

TO: THE EXECUTIVE
DATE: 13 DECEMBER 2016

GENERAL FUND REVENUE BUDGET 2017/18
(Chief Executive/Borough Treasurer)

1. PURPOSE OF REPORT

- 1.1 Under the Council's constitution, the Executive is required to consult on its detailed budget proposals with the Council's Overview & Scrutiny Commission and any other interested parties or individuals for a period of at least six weeks. This report summarises the current position on the Council's budget preparations for 2017/18.
- 1.2 At the time the agenda was published the Provisional Local Government Financial Settlement had not been announced and is not expected until late December 2016. It is possible that this could change some of the assumptions in the report, however, as the Council accepted the offer of a four year financial settlement on 14 September, it is anticipated that funding will be in line with the indicative 2017/18 funding figures received on 8 February 2016.
- 1.3 All comments received on these budget proposals will be submitted to the Executive on 14 February 2017. This will allow the Executive to determine its final budget package and recommend the appropriate Council Tax level to Council, who will formally approve the 2017/18 budget and Council Tax on 1 March 2017.

2 RECOMMENDATIONS

That the Executive:

- 2.1 **Agree the draft budget proposals for 2017/18 as the basis for consultation with the Overview & Scrutiny Commission and other interested parties or individuals.**
- 2.2 **Agree the Treasury Management Strategy and associated documents at Annexe E and request that the Governance and Audit Committee review each of the key elements.**
- 2.3 **Agree that the 2017/18 Schools Budget be set at the eventual level of grant income plus any accumulated balances, with the Executive Member for Children, Young People and Learning authorised to make amendments and agree budgets for schools and services centrally managed by the Council.**
- 2.4 **Approve the virements relating to the 2016/17 budget as set out in Annexes F and G and recommend those that are over £0.100m for approval by Council.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The recommendations are designed to allow the Executive to consult on its draft budget proposals for 2017/18 as required by the Local Government Act 2003.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The range of options being considered is included in the report and its Annexes.

SUPPORTING INFORMATION

5 COMMITMENT BUDGET 2017/18 – 2019/20

- 5.1 Initial preparations for the 2017/18 budget have focussed on the Council's Commitment Budget for 2017/18 – 2019/20. This brings together the Council's existing expenditure plans, taking account of approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the 2016/17 budget was set.
- 5.2 A number of changes are proposed to the Commitment Budget since it was last considered by the Executive in July and are reflected in the summary in Table 1. The most significant are set out below:
- In-year savings agreed by the Council have now been incorporated (-£3.397m relating to 2016/17 and -£0.620m to 2017/18).
 - Additional Business Rates income from the regeneration of the Town Centre (-£0.750m)
 - The projection for the Minimum Revenue Provision now incorporates the latest forecast for capital spend and receipts and the use of an annuity basis rather than equal instalments basis for calculating the element of the charge based on asset life (-£0.371m – see paragraph 8.8(b)).
 - Updated Waste Disposal projections based on the latest tonnages and recycling data (-£0.357m).
 - Interest on external borrowing now reflects the latest information on cash balances (£0.400m). This is not a new item but was previously reflected under additional capital programme costs rather than the Commitment Budget in the budget model.

The overall impact of these changes is to decrease the Council's Commitment Budget by £5.107m compared to the position reported in July.

- 5.3 Taking account of these changes, Table 1 summarises the position and shows that base expenditure (excluding schools) is planned to decrease by £3.290m to £66.988m next year, before consideration is given to allowances for inflation and the budget proposals identified by individual Departments in 2017/18. The commitment budget is shown in more detail in Annexe A.

Table 1: Summary Commitment Budget 2017/18-2019/20

| | Planned Expenditure | | |
|---|---------------------|-----------------|-----------------|
| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
| Base Budget | 70,278 | 66,988 | 68,640 |
| <i>Movements in Year:</i> | | | |
| Adult Social Care, Health and Housing | -1,958 | 0 | 18 |
| Children, Young People and Learning (excluding schools) | 855 | 128 | -10 |
| Corporate Services / Chief Executive's Office | -704 | 44 | 94 |
| Environment, Culture & Communities | -2,146 | 71 | -48 |
| Non Departmental / Council Wide | 663 | 1,409 | 581 |
| <i>Total Movements</i> | -3,290 | 1,652 | 635 |
| Adjusted Base | 66,988 | 68,640 | 69,275 |

6 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2017/18

- 6.1 Following the General Election in May 2015, the Government published its Spending Review on 25 November 2015, setting out its economic plans for the next 4 years and provided a high-level overview of the Government's spending totals to 2019/20. The Local Government Finance Settlement (LGFS) for 2016/17 set out an indicative 4-year funding profile for local authorities which Councils could receive if they published an efficiency plan that was accepted by central government. Even though the indicative 4-year settlement reflected significant future cuts in the grant to be received by the sector, the Council considered it necessary to accept this funding profile given the alternative of potentially facing even larger reductions in the future (as made clear by the Secretary of State). Around 97% of local authorities accepted a similar approach and agreed the four year settlement.
- 6.2 Alongside this 4-year settlement the Government announced plans to reform other key features of the local government finance system, including the move to 100% retention of Business Rates by 2020, a major reduction in the funding available through the New Homes Bonus and the introduction of the Social Care Precept.
- 6.3 Initial consultation exercises have been undertaken on Business Rates and the New Homes Bonus, however these have not yet been concluded. To further complicate the position for 2017/18 the government completed the revaluation of Business Rates rateable values in the autumn which will have an impact on the detailed funding for individual local authorities. A technical consultation was carried out over the summer on the potential impact of the revaluation and the redistribution of the funds from the New Homes Bonus, the outcome of which is expected to be known when the Provisional Local Government Settlement is published in December.
- 6.4 Furthermore the result of the Brexit referendum has had a significant impact on the government's long term fiscal projections and the Autumn Statement to be released in late November 2016 is expected to mark a change in direction and pace in fiscal policy that may have an impact on all aspects of public expenditure. As such, whilst the Council has opted to accept the 4-year settlement announced this year, it

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remains to be seen how these indicative figures will be impacted by the above. The estimates included in these budget projections assume that the indicative amounts published by the Department for Communities and Local Government (DCLG) will be adhered to.

6.5 Funding from central government is currently received through Revenue Support Grant (RSG) and Specific Grants. For planning purposes an estimate of the reduction in central government support has been incorporated within these Budget Projections reflecting a further cut of £4.2m in RSG for 2017/18. These figures will be refined when the provisional LGFS is received, which as usual is expected to be published in December.

6.6 The Council also receives substantial external funding through a number of specific grants for which the following assumptions have been included within the latest budget projections.

a) New Homes Bonus

The Government are consulting on reforms to the New Homes Bonus, including the means of sharpening the incentive to reward communities for additional homes and reducing the length of payments from 6 years to 4 years. This will include a preferred option for savings of at least £800 million, which will be used to fund social care. This would result in income tapering off at a faster rate than currently forecast. The Council has modelled the future stream of income based on the latest information available which reflects a reduction of £0.255m in 2017/18 followed by a much larger reduction of £1.4m in 2018/19 as the full effect of any transition is removed. However the Government have not given any further guidance since the initial consultation paper published alongside the 2016/17 LGFS, as such there is a risk that the final outcome may differ from our assumptions.

b) Education Services Grant

As part of the 2015 Spending Review the government announced that it was looking to make £600m of savings from this grant. Announcements and consultations published since the settlement now indicate the grant will be withdrawn almost completely and for the Council this represents a funding reduction of £1.242m in 2017/18, followed by a further £0.255m in 2018/19. Reductions of this level mean that services provided to schools cannot be maintained at their present level unless schools wish to pay the full cost of providing them. The grant reductions have been reflected in the Commitment Budget.

c) Other Specific Grants

Some of the largest specific grants received by the Council are the ring-fenced Public Health, NHS funding streams and Better Care Fund, totalling over £11m in 2016/17. The Government has confirmed that the ring-fence on Public Health spending will be maintained in 2017/18 and that a 3.9% cut in funding will be required. The Government will also consult on options to fully fund Public Health spending from retained Business Rates receipts, as part of the move towards 100% Business Rates retention. The 2016/17 LGFS also referred to additional social care funds being made available to local government from 2017/18, rising to £1.5 billion by 2019/20 and to be included as part of an improved Better Care Fund. Current information indicates that some of this funding would be front loaded. However based on the latest available information Bracknell Forest may not benefit from any additional funds

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given the proposed distribution methodology outlined so far. This final distribution is expected to be announced as part of the Provisional 2017/18 LGFS.

It has been assumed that these funding streams will be used to support services and initiatives within the health and social care area and as such are financially neutral for planning purposes at this stage in the budget cycle.

- 6.7 A third important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), the impact of appeals and local growth or decline as local businesses and economic conditions expand or contract. The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government.
- 6.8 The Government has announced that by 2020, local government will be able to retain 100% of Business Rates, RSG will be phased out and local government will be expected to take on new responsibilities. The government will abolish the Uniform Business Rate and give councils the power to cut Business Rates to boost economic activity in their areas. The DCLG has embarked on consultation regarding changes to the local government finance system to pave the way for the implementation of the 100% Business Rates retention. Currently the Council collects significantly more Business Rates than it is allowed to keep and only receives approximately a quarter of any Business Rates growth.
- 6.9 It is known that any new system will include an assessment of need and that there will be a re-distribution of resources between authorities to reflect this. The Government has also stated that it will transfer more responsibilities to local authorities, to ensure that the new system is fiscally neutral across the public sector. Given the volatility from appeals and business movements that will continue to occur in any new system, arise as a consequence. All of these issues suggest that, until the finer details of the scheme are announced, any potential benefits need to be viewed with caution.
- 6.10 A Business Rates revaluation is currently underway for 2017 which the Government has promised will be cost neutral overall, however the impact is unlikely to be neutral at a local level. The initial impact will depend on the overall rateable value, the new Business Rate multipliers and any other changes required to the overall system. This should become clearer when the Provisional LGFS is published and the annual Business Rates forecast is completed in January. Longer term there are clearly likely to be risks and uncertainties linked to potential appeals.
- 6.11 During 2013/14 a large multi-national company transferred on to the Council's valuation list which materially increased the level of Business Rates collected locally. However, this company successfully appealed against the rateable value of its business and an allowance was made for the outcome of the appeal when the 2016/17 budget was set. The outcome of the appeal has now been confirmed by the Valuation Office. The refund required, and the ongoing reduction in Business Rates income, are significantly less than budgeted. This is the primary reason that a significant surplus is now expected on the Business Rates element of the Collection Fund (currently estimated at approximately £7.5m). This is in contrast to the significant deficit for 2015/16 which was met from a one-off transfer from the Business Rates Equalisation Reserve in 2016/17 which has been reversed in the budget proposals (£11.803m). A final projection of the surplus will need to be made by the 31 January which will be incorporated into the February budget report. While this surplus could potentially be used to support the 2017/18 budget, it would be inadvisable to do

so at this stage due to the uncertainty surrounding the impact of the 2017 valuation exercise, the level of Section 31 grant receivable, a request by the same multi-national company to re-join the Central Rating List and the general uncertainty regarding the introduction of 100% Business Rates retention.

- 6.12 At this stage, Business Rates income is forecast to grow in line with the Government's baseline assumptions. In addition to this the Council can expect to see a growth in Business Rates income once the new Town Centre opens. Initial forecasts suggest the additional income could be in the region of £1.5m per annum. The main uncertainty around this will be the timing with which this income is received as it is dependant on the Valuation Office agreeing rateable values over the coming months and the speed with which the remaining Town Centre units are let. The Commitment Budget assumes an additional -£0.750m of income in 2017/18 with a further -£0.750m being achieved in 2018/19.

7 COUNCIL TAX

- 7.1 Council Tax at present levels will generate total income of -£49.795m in 2017/18. An increase in the Council Tax Base arising from the occupation of new properties during 2017/18, is expected to contribute an additional -£0.495m. The Local Council Tax Benefit Support Scheme is treated as a discount i.e. a reduction in the calculation of the Council Tax Base. If the proposed changes to the Scheme, which are included elsewhere on the Executive agenda, are approved this will increase Council Tax income by approximately -£0.083m. Based on these provisional figures, Council Tax income is therefore expected to be -£50.373m for 2017/18. The latest information on the take-up of Council Tax support in the current year indicates that it will be significantly less than that budgeted for in 2016/17; however the impact on Council Tax income in 2017/18 has still to be assessed. All these figures will be updated when the Council Tax Base is finalised during December.
- 7.2 The budget model assumes that there will be a -£0.250m surplus on the Council Tax element of the Collection Fund in 2016/17 which can be used to support the 2017/18 budget. This figure has been incorporated into the draft budget proposals but will be refined in time for the February budget report.
- 7.3 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases in excess of a threshold percentage which is normally included in the Local Government Financial Settlement. In 2016/17 a referendum was required for Council Tax increases of 2% or more. Early indications are that the same level will be set in 2017/18 but this will not be confirmed until the Provisional LGFS is received. As a council with Social Care responsibilities, it should also be possible for Council Tax to be raised by a further 2% in 2017/18 to support Social Care pressures and the Council's Medium Term Financial Strategy and Efficiency Plan, agreed by Council in September, assumes that increase will be used. Each 1% increase in Council Tax would generate approximately -£0.5m of additional income.
- 7.3 The Executive at its meeting in February will recommend to Council the level of Council Tax in light of the Final Settlement, the results of the consultation and the final budget proposals.

8 BUDGET PROPOSALS 2017/18

Service Pressures and Developments

- 8.1 In the face of significant reductions in public expenditure in general and in grants to Local Government in particular the scope to invest in new service provision is self evidently severely restricted. Nevertheless, it is important to retain a clear focus to ensure that the Council continues to deliver its six strategic themes. In preparing the 2017/18 draft budget proposals each department has evaluated the potential pressures on its services and these are set out in Annexe B. Table 2 summarises the pressures by department.

Table 2: Service Pressures/Development

| Department | £'000 |
|---|--------------|
| Adult Social Care, Health and Housing | 751 |
| Children, Young People and Learning (excluding schools) | 302 |
| Corporate Services / Chief Executive's Office | 35 |
| Environment, Culture & Communities | 387 |
| Total Pressures/Developments | 1,475 |

- 8.2 Many of the pressures are simply unavoidable as they relate to demographic trends or legislation changes. They do, however, also support the six strategic themes included in the new Council Plan in the following way:
- A strong and resilient economy (£0.025m)
 - people have the life skills and education opportunities they need to thrive (£0.044m);
 - people live active and healthy lifestyles (£0.659m);
 - a clean, green, growing and sustainable place (0.467m);
 - strong, safe, supportive and self-reliant communities (£0.272m)
 - provide value for money (£0.018m).
- 8.3 Service pressures will be kept under review throughout the budget consultation period. There is always the risk in Social Care in particular, that the numbers of people requiring care packages, the content of existing care packages and contract inflation will vary considerably from the assumptions included in these draft budget proposals. Any revisions to service pressures will be reported to the Executive in February.
- 8.4 In addition to these revenue proposals the Council continues to invest in its priorities through targeted capital expenditure. A substantial investment in the long term future of the Borough is planned, to secure the delivery of regeneration in Bracknell town centre, to ensure that there are sufficient school places for our children and young people, and to protect and enhance the Borough's outstanding leisure offer. Details of these major investments are contained in the capital programme report, but the cost of funding all potential commitments arising from these various proposals is included in these draft budget proposals.

Service Economies

- 8.5 Members and officers have held regular meetings to determine options for savings and a list of potential draft budget savings has been developed. This list totals

-£2.052m and is attached at Annexe C and summarised in Table 3. As in previous years, economies have focused as far as possible on increasing efficiency, income generation and reducing central and departmental support rather than on front line services. However, since it became a Unitary Authority the Council has successfully delivered savings of around £70m in total. As a result it is inevitable that there will be some impact on services, although this has been minimised. Additional economies identified by Adult Social Care, Health and Housing that result from changes to the Local Council Tax Benefit Support Scheme have now been incorporated into the Council Tax calculation as outlined in paragraph 7.1.

Table 3: Summary Service Economies

| Department | £'000 |
|---|---------------|
| Adult Social Care, Health and Housing | -710 |
| Children, Young People and Learning (excluding schools) | -301 |
| Corporate Services / Chief Executive's Office | -392 |
| Environment, Culture & Communities | -649 |
| Total Savings | -2,052 |

Transformation Programme and Efficiency Plan 2017/18

- 8.6 A Transformation Board was established in October 2015 to develop and deliver a programme of work that would review the focus and delivery of all Council Services. The Transformation Programme is critical to the achievement of balanced budgets going forwards. It is a continuous programme of work, aimed at transforming the services we provide and identifying significant savings that can be built into the budget proposals.
- 8.7 Each strategic review or project is led by a director or senior manager responsible for the service, supported by a project manager. The director or senior manager chairs the project board, whose membership also includes some Chief Officers or Heads of Service who are not involved in that service area to bring some external challenge and a wider corporate ownership to the reviews. The Transformation Programme will not only deliver savings but fundamentally transform services and the way we work.
- 8.8 Full Council agreed an Efficiency Plan on 14 September 2016, as part of the process of accepting a four year financial settlement from the Government, which outlines how the budget can be balanced over the next three years. It incorporates assumptions about the level of savings the Transformation Programme can deliver along with other efficiency savings. The efficiency plan is not fixed and the service areas and savings targets will be reviewed and updated on a regular basis to ensure it remains current and deliverable.
- 8.9 The savings relating to 2017/18 have been incorporated into the budget proposals and are included in Table 4. The majority of the strategic reviews and projects concerned are still at an early stage where full Business Cases have yet to be finalised. These figures are therefore indicative and will be validated and refined over the coming months. Any changes to the figures highlighted through this continuing process will be incorporated into the February budget report.

Table 4: Transformation Programme and Efficiency Plan 2017/18

| Department | £'000 |
|---|---------------|
| Corporate Services / Chief Executive's Office | |
| Property Investment Strategy | -1,000 |
| Environment, Culture & Communities | |
| Art Review (South Hill Park) | -100 |
| Library Review | -250 |
| Leisure Services Review | -300 |
| Town Centre Car Parking (excluding the Lexicon) | -225 |
| Council Wide | |
| Support Services review | -500 |
| Citizen and Customer Contact Review | -400 |
| Capital Financing (MRP calculation) | -400 |
| Total Savings | -3,175 |

Significant Budget Decisions

- 8.10 Consideration and approval of the budget is a major policy decision. However, the budget, by its nature, includes a range of proposals, some of which in themselves represent important policy decisions. More details on each of the proposals are included in Annexe C.
- 8.11 As the budget report is a policy document and is subject to at least six weeks consultation, the identification of these issues within the budget report facilitates detailed consultation on a range of significant policy decisions.

Council Wide Issues

- 8.12 Apart from the specific departmental budget proposals contained in Annexes B and C there are some Council wide issues affecting all departments' budgets which need to be considered. The precise impact of these corporate budgets is likely to change before the final budget proposals are recommended, however the current view on these issues is outlined in the following paragraphs.

a) Capital Programme

As outlined above, the scale of the Council's Capital Programme for 2017/18 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts, government grants, developer contributions or borrowing. The proposed Council Funded Capital Programme of £48.531m and externally funded programme of £18.041m for 2017/18 features in a separate report on tonight's agenda. After allowing for projected receipts of approximately £12m in 2017/18 and carry forwards, the additional revenue costs will be £0.486m in 2017/18 and £1.542m in 2018/19. These figures include on-going costs associated with the maintenance and support of IT capital purchases, which will help enable the Council's transformational change.

b) Interest and Investments

Investment returns on any surplus cash are likely to remain relatively low during 2017/18 and for some time to come compared to historic averages rates. The immediate impact of the BREXIT vote was a further cut in interest rates to 0.25% in early August as the Monetary Policy Committee (MPC) took action to stimulate economic growth based on the risk of a sharp economic downturn. However, economic statistics since August have indicated stronger growth than the MPC expected in August; also, inflation forecasts have risen substantially as a result of the sharp fall in the value of sterling since early August. This reduces the possibility that Bank Rate may be cut again in December, though another cut cannot be ruled out. During the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects already adversely impacted by the uncertainties of what form Brexit will eventually take.

Accordingly, a first increase to 0.50% is not tentatively pencilled in, as above, until quarter 2 of 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in the Bank Rate could be brought forward.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. An eventual world economic recovery may also see investors switching from the safe haven of bonds to equities. The overall balance of risks to economic recovery in the UK remains to the downside. PWLB rates and gilt yields have been experiencing exceptional levels of volatility that are highly correlated to geo-political, sovereign debt crisis and emerging market developments.

Given the Council's approach to managing risk and keeping investments limited to a maximum of 6 months maturity with the exception of the part-nationalised UK Banks, the opportunity to achieve rates in excess of the Bank Rate is limited.

Given the significant capital investment programme embarked on by the Council in previous years (Binfield Learning Village, Coral Reef and Town Centre) the Council is likely to be borrowing externally before the end of 2016/17. As such the 2017/18 Programme will require external borrowing. This position has been exacerbated by the Business Rates revaluation appeal by a large multi-national company early in 2016/17, which saw a significant cash outflow of approximately £16m which had previously not been factored in to the forward looking cash flow projections. This has in effect reduced the ability of the Council to support the 2016/17 Capital Programme from internal borrowing and over the long-term will add to the borrowing costs of the Council. This has been reflected in the Council's Medium Term Financial Strategy and the 2017/18 Budget

With short-term investment rates expected to remain below 0.5% throughout 2017/18, any surplus cash due to the treasury management activities of the Council will earn a minimal return of approximately 0.3%. Maximum use of internal cash will be used in the first instance before going to the external market for borrowing, the timing of which will depend largely on the progress made on completing the major capital projects.

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Long-term interest rates are at historical lows with 10-year and 25-year Public Works Loan Board rates in the region of 2.2% to 2.5% compared to an internal investment return of 0.3%. Short-term maturities are in the region of 1.5% offering a much smaller cost of carry (this being the difference between the cost of borrowing and the potential re-investment rates). As such, given a mix of borrowing maturities the average interest rate on borrowing assumed in the Council's 2017/18 revenue budget is 2%

With borrowing rates at historical lows, the borrowing strategy of the Council will be to minimise the impact on the revenue account by, in the first instance, borrowing at shorter maturities whilst recognising that any short-term benefit may be undone should longer-term interest rates begin to rise. As such the Council, in close co-ordination with its Treasury Management advisers, will monitor medium and long-term interest rates and take any necessary decisions based on the information available to effectively and efficiently fund the capital programme committed to by the Council.

The Council reviews the annual Treasury Management Strategy Statement under the requirement of the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Local Government Act 2003 required the Council to "have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the capital investment plans are affordable, prudent and sustainable". Annex E outlines the Council's prudential indicators for 2017/18 – 2019/20 and sets out the expected treasury management activities for this period. These take account of the Commercial Property Investment Strategy agreed by the Executive on 15 November 2016. It is recommended that the Executive agree the Treasury Management Strategy and associated documents and in line with the Code of Practice request that the Governance and Audit Committee review each of the key elements.

The Minimum Revenue Provision (MRP) Policy now reflects the Council's intention to move from the equal instalments method to the annuity method for calculating the annual charge where this is based on the life of the asset. This is still considered to be a prudent methodology but results in less of the amount borrowed being paid off in the early years of the asset's life. The impact of this change in policy on future borrowing is reflected in the Commitment Budget but it also has an impact on the revenue consequences of previous borrowing which is reflected in Table 4.

c) Provision for Inflation and Pay Awards

The Commitment Budget excludes the cost of inflation on both expenditure and income. In past years, the Council has restricted the provision for inflation on prices as a general economy measure, to help address the underlying budget gap, although pay awards have been fully funded. In the context of the Council's overall financial position, it is again prudent to consider where the provision for inflation on prices can be limited as an economy measure, although some exceptions will be necessary to reflect actual increases that will not be containable without real service reductions or to meet contractual commitments. In particular it will be important to have realistic discussions with key providers about what level of inflation is genuinely necessary on some contracts and placements.

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At this stage the inflation provision is not finalised, although for planning purposes a sum of £1.200m (£0.765m 2016/17) has been added to the budget. This will be achieved by:

- Assuming pay awards of no more than 1%;
- Negotiating to minimise inflation on contracts;
- Reviewing the Bracknell Forest Supplement;
- Increasing fees and charges in line with the Council's income policy.

The Council will need to consider where it is appropriate and necessary to provide for inflation over the coming weeks so that the actual inflation provision can be added to the final budget report in February 2017.

d) Fees and Charges

Increases in fees and charges are determined by the overall economic conditions, the willingness of customers to pay the higher charges and continued demand for Council services. The Council policy for fees and charges requires each Department to consider the level of charges against the following criteria:

- fees and charges should aim, as a minimum, to cover the costs of delivering the service;
- where a service operates in free market conditions, fees and charges should at least be set at the market rate;
- fees and charges should not be levied where this is an ineffective use of resources, i.e. the cost of collection exceeds any income generated.

Certain other fees will attract the percentage determined by statute. The proposed fees and charges are included in Annexe D.

e) Corporate Contingency

The Council manages risks and uncertainties in the budget through the use of a general contingency added to the Council's budget. Every year the Council faces risks on its budget in relation to demand led services, Business Rates and the general economic climate. At this stage the budget proposals contain a Contingency of £2m, given the increased risks associated with the financial settlement and the need to deliver significant savings in year through the Transformation Programme.

The Executive will need to make a judgement on the appropriate level of contingency at its February meeting, taking advice from the Borough Treasurer who will need to certify the robustness of the overall budget proposals in the context of the continuing progress on the Transformation Programme and the Council's remaining general and earmarked reserves. All the reserves will be reviewed to ensure that they are sufficient to manage the financial risks facing the Council in the coming years.

Spending on Schools

- 8.13 Significant changes are proposed by the Department for Education (DfE) to the way schools and education in general are funded, and there will be a greatly reduced future role for local authorities. The Education Funding Agency (EFA), the executive agency of the DfE, intends to put in place a Schools National Funding Formula

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(SNFF) to directly fund all schools with no involvement of local authorities. The main financial responsibilities remaining with local authorities would relate to ensuring the needs of vulnerable pupils are met, sufficient school places are available, working with schools to ensure they understand and discharge their safeguarding duties, ensuring fair access through admissions and promoting attendance.

- 8.14 In terms of funding provided to local authorities for education related services, the DfE is completely withdrawing the £600m funding source – the Education Services Grant (ESG) – on a phased basis from April 2017, which is expected to cost the Council around £1.5m when fully implemented. The Council's Efficiency Plan, which sets out the 4 year medium term budget position, includes the removal of ESG funding through the Commitment Budget and the expectation of reducing relevant costs by an equivalent amount. This means school support services will need to move to an affordable position over this period and this is intended to be managed through the School Support Services Transformation Project which will look at a range of additional income opportunities and removal of costs.
- 8.15 For the Schools Budget, the planned funding reforms have generally been postponed by the DfE for a year to April 2018. Therefore, local authorities will continue to operate their local School Funding Formulas and receive grant funding based on the current allocation method of 2016/17 spending levels, rather than moving to a new national formula.
- 8.16 Funding allocations to local authorities for their schools have been confirmed at the same per pupil amount as received in 2016/17, with changes in pupil numbers between Octobers 2015 and 2016 to be funded, which with an extra 519 pupils (3.34% increase) is expected to be around double the increase experienced in recent years. For high needs pupils, local authorities will receive at least the same cash allocation as received in the current year, with the possibility of increased funding levels once the DfE finalises its own budgets.
- 8.17 In respect of Early Years funding for 0-4 year olds, on 11 August, the DfE launched the consultation document An Early Years National Funding Formula outlining changes to funding for three and four year olds with a closing date of 22 September 2016. This set out the plans to implement the policy objective of enabling more families to work when they want to by extending the free entitlement to childcare for 3 and 4 year olds from 15 to 30 hours per week. The DfE will provide £1 billion additional funding by 2019/20 to increase provider funding rates to encourage the development of the additional places that will be required from increased take-up.
- 8.18 The DfE has yet to confirm final decisions from the consultation, but based on the original proposals, the expectation is that there will be an increase in per child funding for the Council of 14.1% in 2017/18, which is twice the national average increase. This amounts to £0.586m, with a further increase of £0.273m expected in 2019/20 once transitional funding arrangements end. The total increase in per child funding over the two year period is estimated at 20.1%. With the extension of the free entitlement to 30 hours for working families in September 2017, there is also expected to be a 21% increase in total number of free entitlement hours delivered. Proposals for local Early Years funding arrangements were published earlier this month, and seek comments from providers by 20 January 2017.
- 8.19 Taking account of this information, £87.9m of grant income is estimated to be available to the Council for 2017/18 through the specific ring-fenced Dedicated Schools Grant (DSG). This comprises £66.9m for the Schools Block, £15.3m for the High Needs Block and £5.7m for the Early Years Block.

Unrestricted

- 8.20 Many of the financial difficulties faced by the Council on non-school services also impact on schools, with pressures arising on pay and other inflationary cost increases, including the Living Wage, the new Apprenticeship Levy and the Local Government Pension Fund deficit. Overall, based on their current spending profiles, schools are expected to face average unfunded cost pressures of 2.5% and these will need to be managed through their budget setting process, which could include reductions in staffing.
- 8.21 In the longer term, further cost pressures will arise from the school building programme which is responding to new housing developments. These new schools will generally open with relatively low pupil numbers and will need additional financial support until pupil numbers grow to a sustainable level. Provision will need to be made in the 2017/18 budget for start-up costs for Amen Corner North and the Binfield Learning Village, with diseconomy funding for the Woodhurst Park Primary School that opened in September 2016 as an expansion to Warfield CE Primary School.
- 8.22 The DfE requires councils to confirm the basis on which actual school budgets will be allocated, including per pupil and all other funding rates, by 20 January 2017 even though relevant information required to calculate budgets will not be supplied before 10 December 2016. To meet this requirement, 2017/18 school budgets will have to be set on the basis of the estimated level of DSG plus any other grants and accumulated balances. The draft budget proposals are prepared on this basis.
- 8.23 In addition to the DSG, schools also receive revenue funding from other specific grants including School Sixth Forms (currently -£4.643m), the Pupil Premium (-£3.345m), Primary PE and Sports Premium (-0.292m) and the Universal Infant Free School Meals Grant (-£1.487m). All of these amounts are subject to change in 2017/18.
- 8.24 Decisions around the final balance of the budget between spending by schools and that on services managed by the Council is the responsibility of the Executive Member for Children, Young People and Learning, although the Schools Forum must be consulted, and in certain circumstances, agree to budget proposals.

Summary

- 8.25 Adding the draft proposals to the Commitment Budget and taking account of the corporate issues identified above would result in total expenditure of £77.000m as shown in Table 5.

Table 5: Summary of proposals:

| | £'000 |
|--|---------------|
| Commitment Budget | 66,988 |
| Budget Pressures | 1,475 |
| Budget Economies | -2,052 |
| Transformation Programme | -3,175 |
| Capital Programme | 486 |
| Inflation Provision | 1,200 |
| Change in Contingency | 1,000 |
| Reversal of the one-off transfer from the Business Rates Equalisation Reserve used to meet the Collection Fund - Business Rates deficit in 2016/17 | 11,803 |
| New Homes Bonus 2017/18 | 255 |
| Draft Budget Requirement 2017/18 | 77,980 |

- 8.26 Without the Provisional Finance Settlement, assumptions have had to be made on the level of grant income. It has been assumed that the Council can anticipate income of up to -£73.411m. This arises from Revenue Support Grant and Business Rates baseline funding (-£22.788m), the Collection Fund – Council Tax surplus (-£0.250m) and Council Tax at the 2016/17 level (-£50.373m).
- 8.27 With the potential overall cost of the budget package being consulted on in the region of £77.980m, this leaves a potential gap of around £4.569m. Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:
- an increase in Council Tax;
 - an appropriate contribution from the Council's revenue reserves, bearing in mind the Medium Term Financial Strategy;
 - identifying further expenditure reductions.

9 RESERVES

- 9.1 The Council has an estimated £10.0m available in General Reserves at 31 March 2017. Details are contained in Table 6.

Table 6: General Reserves as at 31 March 2017

| | £m |
|--|-------------|
| General Fund | 12.7 |
| Planned use (after in-year savings) in 2016/17 | (1.8) |
| Estimated Balance as at 31 March 2017 | 10.9 |

- 9.2 The Council has, in the past, planned on maintaining a minimum prudential balance of £4m. This assessment is based on the financial risks which face the Council and the Borough Treasurer considers these in the February report to the Executive at which a final decision on the use of balances can be taken, taking account of the financial position likely to face the Council over the next five years.

10 CONCLUSION

- 10.1 The Council's constitution requires a consultation period of at least six week on the draft budget proposals. In this context, it is inevitable that, of the broad range of options proposed for consultation, not all will necessarily be included in the final budget package. It is also likely that some further issues with a financial impact will arise between now and February. When the Final Settlement is known, the Executive can consider the prudent use of revenue balances to support expenditure in line with the overall medium term financial strategy, along with any further expenditure reductions.
- 10.2 It is suggested, therefore, that the normal process whereby the Overview & Scrutiny Commission reviews the overall budget package and determines whether any specific issues should be considered further by the Overview and Scrutiny Panels at their meetings in January, is followed. The proposals will also be placed on the Council's website for public consultation.
- 10.3 All comments from the Overview & Scrutiny Commission, Overview and Scrutiny Panels and all others will then be submitted to the Executive on 14 February 2017. This will allow the Executive to determine the final budget package and recommend the appropriate Council Tax level to the Council on 1 March 2017.

11 BUDGET MONITORING 2016/17- VIREMENT REQUEST

- 11.1 A virement is the transfer of resources between two budgets but it does not increase the overall budget approved by the Council. Financial Regulations require formal approval by the Executive of any virement between £0.050m and £0.100m and of virements between departments of any amount. Full Council approval is required for virements over £0.100m. During 2016/17 a number of virements have been identified which require the approval of the Executive. These have been previously reported to the Corporate Management Team which recommends them to the Executive for approval. They have been included in the Quarterly Service Reports. Details of virements between departments are set out in Annexe F. Details of internal departmental virements exceeding £0.050m are set out in Annexe G.

12 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 12.1 Nothing to add to the report.

Borough Treasurer

- 12.2 The financial implications of this report are included in the supporting information.

Equalities Impact Assessment

- 12.3 The Council's final budget proposals will potentially impact on all areas of the community. A detailed consultation process is planned in order to provide individuals and groups with the opportunity to comment on the draft proposals. This will ensure that in making final recommendations, the Executive can be made aware of the views of a broad section of residents and service users. A number of the budget proposals require specific equality impact assessments to be carried out and draft versions of these are attached in Annexe H. Consultation with equalities groups that are likely to be affected by the proposal is part of the assessment process.

Strategic Risk Management Issues

- 12.4 A sum of £1m is currently included in the draft proposals to meet the costs of unpredictable or unforeseen items that would represent in year budget risks. The Executive will need to make a judgement on the level of Contingency at its meeting in February.
- 12.5 The Borough Treasurer, as the Council's Chief Finance Officer (Section 151 Officer), must formally certify that the budget is sound. This will involve identifying and assessing the key risk areas in the budget to ensure the robustness of estimates and ensuring that appropriate arrangements are in place to manage those risks, including maintaining an appropriate level of reserves and Contingency. This formalises work that is normally undertaken each year during the budget preparation stages and in monthly monitoring after the budget is agreed. The Borough Treasurer will report his findings in February, when the final budget package is recommended for approval.

13 CONSULTATION

Principal Groups Consulted

- 13.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal>. There will also be a dedicated mailbox to collect comments.
- 13.2 The timetable for the approval of the 2017/18 Budget is as follows.

| | |
|---|------------------------------------|
| Executive agree proposals as basis for consultation | 13 December 2016 |
| Consultation period | 14 December 2016 - 24 January 2017 |
| Executive considers representations made and recommends budget. | 14 February 2017 |
| Council considers Executive budget proposals | 01 March 2017 |

Background Papers

None

Contacts for further information

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Commitment Budget 2017/18 to 2019/20

| | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|--|------------------|------------------|------------------|------------------|
| Corporate Services / Chief Executive's Office | | | | |
| Approved Budget | 14,082 | 14,420 | 13,716 | 13,760 |
| Borough Elections | | | | 123 |
| Residents Survey | | -29 | 29 | -29 |
| Capital Invest to Save 2015/16- ICT Backup System | | -15 | | |
| Revenue impact of 2016/17 Capital Programme - ICT costs | | 36 | | |
| Property Services contract savings | | | 15 | |
| Waterside Park Investment Property | | -396 | | |
| Savings approved by Council on 13 July 2016 ¹ | | -300 | | |
| Net Inter Departmental Virements | 338 | | | |
| Chief Executive / Corporate Services Adjusted Budget | 14,420 | 13,716 | 13,760 | 13,854 |
| Non Departmental / Council Wide | | | | |
| Approved Budget | -17,009 | -18,147 | -17,484 | -16,075 |
| Minimum Revenue Provision | | 97 | 593 | 269 |
| 2016/17 Use of Balances (Full Year Effect) - Interest | | 3 | | |
| 2016/17 Capital Programme (Full Year Effect) - Interest | | 37 | | |
| Ceasing to pay Pension Fund contributions in advance | | 100 | | |
| Increase in employers Pension Fund contributions | | 300 | 300 | 300 |
| Interest on External Borrowing | | 743 | 279 | 12 |
| Earmarked Reserves - funding for Education Health Care Plans | | 73 | 73 | |
| Apprenticeship Levy | | 215 | | |
| Transition Grant | | 20 | 914 | |
| Town Centre Business Rates Growth | | -750 | -750 | |
| Savings approved by Council on 13 July 2016 ¹ | | -175 | | |
| Net Inter Departmental Virements | -1,138 | | | |
| Non Departmental / Council Wide Adjusted Budget | -18,147 | -17,484 | -16,075 | -15,494 |

Savings approved by Council on 13 July 2016¹

| | 2016/17 £'000 | 2017/18 £'000 |
|-------------------------------|------------------|------------------|
| Corporate Services | -290 | -10 |
| Non Departmental/Council Wide | -175 | 0 |
| | <u>-465</u> | <u>-10</u> |

For management purposes budgets are controlled on a cash basis. The following figures which are used for public reports represent the cost of services including recharges and capital charges:

| | 2016/17 £'000 | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|-------------------------------|------------------|------------------|------------------|------------------|
| Corporate Services | 8,108 | 7,404 | 7,448 | 7,542 |
| Non Departmental/Council Wide | -37,527 | -36,864 | -35,455 | -34,874 |

Description of Commitment Budget Items for 2017/18 to 2019/20

| Department and Item | Description |
|---|--|
| Corporate Services / Chief Executive's Office | |
| Borough Elections | Borough Elections were held in May 2015 and the budget will therefore not be required again until May 2019. |
| Residents Survey | The Council commission Qa Research to carry out a biennial survey of residents in the Borough in order to help guide future policies. Undertaken in 2014/15, it is next due in 2016/17. |
| Capital Invest to Save 2015/16 – ICT Backup System | This investment will provide a technically superior backup system and deliver ongoing revenue savings. |
| Revenue impact of 2016/17 Capital Programme – ICT costs | ICT have additional annual support and maintenance costs for maintaining the network following a refresh of ICT infrastructure to ensure equipment is both current and supportable. |
| Property Services contract savings | The Mechanical Engineer post was externally procured for a period of two years and the post held vacant. However, this arrangement is not sustainable beyond the 2 year period and so the saving is to be reversed in 2018/19. |
| Waterside Park Investment Property | The purchase of Waterside Park has enabled the Council to achieve additional revenue income. |
| Savings approved by Council on 13 July 2016 | Further savings approved after the 2016/17 budget was set to reduce the use of balances in 2016/17 and to contribute to the budget gap in future years. |
| Non Departmental / Council Wide | |
| Minimum Revenue Provision | The change in the principal repayment on loans used to finance capital expenditure. |
| 2016/17 capital programme (full year effect) -Interest | The full year effect of the loss of interest based on the 2016/17 capital programme. |
| 2016/17 use of balances (full year effect) -Interest | The full year effect of the interest loss on the use of balances in 2016/17. |
| Ceasing to pay Pension Fund contributions in advance | The Council is unlikely to have the cash resources available to pay any employers and employees contributions, in advance, from 2017/18. |
| Increase in employers Pension Fund contributions | Estimated increase in payments required to meet prior year deficits. The outcome of the latest triennial valuation is expected in January 2017 which will enable these figures to be updated. |
| Interest on External Borrowing | Interest on borrowing required to finance the Council's Capital Programme in particular the construction of Binfield Learning Village. |

| Department and Item | Description |
|--|--|
| Earmarked Reserves - funding for Education Health Care Plans | Phased withdrawal of temporary funding previously agreed to finance duties from statutory guidance in the SEN Code of Practice 2014 that requires all SEN Statements to be converted into Education Health Care Plans before April 2018. |
| Apprenticeship Levy | The levy requires all employers operating in the UK, with a pay bill over £3 million each year, to invest in apprenticeships. The levy will be equivalent to 0.5% of the total pay bill less a 'levy allowance' of £15,000 per year. |
| Transition Grant | Transition Grant will be payable in 2016/17 and 2017/18 (at a reduced rate) to ease the impact of the formula grant changes introduced in 2016/17. |
| Town Centre Business Rates Growth | Additional Business Rates income arising from the regeneration of the Town Centre. |
| Savings approved by Council on 13 July 2016 | Further savings approved after the 2016/17 budget was set to reduce the use of balances in 2016/17 and to contribute to the budget gap in future years. |

CORPORATE SERVICES / CHIEF EXECUTIVE 'S OFFICE

| Description | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|---|------------------|------------------|------------------|
| <p>Legal Services</p> <p>At the end of 2014/15 the Courts increased their costs considerably and as such, the budget has been overspent. This has previously been offset by additional income and smaller underspends from other areas; however going forward this will not be sustainable. This is a demand led service and so the spend cannot be managed downwards.</p> | 10 | | |
| <p>Property Services</p> <p>Consultancy surveys are required for all lettable Council properties to ensure they meet Energy Performance Certificate standards to enable us to continue to lease out commercial properties.</p> | 25 | | |
| CORPORATE SERVICES / CHIEF EXECUTIVE TOTAL | 35 | 0 | 0 |

CORPORATE SERVICES / CHIEF EXECUTIVE'S OFFICE

| Description Impact | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|--|------------------|------------------|------------------|
| <p>Finance - Insurance</p> <p>Cancellation of those insurance policies (various all risks and loss of rent cover for commercial and industrial properties) where there has been a low level of claims in recent years and self insure.</p> | -19 | | |
| <p>Finance - Audit</p> <p>External audit fees continue to reduce in line with the tendering process undertaken previously and reducing the number of internal audit days delivered by the Council's external providers would create a saving.</p> | -18 | | |
| <p>Finance - Payroll</p> <p>Following the successful implementation of a new payroll system in 2015 the Council is moving towards the delivery of electronic payslips for the majority of its staff and saving printing costs.</p> | -10 | | |
| <p>Customer/Digital Services</p> <p>By replacing Sitemorse Web monitoring and SOCITM Performance Monitoring with an open source alternative, a saving can be achieved. The move from "M3" to "Uniform" will remove the need for "M3" licences in Customer Services. If "Uniform" is integrated with the Customer Relationship Management (CRM) system, this may remove the need for "Uniform" licences and so a further saving can be achieved. A further saving can be achieved by moving to the Amazon Web Hosting Service.</p> <p>Removal of the water dispensers in the reception area at Time Square and smaller efficiency savings across various operational budgets within Customer Services.</p> | -12 | | |
| <p>Local Tax Collection / Electoral Registration</p> <p>The number of Local Tax Collection bills produced has reduced with further reductions expected due to the uptake of online bills, and following the decision not to send leaflets with the council tax bills the postage budget can be reduced. In addition, with greater use of email, a reduction can be made on the canvass postage budget.</p> | -10 | | |
| <p>Chief Executive's Office / Community Engagement</p> <p>Reduction in administrative support for the Chief Executive's Office teams and general reduction in a range of supplies and services within the area. In addition, a reduction in the Community Centres' equipment budget.</p> | -19 | | |

| Description Impact | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|---|------------------|------------------|------------------|
| <p>Chief Executive's Office</p> <p>Cancelation of the subscription to the Local Government Information Unit. Alternative sources of information about local government are available online, although it will be much more difficult to secure a digested summary of current issues.</p> | -10 | | |
| <p>Industrial & Commercial Properties</p> <p>In recent years the Peel Centre has provided more income than budgeted and it is expected that this can be replicated going forward. In addition to this, we are currently experiencing relatively low levels of voids at this site.</p> | -15 | | |
| <p>Operations Unit</p> <p>Due to the re-tender of the Home to School Transport contracts, which came into effect this new school year, a reduction in costs has been achieved. Alongside this, parents are now asked to contribute towards their child's Post 16 transport which has not been achieved previously. There have also been savings identified with regard to some more expensive routes out of the Borough no longer being required due to pupils moving schools.</p> | -155 | | |
| <p>Office Accommodation / Construction & Maintenance</p> <p>Due to the long term plan for the decommissioning of Easthampstead House, no further maintenance, unless deemed urgent, will be carried out on the property. In addition, due to under spends in previous years, a saving can be made within the consultancy budget held in Construction & Maintenance.</p> | -30 | | |
| <p>ICT Services</p> <p>Reductions across various supplies and services budgets, reflecting previous underspends and efficiencies. Potential desktop management software savings can be achieved if the software is rationalised or reused.</p> | -30 | | |
| <p>ICT Services</p> <p>There is a capital bid in the 2017/18 programme to replace the Skyline Radio Links which will remove the need for revenue funding.</p> | -13 | | |
| <p>Voluntary Sector Grants</p> <p>Reduction in grants to Involve, Victim Support and Berkshire Community Foundation.</p> | -40 | | |

DRAFT REVENUE BUDGET SAVINGS PROPOSALS

Annexe C

| Description Impact | 2017/18 £'000 | 2018/19 £'000 | 2019/20 £'000 |
|--|--------------------------|--------------------------|--------------------------|
| Human Resources Due to the current climate, a reduction in staff recruitment advertising is proposed. | -6 | | |
| Legal Small reductions in various supplies and services budgets reflecting previous underspends, and an increase in fees coupled with an over-achievement of the income target in previous years enabling a further saving to be identified. | -5 | | |
| CORPORATE SERVICES / CHIEF EXECUTIVE TOTAL | -392 | 0 | 0 |

CORPORATE SERVICES & CHIEF EXECUTIVE'S DEPARTMENT

2017/18 PROPOSED FEES & CHARGES

Service: Legal & Surveyors' Fees

| |
|---|
| Purpose of the Charge: To contribute to the costs of the service |
|---|

| | 2016/17 Budget £'000 | Proposed 2017/18 Budget £'000 |
|--|----------------------------|--|
| Income the proposed fees will generate: | 131 | 150 |

| |
|--------------------------------------|
| Are concessions available? No |
|--------------------------------------|

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase |
|-------------|--------------------------|------------------------------|----------|
| | £.p | £.p | % |

Legal & Surveyors' Fees for Property Transactions

| | | | |
|---|---------|---------|------|
| New Lease | 450* | 495* | 10.0 |
| Licence to Assign | 340 | 370 | 8.8 |
| Contracted Out Lease - fee is dependant on complexity | 195/330 | 215/360 | 9.5 |
| License to Alter - fee is dependant upon complexity | 195/330 | 215/360 | 9.5 |
| Deed of Variation - fee is dependant on complexity | 195/330 | 215/360 | 9.5 |
| Sale of Garages & Freehold Reversions | 275 | 300 | 9.1 |
| Letter/Deed of Postponement | 125 | 135 | 8.0 |
| Transfer (or hourly rate as appropriate) | 320 | 350 | 9.4 |
| Section 106 Agreements | 975** | 1,070 | 9.7 |
| Processing of subject access requests | 10 | 11 | 10.0 |

* With discretion for the Borough Solicitor to increase if time recorded costs exceed £495, at a rate of £176 per hour.

** With discretion for the Borough Solicitor to increase if time recorded costs exceed £1,070, at a rate of £176 per hour.

CORPORATE SERVICES & CHIEF EXECUTIVE'S DEPARTMENT

2017/18 PROPOSED FEES & CHARGES

Service: Electoral Registration

Purpose of the Charge: To Contribute to the costs of the service

| | 2016/17 Budget £'000 | Proposed 2017/18 Budget £'000 |
|---|----------------------------|--|
| Income the proposed fees will generate: | 5 | 5 |

Are concessions available? No

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase |
|-------------|--------------------------|------------------------------|----------|
| | £.p | £.p | % |

| | | | |
|--|-------|-------|-------|
| Electoral Registration | | | |
| Certificate of current register | 22.00 | 22.00 | 0.0 |
| Certificate of historical registration | 62.00 | 44.00 | -40.9 |
| Street Index | 23.00 | 23.00 | 0.0 |
| Proof of life/pension certification | n/a | 10.00 | - |

| | | | |
|--|-------|-------|-----|
| Register of Electors: | | | |
| - in data format £1.50 for every 1,000 entries of part thereof plus the current fee# | 20.00 | 20.00 | 0.0 |
| - in paper format £5 for each 1000 entries or part thereof plus the current fee# | 10.00 | 10.00 | 0.0 |
| Register of Overseas Electors: | | | |
| - in data format £1.50 for every 1000 entries or part thereof plus the current fee# | 20.00 | 20.00 | 0.0 |
| - in paper format £5 for each 1000 entries or part thereof plus the current fee# | 10.00 | 10.00 | 0.0 |
| Marked copy of the Register of Electors: | | | |
| - in data format £1 for every 1000 entries or part thereof plus the current fee# | 10.00 | 10.00 | 0.0 |
| - in paper format £2 for each 1000 entries or part thereof plus the current fee# | 10.00 | 10.00 | 0.0 |

These are statutory charges that are determined nationally through legislation.

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase | Proposed Fee (Inc VAT) |
|-------------|--------------------------|------------------------------|----------|------------------------------|
| | £.p | £.p | % | £.p |

| | | | | |
|---|--------|--------|------|--------|
| Household Delivery | | | | |
| Delivery Administration fee: | | | | |
| - across more than half of the Borough | 185.00 | 195.00 | 5.4 | 234.00 |
| - across less than half of the Borough | 140.00 | 145.00 | 3.6 | 174.00 |
| Plus charges per leaflet/property | | | | |
| -rural properties per leaflet/property | 0.21 | 0.22 | 4.8 | 0.26 |
| -urban properties per leaflet/property | 0.16 | 0.17 | 6.3 | 0.20 |
| -each additional leaflet (both urban and rural) | 0.03 | 0.04 | 33.3 | 0.05 |

Charges may increase depending on the size and weight of the documents

The Household Delivery Service has been reviewed to ensure that the fees and charges cover the cost of providing the service.

CORPORATE SERVICES & CHIEF EXECUTIVE'S DEPARTMENT

2017/18 PROPOSED FEES & CHARGES

Service: Registration of Births, Deaths and Marriages Services

Purpose of the Charge: To Contribute to the costs of the service

| | 2016/17 Budget £'000 | Proposed 2017/18 Budget £'000 |
|---|----------------------------|--|
| Income the proposed fees will generate: | 190 | 190 |

Are concessions available? No, but a variety of services provided at differing prices.

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase | Proposed Fee (Inc VAT) | 2018/19 Proposed Fee (Inc VAT) | Increase |
|-------------|--------------------------|---------------------------|----------|---------------------------|--------------------------------------|----------|
| | £.p | £.p | % | £.p | £.p | % |

| Change of Name Service | | | | | | |
|--|-------|-------|------|-------|-------|------|
| Adult | 38.33 | 41.67 | 8.7 | 50.00 | 55.00 | 10.0 |
| - Additional deed purchased at time of appointment | 6.67 | 8.33 | 24.9 | 10.00 | 12.50 | 25.0 |
| - Copy of archived deed | 12.50 | 14.58 | 16.7 | 17.50 | 20.00 | 14.3 |
| Child | 42.92 | 45.83 | 6.8 | 55.00 | 60.00 | 9.1 |
| - Additional deed purchased at time of appointment | 6.67 | 8.33 | 24.9 | 10.00 | 12.50 | 25.0 |
| - Copy of archived deed | 12.50 | 14.58 | 16.7 | 17.50 | 20.00 | 14.3 |

Marriage and Civil Partnership Ceremonies

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase | Proposed Fee (Inc VAT) | 2018/19 proposed Fee (incl VAT where applicable) | Increase |
|---|--------------------------|---------------------------|----------|---------------------------|--|----------|
| | £.p | £.p | % | £.p | £.p | % |
| New Licence | 1,750.00 | 1,950.00 | | 2,340.00 | 2,520.00 | 7.7 |
| Licence Renewal | 1,500.00 | 1,650.00 | | 1,980.00 | 2,160.00 | 9.1 |
| Notice of Intent fee for marriage and civil partnership ceremonies at the Register Office# | 35.00 | | | | | |
| Notice of Intent fee for marriage and civil partnership away from the Register Office (includes fee for entry in marriage notice book): | | | | | | |
| - for a housebound person# | 82.00 | | | | | |
| - for a detained person# | 103.00 | | | | | |
| Attendance of Registrar for a marriage or civil partnership: | | | | | | |
| - at a registered building# | 86.00 | | | | | |
| - of a housebound person# | 81.00 | | | | | |
| - of a detained person# | 88.00 | | | | | |
| Attendance of Superintendent Registrar for a marriage or civil partnership: | | | | | | |
| - of a housebound person# | 84.00 | | | | | |
| - of a detained person# | 94.00 | | | | | |
| Attendance of Superintendent Registrar for a ceremony at approved premises | | | | | | |
| - Monday - Thursday | 355.00 | 400.00 | 12.7 | 480.00 | 540.00 | 12.5 |
| - Friday | 400.00 | 450.00 | 12.5 | 540.00 | 600.00 | 11.1 |
| - Saturday | 450.00 | 500.00 | 11.1 | 600.00 | 660.00 | 10.0 |
| - Sunday/Bank Holiday | 500.00 | 550.00 | 10.0 | 660.00 | 720.00 | 9.1 |

Note - Appointment fees will be taken at the time of booking

CORPORATE SERVICES & CHIEF EXECUTIVE'S DEPARTMENT

2017/18 PROPOSED FEES & CHARGES

Marriage and Civil Partnership Ceremonies (Cont)

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase | Proposed Fee (Inc VAT) | 2018/19 proposed Fee (incl VAT where applicable) | Increase |
|---|--------------------------|---------------------------|----------|---------------------------|--|----------|
| | £.p | £.p | % | £.p | £.p | % |
| Ceremony in the Syrett Small Ceremony Room | | | | | | |
| - Monday - Thursday | 75.00 | 100.00 | 33.3 | 120.00 | 150.00 | 50.0 |
| - Friday | 100.00 | 125.00 | 25.0 | 150.00 | 180.00 | 44.0 |
| -Saturday | 150.00 | 175.00 | 16.7 | 210.00 | 240.00 | 37.1 |
| -Sunday / Bank Holiday | 200.00 | 225.00 | 12.5 | 270.00 | 300.00 | 33.3 |
| Ceremony in the Syrett Large Ceremony Room (includes Superintendent Registrar's and registrar's attendance): | | | | | | |
| - Monday - Thursday | 140.00 | 175.00 | 25.0 | 210.00 | 240.00 | 37.1 |
| - Friday | 195.00 | 220.00 | 12.8 | 264.00 | 300.00 | 36.4 |
| -Saturday | 295.00 | 300.00 | 1.7 | 360.00 | 384.00 | 28.0 |
| -Sunday / Bank Holiday | 395.00 | 450.00 | 13.9 | 540.00 | 570.00 | 26.7 |
| Pre-ceremony chat appointments | | | | | | |
| - Monday - Friday | 15.00 | 17.50 | 16.7 | 21.00 | 24.00 | 14.3 |
| Marriage or Civil Partnership Ceremony in the Register Office | 46.00 | | | | | |
| Attendance of Superintendent Registrar for a civil partnership conversion to a marriage at the Register office# | 45.00 | | | | | |
| Attendance of Superintendent Registrar for a civil partnership conversion to a marriage at a registered building# | 46.00 | | | | | |
| Application to convert a Civil Partnership to a marriage# | 27.00 | | | | | |
| Attendance of Superintendent Registrar for a civil partnership conversion to a marriage: | | | | | | |
| - of a housebound person # | 99.00 | | | | | |
| - of a detained person# | 117.00 | | | | | |
| - of a seriously ill person not expected to recover# | 15.00 | | | | | |
| Note - Appointment fees will be taken at the time of booking | | | | | | |

These are statutory charges that are determined nationally through legislation. There are a number of additional statutory charges available on request

CORPORATE SERVICES & CHIEF EXECUTIVE'S DEPARTMENT

2017/18 PROPOSED FEES & CHARGES

Certificates and Nationality Checking Service

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase | Proposed Fee (Inc VAT) | 2018/19 proposed Fee (incl VAT where applicable) | Increase |
|--|--------------------------|---------------------------|----------|---------------------------|--|----------|
| | £.p | £.p | % | £.p | £.p | % |
| Certificates | | | | | | |
| Birth (short and long), death and marriages certificates(extracts or full): | | | | | | |
| - at time of registration# | 4.00 | | | | | |
| - after registration but in current register# | 7.00 | | | | | |
| - after registration and after register closed# | 10.00 | | | | | |
| Civil Partnership certificates (extract or full): | | | | | | |
| - at time of registration# | 4.00 | | | | | |
| - at any other time# | 10.00 | | | | | |
| Additional fee Personal search (up to 6 hours) | 18.00 | | | | | |
| Additional fee - certificates Premium Service (in addition to statutory fee) | 20.00 | 22.00 | 10.0 | 26.40 | 30.00 | 36.4 |
| Postage admin per certificate | 2.60 | 2.80 | 7.7 | 3.36 | 3.60 | 28.6 |
| Nationality Checking Service | | | | | | |
| Single adult application - Monday - Friday | 54.17 | 66.67 | 23.1 | 80.00 | 95.00 | 18.8 |
| Single child application - Monday-Friday | 29.17 | 41.67 | 42.8 | 50.00 | 65.00 | 30.0 |
| Joint Citizenship & Passport Service additional fee | | | | | | |
| Single Application Monday - Friday | n/a | 20.00 | - | 24.00 | 30.00 | 25.0 |
| European Passport Return Services | | | | | | |
| Single Application Monday - Friday | n/a | 20.00 | - | 24.00 | 30.00 | 25.0 |
| Settlement Checkina Service | | | | | | |
| Single adult application - Monday-Friday | 87.50 | 100.00 | 14.3 | 120.00 | 130.00 | 8.3 |
| Individual Citizenship Ceremonies | | | | | | |
| - Monday - Friday | 108.33 | 112.50 | 3.8 | 135.00 | 150.00 | 11.1 |
| Additional fee for cancellation/amendment/follow-up appointment | 20.83 | 22.92 | 10.0 | 27.50 | 30.00 | 9.1 |
| Note - Appointment fees will be taken at the time of booking | | | | | | |

CORPORATE SERVICES & CHIEF EXECUTIVE'S DEPARTMENT

2017/18 PROPOSED FEES & CHARGES

Service: Democratic Services

Purpose of the Charge: To Contribute to the costs of the service

| | 2016/17 Budget £'000 | Proposed 2017/18 Budget £'000 |
|--|----------------------------|--|
| Income the proposed fees will generate: | 0 | 0 |
| Very few requests are made for agendas and the income budgets are below £1,000 | | |

Are concessions available? Agendas are available online at no charge.

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase |
|-------------|--------------------------|------------------------------|----------|
| | £.p | £.p | % |
| | | | |

Council Publications

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase |
|---|--------------------------|------------------------------|----------|
| | £.p | £.p | % |
| Agendas/Minutes, etc | | | |
| Council agenda – Charge per Annum (Based on 8 per Annum) | 168.00 | 170.00 | 1.2 |
| Executive Agenda – Charge per Annum (based on 11 per Annum) | 252.00 | 255.00 | 1.2 |
| Planning Committee (based on 12 per Annum) | 252.00 | 255.00 | 1.2 |
| Any other Committee or Sub Committee Agendas | | | |
| Charge per Annum (Based on 4 per annum) | 121.00 | 122.00 | 0.8 |
| Charge per single copy | 31.00 | 32.00 | 3.2 |
| Part extract (any Committee) including background papers - administration fee | 11.00 | 12.00 | 9.1 |

Service: Democratic Services

Purpose of the Charge: To Contribute to the costs of the service

| | 2016/17 Budget £'000 | Proposed 2017/18 Budget £'000 |
|--|----------------------------|--|
| Income the proposed fees will generate: | 3.0 | 3.0 |

Are concessions available? No

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase |
|-------------|--------------------------|------------------------------|----------|
| | £.p | £.p | % |
| | | | |

Appeals Service

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase |
|--|--------------------------|------------------------------|----------|
| | £.p | £.p | % |
| Charges to Schools for administration and clerking of appeals | | | |
| Up to 5 appeals and 2 ombudsman cases a year for three years | 2,550.00 | 2,600.00 | 2.0 |
| Up to 10 appeals and 2 ombudsmen cases a year for three years | 4,800.00 | 4,900.00 | 2.1 |
| Additional appeal once the maximum has been reached | 255 each | 260.00 | 2.0 |
| Charge for unscheduled occasional appeals | 255 each | 260.00 | 2.0 |

CORPORATE SERVICES & CHIEF EXECUTIVE'S DEPARTMENT

2017/18 PROPOSED FEES & CHARGES

Service: Democratic Services

| |
|--|
| Purpose of the Charge: To Contribute to the costs of the service |
|--|

| | 2016/17 Budget £'000 | Proposed 2017/18 Budget £'000 |
|---|----------------------------|--|
| Income the proposed fees will generate: | 2.0 | 0.0 |

| |
|-------------------------------|
| Are concessions available? No |
|-------------------------------|

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase | Proposed Fee (Inc VAT) |
|-------------|--------------------------|------------------------------|----------|------------------------------|
| | £.p | £.p | % | £.p |

STANDARD OTHER CHARGES FOR DEMOCRATIC & REGISTRATION

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase | Proposed Fee (Inc VAT) |
|--|--------------------------|------------------------------|----------|------------------------------|
| | £.p | £.p | % | £.p |
| These are chargeable in addition or as default to recover actual costs for | | | | |
| Invoice Charge | 24.00 | 25.00 | 4.2 | 30.00 |
| Hourly Rate | 56.00 | 57.00 | 1.8 | 68.40 |
| Minimum Charge | 30.00 | 31.00 | 3.3 | 37.20 |
| Photocopying Charges | | | | |
| A4 B&W | 0.26 | 0.27 | 3.8 | 0.32 |
| A3 B&W | 0.42 | 0.43 | 2.4 | 0.52 |
| A4 Colour | 0.82 | 0.83 | 1.2 | 1.00 |
| A3 Colour | 1.50 | 1.55 | 3.3 | 1.86 |

Service: Education Transport

| |
|--|
| Purpose of the Charge: To contribute to the costs of the service where there is spare capacity on an existing route. |
|--|

| | 2016/17 Budget £'000 | Proposed 2017/18 Budget £'000 |
|---|----------------------------|--|
| Income the proposed fees will generate: | 0.1 | 0.1 |

| |
|-------------------------------|
| Are concessions available? No |
|-------------------------------|

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase |
|-------------|--------------------------|------------------------------|----------|
| | £.p | £.p | % |

| Home to School Travel | | | |
|---|-------|-------|-----|
| <i>Farepayer fees per term on existing routes</i> | | | |
| Lost Passes | 20.00 | 20.00 | 0.0 |

CORPORATE SERVICES & CHIEF EXECUTIVE'S DEPARTMENT

2017/18 PROPOSED FEES & CHARGES

Service: Town Centre Management

Purpose of the Charge: To contribute to the costs of the service

| | 2016/17 Budget £'000 | Proposed 2017/18 Budget £'000 |
|---|----------------------------|--|
| Income the proposed fees will generate: | 44 | 44 |

Are concessions available? Yes, charities and not for profit organisations can have the area without the charge for a maximum of 2 weeks per year, however cancellations with less than 48 hours notice will incur a charge of £5 per day. Local SME's may be charged a reduced rate, this degree of discretion is delegated to the Regeneration Manager.

| Description | Current Fee (Exc VAT) | Proposed Fee (Exc VAT) | Increase | Proposed Fee (Inc VAT) |
|---|--------------------------|------------------------------|----------|------------------------------|
| | £.p | £.p | % | £.p |
| Stalls/promotions in the Charles Sq area Sun-Thurs daily charge | 150.00 | 150.00 | 0.0 | 180.00 |
| Stalls/promotions in the Charles Sq area Fri-Sat daily charge | 300.00 | 300.00 | 0.0 | 360.00 |
| Stalls/promotions in the Charles Sq area weekly charge | 500.00 | 500.00 | 0.0 | 600.00 |
| Fairground type ride daily | 40.00 | 40.00 | 0.0 | 48.00 |
| Fairground type ride weekly | 200.00 | 200.00 | 0.0 | 240.00 |

**TO: THE EXECUTIVE
13 DECEMBER 2016**

**CAPITAL PROGRAMME 2017/2018 - 2019/2020
(Borough Treasurer/Chief Executive)**

1 PURPOSE OF DECISION

- 1.1 Under the Council's constitution, the Executive is required to consult on its detailed budget proposals with the Council's Overview & Scrutiny Commission and any other interested parties or individuals for a period of at least six weeks. This report summarises the current position on the Council's Capital Programme budget preparations for 2017/18.
- 1.2 This report draws together each department's proposals so that the Executive can agree a draft capital programme for 2017/18-2019/20 as the basis for consultation. In compiling the draft programme the main focus is inevitably on determining the requirements for 2017/18, although future year's schemes do also form an important part of the programme.
- 1.3 The financial implications of the recommendations in this report are reflected in the subsequent report on the Council's draft revenue budget. Any revisions to the proposals put forward by each service would also need to be reflected in that report which will also be published as the basis for consultation following the Executive's meeting.

2 RECOMMENDATIONS

That the Executive:

- 2.1 **Approves, for consultation, an initial Council funded capital programme of £48.531m for 2017/18 as set out in paragraph 5.23 and summarised in Annex A, including the new schemes listed in Annexes B – F.**
- 2.2 **Recommends to Council the release of £190,000 capital funding in 2016/17 from the 2017/18 Capital Programme to fund the investment required at South Hill Park**
- 2.3 **Approves, for consultation, the inclusion of an additional budget of £1m for Invest-to-Save schemes.**
- 2.4 **Approves, for consultation, the inclusion of £0.942m of expenditure to be funded from S106 as outlined in paragraph 5.24.**
- 2.5 **Approves, for consultation, the inclusion of £18.041m of expenditure to be externally funded as outlined in paragraph 5.24.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The reasons for the recommendations are set out in the report.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 The alternative options are considered in the report.

5 SUPPORTING INFORMATION

Capital Resources

5.1 Each year the Council agrees a programme of capital schemes. In the past these schemes have been funded from three main sources:

- the Council's accumulated capital receipts
- Government Grants
- other external contributions

5.2 The Local Government Act 2003 brought in radical changes to the financing of capital expenditure and from that date, the Government no longer issued borrowing approvals. Instead, under a new "prudential framework", Councils can set their own borrowing limits based on the affordability of the debt.

5.3 As the Council's accumulated capital receipts have been fully utilised, the Council returned to a position of internal borrowing in 2010 and as such a revenue contribution is required each year to repay this internal borrowing. Once the Council's current level of investments is exhausted, which is expected to be within the next 18 months the Council will need to borrow externally.

5.4 The Council's estimated total usable capital receipts at 31st March 2016 are zero. As a debt free authority the Council is partly reliant on capital receipts to fund its capital programme, although interest generated from capital receipts can also help support the revenue budget in the short term – however with investment rates at historic lows it makes more economic sense to defer borrowing. The Council still receives a share of any Right-To-Buy proceeds from Bracknell Forest Homes in addition to a share of capital receipts from the VAT Shelter scheme, however this is now coming close to the end of the 10-year agreement.

5.5 The proposed capital programme for 2017/18 has been developed, therefore, on the assumption that it will be funded by a combination of Government grants, other external contributions and borrowing in addition to capital receipts. Historically capital receipts have averaged around £5m per annum, however with the introduction of CIL and the forthcoming sale of the Sandy Lane land there is potential for a much larger level of capital receipts in 2017/18. However the exact value received will depend largely on the value of receipts from Sandy Lane and the timing of the sale. Even so with such a large programme there is a likelihood that the Council may need to borrow externally however this will depend largely on the progress made at Binfield Learning Village and at Coral Reef. Internal resources will be used in the first instance and borrowing from external sources (e.g. the PWLB) will be used when necessary. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans which also appear on tonight's agenda.

New Schemes

5.6 Within the general financial framework outlined above, Service Departments have considered new schemes for inclusion within the Council's Capital Programme for 2017/18 – 2019/20. Given that both capital and revenue resources are under pressure, each Department has evaluated and prioritised proposed schemes into broad categories in line with the Council's Asset Management Plan. Having done

this, only the very highest priority schemes and programmes are being recommended for inclusion in the Capital Programme.

Town Centre

- 5.7 Following the conclusion of the Development Agreement with Bracknell Regeneration Partnership (BRP) the Council set out its own planned investment on wider Town Centre infrastructure as part of the 2015/16 Capital Programme. These investment plans follow through into 2017/18.
- 5.8 Similarly in order to facilitate transport movements around the Borough, including the planned Town Centre redevelopment, it is necessary to continue to fund a number of infrastructure schemes. As such a funding need of £1.5m has been identified in the 2017/18 proposals (and a further £0.5m in 2018/19) to ensure that the regenerated town centre functions as a “whole centre” and not just as an isolated shopping outlet. As such spending levels of this magnitude are likely to be required until the new Northern Retail Quarter area is open and established for trading. This additional expenditure is aimed at maximising the positive experience of visiting the regenerated town centre.
- 5.9 All of these items have a much wider impact than the new development itself and will benefit the whole Borough. However the expenditure needs to be co-ordinated with the specific work that BRP are planning to carry out.

Commercial Investment Strategy

- 5.10 The Council’s Medium Term Financial Strategy forecasts a substantial budget gap over the next three financial years. This is a challenging target but the Efficiency Plan 2016 – 2020 approved by Full Council on 14 September 2016 demonstrates how the Council will achieve balanced and sustainable budgets throughout the period of the four year settlement. The Transformation Programme initiated during 2015 is critical to the achievement of our financial objectives.
- 5.11 A key project within the Transformation Programme is a Commercial Property Investment Strategy (as outlined in the Report to 16th November Executive) designed to deliver additional income of £1m in 2017/18 with a further £1m in 2018/19 and a further £1m in 2019/20. Assuming an average net yield of 5% per annum this will require the Council to invest £20m per annum in commercial property during 2016/17, 2017/18 and 2018/19.

South Hill Park

- 5.12 An investment of £190,000 has been identified in order to secure long-term reductions in the grant aid to South Hill Park. The investment will secure a £100,000 reduction in each of the following two years which meets the expectations in the Council’s efficiency plan. It will improve the building which ultimately belongs to the Council and the additional commercial revenue made possible by this investment will support the grant reduction by the Council. The investment will create a new wedding venue, refurbish all toilets and upgrade kitchens.

Other Unavoidable & Committed schemes

- 5.13 This category covers schemes which must proceed to ensure that the Council is not left open to legal sanction and includes items relating to health and safety issues, new legislation etc. Committed schemes also include those that have been started as part of the 2016/17 Capital Programme. Also included within this category are those schemes that were previously funded from the General Fund Revenue Account, but which by their nature could be legitimately capitalised, thereby reducing pressure on the revenue budget. Schemes in this category form the first call on the available capital resources.

Maintenance (Improvements and capitalised repairs)

- 5.14 An assessment has been made of the condition of the Council's property assets to arrive at an estimate of the outstanding maintenance works required. An assessment is made of the state of each building element and its repair priority with a condition rating and repair urgency.

| Definition of Condition Categories: |
|--|
| A: Good – Performing as intended and operating efficiently. B: Satisfactory – Performing as intended but showing minor deterioration. C: Poor – Showing major defects and/or not operating as intended. D: Bad – Life expired and/or serious risk of imminent failure. |
| Priority: |
| 1 Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation. 2 Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health & safety of the occupants and/or a minor breach of the legislation. 3 Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health & safety of the occupants and/or a minor breach of the legislation. 4 Long-term work required beyond a period of 5 years that will prevent deterioration of the fabric or services. |

The figures below are based on the information held in the Construction and Maintenance Groups' property management system. They have been adjusted to exclude those works that are already budgeted for within existing 2016/17 schools and corporate planned maintenance programmes.

The priorities can be broken down as follows:

Maintenance Backlog

| | | £ (000) | £ (000) |
|----------------------|------------------|---------------|---------------|
| Schools | Priority 1C & 1D | 2,914 | |
| | Priority 2C & 2D | 8,539 | |
| | Lower Priorities | 26,237 | 37,690 |
| Corporate Properties | Priority 1C & 1D | 2,553 | |
| | Priority 2C & 2D | 2,758 | |
| | Lower Priorities | 11,574 | 16,885 |
| Total | | <u>11,574</u> | <u>54,575</u> |

- 5.15 The overall maintenance liability has increased from £52.5m in 2016/17 to £54.58m. The last couple of years have seen large increases in building costs. As the Council is now running a five year programme of condition surveys, some of the older data was quickly becoming out-of-date and, as a consequence, adjustments have been

applied to that data to bring it in line with current costs. Secondly, the nature of the condition surveys has evolved such that more emphasis is now given to predicting the need for works further in advance than was previously the case. This is partly because of the five year programme approach mentioned above and partly because the asset management package that we now use to manage this data lends itself to better recording. As such much of the value attributed to lower priority works is for things that are likely to be required over the next several years.

Schools

- 5.16 Historically the Schools Maintenance Programme has been funded from the Capital Maintenance grant allocation from the Department for Education (DfE). The allocation from the DfE for 2017/18 of £1.931m will be used to tackle the highest priority items identified in the condition surveys indicated above.

Non-schools

- 5.17 From an initial analysis of the work required it is clear that some works, whilst urgent, cannot be legitimately capitalised and must be met from a revenue budget. An allowance of £200,000 is available in the 2017/18 Revenue Budget proposals to meet these liabilities.
- 5.18 In line with the policy adopted last year the Asset Management Group has considered only those works that fall within categories 1C and 1D. Given the financial constraints on both the revenue and capital budgets an allocation of £1.775m is recommended to address the most pressing 1C & 1D priorities.
- 5.19 The implications of failing to maintain Council buildings and to address the backlog will be a significant issue for the Council over the coming years and efforts will be focussed on ensuring that the highest priority items are tackled first, that efficiencies are maximised in the procurement of works and that maintenance which will result in energy efficiencies are undertaken through the invest-to-save programme.

Rolling programmes

- 5.20 These programmes cover more than one year and give a degree of certainty for forward planning schemes to improve service delivery. They make an important contribution towards the Council's established Asset Management Plans.

Other Desirable Schemes

- 5.21 In addition to the schemes identified in the above categories, each service has requested funding for other high priority schemes that meet the needs and objectives of their service. The net cost of schemes which attract partial external funding are included in the schemes put forward.

Invest-To-Save Schemes

- 5.22 These are schemes where the additional revenue income or savings arising from their implementation exceeds the Council's borrowing costs. In the past the Council has allocated £1m per annum to fund potential Invest-to-Save (ITS) schemes that may present themselves during the year

Capital Programme 2017/18 – 2019/20

- 5.23 A summary of the cost of new schemes proposed by Departments is set out in the table below and in Annex A. A detailed list of suggested schemes within the draft capital programme, together with a brief description of each project, for each service is included in Annexes B – F. Total Council funding amounts to £48.531m. However excluding the funding for Binfield Learning Village, Coral Reef, the Invest to Save Schemes, the Local Housing Company, the Town Centre Redevelopment and the

Commercial Property Investment strategy the total Council funding requested is £7.865m in 2017/18 and this is in line with previous programmes and the amount allowed for in the Revenue Budget proposals.

| Capital Programme 2017/18-2019/20 | | | | |
|--|--|-------------------------|-------------------------|-------------------------|
| Annex | Service Area | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 |
| B | Adult Social Care, Health & Housing | 7,002 | 0 | 0 |
| C | Children, Young People & Learning | 20,540 | 19,067 | 1,574 |
| D | Corporate Services | 1,678 | 2,110 | 70 |
| E | Council Wide | 23,860 | 20,500 | 510 |
| F | Environment Culture & Communities | 13,492 | 5,724 | 3,400 |
| | Total Capital Programme | 66,572 | 47,401 | 5,554 |
| | Externally Funded | 18,041 | 19,221 | 4,209 |
| | Total request for Council funding | 48,531 | 27,730 | 1,345 |

Externally Funded Schemes

- 5.24 A number of external funding sources are also available to fund schemes within the capital programme. External support has been identified from two main sources:

Government Grants

A number of capital schemes attract specific grants. It is proposed that all such schemes should be included in the capital programme at the level of external funding that is available.

A significant element of the grant-funded capital programme relates to the planned investment in Schools. The schools investment programme included in this report reflects the highest priority schemes identified by the Department and the Education Capital Programme Board. Discussions are continuing with Sandhurst school regarding works to the adjoining sports centre. A total of £11.327m will be invested in schools from specific capital grants.

A second key constituent of capital grant funding relates to the Highway Maintenance, Integrated Transport Block and grants from the Local Enterprise Partnership. Grant approvals of £5.132m are currently anticipated for 2017/18.

Section 106 (£0.942m)

Each year the Council enters into a number of agreements under Section 106 of the Town & Country Planning Act 1990 by which developers make a contribution towards the cost of providing facilities and infrastructure that may be required as a result of their development. Usually the monies are given for work in a particular area and/or for specific projects. The total money available at present, which is not financially committed to specific projects, is £3.8m, although conditions restricting its use will apply to almost all of this.

Officers have identified a number of schemes that could be funded from Section 106 funds in 2017/18, where funding becomes available. These are summarised below

| Department | Schemes | Budget |
|------------|------------------------|------------|
| | | £000 |
| CYPL | Various School Schemes | 423 |
| ECC | Leisure & Culture | 169 |
| ECC | Local Transport Plan | 350 |
| | Total | 942 |

The level of new funding available through Section 106 is expected to reduce in the future following the introduction of the Community Infrastructure Levy (CIL). However the more flexible CIL funding should offset this reduction.

On-going Revenue Costs

- 5.25 Schemes may have associated on-going revenue costs and tend to become payable in the year after implementation. As such will be included within the Council's Commitment Budget for 2017/18. These total £69,000 and relate to the licence and maintenance contracts associated with the new IT hardware investment.

Funding Options

- 5.26 Following the transfer of the housing stock in 2008, the Council's capital receipts are limited to miscellaneous asset sales, the contribution from the VAT Shelter Scheme and Right-to-Buy claw back agreed as part of the transfer and the new Community Infrastructure Levy (CIL).
- 5.27 The Council introduced CIL in April 2015. It is difficult to estimate the potential amount of CIL that will be generated as this will depend on the delivery of additional housing development in the Borough, which is to a large extent outside of the control of the authority. However based on the most recent housing trajectory estimates and knowledge of development schemes that will come forward in the next 18 months, it is estimated that £2m is an appropriate assumption for 2017/18.
- 5.28 The proposed capital programme for 2017/18 has been developed, therefore, on the assumption that it will be funded by a combination of approximately £8m of capital receipts, Government grants, other external contributions and borrowing. The financing costs associated with the Capital Programme have been provided for in the Council's revenue budget plans.
- 5.29 Given the level of investment proposed in 2017/18, in particular Binfield Learning Village and Coral Reef, it is inevitable that the Council will be required to borrow externally over the short-to-medium term. The timing of this will depend on the level of surplus cash held by the Council which will be used in the first instance to fund the Capital Programme commitments.
- 5.30 The use of these monies is known as internal borrowing and the Capital Finance regulations require the Council, through the General Fund, to set aside an amount, the Minimum Revenue Provision (MRP), which would be broadly equivalent to the amount the Council would need to re-pay if it borrowed externally. Any external borrowing will also require MRP in addition to an interest charge depending on the maturity of the loan.
- 5.31 If any amendments are made to the capital programme, the revenue consequences will need to be adjusted accordingly. Executive Members will therefore need to consider the impact of the capital programme as part of the final revenue budget decisions.

- 5.32 Following the introduction of the Prudential Borrowing regime local authorities are able to determine the level of their own capital expenditure with regard only to affordability on the revenue account. In practice this represents the amount of borrowing they can afford to finance, and will necessitate taking a medium-term view of revenue income streams and capital investment needs.
- 5.33 To achieve its aim of ensuring that capital investment plans are affordable, prudent and sustainable, the Local Government Act requires all local authorities to set and keep under review a series of prudential indicators included in the CIPFA Prudential Code for Capital Finance in Local Authorities. The Capital Programme recommended in this report can be sustained and is within the prudential guidelines. Full Council will need to agree the prudential indicators for 2017/18 to 2019/20 in March 2017, alongside its consideration of the specific budget proposals for 2017/18 and the Council's medium-term financial prospects.
- 5.34 Members will need to carefully balance the level of the Capital Programme in future years against other revenue budget pressures and a thorough review, including the prioritisation of those schemes planned for 2018/19 onwards, will need to be undertaken during next summer.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The authorisation for incurring capital expenditure by local authorities is contained in the legislation covering the service areas. Controls on capital expenditure are contained in the Local Government Act 2003 and regulations made thereunder.

Borough Treasurer

- 6.2 The financial implications are contained within the report.

Equalities Impact Assessment

- 6.3 The Council's final budget proposals will potentially impact on all areas of the community. A detailed consultation process is planned in order to provide individuals and groups with the opportunity to comment on the draft proposals. This will ensure that in making final recommendations, the Executive can be made aware of the views of a broad section of residents and service users. Where necessary, impact assessments on specific schemes within the capital programme will be undertaken before work commences.

Strategic Risk Management Issues

- 6.4 The most significant risk facing the Council is the impact of the capital programme on the revenue budget. The scale of the Council's Capital Programme for 2017/18 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts or borrowing from internal resources. This effect is compounded by future year's capital programmes. As revenue resources are limited it is clear that a capital programme of this magnitude is not sustainable in the medium term without significant revenue economies. The generation of capital receipts in future years may mitigate the impact on the revenue budget, but as the timing and scale of these receipts is uncertain their impact is unlikely to be significant.
- 6.5 There are also a range of risks that are common to all capital projects which include:
- Tender prices exceeding the budget
 - Planning issues and potential delays
 - Uncertainty of external funding
 - Building delays due to unavailability of materials or inclement weather

- Availability of staff with appropriate skills to implement schemes

6.6 These can be managed through the use of appropriate professional officers and following best practice in project management techniques. The report also identifies the risk associated with the shortfall in maintenance expenditure compared to that identified by the latest condition surveys. With only those highest priorities receiving funding in 2017/18, there will be a further build up in the maintenance backlog and a risk that the deterioration in Council assets will hamper the ability to deliver good services.

7 CONSULTATION

7.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal>. There will also be a dedicated mailbox to collect comments.

7.2 The timetable for the approval of the 2017/18 Budget is as follows

| | |
|---|---------------------------------------|
| Executive agree proposals as basis for consultation | 13 December 2016 |
| Consultation period | 14 December 2016 - 24 January 2017 |
| Executive considers representations made and recommends budget. | 14 February 2017 |
| Council considers Executive budget proposals | 01 March 2017 |

Background Papers

None

Contact for further information

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CAPITAL PROGRAMME - BY CATEGORY

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|--|-------------------------|-------------------------|-------------------------|-----------------------|
| Committed | 21,185 | 21,085 | 635 | 42,905 |
| Unavoidable | 170 | 125 | 100 | 395 |
| Maintenance | 2,007 | 505 | 150 | 2,662 |
| Rolling Programme / Other Desirable | 10,005 | 2,515 | 460 | 12,980 |
| Town Centre Highway Works | 1,500 | 500 | 0 | 2,000 |
| Council Funding | 34,867 | 24,730 | 1,345 | 60,942 |
| Town Centre Improvements | 850 | 0 | 0 | 850 |
| Coral Reef | 574 | 0 | 0 | 574 |
| LED Streetlights | 3,650 | 0 | 0 | 3,650 |
| Binfield Learning Village | 8,590 | 3,000 | 0 | 11,590 |
| Total Council Funding | 48,531 | 27,730 | 1,345 | 77,606 |
| Total External Funding | 18,041 | 19,221 | 4,209 | 41,471 |
| Total Capital Programme | 66,572 | 46,951 | 5,554 | 119,077 |

CAPITAL PROGRAMME - ALL DEPARTMENTS

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|--------------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| ASCH | 7,002 | 0 | 0 | 7,002 |
| CYPL | 20,540 | 19,067 | 1,574 | 41,181 |
| Corporate Services | 1,678 | 2,110 | 70 | 3,858 |
| Council Wide | 23,860 | 20,500 | 510 | 44,870 |
| ECC | 13,492 | 5,274 | 3,400 | 22,166 |
| Total Capital Programme | 66,572 | 46,951 | 5,554 | 119,077 |
| External Funding | 18,041 | 19,221 | 4,209 | 41,471 |
| Council Funding | 48,531 | 27,730 | 1,345 | 77,606 |

CAPITAL PROGRAMME - CORPORATE SERVICES / CHIEF EXECUTIVE

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|--|-----------------|-----------------|-----------------|---------------|
| Committed | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Unavoidable | | | | |
| Compliance with EPC Regulations | 50 | 25 | 0 | 75 |
| | <u>50</u> | <u>25</u> | <u>0</u> | <u>75</u> |
| Maintenance | | | | |
| See Council Wide | 0 | 0 | 0 | 0 |
| | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Rolling Programme / Other Desirable | | | | |
| Civic Accommodation | 1,628 | 2,085 | 70 | 3,783 |
| | <u>1,628</u> | <u>2,085</u> | <u>70</u> | <u>3,783</u> |
| TOTAL REQUEST FOR COUNCIL FUNDING | <u>1,678</u> | <u>2,110</u> | <u>70</u> | <u>3,858</u> |
| External Funding | | | | |
| TOTAL EXTERNAL FUNDING | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL CAPITAL PROGRAMME | <u>1,678</u> | <u>2,110</u> | <u>70</u> | <u>3,858</u> |

Corporate Services

2017/18 Capital Programme Bids

1. Compliance with EPC regulations - £50,000

Under the provisions of the Energy Act 2011, there will be a requirement for any properties rented out to have a minimum energy performance rating of E on an Energy Performance Certificate (EPC). The regulations will come into force for new lets and renewals of leases and tenancies with effect from 1st April 2018 and for all existing tenancies on 1st April 2020. It will be unlawful to rent a property which breaches the requirement for a minimum E rating, unless there is an applicable exemption.

The Department will commission consultants at an estimated cost of £25,000 to ensure that all Council properties which are subject to leases have an up to date EPC and to advise on the work required to all properties which have a rating lower than E to ensure compliance with the regulations. This will be funded from revenue as it is not a legitimate capital cost. A capital bid is requested to carry out the above work in 2017/18 at a cost of £75,000 phased over two years. Subject to the outcome of the consultant's report further work may be required in 2018/19.

2. Civic Accommodation - £1.628m

As a result of the work of the Transformation Board, in particular the Property Review Group which is required to release revenue savings from the property portfolio the need to relocate all operations from Easthampstead House (EH) to Time Square (TS) has been identified as a key priority. The move will also support the preferred Target Operating Model agreed by the Council Wide Support Services Reviews (CWSS) which is best suited to council support services being co-located. The move allows the further rationalisation of the Council's property portfolio to deliver optimum value from existing assets which is the stated aim of the Asset Management Plan. The rationalisation takes the Council further towards releasing the whole EH site for development to enhance the Town Centre. The residual site of EH has significant redevelopment potential. Vail Williams looked at the potential and advised that value will depend on the use and density that the site can accommodate. The Council has ownership of the EH building (subject to a best value offer from Bracknell Regeneration Partnership (BRP) up to 2022), and has recently acquired the freehold of the former Magistrates offices, subject to overage period for 3 years. The Council are obtaining a pre-emptive option on the Police Station. Initial expectations are that the total site area could have a redevelopment value, depending on planning and costs, in the order of £6m.

The Library Service is currently subject to review and although there are no plans currently to move Bracknell Library, there is a wish to find a suitable alternative town centre site. It must also be noted that the Library, amongst other buildings, is dependent on EH for IT links.

In order to increase the capacity of the building, the implementation of more robust flexible working practices will be required to change the current desk ratio from 5:4 to 5:3 to achieve the relocation. To reduce business rates whilst in sale negotiations and to achieve the best resale price, Easthampstead House will be demolished when all operations have been relocated. Demolition of Easthampstead House alone will cost in the region of £1m. EH

costs the Council approximately £400K per year to run. The Town Centre regeneration is progressing rapidly and once complete the dated and aesthetically unpleasing building will soon become something of an eyesore.

The most recent condition survey of EH was undertaken in 2013. It highlighted several high priority maintenance issues. If the building were expected to be utilised beyond the next two years, it would be recommended to undertake works to address these issues to ensure its' continued operational use. These works would cost in the region of £1.75m

The atrium in TS is no longer fit for purpose. A recent failure of a glazed unit in the atrium has caused disruption to residents trying to access services in TS as well as to council staff. The condition of the atrium is already at a point where it needs to be totally replaced. The recladding of the atrium frame and upgrading the mechanism within the lobby and atrium space, whilst taking the opportunity to incorporate additional floors into the atrium void, is integral to increasing the staff density in TS and cannot now be avoided.

With this refurbishment to the atrium, internal remodelling to create new offices and a reorganisation of department locations within TS it is possible to create a building which will accommodate not only its current operations, but also all staff from EH and a complete democratic suite to include a Council Chamber. Due to the nature of the surrounding car park deck and the load restriction there is no possibility of extending TS. It is proposed that some parking spaces be removed from the underground car park in order to locate specialist storage in that area.

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|-----------------|-------------------------|-------------------------|-------------------------|-----------------------|
| COUNCIL FUNDING | 1,628 | 2,085 | 70 | 3,783 |

CAPITAL PROGRAMME - COUNCIL WIDE

| | 2017/18 £000 | 2018/19 £000 | 2019/20 £000 | TOTAL £000 |
|---|-----------------|-----------------|-----------------|---------------|
| Committed | | | | |
| Commerical Property Investment Strategy | 20,000 | 20,000 | 0 | 40,000 |
| Capitalisation of buildings, highways and ITC project management costs included in revenue budget proposals | 400 | 400 | 400 | 1,200 |
| Asbestos | 30 | 0 | 0 | 30 |
| Town Centre Redevelopment | 550 | 0 | 0 | 550 |
| Town Centre Redevelopment - Stamp Duty | 300 | 0 | 0 | 300 |
| | 21,280 | 20,400 | 400 | 2,080 |
| Unavoidable | | | | |
| | 0 | 0 | 0 | 0 |
| Maintenance | | | | |
| Buildings Planned Maintenance | 1,775 | n/a | n/a | 1,775 |
| | 1,775 | 0 | 0 | 1,775 |
| Rolling Programme / Other Desirable | | | | |
| ASCHH Workstyle Changes | 220 | 0 | 0 | 220 |
| IT Schemes | 585 | 100 | 110 | 795 |
| | 805 | 100 | 110 | 1,015 |
| TOTAL REQUEST FOR COUNCIL FUNDING | 23,860 | 20,500 | 510 | 4,870 |
| External Funding | | | | |
| TOTAL EXTERNAL FUNDING | 0 | 0 | 0 | 0 |
| TOTAL CAPITAL PROGRAMME | 23,860 | 20,500 | 510 | 4,870 |

Council Wide

2017/18 Capital Programme Bids

1. Planned Building Maintenance - £1,775,000

Planned maintenance is an annual programme of repairs and maintenance to the Councils' building stock and associated assets. It encompasses a wide range of activities but typically includes the repair or replacement of elements of building fabric, fixtures or fittings that are worn, obsolete or otherwise damaged. The purpose of the work is to maintain the Councils' buildings to a sufficient standard to provide a safe and appropriate environment from which its' various services can operate. The works included in the programme are identified through a series of condition surveys, which are currently undertaken on our behalf by external engineers and surveyors. The present arrangement generally allows for each property to be surveyed every five years and we are currently four years into our first five year programme. As a consequence, a combination of both new and much older data is used in the creation of each individual programme.

2. Adult Social Care Health and Housing (ASCHH) Work-style Changes - £220,000

In order to deliver the work-style changes being planned within ASCHH a significant investment in IT is requested.

3. Various IT Schemes - £585,000

A programme of IT schemes is being developed based on the highest priorities identified resulting from refreshing and replacing the Council's IT infrastructure. The precise programme will be reviewed over the coming months and may include elements of the following schemes.

MFD / Network Printers

The investment is required for the refresh of MFD's (multi-functional device) plus local and network printers across the authority.

Desktop Services Estate Management

Investment required to fund replacements, upgrades and new equipment including scanners, docking stations, SSD upgrades and a fund for "replacement, break and fix".

Network Refresh

The proposal is to cover a number of ICT Network infrastructure replacements to ensure equipment is both current and supportable and to maintain the network and ensure that it has the capacity to serve the business in the forthcoming year.

Server Refresh

The proposal is to cover a number of ICT infrastructure replacements to ensure equipment is both current and supportable and to provide consultation to support the design of the new Citrix farm. The budget is also to maintain the server hardware estate and ensure that it has the capacity to serve the business in the forthcoming year.

Data Centre 10G Ports

There is a need to increase the number of high-capacity 10Gbps LAN switch ports within the Time Square data centre to support the rationalisation of VMWare servers and to maintain throughput and performance required to provide acceptable user response-times, and to ensure that backups are completed in a timely manner.

Idox Upgrade/Migration

Idox will be issuing an 'End of Life' notice for the DMS software used by HR and ECC in October 2016. There will be a 6 month grace period and after this support for the software will cease.

Alert System Replacement

The current Alert system is based on technology that is no longer supported and is very vulnerable. It also no longer adheres to compliance rules under PSN. It is estimated that the time to set up an Alerts system with similar functionality to that previously provided would be 20 days. This would involve creating an incident reporting facility which can be viewed and managed, logged and archived at all permissible levels.

Intranet Development

The council's intranet is well used by staff, and is an essential tool for the operation of the organisation. However, it is currently running on unsupported content management software, and therefore new developments would be high risk, and no development has been undertaken in the last two years. The intranet needs to be refreshed, if it is to enable increased self-service and host a staff self-service portal.