

TO: SCHOOLS FORUM
DATE 17 JANUARY 2019

LOCAL AUTHORITY BUDGET PROPOSALS FOR 2019/20
Executive Director: People

1 PURPOSE OF REPORT

- 1.1 To present to the Forum for comment a summary of the current position on the Council's budget preparations for 2019/20 with a particular focus on the impact expected on the Children, Young People and Learning (CYPL) areas of the People Directorate, as agreed by the Executive on 18 December 2018.
- 1.2 As the Council accepted in Autumn 2016 the offer of a four year financial settlement, budget preparations have assumed that funding will be in line with the indicative figures received on 6 February 2018 (as part of the Final Local Government Finance Settlement 2018/19). The Provisional Local Government Financial Settlement was due to be published on the 6 December but has been delayed because of the Brexit vote on the 11 December and is therefore excluded from the consultation proposals.
- 1.3 Comments received on these budget proposals will be submitted to the Executive on 12 February. This will allow the Executive to determine its final budget package and recommend the appropriate Council Tax level to Council, which will formally approve the 2019/20 budget and Council Tax on 27 February.

2 RECOMMENDATIONS

- 2.1 **That the Schools Forum comments on the 2019/20 budget proposals of the Executive for the Children, Young People and Learning areas of the People Directorate in respect of:**
 - i. **The revenue budget (Annexes A to C), and**
 - ii. **The capital programme (Annexe D).**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Executive seeks the views of the Schools Forum as an interested party on the 2019/20 budget proposals.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The range of options being considered are set out in the main reports on the public access website.

5 SUPPORTING INFORMATION

Introduction

- 5.1 This report presents a summary of the Council's revenue and capital budget proposals for 2019/20 that were prepared on information and assumptions available at December 2018 and are therefore subject to change as more information emerges or changes occur as part of the consultation process. The focus of this report is proposals from the CYPL elements of the People Directorate, with full details of the council's budget proposals available at:

<http://democratic.bracknell-forest.gov.uk/ieListDocuments.aspx?CId=102&MId=7867&Ver=4>

Revenue Budget

Commitment budget

- 5.2 Initial preparations for the 2019/20 budget have focussed on the Council's Commitment Budget for 2019/20 – 2021/22. 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 2018/19 budget was set.
- 5.3 A number of changes are proposed to the Commitment Budget since it was last considered by the Executive in February which amount to a net decrease in budget of £0.118m. The main changes include; a reduction in borrowing costs of -£1.512m from an improved cash position primarily relating to capital grants received, additional Community Infrastructure Levy (CIL) and S106 receipts; savings on the Transformation Programme will be achieved later than originally expected and £0.774m below target; income from commercial properties has been reduced by £0.250m; and further increases in car parking income of £0.162m are no longer considered achievable.
- 5.4 Taking account of these and other changes, Table 1 summarises the position and shows that base expenditure (excluding schools) is planned to decrease by £3.085m to £80.570 next year, before consideration is given to allowances for inflation and the budget proposals identified by individual directorates in 2019/20. The commitment budget relating to CYPL elements of the People Directorate is shown in Annexe A.

Table 1: Summary Commitment Budget 2019/20-2021/22

Item	Planned Expenditure		
	2019/20 £000	2020/21 £000	2021/22 £000
Base Budget	83,655	80,570	80,615
<i>Movements in Year:</i>			
Central	-190	-551	-42
Delivery	-536	-113	0
People: CYPL (excluding schools)	-766	70	20
People: Adults	-101	-91	-584
Non Departmental / Council Wide	-1,492	730	800
<i>Total Movements</i>	-3,085	45	194
Adjusted Base	80,570	80,615	80,809

Provisional Local Government Financial Settlement 2019/20

- 5.5 The Government's Autumn Budget, published on 29 October 2018, set out the government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility. This indicated that additional resources would be made available in 2019/20 for social care. It has been confirmed that this will equate to additional income of -£0.980m for Bracknell Forest which has been reflected in the budget proposals. Business Rates will also be reduced by a third over two years for small businesses (those with a rateable value of £51,000 or less) with the resultant loss in income to LAs being fully funded via a new grant.
- 5.6 The Council's budget is set within the context of a 4-year Local Government Funding Settlement (LGFS) published following the General Election in May 2015. As such, 2019/20 is the final year of this agreement, and initial budget preparations therefore focused on the published indicative figures. The Government had indicated it would aim to publish provisional figures in early December and final figures by the end of January for 2019/20 and future years. The Provisional Local Government Finance Settlement was therefore expected to be published on 6th December, however the debate and vote on the Brexit negotiations has resulted in an inevitable delay which has resulted in no update being incorporated in this report and associated consultation. Some of the grant information follows a number of days or weeks after the provisional settlement and any changes will be incorporated into the February report along with any changes in the Final Settlement.
- 5.7 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 £2.7m in RSG, to £1.7m, for 2019/20 (in 2018/19 RSG was subsumed into the Business Rates Baseline as part of the pilot which is further detailed below at paragraph 5.15).

Grants

- 5.8 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:
1. *New Homes Bonus*. This is used to incentivise LAs to maximise house building. Recent policy changes have resulted in a significant net reduction in the funding received by Bracknell Forest from -£3.9m in 2016/17 to -£1.8m in 2018/19 with a further reduction of -£0.390m having been included in the 2019/20 draft budget proposals.
 2. *Other Specific Grants*. This mainly relates to ring-fenced Public Health, NHS funding streams and Better Care Fund which are reflected in the base budget. The Commitment Budget shows this reducing by £0.507m in 2019/20 and by £0.509m to zero in 2020/21 as a time limited Adults Social Care grant ends. Other minor changes to grant funding have also been incorporated into the Commitment Budget.

Business Rates

- 5.9 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.

- 5.10 Currently the Council collects significantly more Business Rates than it is allowed to keep and until the 2018/19 Business Rates Pilot only received approximately a quarter of any Business Rates growth. There has however been considerable volatility in Business Rates income following the transfer of a large multi-national company on to the Council's valuation list in 2013/14, rather than being retained on the "central list" that is then used by the government for overall funding purposes.
- 5.11 Initially this significantly increased the level of Business Rates collected locally but following a successful appeal the rateable value was reduced by 28% in 2016/17. A final projection for the impact of changes in Business Rates income on the Collection Fund in 2018/19 will need to be made by the 31 January which will be incorporated into the February budget report. Early indications are that there will be a significant deficit which will be met from the funding provision held in the Future Funding Reserve.
- 5.12 At this stage, for 2019/20, Business Rates income is forecast to grow in line with the Government's baseline assumptions, with growth from the opening of the regenerated Town Centre being reflected in last year's budget.
- 5.13 The Government has announced that it still intends to introduce a new system by 2020/21, however this will now be based on 75% retention of Business Rates growth locally. To coincide with this a fair funding review is currently underway which will calculate the new baseline funding levels for individual local authorities based on an up-to-date assessment of their relative needs and resources. Existing grants including Revenue Support Grant and the Public Health Grant will be incorporated into the revised baseline and more responsibilities are likely to be transferred to Local Government to ensure that the new system is fiscally neutral overall. The outcome of these deliberations is impossible to determine, although it will almost certainly have a significant long-term impact on the funding of the Council.
- 5.14 This will most likely mean that all or a large part of the additional business rates that the Council has secured through the company referred to above and from the town centre opening in 2017 will no longer directly benefit Bracknell Forest. This is a consequence of Bracknell Forest having for many years been able to generate income significantly in excess of its assessed funding needs. As the Council uses a significant element of Business Rates growth (approximately £4m) to support the budget, this will result in a significantly increased budget gap in 2020/21.

Business Rates Pilots

- 5.15 To assess the potential impact from reforms to Business Rates income retention, the government has operated a small 100% rates retention pilot scheme in 2018/19 which the six Berkshire Unitaries successfully bid for, with Bracknell Forest acting as the lead authority. As a result, Revenue Support Grant (RSG) was incorporated into the calculation of the Council's Business Rates baseline funding level and no levy will be chargeable on any growth achieved above this level enabling 100% to be retained locally. Although the actual benefits will depend on the level of business rates collected during 2018/19, the budgeted position for Berkshire as a whole was initially assessed as around £35m and subsequently predicted to offer a net gain of approximately £50m. Under the joint proposal £25m of this is being provided to the Thames Valley Berkshire LEP to undertake improvements in transport infrastructure that would help secure further economic and housing growth within the County. The remainder will be

allocated across the individual authorities in proportion to their actual growth in business rates income.

- 5.16 The budgeted net gain for Bracknell Forest resulting from the additional Business Rates and Section 31 grant (relating to previous Business Rates policy decisions) income totalled approximately £7m. The Council took the prudent decision not to use any of this additional income to support the 2018/19 budget but instead to transfer it to the Future Funding Reserve. This was due to the one-off nature of the income and the fact that any increase in the reliance on Business Rates growth above the £4m currently used to support the budget (see paragraph 5.14) would simply create the potential for a greater “cliff edge” in 2020/21, when the new funding system is expected to remove or significantly reduce this gain. The resources will now be available to provide protection against the significant funding changes expected from 2020/21, at which point the level of General Reserves is expected to be closer to the minimum prudent level.
- 5.17 Although thought to be a possibility at one point, the Government has decided not to automatically continue with the current pilots into 2019/20. They have invited proposals to pilot a 75% rate retention system, reducing the incentive from the 100% retention in the current year to make it more affordable. Existing pilot areas are permitted to bid again, but will receive no favourable treatment. Unlike in the current year, there will be no “no detriment” arrangement, i.e. pilot authorities will need to accept the potential to lose as well as gain. However, in Berkshire, this is thought to be a very unlikely scenario.
- 5.18 Recognising the potential financial gains that pilot status can bring to fund strategic infrastructure improvements and support local budgets, the Berkshire authorities, including Berkshire Fire Authority this time, have submitted a proposal. It is very similar in structure to the successful 2018/19 bid, with around £11m of the potential gains being pooled and the remainder being retained by individual authorities.
- 5.19 Given the potential benefits, the level of competition between areas to attain pilot status will be high and therefore the likelihood of success is felt to be low. Areas are expected to be informed just before or as part of the provisional LGFS.
- 5.20 Income from Business Rates growth will reduce next year as a consequence of moving away from 100% rates retention under the existing pilot. Currently the base budget includes a transfer of £8.2m into the Future Funding Reserve. This transfer will be reduced accordingly so that any loss in income does not impact on the budget gap.

Council Tax

- 5.21 Council Tax at present levels will generate total income of -£57.345m in 2019/20. An increase in the Council Tax Base arising from the occupation of new properties during 2019/20 and a reduction in the take-up of the Local Council Tax Benefit Support Scheme is forecast to contribute an additional -£0.348m (+0.6%). The Council Tax Base for 2019/20 has therefore been set at 45,573 Band D equivalents.
- 5.22 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 2017/18 a referendum was required for Council Tax increases of 3% or more. Early indications are that the same level will be set in 2019/20 but this will not be confirmed until the Provisional Settlement is received. As a council with Social Care responsibilities, Bracknell Forest was able to increase Council Tax by a further 3% in 2017/18 and 2018/19 to support Social Care pressures and the Council’s Medium Term Financial Strategy. This will not be an option in 2019/20 as 6% is the maximum permissible increase over the three year period. Each

1% increase in Council Tax would generate approximately -£0.577m of additional income.

- 5.23 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.

Budget Proposals for 2019/20

Service pressures and Developments

- 5.24 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 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 2019/20 draft budget proposals each directorate has evaluated the potential pressures on its services and those relating to CYPL areas of People Directorate are set out in Annexe B. Table 2 summarises the pressures by directorate.

Table 2: Service Pressures/Development

Department	£'000
Central	98
Delivery	731
People: CYPL (excluding schools)	908
People: Adults	850
Total Pressures/Developments	2,587

- 5.25 Many of the pressures are simply unavoidable as they relate to demographic trends, changes in funding and new legislation. They do, however, also support the six strategic themes included in the new Council Plan in the following way.

- people have the life skills and education opportunities to thrive (£0.073m);
- people live active and healthy lifestyles (£0.850m);
- a clean, green, growing and sustainable place (0.479m);
- strong, safe, supportive and self-reliant communities (£0.970m)
- provide value for money (£0.153m).

- 5.26 Service pressures will be kept under review throughout the budget consultation period. There is always the risk in Social Care services 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.

Service Economies

- 5.27 Members and officers have held regular meetings to determine options for savings and a list of potential draft budget savings has been developed which supplements the Transformation savings included in the Commitment Budget. This list totals -£1.890m and is summarised in Table 3 with CYPL areas of the People Directorate set out in more detail in Annexe C. 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. There will potentially be some impact on services, although this has been minimised to a large degree.

Table 3: Summary Service Economies

Department	£'000
Central	-96
Delivery	-1,059
People: CYPL (excluding schools)	-70
People: Adults	-567
Non Departmental / Council Wide	-84
Total Savings	-1,876

Council Wide Issues

5.28 Apart from the specific departmental budget proposals there are some Council wide issues affecting all directorates' 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

The scale of the Council's Capital Programme for 2019/20 will impact upon the revenue budget and is itself subject to consultation. Current proposals, as set out further below from paragraph 5.38 and after allowing for projected receipts of approximately £5m in 2019/20 and carry forwards, the additional revenue costs will be £0.014m in 2019/20 and £0.441m in 2020/21.

b) Interest and Investments

With borrowing rates close to historical lows, the borrowing strategy of the Council will be to minimise the impact on the revenue account but recognising that better value is in the 40yr to 50yr range. The Council will therefore take a mix of borrowing maturities over the years reflecting the need for day-to-day cash flow and its longer-term capital investment strategy. 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.

c) Provision for Inflation and Pay Awards

At this stage the inflation provision is not finalised, although for planning purposes a sum of £2.400m (£2.422m 2018/19) has been added to the budget. This will be achieved by:

- Assuming pay awards of 2% and including any additional impact of the higher increases for NJC staff on old scale point 28 (new scale point 22) or below;
- Negotiating to minimise inflation on contracts;
- 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 2019.

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 Directorate 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 / charge determined by statute

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. The Contingency has been reduced by £1.0m to £1.5m as part of the draft budget proposals. This reflects the fact that a significant level of transformation savings have already been achieved and those that have yet to be delivered have been re-profiled within the medium term forecast to take account of any identified slippage.

Spending on schools

- 5.29 There is a significant medium term financial pressure on the Schools Budget arising from the cost of new schools that are being built in response to new housing and the resultant need for more school places in order to fulfil the Council's agreed objective of delivering local schools for local children. In order to provide sufficient places when they are required, new schools will generally need to open towards the start of the developments but will take a number of years to fill up as house building continues. During this period, new schools need additional financial support to cover what can be significant diseconomies of scale.
- 5.30 This cost pressure is not adequately resourced in the funding settlement from the Department for Education (DfE) and this is expected to be the case over the medium term. Preliminary forecasts indicated a potential cost pressure on the Schools Budget over the next 4 years of up to £5m. This is after taking account of estimated grant funding the DfE provides to councils for this purpose.
- 5.31 In considering this matter, the Schools Forum expressed its concern to the Executive Member for Children, Young People & Learning about the serious adverse impact on existing schools of the delivery of new schools as there was insufficient funding from the DfE, and requested that the Council give consideration to ways of mitigating the adverse impact by providing additional financial support. The Schools Forum, not the Council

has the statutory decision making power to set the amount of budget to support new schools.

- 5.32 A proposal has therefore been developed that shares the additional cost related to new schools between unallocated balances in the Schools Budget, the Council and individual schools. Based on current information, which is still subject to change over the medium term, the total 4 year cost to the Council of this proposal is estimated at £0.967m, with £0.345m in 2019/20 and £0.208m in each year from 2020/21 to 2022/23. The budget proposals include the Council committing to up to £1m over the next 4 years to help finance the cost of new schools.

Summary position on the Revenue Budget

- 5.33 Adding the draft proposals to the Commitment Budget and taking account of the corporate issues identified above would result in total expenditure of £78.514m as shown in Table 4.

Table 4: Summary of proposals:

	£'000
Commitment Budget	80,570
Budget Pressures	2,587
Budget Economies	-1,876
Capital Programme	14
Inflation Provision	2,400
Change in Contingency	-1,000
Reversal of the one-off transfer into the Future Funding Reserve for the projected Collection Fund - Business Rates surplus in 2017/18	-3,045
Reduction in New Homes Bonus 2019/20	390
Additional Improved Better Care funding	-546
Additional Social Care Funding	-980
Draft Budget Requirement 2019/20	78,514

- 5.34 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 -£75.986m. This arises from Revenue Support Grant and Business Rates baseline funding (-£18.293m) and Council Tax at the 2018/19 level (-£57.693m).

- 5.35 With the potential overall cost of the budget package being consulted on in the region of £78.514m, this leaves a potential gap of around £2.528m. 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 position;
- identifying further expenditure reductions.

Reserves

- 5.36 The Council has an estimated £6.5m available in General Reserves at 31 March 2019. Details are contained in Table 5.

Table 5: General Reserves as at 31 March 2019

	£m
General Fund	9.0
Planned use in 2018/19	(2.5)
Estimated Balance as at 31 March 2019	6.5

- 5.37 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 Director of Finance 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.

Capital Programme

Introduction

- 5.38 The Council's total usable capital receipts at 31st March 2018 were zero as all receipts had been applied to fund prior capital investment and all receipts gained during 2018/19 will be used to finance the 2018/19 Capital Programme. The Council is partly reliant on capital receipts and other contributions 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 financial sense to use any receipts to offset higher borrowing costs.
- 5.39 The proposed capital programme for 2019/20 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, CIL contributions and some small miscellaneous property sales should enable £5m of the capital programme to be funded from receipts. Internal resources will be used in the first instance and borrowing from external sources will be used only when necessary. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans.

New Schemes

- 5.40 Within the general financial framework outlined above, Service Directorates have considered new schemes for inclusion within the Council's Capital Programme for 2019/20 – 2021/22. Given that both capital and revenue resources are under pressure, each directorate 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.

Elements of the capital programme

- 5.41 The capital programme is structured into categories of spend as follows:
- *Unavoidable and committed schemes*; these are required 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 2018/19 Capital Programme. The significant relevant projects relate to Heathlands, replacing unsuitable classrooms at

Woodenhill Primary School, replacement waste collection vehicles and environmental projects.

- *Maintenance (Improvements and capitalised repairs)*; an assessment is made of the state of each building element and its repair priority with a condition rating and repair urgency to inform spending requirements to adequately maintain assets. Maintenance of school buildings is financed from DfE School Condition Grant, with the expenditure budget set at the equivalent amount to the grant income.
- *Rolling 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 and mainly include ICT programmes.
- *Other desirable schemes*; are other high priority schemes that meet the needs and objectives of their service and include new town centre youth facilities, building adaptations at schools expected to amalgamate and various safeguarding projects.
- *Invest to save schemes*; these are schemes where the additional revenue income or savings arising from their implementation exceeds the Council's borrowing costs.

Summary

5.42 A summary of the cost of schemes proposed by directorates is set out below in Table 6. A detailed list of suggested new schemes from CYPL areas of the People Directorate is included in Annexe D.

Table 6: Capital Programme 2019/2019 to 2021/22

	2019/20	2020/21	2021/22
Service Area	£000s	£000s	£000s
Delivery	6,224	3,360	3,360
People	14,523	0	0
Central Directorates	4,140	1,120	920
Non Departmental	300	300	300
Total Capital Programme	25,187	4,780	4,580
Less Externally and Self Funded	11,436	2,445	2,445
Council Funded Programme	13,751	2,335	2,135
Less Previously Committed schemes	7,700	0	0
Total request for Council funding	6,051	2,335	2,135

Funding options

5.43 The proposed capital programme for 2019/20 has been developed on the assumption that it will be funded by approximately £5m from a combination of:

- Government grants
- Section 106 funding (developer contributions)
- CIL
- And council funding from capital receipts and prudential borrowing

- 5.44 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.
- 5.45 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 Chartered Institute of Public Finance and Accountancy (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 2019/20 to 2021/22 in February 2019, alongside its consideration of the specific budget proposals for 2019/20 and the Council's medium-term financial prospects.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The relevant legal issues are addressed within the report.

Director of Finance

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

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. A number of the budget proposals require specific equality impact assessments to be carried out and draft versions of these have been completed and can be viewed on the website. Consultation with equalities groups that are likely to be affected by the proposal is part of the assessment process.

Strategic Risk Management Issues

- 6.2 A sum of £1.5m 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.
- 6.3 The Director of Finance, 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 Director of Finance will report his findings in February, when the final budget package is recommended for approval.

- 6.4 The scale of the Council's Capital Programme for 2019/20 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. 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 2019/20, 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

Principal Groups Consulted

- 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 2019/20 Budget is as follows:

Executive agree proposals as basis for consultation	18 December 2018
Consultation period	19 December 2018 - 29 January 2019
Executive considers representations made and recommends budget.	12 February 2019
Council considers Executive budget proposals	27 February 2019

Background Papers

BFC budget proposal reports to the Executive:

<http://democratic.bracknell-forest.gov.uk/ielistDocuments.aspx?Cid=102&Mid=7867&Ver=4>

Contacts for further information

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Doc. Ref K:\Pine\Executive\Schools Forum\91) 170119\Forum 2019-20 LA Budget Proposals from the council.doc

Description of Commitment Budget Items for 2019/20 to 2021/22

Department and Item	Description	2019-20 £000	2020-21 £000	2021-22 £000
Children, Young People and Learning				
Suitability surveys	Suitability and access surveys are undertaken every three years to update the Asset Management Plan so that up to date information is available to inform investment decisions on the capital programme.	-20	0	20
School Improvement	A number of income streams will be lost over the next two years which will reduce the previously declared saving.	0	70	0
Duke of Edinburgh Awards Scheme	Completion of the transfer to a new service offered directly by the national scheme which commenced in 2018/19.	-12	0	0
CYPL Transformation	CYPL Transformation has identified 7 work streams that will contribute to savings from next year. The key areas where work has commenced on introducing change relate to; the introduction of a whole council Early Help service; reducing unit costs of care, in particular through the development of innovative foster care arrangements; reducing the number of children in care through the work of the Family Safeguarding Model together with a greater focus on supporting young people and their families who are at the edge of care; and a restructure of Senior Leadership.	-734	0	0
Total		- 766	70	20

**Revenue budget: proposed PRESSURES for CYPL areas of
People Directorate**

Description	2019/20 £'000	2020/219 £'000	2021/22 £'000
<p>Commissioning and Social Work</p> <p>Permanent recruitment of a specialist Exploitation and Prevention Worker (Assistant Team Manager) to support the prevention of exploitation and children going missing. This will ensure coordination and oversight in respect of the guidance (Section 7 Social Services Act 1970) which must be complied with in regard to independent return home interviews for children who go missing (each time) from home or care. There were 627 missing episodes last year and over 180 children who had exploitation services (either sexual exploitation or county lines).</p>	54		
<p>Looked After Children</p> <p>Based on the current costed schedule of known placements, a pressure has been identified to ensure the fulfilment of statutory duties for children and young people in care. This reflects the known number of children being looked after next year. There is significant turnover in the looked after population with varying placement costs depending on the age of child and type of placement needed. A small number of placements are at a very high cost. The pressure also includes an increase (£11,000) from the Adoption Thames Valley Shared Service, which provides a regional adoption service for 7 LAs, including BF. Cost allocation through the partnership is through an agreed formula based on the proportion of adoptions by each LA over the previous 3 years. Each year the proportion changes as the latest 3 year usage data is used. The charge to BF has increased as a greater proportion of adoptions were secured than in the previous period.</p>	831		
<p>Education related statutory duties</p> <p>The Department for Education no longer provide grant funding to LAs to meet these costs. An agreement is in place with maintained schools to contribute to the costs at £20 per pupil. Academy schools meet the responsibilities directly and do not make a contribution. As more schools have converted to academy status, the income receipt has reduced.</p>	23		
CHILDREN, YOUNG PEOPLE AND LEARNING TOTAL	908	0	0

CAPITAL PROGRAMME - PEOPLE

	2019/20 £000	2020/21 £000	2021/22 £000	TOTAL £000
Committed				
Heathlands	7,000	0	0	7,000
Sandhurst School Nursery Relocation	50	0	0	50
Wooden Hill Classrooms	450	0	0	450
	7,500	0	0	7,500
Unavoidable				
No Schemes	0	0	0	0
	0	0	0	0
Maintenance				
Non-School Schemes	0	0	0	0
	0	0	0	0
Rolling Programme / Other Desirable				
Braccan Walk - New Youth Facility	750	0	0	750
Ascot Heath Schools - Amalgamation	450	0	0	450
Holly Spring Schools - Amalgamation	320	0	0	320
The Rowans Children's Centre & Fox Hill School	110	0	0	110
Kennel Lane School - Perimeter Fencing	60	0	0	60
College Hall - Security	67	0	0	67
Total	1,757	0	0	1,757
TOTAL REQUEST FOR COUNCIL FUNDING	9,257	0	0	9,257
External Funding - Other				
Heathlands	3,000	0	0	3,000
DfE Grant: Schools Capital Maintenance (est)	1,499	0	0	1,499
DfE Grant: Devolved Formula Capital (est)	260	0	0	260
DfE Grant: Special Provision Capital Fund	250	0	0	250
Section 106 - Schools	250	0	0	250
Schools Contributions to above schemes	7	0	0	7
	5,266	0	0	5,266
TOTAL EXTERNAL FUNDING	5,266	0	0	5,266
TOTAL CAPITAL PROGRAMME	14,523	0	0	14,523

CYPL budget items are shaded

PEOPLE DIRECTORATE

2019/20 Capital Programme Bids

NEW SCHEMES

1. Braccan Walk New Youth Facility - £750,000

A town centre youth facility is required to provide a place for young people to go, where they can socialise and receive advice and guidance from youth workers and other professionals whose remit is to provide early help to young people. This is particularly important for the most vulnerable young people in the Borough who may be at a greater risk of Child Sexual Exploitation (CSE), gang initiation and Child Criminal Exploitation (CCE), including 'County Lines' when gangs and organised crime networks exploit children to sell drugs.

The new town centre is attractive to young people and without such provision young people congregate in the town centre on an ad-hoc basis making the targeting and co-ordination of early help more difficult. Creation of a town centre youth facility has been a long standing objective for the Council.

A site has been identified on Braccan Walk, which following consultation has the potential to deliver such a facility in close proximity to the town centre. The proposal is to relocate the street cleansing teams and allocate the combined space for conversion into a town centre youth facility. The new facility would have a gross internal floor area of 344m².

The building will be used to deliver the following targeted work with our most vulnerable young people, and these activities reflect the current focus of the Youth Service in Bracknell Forest:

- Drop in for Children & Young People Looked After (CLA)
- Drop in for Young Carers and targeted vulnerable young people
- Small group work for young people at risk of CSE / CCE
- A base for outreach to young people in the town centre
- Anxiety / self- esteem workshops
- Health drop in for Sex and Relationships Education (SRE) and substance misuse
- Counselling services for young people
- Courses and workshops to enhance employability / CV writing / life skills
- Young people engagement from other professionals e.g. FE college workshops
- Youth Offending Service Girls Group
- Child Sexual Exploitation stay safe project
- Say it Loud, Say it Proud (SILSIP) Children in Care Council summer scheme base
- Projects that engage hard to reach young people – i.e. a table tennis league
- Support for the most vulnerable young people (SEN)
- The building will also be a base for the Youth Council

Creation of the new youth facility at Braccan Walk will require relocation of the Council's street cleaning team which currently occupies part of the existing accommodation. Suitable accommodation in close proximity to the town centre is required, and a number of options for this are currently being considered. The street cleaning team will need to be relocated before work can start on the new youth facility, and the costs of this will form part of the feasibility study, and is included in the project scope.

2. Ascot Heath Schools Amalgamation - £450,000

This bid is for capital works assuming that the amalgamation of the Ascot Heath Infant and Junior schools goes ahead from September 2019. The decision whether or not to amalgamate will follow a period of statutory consultation which commenced in Jul-18.

Works required to support amalgamation provisionally include:

- Physical link or walkway between the two buildings
- Merger/standardisation of ICT systems and incoming telecoms and data
- Rationalisation of duplicate rooms (headteacher, admin, storage and staff rooms)
- Creation of a new single entrance
- Rationalisation of incoming utilities and plant rooms
- Signage
- Rationalisation of fire and intruder alarms

If following consultation the decision is not to amalgamate the schools then this bid will be withdrawn as not being required.

3. Holly Spring Schools Amalgamation - £320,000

This bid is for capital works assuming that the amalgamation of the Holly Spring Infant and Holly Spring Junior schools goes ahead from September 2019. The decision whether or not to amalgamate will follow a period of statutory consultation which is planned to commence in Aug-18.

The expansion of the Holly Spring schools by 1FE from 2FE to 3FE commenced in Sep-10, enabled by four distinct phases of work which completed overall in May-14. The expansion project was delivered by a series of works in each school and also physically in-filling the space between the Infant and Junior buildings. Although the two schools are operationally separate, the expansion works mean they already occupy conjoined buildings and also share the kitchen and a major plant room. This was a deliberate design strategy with a view to the possibility of future amalgamation. It means that the extent of works required to physically amalgamate the two schools has been considerably reduced because of what has already been built.

Works required to support amalgamation provisionally include:

- Merger/standardisation of ICT systems and incoming telecoms and data
- Rationalisation of duplicate rooms (headteacher, admin, storage and staff rooms)
- Creation of a new single entrance
- Signage
- Rationalisation of fire and intruder alarms (already linked)

If following consultation the decision is not to amalgamate the schools then this bid will be withdrawn as not being required.

4. Fox Hill School & Childrens Centre Security- £110,000

This is a bid for capital works to address safeguarding issues on the Fox Hill site which is shared between the school and the Childrens Centre. A joint approach has been followed by both parties. Security works are required to the site to prevent unauthorised persons from gaining entry to the site which is currently open during the day. In addition to the school and Childrens Centre, there is also a nursery and a private pre-school on site so parents with young children also require access during the middle of the day, as well as visitors and deliveries to both establishments.

Security and access control to safeguard both the school and the children's centre are required, and there needs to be a shared site security plan which both parties can sign

up to and work to. This will involve provision of physical security and the joint management of security by both parties. The physical security works will include:

- Fences and gates to form boundary and inner secure lines
- Access control
- Two way speech (intercom)
- Review of access road
- Safe segregation of vehicles from pedestrians
- Footpaths
- CCTV and lighting

In July 2018 the Thames Valley Police Community Support Officer wrote, " I am writing to advise that I feel Fox Hill School may be more vulnerable to the other local schools regarding trespassers and/or other unknown members of the public entering their land. I work closely with three schools in the area and this school is the only one with no safeguarding barriers in place. One could enter and walk straight into the playing field and / or classroom, should a door be open. A simple barrier system could make this school considerably safer for the children learning and staff whom work there. I have had three instances in the last year, where the police have been called to unknown and unwelcome visitors both during and out of school time. Please be advised that we would strongly recommend a safer entry system in place."

The police CSO noted the potential for access into the buildings by unauthorised persons through open doors and it should be noted that for fire evacuation purposes all classrooms and large spaces in the Childrens Centre have external doors, which are normally open in warm weather and at break times for play, so secure fencing and gates are required to enable this reasonable practice to continue.

Early in the Spring term 2018 intruders were seen around both buildings at 5pm, when approached one of them asked for directions to the shop. Later one of the intruders was seen kneeling down in the Children Centre car park. When staff left for the evening there was nobody known to be on site but in the morning the HT found an empty green petrol container with the lid off, laying on its side, in the Children Centre car park. This is a clear potential safeguarding issue for both sites and all the vulnerable people (and BFBC employees) being exposed to such risks.

The Children's Centre site has become busier since part of the School Nursing service recently relocated there from The Pines primary school. There is also a private nursery provider operating on the school site between the school and the EYFS classrooms at the rear of the Children Centre. With so many different site users of the Childrens Centre and the school including staff, children and parents, visitors, and deliveries to both, the Fox Hill site needs to be rationalised to create secure access that works for all users.

In addition to providing security to prevent unauthorised persons from entering the site, provision of physical security including fences and gates will also prevent SEN children from leaving the site should they manage to get outside the school buildings. There are a number of children who regularly attempt to do this and by securing the site boundary during the day this should mitigate the risk of them leaving the school site unsupervised.

On the 23/07/18 a Y5 girl with challenging behaviour actually did leave the school site by pushing the exit button on the front door – children know they are not to do this. She stormed out of school and made her way home before the school could even get hold of her parent. Thankfully she lives near the OLC so near to school, however still not acceptable. The police were called and went to see her at home. This however has prompted her mother and other parents to question whether we are keeping their children safe. This is the exact scenario I have been fearful of. Had we secure front gates she would only have got as far as the car park.

There will be greater scope for income generation from letting out the school facilities outside school hours if the site is secure & safe to be open in the evenings and when the school and children's centre are not in operation. The schools has agreed to contribute £5,000 towards the cost of the scheme

5. Kennel Lane School Perimeter Fencing - £60,000

Kennel Lane School is a 2-19 Special School. All learners on roll have an EHCP. Learners needs vary greatly; currently there are 180 learners on roll (May 2018). The number of learners with a diagnosis of Autism Spectrum Disorder is 86. Due to their needs, the majority of the schools' learners have little understanding of 'risk' and how to keep themselves safe. Within the cohort of learners there are a number of learners who like to 'run' and 'climb'. The current perimeter fencing presents a safeguarding issue because it is not fit for purpose based on the needs of the school. In addition to this on the other side of the fence is a free flowing river which poses an additional danger to our learners if they were to abscond from site. The school has requested that the perimeter fencing be brought in from the river bank and new fencing installed that reduces the risk of learners pulling the fencing down, squeezing through any gaps and/or climbing over it. The school has proposed contributing £2,000 to the project

6. College Hall Security - £67,000

Over the past few years, the student cohort at College Hall has changed to become more challenging. Whilst the building was once able to accommodate its student cohort with minimal assault on its fabric this is no longer the case.

In some cases, the respect of students for the fabric, fixtures and fittings of the building has significantly diminished. The building is no longer robust enough to cope with these challenges resulting in the need for significant expenditure from the revenue maintenance budget and because of the severity of the damage caused to the fabric of the building a high number of instances of police involvement as a result of criminal damage.

The school has been responding to this through a number of initiatives – addressing the robustness of furniture and fittings through replacing worn out and damaged furniture with that of a more robust construction, changes in the curriculum and behaviour management arrangements, installation of CCTV, changing room use to alter the patterns of student circulation around the building.

Further work to change student circulation around the building which would have a beneficial impact involves creating a new doorway to the stairs to the first floor. This would reduce the need for pupils to enter the reception area which proves a distraction and impedes progress towards lessons.

Classroom doors are often subjected to abuse by students who have lost control of their emotions. The existing classroom doors, some in place since the building was opened in 1999 and others since the extension in 2002 would not be installed if the building was being prepared for the current cohort of students. Acting on the guidance and advice of the Head of Education Capital and Property we have researched newer PRUs that we have visited, and a nearby special school for SEBD students, and noted that they are equipped with doors and door furniture (door handles, door closers, hinges and locks) to a much more robust specification – doors with a steel skin and significantly higher specification furniture all fixed into an appropriate door frame.

There are 22 internal doors and 3 external doors in the main building. Ideally, they would all be replaced but there is an option to carry out the work on a phased basis with

College Hall staff identifying 13 classroom doors and 2 external doors as the most vulnerable for early replacement

Reminder of Committed Scheme commenced in 2018/19 and on-going

Wooden Hill Classrooms (School Bid) - £450,000

This project is to address the layout of the accommodation in the main school building which is restricting and impeding the delivery of outstanding education due to poorly shaped and undersized classrooms. Access/circulation between rooms is also an issue for the school and the open plan layout does not fit with modern teaching methods, as it has circulation through teaching spaces. With up to 100 children in one space the noise pollution from other classes sharing the space significantly impacts on the outcomes for pupils and hinders the range and type of activities teachers do in order to maximise all pupils' potential.

A programme of works has been drawn up to revamp the accommodation through a combination of new build extension and by moving internal partitions to create proper sized classrooms and teaching spaces with an improved access, separate circulation and an improved general layout. This will improve service delivery and outcomes for this school.

Phase 1 of this project was completed for September 2014 and the Key Stage 2 pupils accommodated in the new classrooms in 2015 achieved the best results in the history of the school. This summer for the end of Key Stage 2 results, 84% of children achieved the national benchmark of L4+ in reading, writing and maths, which is 4% above the national average.

Removing the remaining impediments to teaching and learning from the physical environment can be expected to result in a similar positive impact on performance across the rest of the school which has the capacity to have outstanding outcomes for pupils.