thameside Primary School - Expansion	-	394					-	394					
AMU - Staff Costs	275	275					275	275					
Critical Reactive Contingency: Health and safety	396	500					374	22					
Critical Asbestos repairs	28	20					28	20					
Park Lane Primary - Condition related works	63	2					45	18					
Katesgrove Primary Expansion	379	4,370					369	10					
Coley Primary Expansion	492	8					370	122					
New Christchurch Primary Expansion	915	951					415	500					
Wilson Primary Expansion	491	750					491	260					
Replace Dining Facilities at Coley & Oxford Road Primary Schools	-	50					-	50					
Ranikhet - Dee Park Scheme, school Internal	277	27					277	27					
Ranikhet School Fencing	35						35						
Schools - Fire Risk Assessed remedial Works	350	350					350						
Schools Kitchens, Capital Maintenance	150						128						
Planned School Heating System Renewal Scheme - Various	250	250					197	53					
Moorlands - Remodel Main Entrance and Car Park	80						80						
Alfred Sutton - Roof Repair/replacement	25	550					25	25					
Blagrove Nursery/Childrens Centre - Transition to non-trust land status	25	250					25	250					
Reading Recovery Service - relocation	60						60						
Christ the King ASD Unit	614	20					594	20					
Battle School Reception and Foundation Stage Remodelling	350	350					350						
Foundation Stage - Safeguarding measures	270						259	11					
2-4 Western Elms	30						30						
St Johns Primary - Primary Expansion	244	600					-	244					
The Avenue School - pupil place expansion	1,000						931	69					
Unallocated Grant	312						-	312					
	7,348	9,667					5,945	1,403					
	10,125	11,042					8,648	1,477					
									9,616				
									51				
									51				
										11,141			
											11,141		
													11,141
Transport													
M4 Junction 11	-												
Bus Services/Quality Corridors	437	459					190	437					
Reading Economic Area Package	190	160					31						
Access Plan for Central Reading/Mobility Management/Cross Boundary	31												
Traffic Management/Local Safety Schemes	-	1,489					1,629						
Programme Development	2,667	6,760					2,667						
Station Interchange	-	1,015					-						
Car Parks Partnerships	2,368	2,198					2,368						
Bridges and Carriageways	7,322	12,061					6,885						
									437				
										459			
											480		
												160	
													1,489
													6,760
													1,015
													2,198
													3,847
													480
													12,081
													2,198
													4,327

COLLECTION FUND ESTIMATES

	REVENUE ESTIMATES		
	2011/2012		2012/2013
	Estimate £'000	Probable £'000	Estimate £'000
Demands on Collection Fund			
Precepts			
Reading Borough Council	68,827	68,827	69,439
Thames Valley Police Authority	8,240	8,240	8,314
Royal Berkshire Fire & Rescue Authority	2,973	2,973	2,999
Contribution to NNDR Pool	92,000	92,000	98,000
Total Demands on Collection Fund	172,040	172,040	178,752
Collection Fund Income			
Business Ratepayers in Reading	92,000	92,000	98,000
Council Tax Payers	80,040	80,040	80,752
Total Collection Fund Income	172,040	172,040	178,752

BID REVENUE ACCOUNT

	REVENUE ESTIMATES		
	2011/2012		2012/2013
	Estimate £'000	Probable £'000	Estimate £'000
Payments			
To BID Operator	384	384	355
Cost of Collection	8	8	5

Council Budgeted Spending and Funding 2012/13

Approach to Budget Setting and Resource Allocation

On 6 June 2011 Cabinet endorsed a report by the Leader of the Council which set out the Cabinet's priorities for the coming year. The priorities regarding service delivery and improvement included the following:

“The deepest cuts in local government funding for a generation means that we cannot continue running services in the same way. We will begin by reviewing the Senior Management Structure of the Council to reflect the fact that there are fewer staff to manage, but also make savings which can help to provide the services local residents need.”

Consistent with this statement three objectives have been developed.

- **Engagement with our communities** - to involve local people in the decision on how services can be improved and provided more effectively and more efficiently, reforming how the Council delivers both value for money and the services people want and need
- **Budget Responsibility** - to ensure value for money and a service lead approach to efficiency, protecting the most vulnerable and disadvantaged
- **Transform the Council** - to ensure that the council is structured and organised in a way that promotes innovation and even greater efficiency

Engage with our Communities

With the council having to make multi million pound savings whilst still delivering vital services like education, housing, transport, refuse collection and social services, we launched 'Working Better With You' in the summer. We asked to have an open, honest and on-going conversation with residents, to understand what they really value in their neighbourhoods and services so that we could make decisions on budgets and services that reflect those values. We pledged to:

- 'listen to what you say
- publish what you tell us
- provide feedback to you on what you have said
- ensure your community's views influence our decisions and keep on talking to you as we go forward.'

We engaged with residents in three key ways: a series of 'Let's Talk' community events around the borough, a 'We Need to Talk' questionnaire, the 2011 Resident's Survey of a randomly selected sample of residents.

We fed back the overall findings at the community events of 24th November, publishing a feedback booklet which is available on the Council website www.reading.gov.uk/letstalkevents

What Residents Value

Residents said that what was most **important** in making somewhere a good place to live was: -

1	The level of crime
2	Good schools
3	Clean streets
4	Health services
5	Public transport
6	Good neighbours
7	Affordable decent housing
8	Parks and open spaces
9	Job prospects
10	Peace and quiet

In drawing up the 2012/13 Budget and the savings proposals contained within the draft budget the Cabinet has carefully taken residents view into account and wherever possible protected those services valued by residents as most important.

Budget Responsibility

2011/12

The latest budget monitoring report to Cabinet in January showed that the Council is on course to keep net expenditure within the approved budget.

2012/13

The approach to setting the budget has been undertaken to deliver a Council Tax freeze and deliver value for money and efficient service delivery.

Key standards of the programme include:

- Improving procurement and driving down contract costs
- Generating savings in processing and back office costs
- Asset management and rationalisation
- Identifying opportunities to generate income to increase the Council's resource base to protect front line services
- Ensuring that the allocation of resources takes account of budget pressure in order to protect the most vulnerable and disadvantaged (eg Child Protection and Adult Social Care).

Transform the Council

Stage 1 and 2 of the Senior Management Re-Structure are being implemented to deliver savings of £0.8m in 2012/13 (0.9m in a full year).

The programme of service modernisation and transformation is on going to protect frontline services and provide services residents value the most and need:

- Changing service delivery to improve outcomes for residents and communities
- Reducing duplication
- Working effectively with partners and the voluntary sector
- Freeing up resources to switch to core priority service areas such as Child Protection and Adult Social Care
- Protecting preventative services to minimise expensive long term costs

The following charts show how the Council expected to spend monies raised through Council Tax, Housing Rents and Government Grants in the Financial Year 2012/13.

Forecast Performance 2011/12

For 2011/12 General Fund actual net expenditure is expected to be in line with the approved budget.

With regard to the Housing Revenue Account (HRA) the under spend compared to the original budget is expected to be £0.1million equivalent to a variation of 0.2% of HRA turnover (Expenditure & Income).

Note:

The General Fund records all day-to-day expenditure and income relating to services funded from Council Tax.

The HRA records all expenditure and income relating to management and maintenance of the Council's housing stock, which is funded from rents paid by tenants.

2012/13 Budget

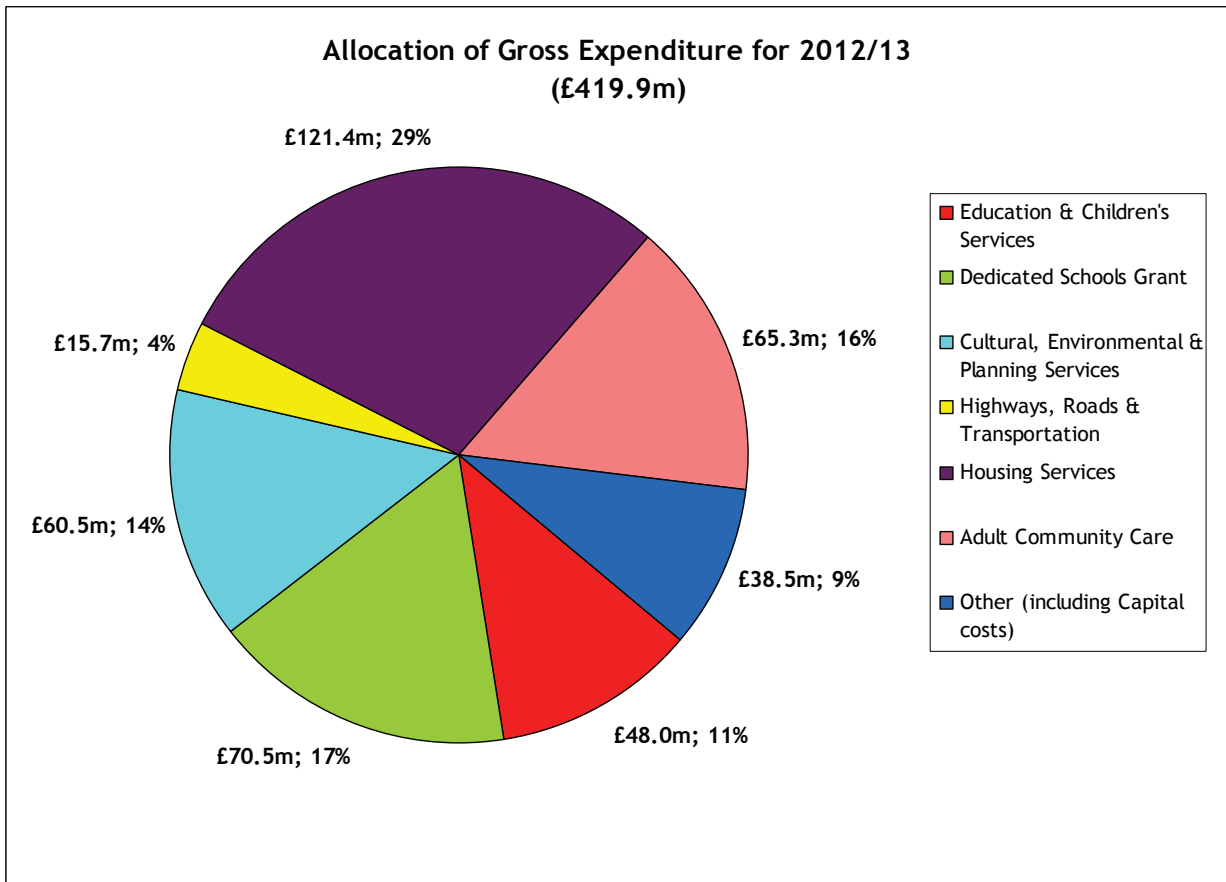
Being efficient and giving Value for Money

Savings and income generation included in the 2012/13 Budget are summarised below:

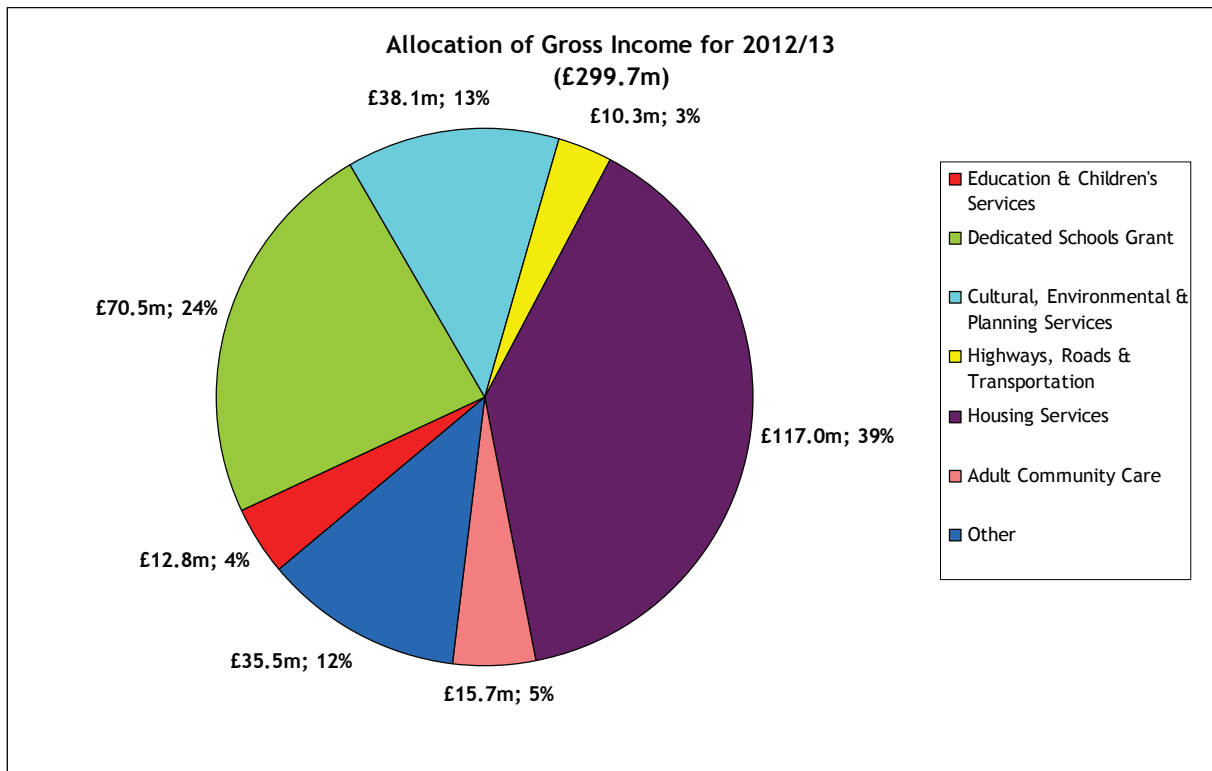
Efficiency Measures	£m 5.3
Income Generation	1.4
Service change and transformation	2.0
Full year impact of savings carried forward from 2011/12	3.9
Total	<hr/> 12.6 =====

Day-to-day Revenue Expenditure

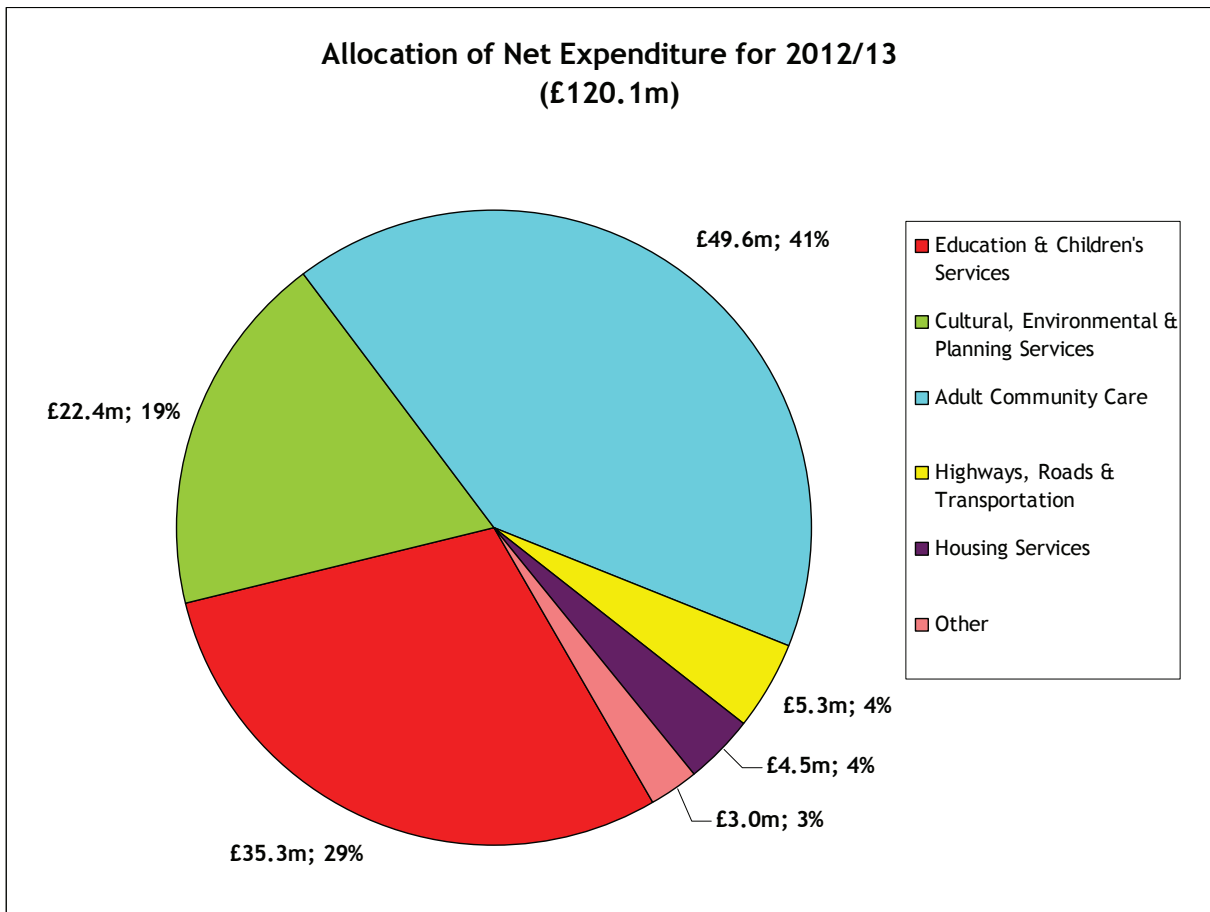
Below is a pie chart that shows the percentage allocation of General Fund gross expenditure expected for 2012/13:



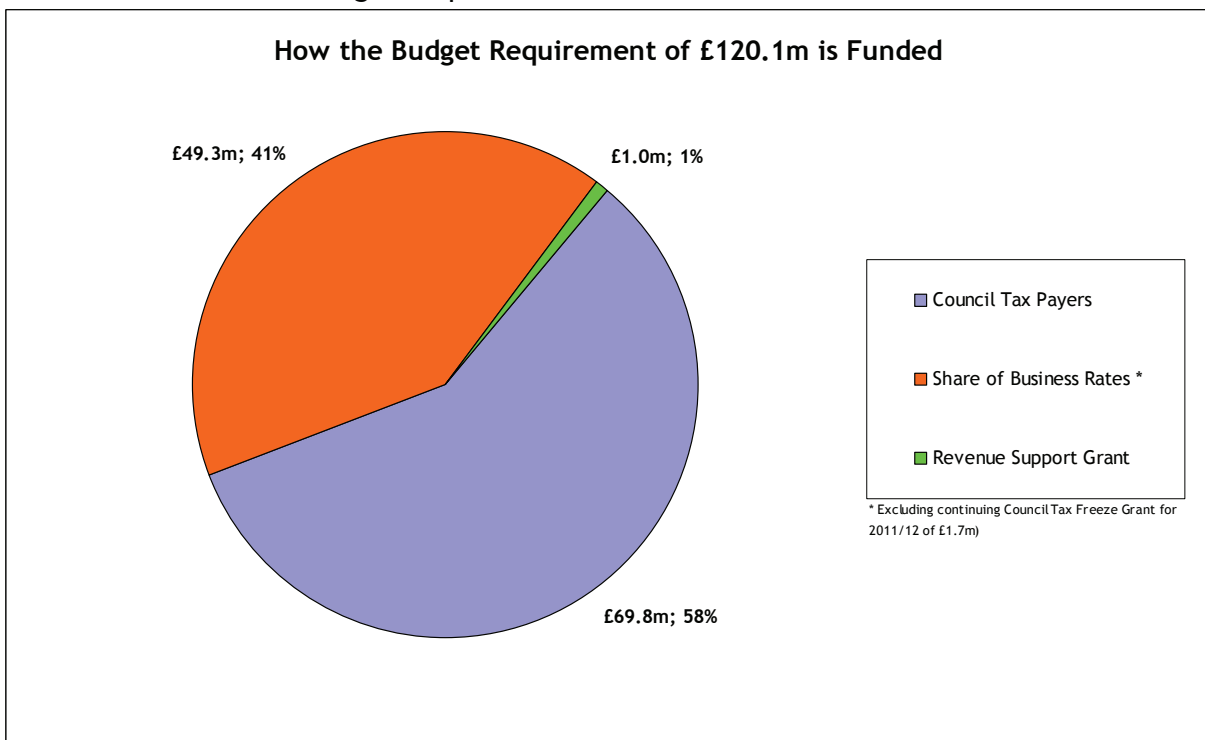
This pie chart shows the main elements of gross income expected for 2012/13: -



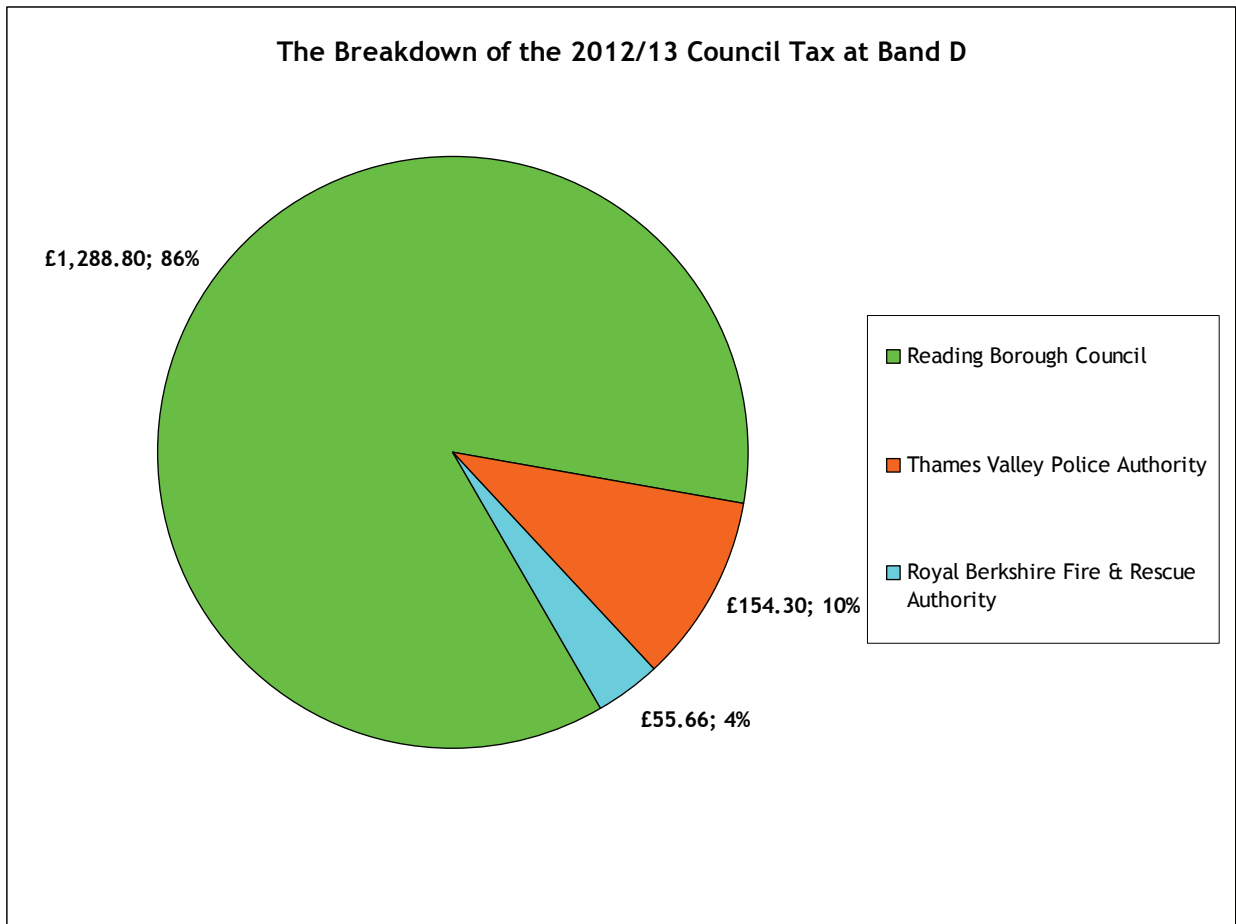
The total Budget Requirement for 2012/13 is £120.1m. This pie chart shows the main elements of net expenditure expected for 2012/13:



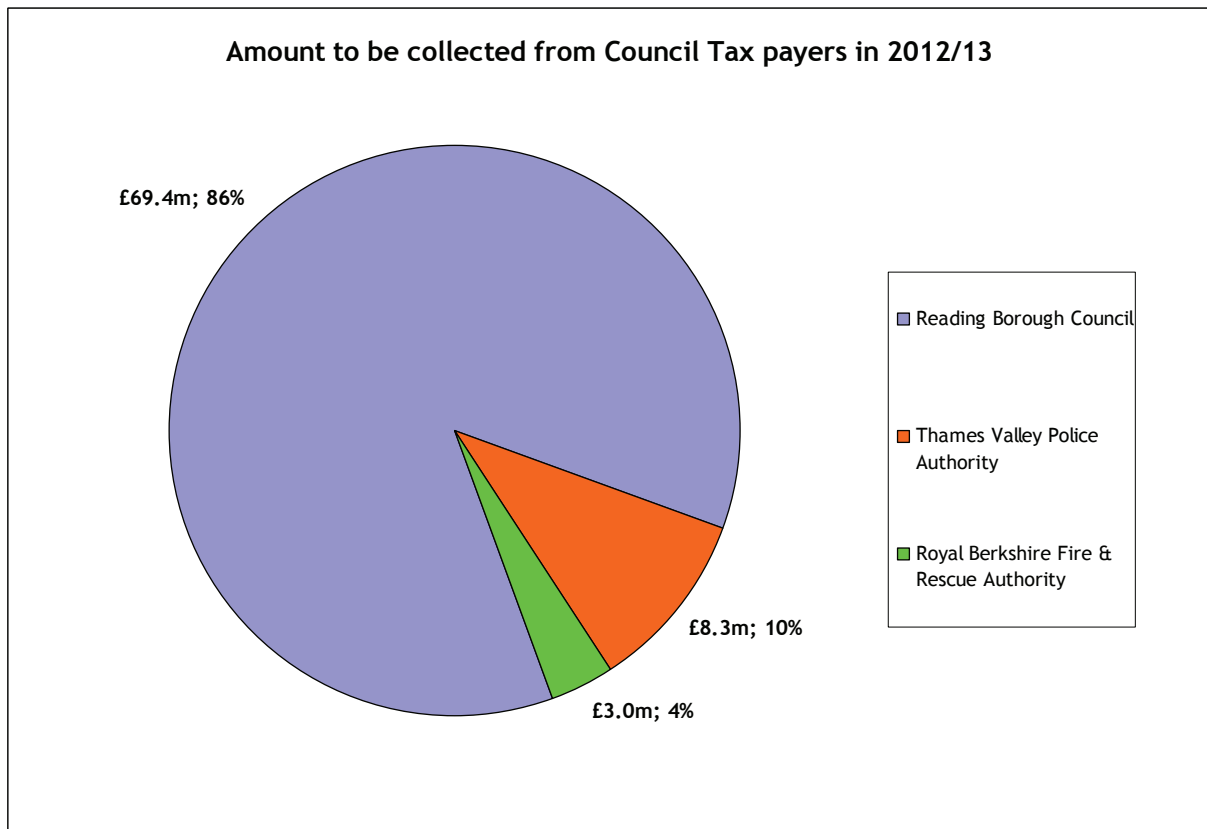
This pie chart shows how the Budget Requirement of £120.1m is funded: -



The Council Tax for 2012/13 at Band D is £1,498.76. This pie chart shows how this is made up. -

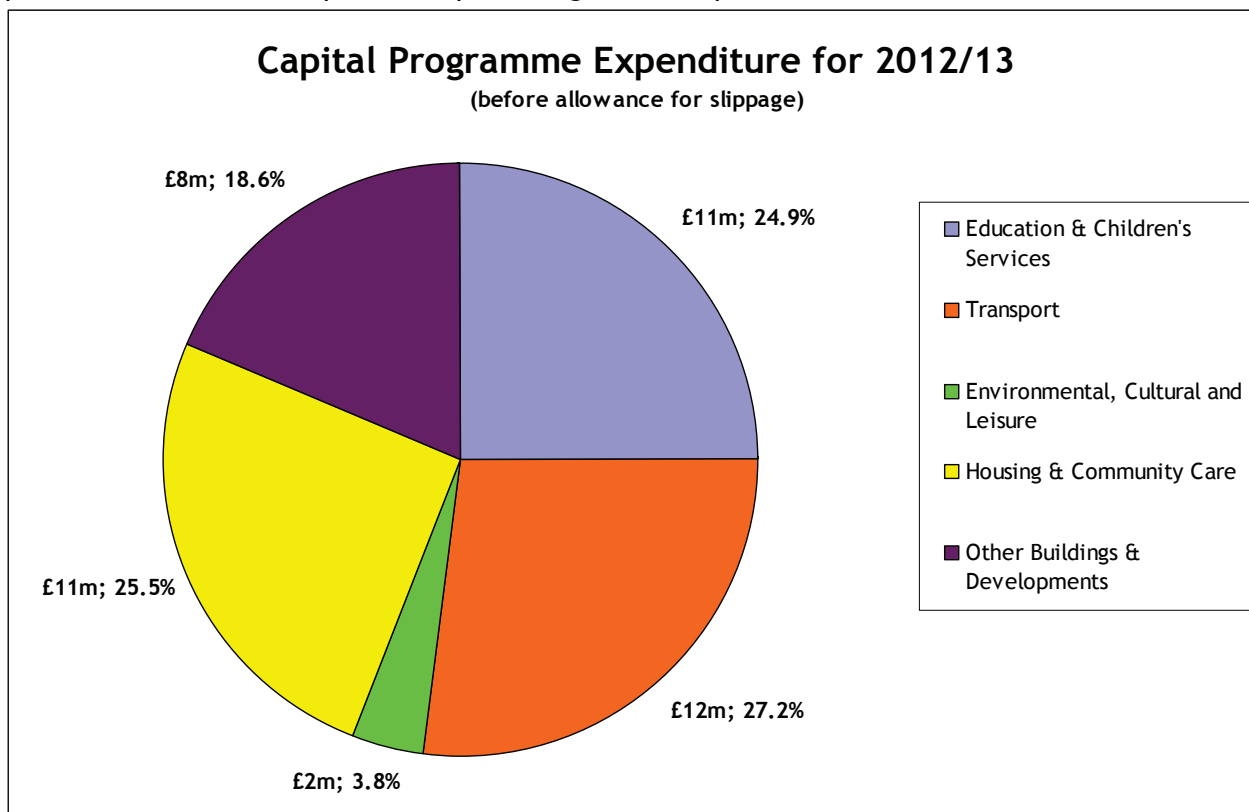


This pie chart shows the amount to be collected from Council Tax payers in 2012/13: -



Capital Programme

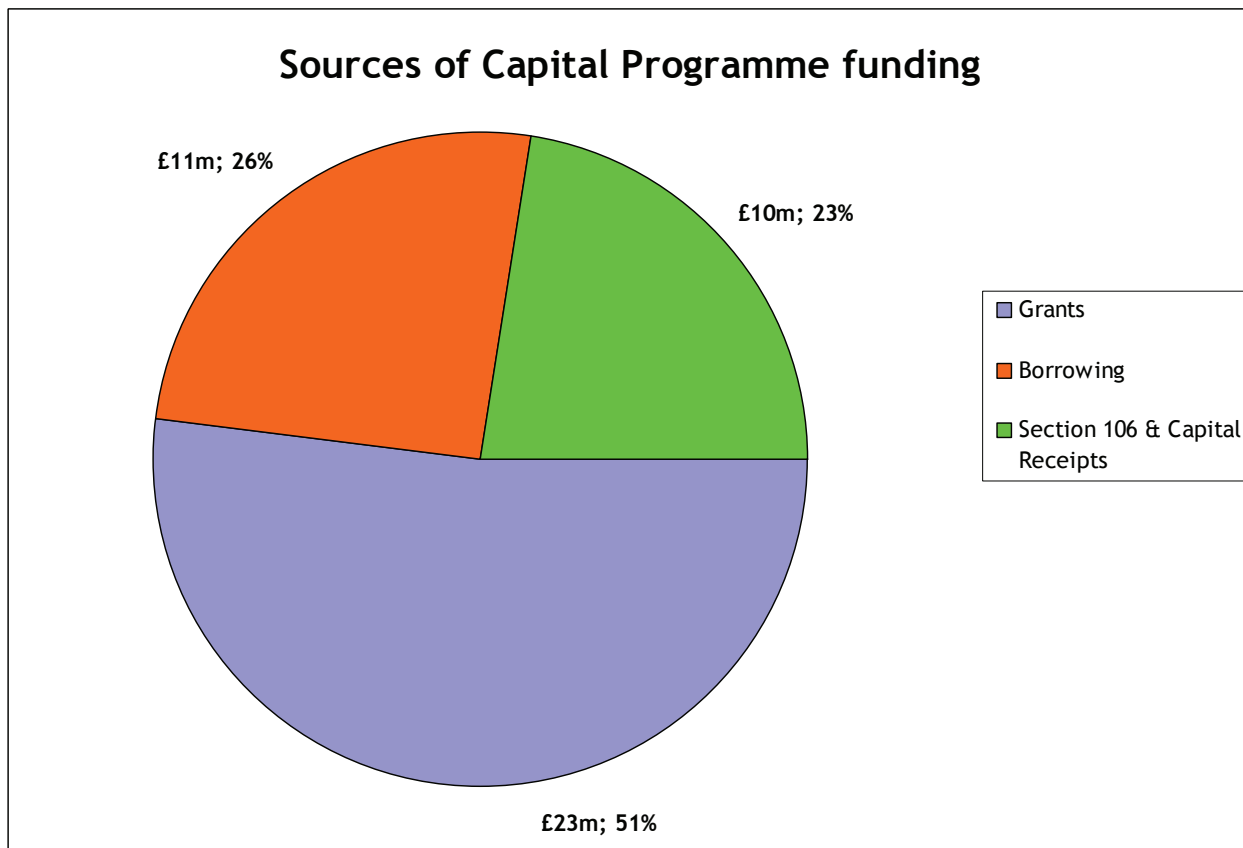
This pie chart summarises expected Capital Programme Expenditure for 2012/13



Note:

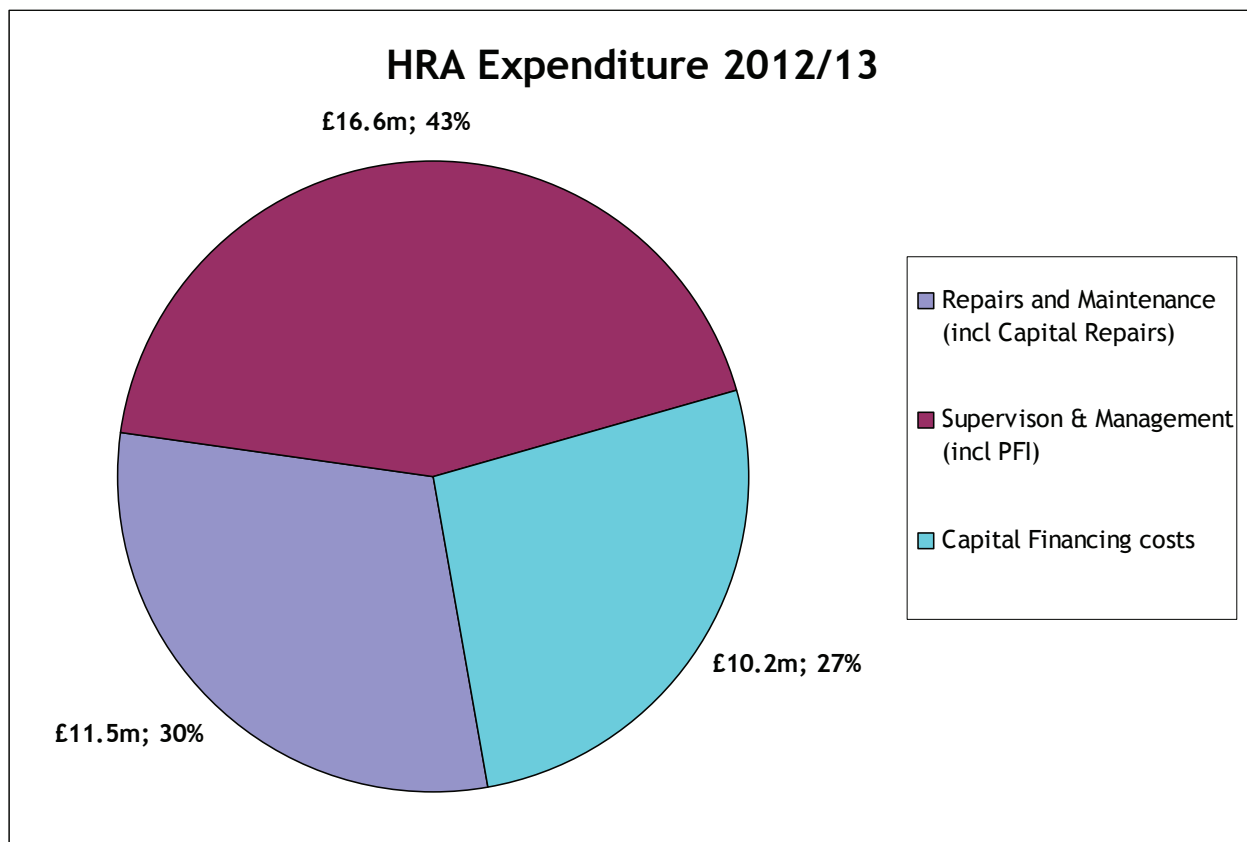
Capital Expenditure is expenditure for creating and improving assets and infrastructures (e.g. funding affordable housing, improving transport infrastructure and roads, improvement to school buildings)

This Pie Chart summarises the expected sources of funding for the capital programme for 2012/13:



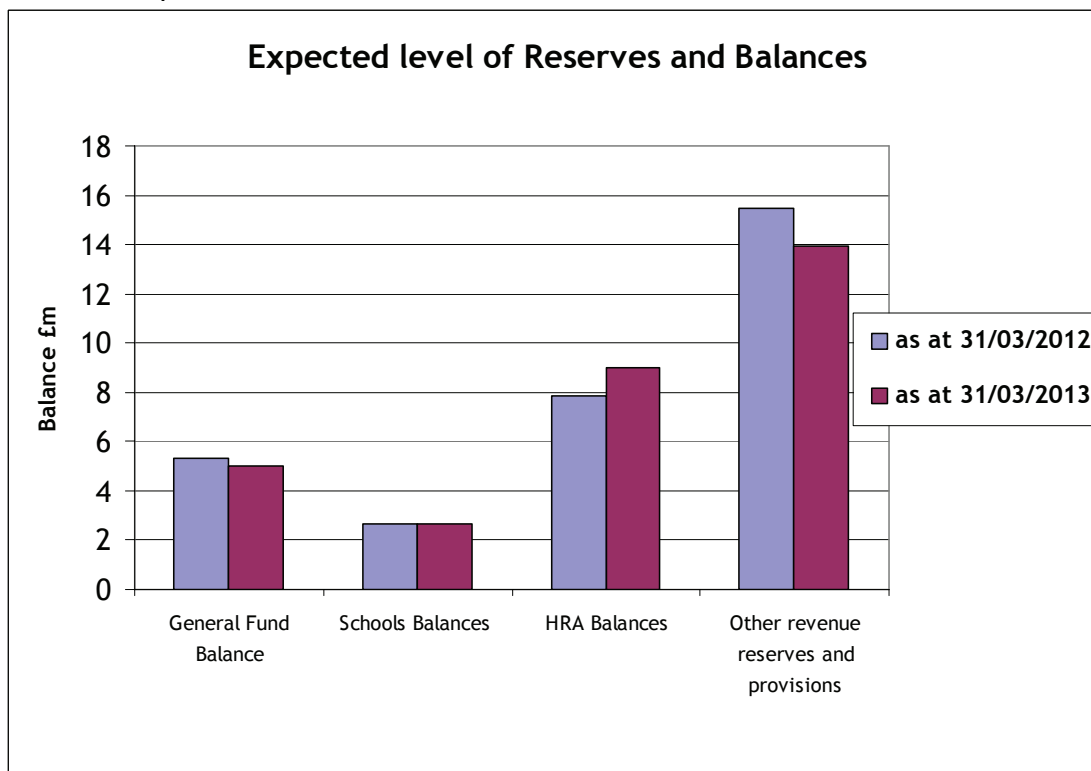
Housing Revenue Account (HRA) (Funded from rents paid by Tenants)

This Pie Chart summarises expected expenditure on the housing revenue account for 2012/13:



Reserves and Balances

This Chart shows the expected level of the Council's Reserves and Balances for 2011/12 and 2012/13:



Council Tax

For 2012/13 the overall Council Tax has been set at £1,498.76, no increase compared to 2011/12 is made up as follows:-

	Band D £	Percentage Increase
Reading Borough Council	1,288.80	0
Thames Valley Police Authority	154.30	0
Royal Berkshire Fire & Rescue Authority	55.66	0
	1,498.76	0

Council Tax at each band is as follows:

	£
Band A	999.18
B	1,165.70
C	1,332.24
D	1,498.76
E	1,831.82
F	2,164.88
G	2,497.94
H	2,997.52

Business Rates

During 2010/11 the exercise by the Government to re-value Business Rates rateable values was completed and changes to rateable values published.

The following new transitional arrangements have been issued by the Government to cap increases and decrease arising from the re-valuations.

The scheme will cap increases to rates bills over a five-year period and will be funded by capping reductions in other rates bills. The caps will be structured as follows:

	2010/11	2011/12	2012/13	2013/14	2014/15
upward cap (small properties)	5%	7.5%	10%	15%	15%
upward cap (large properties)	12.5%	17.5%	20%	25%	25%
downward cap (small properties)	20%	30%	35%	55%	55%
downward cap (large properties)	4.6%	6.7%	7%	13%	13%

Note: there are year on year caps on increases. For instance, the maximum increase for small properties over 5 years would be 64%. But a small property with an increase of 7% would reach their full bill in year 2.

Note: Small properties are defined as properties with a rateable value of under £18,000 (outside London).

Rate Poundage

Under Schedule 7 to the Local Government Finance Act 1988 (the 1988 Act) as amended there are two multipliers.

The small business non-domestic rating multiplier, which is applicable to those that qualify and successfully apply for the small business relief, and the non-domestic rating multiplier, which includes the supplement to pay for the small business rate relief scheme.

The small business non-domestic multiplier is determined by Schedule 7 to the 1988 Act. These rules ensure that the Government does not raise extra revenue, before inflation, as a result of revaluation. The small business multiplier in 2012/13 is based on the 2011/12 multiplier adjusted for inflation at September 2011 of 5.6%

This provides a provisional small business non-domestic multiplier for 2012/13 of 45p (42.6p in 2011/12).

Schedule 7 of the 1988 Act also provides that the non-domestic rating multiplier is the small business non-domestic multiplier plus an adjustment to fund the estimated cost of the small business rate relief scheme.

The Secretary of State has estimated that the supplement to fund small business rate relief should be at 0.8p for 2012/13.

The provisional non-domestic multiplier will therefore be 45.8p in 2012/13 (43.3p in 2011/12).

In accordance with Schedule 7 to the 1988 Act, the provisional multipliers will be confirmed after either the local government finance report for 2012/13 has been approved by Parliament or 1st March 2012.

For 2012/13 we expect to collect around £98m in Business Rates.

Future Financial Challenges

Over the period 2008/09 to 2010/11 there was relative stability in respect of Local Government funding as a result of the introduction of a 3 year settlement.

Following the 2010 spending review there has been a radical change to Local Government Grant Funding streams and settlement figures for 2011/12 and 2012/13 have been given. During 2011/12 the Government consulted on its Resource Review which will change the way Local Government grant funding is determined with the aim of introducing new arrangements for 2013/14. Public Health responsibilities will also transfer to Local Government from 2013/14 and the present housing subsidy system will be replaced by a new self financing system from 2012/13.

Therefore, over the medium term there will be a greater level of funding uncertainty compared to recent years.

Looking ahead over the medium term, the council will continue to face significant financial challenges.

The forecast for 2013/14 and the following 2 years indicate that further significant savings will be needed to keep net expenditure within forecast available resources which assumes on-going reductions in Government funding and an expectation of no or low increase in Council Tax levels.

Forecast Government Funding and Savings

	Government Funding £m	Income from Council Tax £m	Total Resources £m	Forecast Budget £m	Savings required £m	Savings required %
2013/14	48.3	69.4	117.7	130.9	13.2	10
2014/15	43.0	69.4	112.4	124.2	11.8	10
2015/16	38.2	69.4	107.6	118.7	11.1	9

The above forecast is based on the current system of Local Government funding. At this time it is too early to speculate on the outcome of the Resource Review. Therefore the figures quoted in the above table should be treated as indicative only.

More Information

Further detail of the Council’s Budget plans for 2012/13 is contained in the Budget Report approved by Council on 21 February 2012.

Have your say:

We want to know what you think of this leaflet. Tell us your views by either completing the below questionnaire on-line ([feedback](#)) or by writing to us at Reading Borough Council, Accountancy Section, Civic Centre, Reading, RG1 7AE.

Feedback:-

	Strongly Agree	Agree	Disagree	Strongly Disagree
1. I think that this is a useful document	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The document is easy to understand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. I now know more about the council’s spending	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. I now know more about where the council’s money comes from.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. What further information would you like to see in this document.....	<input type="text"/>			

COUNCIL TAX LEVELS

2011-2012 £		2012-2013 £
999.18	Council Tax at Band A	999.18
1,165.70	Council Tax at Band B	1,165.70
1,332.24	Council Tax at Band C	1,332.24
1,498.76	Council Tax at Band D	1,498.76
1,831.82	Council Tax at Band E	1,831.82
2,164.88	Council Tax at Band F	2,164.88
2,497.94	Council Tax at Band G	2,497.94
2,997.52	Council Tax at Band H	2,997.52



FLOOD DEFENCE LEVY for financial year beginning 1 April 2012

Reading Borough Council's funding in respect of the Thames Regional Flood Defence Committee precept and levy for the year commencing 1st April 2012 is £105,091.00.

ENVIRONMENT AGENCY SOUTH EAST REGION
The Council Tax (Demand Notices) (England) Regulations 2011.

The Environment Agency is a levying body for its Flood and Coastal Erosion Risk Management Functions under the Flood and Water Management Act 2010 and the Environment Agency (Levies) (England and Wales) Regulations 2011.

The Environment Agency has powers in respect of flood and coastal erosion risk management for 5200 kilometres of main river and along tidal and sea defences in the area of the Thames Regional Flood and Coastal Committee. Money is spent on the construction of new flood defence schemes, the maintenance of the river system and existing flood defences together with the operation of a flood warning system and management of the risk of coastal erosion. The financial details are:

	Thames Regional Flood and Coastal Committee	
	2011/2012 '000s	2012/2013 '000s
Gross Expenditure	£86,484	£84,682
Levies Raised	£10,000	£10,000
Total Council Tax Base	5,082	5,127

The majority of funding for flood defence comes directly from the Department for the Environment, Food and Rural Affairs (Defra). However, under the new Partnership Funding rule not all schemes will attract full central funding. To provide 'matching' funding the Agency may seek funding from County and Metropolitan Councils, Unitary Authorities and London Boroughs in the form of a Local Levy. The Local Levy is shared on the basis of Band D Equivalents between all contributing bodies within the Committee Area.

Changes in the Gross Budgeted expenditure between the years reflects the impact of the Government Spending Review and national prioritisation of capital projects.

The total Local Levy raised has remained the same in 2012/2013 as 2011/2012 at £10,000,000.

GENERAL FUND BUDGET 2011-2012 & 2012-2013

	PAGES	ESTIMATE 2011/2012	PROBABLE 2011/2012	ESTIMATE 2012/2013
		£'000	£'000	£'000
Corporate Resources & Chief Exec's Unit	4 - 11	18,789	18,700	17,909
Education & Children's Services	12 - 16	31,219	32,169	30,862
Environment, Culture & Sport	17 - 24	23,832	23,527	22,325
Housing & Community Care	25 - 30	47,933	47,564	48,098
Total Directorate Requirements		121,773	121,960	119,194
Capital Financing Costs		12,697	12,366	12,391
Insurance Costs		706	706	706
Property & Pensions Liabilities, Environment Agency Levy, Other Provisions, Efficiency & Income Generation		2,236	2,386	2,134
Senior Management Savings		0	0	770 cr
Redundancy Provision		0	0	800
		137,412	137,418	134,455

Budget Funding Measures

Capitalisation	500 cr	500 cr	600 cr
Use of Reserves	1,000 cr	1,000 cr	0
Grants	10,867 cr	10,867 cr	13,387 cr
Use of General Fund Balance	602 cr	608 cr	333 cr
Budget Requirement	124,443	124,443	120,135

Less

Formula Grant Allocation	55,831	55,831	50,266
Reading's Share of Collection Fund Surplus/Deficit	215 cr	215 cr	430
Council Tax Requirement	68,827	68,827	69,439

Forecast General Fund Balance

<i>1 April</i>	5,700 cr	5,945 cr	5,337 cr
<i>Use of Balances</i>	602	608	333
31 March	5,098 cr	5,337 cr	5,004 cr

HOUSING REVENUE ACCOUNT

		REVENUE ESTIMATES		
		2011/2012 (Restated)		2012/2013
Ref.		Estimate £'000	Probable £'000	Estimate £'000
Expenditure				
	Repairs and Maintenance	10,555	10,575	11,495
	Supervision and Management	16,168	15,840	16,594
	Housing Subsidy	11,369	11,369	0
	Capital Finance	1,306	1,306	10,188
	Total Expenditure	39,398	39,090	38,277
Income				
	Rents	33,880 cr	33,700 cr	34,860 cr
	PFI Allowance/Grant	3,997 cr	3,997 cr	3,997 cr
	Service Charges	300 cr	300 cr	400 cr
	Interest	114 cr	114 cr	114 cr
	Other Income	37 cr	37 cr	37 cr
	Total Income	38,328 cr	38,148 cr	39,408 cr
	Net Expenditure/Income (cr)	1,070	942	1,131 cr
	HRA Balance at 1 April	6,597 cr	7,747 cr	6,805 cr
	Earmarked Balances B/Fwd	1,341 cr	1,036 cr	1,036 cr
	Net Surplus (cr)/Deficit for Year	1,070	942	1,131 cr
	HRA Balance at 31 March	6,868 cr	7,841 cr	8,972 cr