Annexe A

Commitment Budget excluding Transformation Savings 2019/20 to 2021/22

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Central				
Approved Budget	18,344	10,728	10,833	10,827
Residents Survey		-29		
Local Development Framework		86	42	-42
Bracknell Town Neighbourhood Development Plan		48	-48	
Net Inter Departmental Virements	-7616			
Central Departments Adjusted Budget	**10,728**	**10,833**	**10,827**	**10,785**
Delivery				
Approved Budget	13,395	18,690	18,839	18,704
Waste Disposal PFI		165	-10	59
Capital Invest to Save 2015/16 - Street Lighting LED		-98		
Capital Invest to Save 2016/17 - Additional Chapel at Easthampstead Cemetery & Crematorium		-65		
Borough Elections		123	-123	
Establishment of additional polling stations		4		
Revenue impact of 2018/19 Capital Programme - ICT costs		39		
Sports Development		-15		
Capital Invest to Save 2018/19 - Memorial area Easthampstead Cemetery & Crematorium		-4	-2	
Net Inter Departmental Virements	5,295			
Delivery Adjusted Budget	**18,690**	**18,839**	**18,704**	**18,763**
People				
Approved Budget	48,586	48,734	49,217	49,796
Support to former Independent Living Fund recipients		8		
Additional funding for Adult Social Care		507	509	
Suitability surveys		-20		20
School Improvement Service		0	70	
Duke of Edinburgh Awards Scheme		-12		
Net Inter Departmental Virements	**148**			
People Adjusted Budget	**48,734**	**49,217**	**49,796**	**49,816**
Total Service Departments	**78,152**	**78,889**	**79,327**	**79,364**
Non Departmental / Council Wide				
Approved Budget	3,330	5,503	4,800	5,780
Minimum Revenue Provision		405	448	400
Increase in employers Pension Fund contributions		330	330	400
Interest on External Borrowing		-1,500	172	
2018/19 Capital Programme - (Full Year Effect) Interest		24		
2018/19 Use of Balances (Full Year Effect) - Interest		31		
2019/20 Capital Programme - Interest		72	73	
Future Funding Reserve - Interest contribution		-55	-55	
Revenue impact of 2019/20 Capital Programme - ICT costs			12	
Lead Local Flood Authority Grant		-10		
Net Inter Departmental Virements	2173			
Non Departmental / Council Wide Adjusted Budget	**5,503**	**4,800**	**5,780**	**6,580**
TOTAL BUDGET	**83,655**	**83,689**	**85,107**	**85,944**
Change in commitment budget		**34**	**1,418**	**837**

Commitment Budget - Transformation Savings 2019/20 to 2021/22

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Central Departments					
Public Transport Subsidy			-250	-350	
Planning and Development Control		-200	-40		
Parks and Open Spaces		-200	-42	-193	-39
Central Departments Total	**0**	**-400**	**-332**	**-543**	**-39**
Delivery					
Easthampstead House		-300			
South Hill Park	-100	-25	0	-75	
Library review	-250	-120	-30		
Leisure Services Review	-300	-600	-66		
Car Parking income	-225	-387			
Easthampstead Park Conference Centre		-131	-44		
Capital Invest to Save 2018/19 - Bracknell Leisure Centre			-325		
Delivery Total	**-875**	**-1,563**	**-465**	**-75**	**0**
People					
AdultsTransformation		-1,800	-616	-600	-584
ChildrensTransformation		-1,180	-734		
People Total	**0**	**-2,980**	**-1,350**	**-600**	**-584**
Non Departmental / Council Wide					
Commercial Property Investment Strategy	-1,000	-1,000	-750		
Council Wide Support Services	-500	-311			
Council Wide Support Services - Business Intelligence		-29	-22		
Non Departmental / Council Wide Total	**-1,500**	**-1,340**	**-772**	**0**	**0**
TOTAL TRANSFORMATION PROGRAMME SAVINGS	**-2,375**	**-6,283**	**-2,919**	**-1,218**	**-623**

Overall Change in Commitment Budget	**-2,885**	**200**	**214**

Total Budget including Transformation Savings	**80,770**	**80,970**	**81,184**

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:

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2020/21 £'000
Central Departments	9,863	9,636	9,087	9,006
Delivery	26,200	25,884	25,674	25,733
People	66,684	65,817	65,796	65,232
Non Departmental/Council Wide	-19,092	-20,567	-19,587	-18,787
	83,655	80,770	80,970	81,184
	-	-	-	-

Movements			
Central Departments	-227	-549	-81
Delivery	-316	-210	59
People	-867	-21	-564
Non Departmental/Council Wide	-1,475	980	800
	-2,885	200	214

Annexe B

MINUTE EXTRACTS OF OVERVIEW AND SCRUTINY COMMISSION AND PANELS CONCERNING THE 2018/19 BUDGET CONSULTATION

Environment, Culture and Communities Overview and Scrutiny Panel meeting held on 8 January 2019

35. Draft Budget Proposals 2019/20

It was noted members had received a full draft budget pack as well as agenda papers related to items of the draft budget relating to Environment, Culture and Communities. The information was the same but presented in a different format.

Discussion on the budget resulted in the following comments and questions:

- Members queried why an income was not received where an office space was reclassified from Class B to a Class C dwelling. Andrew Hunter, Director: Place, Planning & Regeneration informed members this fee was set universally across all local authorities so could not be changed locally.

- It was acknowledged this was a consultation process but members queried why some of the proposed fees and charges appeared particularly high. For example, on Page 61 of the agenda there were large increases planned for a marriage in the Haversham room at South Hill Park. Other examples of substantial increases included an 8.2% increase for the internment of a body over 16 years of age in comparison to a 3.5% increase for most other fees and charges. Members also referred to an increase in the fee of citizenship ceremonies held at the weekend. Laura Cooper, Finance Business Partner, agreed to check the reason for the increases with officers responsible for this area and report back to members.

- Members queried why the season ticket for parking at Braccan Walk (Page 77) was proposed to increase by 12.5% as it was thought the hourly rate had been frozen. Damian James, Assistant Director, Contract Services, informed members the season ticket rate was set using the market rate in comparison with other local authorities; benchmarking against other car parks in the area, which were owned privately, and rounding the figure up to £45.00. Some season tickets had been kept low previously to allow the new Town Centre to bed in.

- Members queried why there was a proposed 139.9% increase in the charge for transferring a Hackney Carriage vehicle to a new owner (Page 85). Damian James explained this was due to Bracknell Forest Borough Council (BFC) bringing their fees in line with West Berkshire and Wokingham Borough Council's fees as part of a joint Public Protection Partnership.

Actions

- **Laura Cooper to respond to members questions about crematorium/cemetery fees and wedding/civil ceremony fees.**

Children, Young People and Learning Overview and Scrutiny Panel meeting held on 9 January 2019

27. Draft Budget Proposals 2019/20

Paul Clark, Finance Business Partner, provided an overview on the proposed items in the revenue budget for 2019/20 affecting children, young people and learning. He explained the key parts were prior commitments; proposals regarding new pressures and proposed efficiencies and savings. The current deficit to meet identified needs for Children and Young People was £2.5m. Options available to the Council in order to address the funding gap included raising council tax; drawing down from reserves and/or making reductions in expenditure.

As a result of discussions the following comments and questions were made:

Revenue Budget

- Members queried a £135k pressure listed in Schools ICT services when three posts had been deleted. It was believed the pressure on that line corresponded to another line which offset the pressure but the member was advised to ask the Interim Executive Director: Delivery directly as they would be better placed to answer this question.

- Members asked why there was a proposed £46k saving anticipated in the Special Educational Needs (SEN) budget at a time when needs were increasing. It was acknowledged SEN was an area of growing need but the saving related to a review of roles and responsibilities in this area to ensure the right people were in the right roles according to national and local priorities.

- Members asked how the Council would ensure the same level of service for training parents and carers to support children with specialist medical needs as it was noted the funding arrangements were changing. Members received assurances that training would be funded by East Berkshire Clinical Commissioning Group (CCG) in the future but processes and people delivering the training would remain the same.

- Members asked the Finance Business Officer what the greatest pressure was for 2019/20 and were directed towards Annex C on Page 30 of the Agenda which highlighted the changes and explained these were not considered to impact significantly on services. Cllr Gareth Barnard, Executive Member for Children, Young People and Learning noted pressures were usually due to increasing numbers of looked after children (LAC) and an increase in complexity of needs. In order to cope with those pressures the department had already e-engineered their approach to the ‘front door’ to ensure good multi-agency working as well as making changes to the School Improvement Team to hold governors and senior leaders to account more effectively.

- Members queried if children without needs were receiving less as resources were needed for children with higher needs. Cllr Gareth Barnard responded that at the last School’s Forum it was announced a further £1m was being committed for revenue needs of schools offering additional places for all children and there was a tenuous link between school funding and attainment. The crucial thing was strong leadership. He also noted some schools had accumulated substantial sums of money and there was an argument it should be spent on those children attending that school currently and Ofsted showed Bracknell had made good progress in that area.

- It was noted the data relating to housing related savings on Page 30 should not have appeared in the agenda as they would be scrutinised by the Adult Social Care, Health and Housing Overview & Scrutiny Panel.

Capital Budget

Paul Clark, Finance Business Partner, explained the budget, as set out on Page 55, Annex C, showed investment of £13m in services for children and young people.

- Members asked if the merger of Ascot Health Infant School and Ascot Heath Junior School was funded by the Church of England or the Council? The Finance Business Partner explained the amalgamation was complicated by land ownership issues but following a conversation with the Oxfordshire Diocese ownership of the land would rest with the Council and the legal transfer was currently being finalised. Cllr Gareth Barnard explained that whilst the Council would take on financial issues relating to the schools the amalgamation would allow the schools to become one entity, one strong leadership team and improve education on the site.

- Members were keen to learn when the new youth facility at Braccan Walk, as per the funding stream on Page 66, would be ready. Cllr Gareth Barnard informed members that it was included in the capital funding pending the conclusion of the feasibility study so that the funds for the project were in the budget. It was noted children and young people had been heavily involved in developing what the youth facility would look like.

Annexe B

Adult Social Care and Housing Overview and Scrutiny Panel meeting held on 15 January 2019

40. 2019/20 Draft Budget Proposals

The Panel considered and commented on the key themes and priorities for Adult Social Care, Health and Housing as outlined in the Council's Draft Budget Proposals for 2019/20.

Panel members were asked to give advance notice to the Chairman of any questions relating to the Draft Budget Consultation in advance of the meeting.

Julian McGowan, Business Partner: Finance, introduced the draft Budget proposals that related to Adult Social Care, Health and Housing. He advised the Panel that:

- The report summarised the proposed 2019/20 budget and provided details on savings, pressures and fees & charges relevant to the Adult Social Care, Health and Housing Overview and Scrutiny Panel (ASCH&H O&S Panel).
- The overall budget had been set at £79m which resulted in a gap of £2.5m from known funding sources.
- Members would be able to close this gap by
    - Raising Council Tax
    - Using general reserves
    - Requesting further savings to those already detailed in the paper are identified. The annexes detailed the commitment budget and identified pressures and savings.
- The commitment budget included a target of £616k efficiencies from Adult Social Care transformation.
- Pressures had been estimated at £850k for Adult Social Care, offset by savings across Adult Social Care and Housing of £567k.
- The Capital budget for Adult Social Care contained just one project, the redevelopment of the Heathlands site into a new care home.
- The total value of this scheme was £10m, funded £7m by the Council and £3m from the CCG.

Within Adult Social Care related savings, Members asked what the Mental Health Community Network budget was to provide and why it hadn't been used. In response to the Member questions, Julian McGowan, Business Partner: Finance advised that:

- The money was used for Community Connectors and recovery services. There was unspent money because the service had been delivered in a smaller envelope than had been anticipated.

Within Adult Social Care related savings, clarity was sought to explain the statement "Additional income from increased activity in the deputyship team". In response to the Member question, Melanie O'Rourke, Assistant Director Adult Social Care Operations advised that:

- The Ministry of Justice had made some changes to guidance on charges that could be made and an increase in income had resulted from those charges. For example, charges could now be applied for completion of court reports, travel into individual's homes and applied to people who own their own homes.

Annexe B

Overview and Scrutiny Commission meeting held on 24 January 2019

38. The Councils Budget Consultation

The Commission considered a report that set out draft budget proposals for 2019/20. It was reported that the Executive would be considering all representations made at its meeting on 12 February 2019, before recommending the budget to Council.

The Director: Finance updated the Commission and made the following points:

- The financial settlement had been received late due to Brexit which had impacted the budget planning as the settlement had not been received when the budget papers were published in December.
- The report highlighted a number of pressures and transformational savings.
- The directorate restructure, which had been undertaken in September 2018, no longer matched the O&S structure, therefore many of budget items that historically would have been reviewed at the Overview and Scrutiny Commission under the old resources directorate had been reviewed at the Environment, Culture and Communities O&S Panel.
- The report to the Commission covered the whole budget but also specifically looked at items in regards to Finance & OD, Transformation and HR.

In response to the Members' comments and questions, the following points were made:

- The recent announcement made in regards to the relocation of Vodafone was a potential risk to the 2019/20 budget. It had been recorded on the Corporate Risk register as the impact would by high, but the current likelihood was low. The time scales for the relocation were currently unknown however if the relocation happened at the start of the financial year there would be a significant impact on the budget, however if it was a shorter period of the year the financial impact wouldn't be as significant. As the Council was part of the Berkshire Business Rate pilot, the County as whole would receive income from Vodafone as they would be relocating to the Newbury area, so this did give a level of protection.
- New homes bonuses was an area that the council should be looking at as a significant number of houses were being built.
- The fees and charges were formulated through a tried and tested process. The aim was to ensure that the charge covered the cost of delivering the service. However some of the fees and charges did have further limitations such as pre-set charges set by the government, or services that could be delivered in the market place, so there was a need for the charge to be competitive. There were yearly increases which were in line with inflation; this could be 3/4/5%, the increase helped with the overall budget.
- Business Partners worked with directorates on a case by case basis to ensure the fees were set at the correct level.
- The setting of some fees were out of the Council's control, such as planning which was prescriptive and social care, as an element was set by Government. The majority however, were at the Council's discretion.
- At Environment, Culture and Communities O&S Panel, held on the 8 January 2019, Members had queried the proposed increase in the change for transferring a Hackney Carriage vehicle to a new owner. It was queried whether this was a joint discussion as the increase was great. The Director: Finance explained that there was a desire to regularise the joint Public Protection Partnership and to bring the Council's fees in line with West Berkshire and Wokingham Borough Council's fees. Members raised concerns about the unison in the partnership and wanted to make sure that the Council didn't lose its ability to set its own fees and charges.

- There was a reduction in the number of internal audit days delivered which had produced a saving. The Council has signed up to the national rate arrangement.
- External audit fees continued to reduce in line with the tendering process undertaken previously.
- The number of internal audit days delivered would be the same as the past three years.
- A request had been made for funding for a full time Apprenticeship Manager to maximise the apprentice levy. An interim had been in place and there was a wish to make this a permanent appointment as it had been successful.
- The apprenticeship levy had been used to support existing apprenticeships at the Council. So far there were sixty five people using the levy.
- In recommendation 2.4 of the Revenue Budget report, the £1m additional funding for schools to be made available from the Council was to help mitigate the financial impact of new schools opening in the Borough. The issue had been raised by the School's Forum in response to the draft budget consultation as existing schools felt that they were being penalised. The Executive had responded to this issue with the additional funding to be allocated through the funding formula. Academies were outside of this arrangement.
- Members were in support of recommendation 2.4 as it was desperately needed to support schools with empty places, however it was felt that the recommendation needed to be more specific as it didn't indicate what the funding was for nor that it had been raised by the Schools Forum.

The Director: Finance stated that the O&S structures needed to link properly to the new directorate structure going forward to ensure that the budget process could be navigated more smoothly in the coming years.

The Commission endorsed the report and the comments made in the minute extracts from Overview & Scrutiny Panels.

The final budget would be going to Executive for endorsement on 12 February 2019 and for approval at Full Council on 27 February 2019. All comments from the Overview and Scrutiny Panels would be annexed to the Executive report.

Response to the 2019/2020 Budget Consultation by Mary Temperton, on Behalf of Bracknell Labour

This is the eighth such response I have made and it does not get any easier. The papers are very complex and I suggest, difficult for most residents to fully appreciate without 'inside knowledge'. I am in a privileged position and would like to thank the Finance team of officers for giving their time to answer my questions and helping me have a detailed insight.

As this is the last year of the four- year Local Government Funding Settlement, the budget could be drawn up on expected settlement figures, and, once the figures were released, this proved to be the case.

Last year, the officers did well to win the six Berkshire Unitaries bid and lead the pilot scheme to retain 100% of the business rate locally. This provided about £7m which has been put aside to provide protection against the expected negative funding changes expected 2020/2021. They are to be congratulated for the fact that they have done the same again for the new pilot of 75% retention, so more money for the 'Future Funding Reserve'? The Government's plans for the funding of Local Government is still uncertain so I accept that this prudence is essential until the facts are known.

The recent announcement by Vodafone, must surely impact directly on the finances of this council.

The Public Health grant is ring-fenced, at the moment. But is still reduced this year, despite national problems with obesity, dental health and emotional wellbeing. Extra grant funding for Adult Social Care has been received and promised in 2019/20 as part of the government's response to the huge pressures being experienced.

It is disappointing to note that the New Home Bonus for Bracknell Forest is lower than expected partly because there are a large number of unoccupied new houses. This has also affected the growth of the taxbase. Overpricing of houses does not help. What can the Council do to improve this?

I fully support the need to raise the Council Tax to support pressures in both Adult Services and in Children's services

I support the proposed 2.99% increase in Council Tax, avoiding the need for a referendum which would be both costly and almost certainly rejected. I appreciate this is the maximum value that can be increased this year as the extra 6% increase, over a three year period, permitted by the government to support Social care pressures has already been raised in the previous two years, thus avoiding higher tax this year – the year of the Local elections.

The increase in overall maintenance liabilities concerning. Bracknell Town buildings were all built in the same era, of the same materials and design, and this in itself must pose a problem. This does not look well for the future when Council finances will be even tougher.

The budget state £3.105m: urgent planned maintenance works in schools on the current building condition surveys, but a school works programme of £1,499m- all funded from the DFE Schools

Capital Maintenance budget grant. “The programme of works will be matched to the available budget”- so £1.6m urgent maintenance will not be done!

I fully support the Heathlands project.

I support the relocation of the Education Centre following the sale of Easthampstead Park Conference Centre. The Education Centre offers good support to all Bracknell Forest schools. The creation of a learning kitchen to teach pupils with special needs life skills they need to be independent in adulthood is to be applauded.

I again regret and oppose the withdrawing of grant funding to South Hill Park - the final reduction in funding of £75,000 in this budget. It had been assumed that the Trust would be able to make up the shortfall from new generation of income from the enlarged restaurant, and weddings. The print room has been established upstairs, and the restaurant is being completed, but the necessary income has not yet been realised. I attended the SHP AGM and was greatly impressed by the expertise and mindset of the new Trust board members. They will make this work. But they need more time. They have applied for a loan; if a grant cannot be given, then at least it will enable them to move forward with the loan.

I regret that there is nothing in the budget to support the introduction of domestic food waste collection. This may be funded in the future by a government grant, but other Councils are already there and doing it.

I fully support the investment in our local neighbourhood shopping areas. They are the hub of our communities and all are looking very tired.

The Look Out – after South Hill Park- is the best thing we have in Bracknell Forest. The Science Centre there is excellent and I fully support the upgrade. This has to be kept exciting for regular attendees. I have already recommended the inclusion of a solid carbon dioxide exhibit.

I fully support the long promised Youth Facility in the heart of our new town. As described, this will be a hub for Youth Work with our most vulnerable young people. It must not just be the centre for ‘targeted work’ but also a real attraction for young people so that they come into town to join in all the activities offered there. A good bus service from all our communities will be essential.

In the Revenue Papers, I note that inflation has not yet been finalised but assumed pay awards of 2% have been included.

I have accessed the Schools’ budget papers from the Schools’ Forum meeting and they, as last year, are very, very difficult to follow. The further promise of £1.54m for Bracknell Forest Schools is good news but this will have to cover pay awards, inflation and increased SEN spending. Added to this, each BF maintained school has to lose some of its funding, to compensate the newly built schools that are not yet fully occupied. The papers suggest this is a pressure of up to £5m over the next 4 years; I support the Council giving £1m over the next four years to address this impact of the delivery of new schools on the existing schools.

I questioned the reduction of £250K under ‘Public transport Subsidy’ and now realise this is because less than expected numbers are taking up and using the ‘Free Bus Passes’. I ask the Council to

explore why these are not being used as their employment helps reduce loneliness, aids sociability and helps keep the buses available for all on all routes.

If older residents are not coming into our new town centre- equivalent to £250K- then questions should be asked 'why not' ?

I note the savings because of the introduction of the LED lighting. I fully support this project, but the lights in many areas are ineffective because the poles are too short, there are not enough of them, and they light up the road not the paths. Some of this saving should be used to make the scheme effective.

I fully support the permanent recruitment of a specialist worker to support the prevention of exploitation and children going missing.

The increase in charges to Bracknell Forest by the Thames Valley adoption Service because more children have been adopted is good news.

I am very concerned about the cut of £46K in the Special Education Team, however. This is a real priority for our residents and our children need to be assessed and supported as soon as possible.

Bracknell Forest needs to improve the number of completed Education, Health and Care plans in Primary Schools compared to other authorities. Early assessment of educational needs can greatly improve the child's attainment and subsequent success at secondary school. This money is needed by our vulnerable children.

£15k because Bracknell Forest is making hay and selling it is also good news.

How glad I am that the council voted to NOT accept the recommendation to increase members' Allowances.

I acknowledge that the transformation programme- to look at every service, the way every department works, and do things differently - has saved the Council about £12m in the last two years. I think all the workforce should be congratulated in enabling this to happen.

Because of the huge depletion in the Government Revenue Support Grant, I appreciate how tight the finances are and recognise the need to raise the Council Tax by 2.99%.

With the £46K back in for SEN and money for SHP, the extra money should be taken from the balances.

Report Settings Summary

Event	**Budget Consultation 2019/20**
Total Responses	**7**
Total Respondents	**1**
Questions	*Custom selection (see Table Of Contents)*
Filter	*(none)*
Pivot	*(none)*
Document Name	
Created on	2019-02-01 07:59:18
Created by	Verity Breeds

Table .1

Efficiency savings

Question responses: **7 (100.00%)**

To what extent do you agree with the proposed efficiency savings?

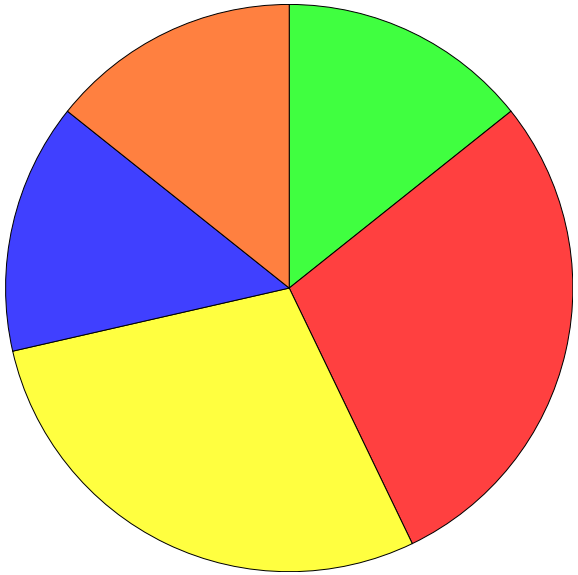


Table .1

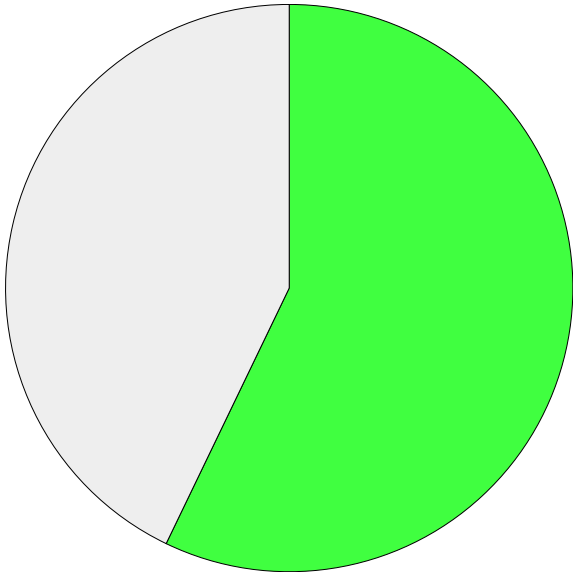
	% Total	% Answer	Count
Strongly Agree	14.29%	14.29%	1
Agree	28.57%	28.57%	2
Neutral	28.57%	28.57%	2
Disagree	14.29%	14.29%	1
Strongly Disagree	14.29%	14.29%	1
Total	100.00%	100.00%	7

Table .2

Why proposed efficiency savings

Question responses: **4 (57.14%)**

Please tell us why you agree or disagree with the proposed efficiency savings



	% Total	% Answer	Count
[Responses]	57.14%	100.00%	4
[No Response]	42.86%	--	3
Total	100.00%	100.00%	7

Table .2

Table .1

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
1				Stop paying management consultants in children's social care, some are on £300 a day, it's pathetic they add no	19/12/18 12:42	0.1	Submitted	web

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
				value. Rapid improvement team are a waste of money and space				
2				I realise that we don't have a magic money tree and in truth have managed savings so far and have balances our budget As you say there is a limit to how much more we can save on efficiencies alone.	19/12/18 16:28	0.1	Submitted	web
3				I disagree with the Government proposal to end funding to councils.	22/12/18 08:07	0.1	Submitted	web
4				Prudent, well balanced and deliverable	12/01/19 12:34	0.1	Submitted	web

Table .3

changes to services

Question responses: **7 (100.00%)**

To what extent do you agree with the Council's proposals to increase expenditure in specific areas?

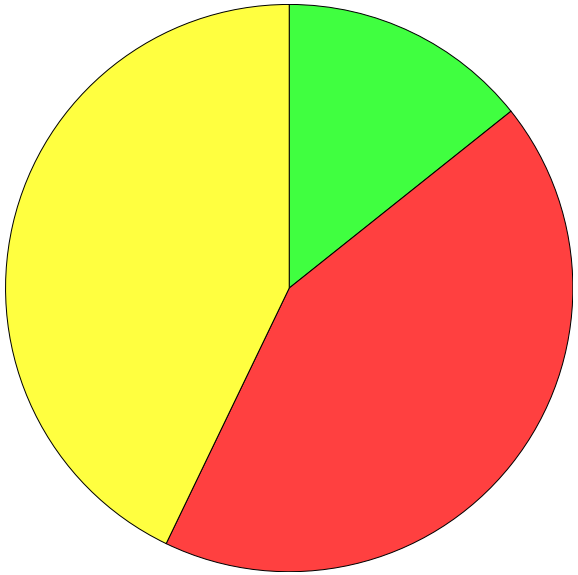


Table .1

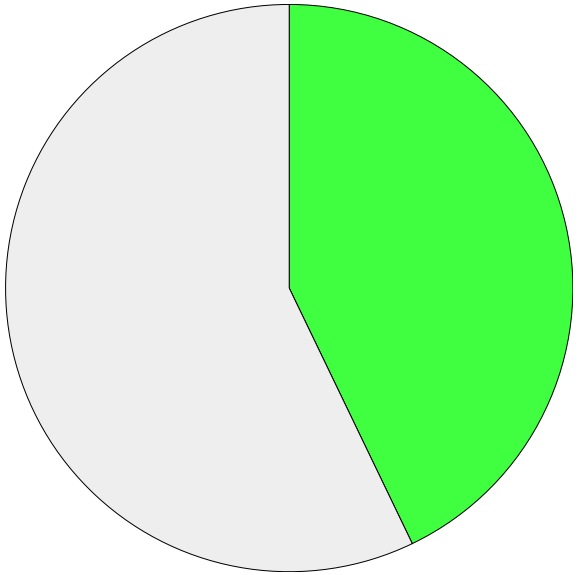
	% Total	% Answer	Count
Strongly Agree	14.29%	14.29%	1
Agree	42.86%	42.86%	3
Neutral	42.86%	42.86%	3
Disagree	0.00%	0.00%	0
Strongly Disagree	0.00%	0.00%	0
Total	100.00%	100.00%	7

Table .2

why changes to services

Question responses: **3 (42.86%)**

Please tell us why you agree or disagree with the Council's proposals to increase expenditure in specific areas



	% Total	% Answer	Count
[Responses]	42.86%	100.00%	3
[No Response]	57.14%	--	4
Total	100.00%	100.00%	7

Table .2

Table .1

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
2				Social care and children's services have to be protected	19/12/18 16:28	0.1	Submitted	web

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
3				I suppose you have to confirm to what Government dictates but I don't agree with services being funded only by Council Tax. Removing responsibility from Central Goverment	22/12/18 08:07	0.1	Submitted	web
4				Continues to support our most vulnerable residents, other services are measured on vale for money	12/01/19 12:34	0.1	Submitted	web

Table .3

transformation

Question responses: **7 (100.00%)**

To what extent do you agree with the Council's proposed Transformation Programme?

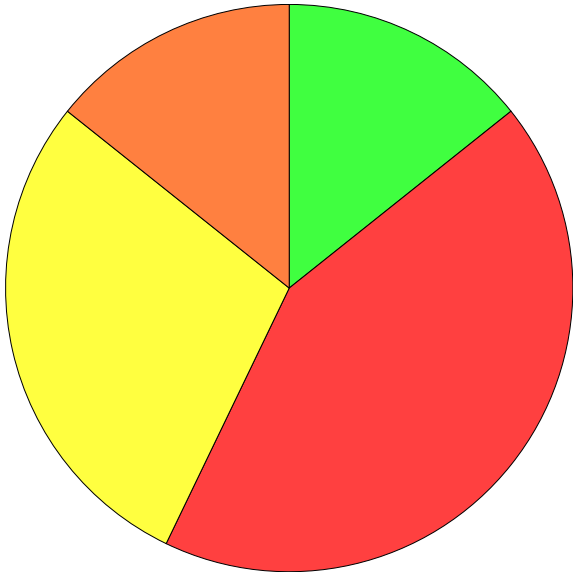


Table .1

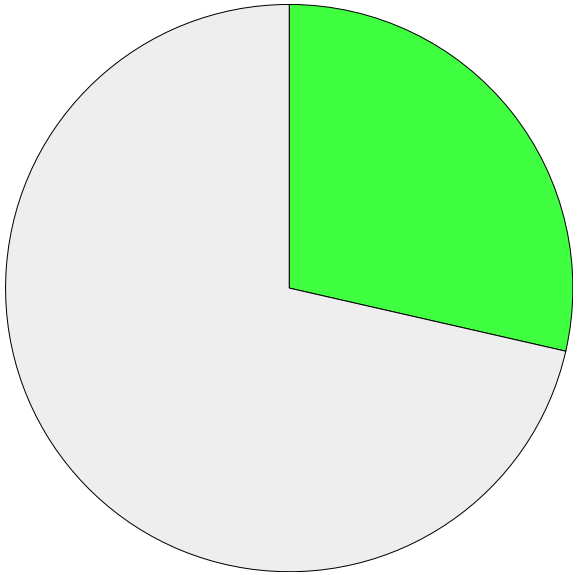
	% Total	% Answer	Count
Strongly Agree	14.29%	14.29%	1
Agree	42.86%	42.86%	3
Neutral	28.57%	28.57%	2
Disagree	0.00%	0.00%	0
Strongly Disagree	14.29%	14.29%	1
Total	100.00%	100.00%	7

Table .2

why transformation programme

Question responses: **2 (28.57%)**

Please tell us why you agree or disagree with the Council's Transformation Programme



	% Total	% Answer	Count
[Responses]	28.57%	100.00%	2
[No Response]	71.43%	--	5
Total	100.00%	100.00%	7

Table .2

Table .1

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
1				It relies on paying expensive consultants	19/12/18 12:42	0.1	Submitted	web

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
2				I think I've already answered that question	19/12/18 16:28	0.1	Submitted	web

Table .3

Capital Spending Proposals

Question responses: **7 (100.00%)**

To what extent do you agree with the Council's capital spending proposals?

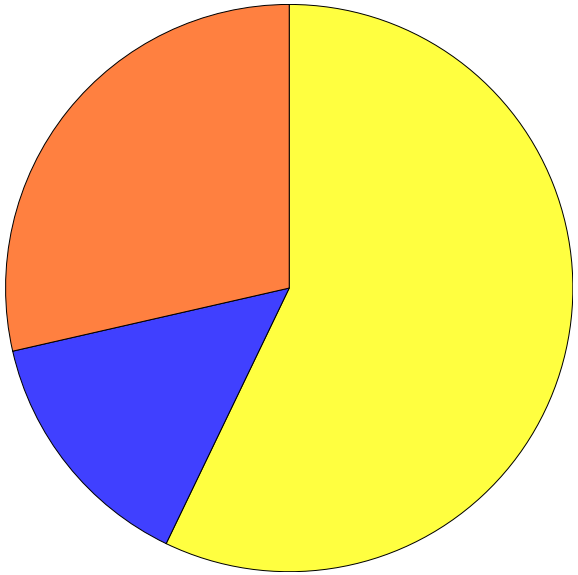


Table .1

	% Total	% Answer	Count
Strongly Disagree	0.00%	0.00%	0
Disagree	0.00%	0.00%	0
Neutral	57.14%	57.14%	4
Agree	14.29%	14.29%	1
Strongly Agree	28.57%	28.57%	2
Total	100.00%	100.00%	7

Table .2

Capital Comments

Question responses: **1 (14.29%)**

Please tell us why you agree or disagree with the Council's capital spending proposals

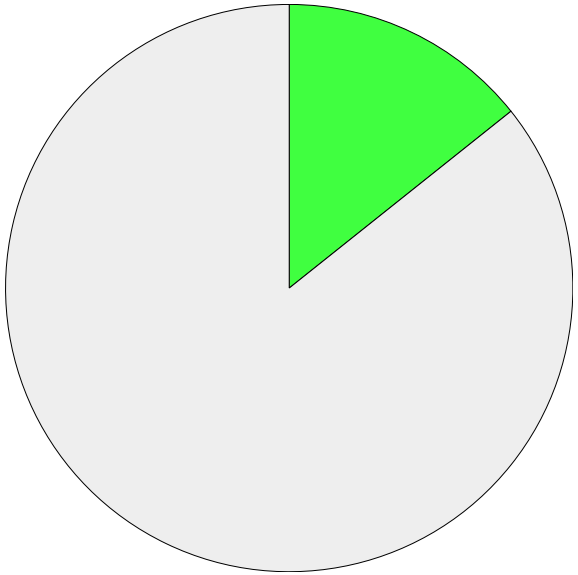


Table .1

	% Total	% Answer	Count
[Responses]	14.29%	100.00%	1
[No Response]	85.71%	--	6
Total	100.00%	100.00%	7

Table .2

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
2				More money should be spent on social houses, by which I don't mean affordably housing ehich is beyond the means of most young people	19/12/18 16:28	0.1	Submitted	web

Table .3

Other Comments

Question responses: **0 (0.00%)**

Please add any other comments

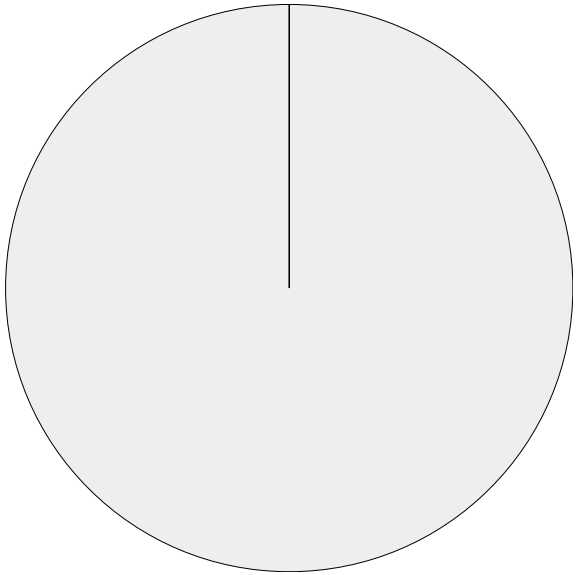


Table .1

There is no data to display for this question

	% Total	% Answer	Count
[Responses]	0.00%	0%	0
[No Response]	100.00%	--	7
Total	100.00%	0%	7

Table .2

Questions

Question responses: **0 (0.00%)**

Please add any questions you may have

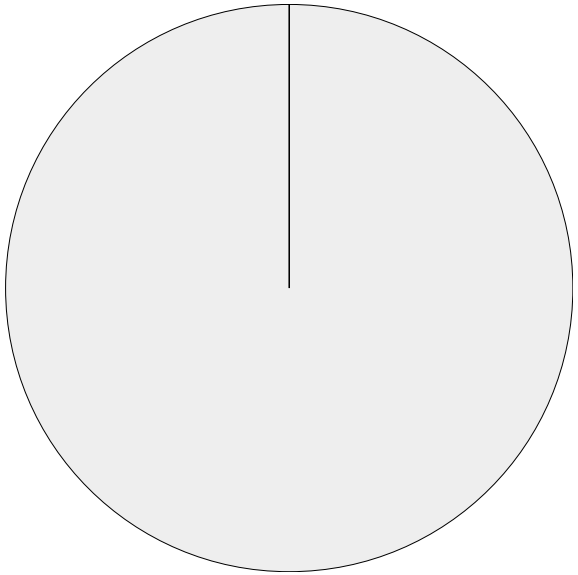


Table .1

There is no data to display for this question

	% Total	% Answer	Count
[Responses]	0.00%	0%	0
[No Response]	100.00%	--	7
Total	100.00%	0%	7

Table .2

CENTRAL

Description Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000
Finance – Audit A reduction in the number of internal audit days delivered by the Council's external providers (-£20,000). External audit fees continue to reduce in line with the tendering process undertaken previously (-£5,000).	**-25**		
Human Resources Reduction in the equipment purchase (-£2,500) and printing (-£2,000) budgets, both of which have been underspent previously.	**-4**		
Human Resources Whilst there is a current in-year pressure on the long service awards/staff rewards scheme, this is due to a peak year and also the dual awards schemes. In future years, the new scheme will create a cost saving.	**-2**		
Monitoring Streetworks Increase in Monitoring Streetworks and New Roads and Street Works Act (NRSWA) Penalty income budgets in line with income received in prior years and projections for the current year.	**-50**		
Parks & Countryside Responsibility for meadow cuts to be taken in-house reducing external costs.	**-15**		
Organisational Development A full time Apprenticeship Manager is required in order to manage the arrangements surrounding the apprenticeship levy effectively, align training needs to the Organisational Development strategy and utilise the levy payment to the maximum.	**50**		
Town Centre As a result of the town centre redevelopment additional annual maintenance costs are being incurred, which include the Real Time Passenger Information System, Urban Traffic Management Control system and Variable Message Signs.	**48**		
CENTRAL TOTAL	**2**	**0**	**0**

DELIVERY

Description Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000
Surveyors Underspends were identified within Others Fees for Bought in Services and Consultants Fees	**-20**		
Operations Unit – Vehicles Income exceeded budget in 17/18 due to the hiring of vehicles.	**-15**		
Digital Services The deletion of two vacant technical posts in the Digital Services team results in a saving, however, it is necessary to replace their input with bought-in services, and therefore a corresponding pressure arises to meet this requirement.	**-62**		
Schools ICT SLA Following the resignation of 3 technical staff, the decision was taken to no longer provide the technical service as part of the SLA. The deletion of these posts and a subsequent restructure of the remaining staff has created a saving on the staffing budget. However there is a corresponding pressure on the income target due to not offering the technical service.	**-135**		
Members & Mayoral Services This saving can be made as a result of the Council deciding not to accept the recommendation of the Independent Remuneration Panel to increase Members' Basic Allowance and Special Responsibility Allowances by the percentage increase agreed for staff.	**-13**		
Registrars, Schools Appeals & Elections Underspends have been identified across various supplies and services.	**-3**		
ICT Services Once the upgrade of all devices to Windows 10 is completed, the Zenworks desktop deployment solution will no longer be required.	**-49**		
Commercial Sponsorship Budget for commercial sponsorship increased to reflect actual income received.	**-9**		

Description Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000
Operations Unit – Post Room & Postage Restructure of the post and scanning teams. In addition, the use of GovNotify, GovDelivery and online communication methods and a reduction in paper post being sent has created a saving on postage.	**-52**		
Brown Bins The budget for 2018/19 had been set to take account of potential losses of customers. The number of customers has not reduced by the amount initially expected and therefore the income budget can be reset to take into account non cash recharges so that the service breaks even.	**-50**		
Cemetery & Crematorium Additional income from increased services due to the new chapel. The increased income is based on an additional two cremations per day, Monday to Saturday over 50 weeks.	**-480**		
Waste Management Savings arising from re3 local initiatives at recycling centres. Increased levels of recycling results in more tonnage being diverted from landfill.	**-50**		
Public Protection Partnership – Regulatory Services The Joint Management Board has considered the budget in light of a request to reduce partner contributions and a desire to align fees and charges where possible.	**-38**		
Departmental Management Reduction in various supplies and services budgets	**-13**		
Public Conveniences Savings arising from a review of budgets for Business Rates and maintenance.	**-9**		
Revenue Services Restructure of the revenues team resulting from the re-design of processes.	**-61**		
Operations Unit – Cash Reduction in cash and cheques and therefore collections at Time Square.	**-5**		

Description Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000
Democratic & Registration Services From 31 November 2018 there will no longer be a role for Registrars to provide a Nationality Checking Service (NCS) to the UK Visa and Immigration Service (UKVI). UKVI has appointed a new commercial partner to manage this service and customers are now able to complete their immigration application online at new service points across the UK.	**45**		
Cemetery & Crematorium Our existing contractor has been awarded our cleaning contract again for a further two years. They had held their price for the last 4 years but with the new chapel and additional cleaning areas and an expected uplift on the current costs it will give us a pressure moving forward. In addition to this, two additional members of staff are required; an attendant and a grounds person. The nature of the grounds has changed over the years, as such the cemetery has filled and so it has reduced the large areas of easy to cut grass. Whilst the new Chapel has been designed as much as possible to minimise staffing needs, the current team is too small to be able to cover this facility to achieve the proposed additional income generation.	**58**		
Environmental Services There will be a need to increase resources to undertake the new work required by Continental Landscapes Ltd (CLL) on both Street Cleansing and Grounds Maintenance Contracts. This will create an unavoidable budget pressure on the contract as the new work on these estates is phased in.	**120**		
Parking The Residents Parking scheme is required to avoid issues with town centre parking, however the cost of the scheme exceed incomes. There is also a pressure within Decriminalised Parking Enforcement due to income reducing historically over time. Visits to the Council's car parks are less than those estimated pre-opening of the Lexicon, and in addition to this, the decision to freeze car parking charges to Sept 2019 has meant assumptions around increases in income have had to be revised downwards.	**231**		
Public Protection Partnership – Regulatory Services The rateable value of the additional licenced premises within the town centre is lower than was previously expected in the budget.	**40**		

Description **Impact**	**2019/20** **£'000**	**2020/21** **£'000**	**2021/22** **£'000**
This results in the annual fee income being of a lesser value even though the total number of premises may look representative to past years. Income from the taxi trade is also on the decline due to an increase in the number of drivers now operating through Uber. The minimum loss per annum per driver is £393.61.			
Digital Services The deletion of two vacant technical posts in the Digital Services team results in a saving, however, it is necessary to replace their input with bought-in services, and therefore a corresponding pressure arises to meet this requirement.	**62**		
Schools ICT Service Level Agreement (SLA) Following the resignation of three technical staff, the decision was taken to no longer provide the technical service as part of the SLA. The deletion of these posts and a subsequent restructure of the remaining staff has created a saving on the staffing budget. However there is a corresponding pressure on the income target due to not offering the technical service.	**135**		
ICT Services Additional licensing required for VMWare services, Splunk licences are required to increase the capacity for future scanning and an additional Health Check is required on our usage of the cloud as well as on premises services that inform the Public Services Network (PSN) requirements.	**18**		
Town Centre Additional maintenance costs within the car parks as a result of town centre redevelopment.	**59**		
Highways Following the decision to bring together the Highway Asset Management and Transport Development services it has been possible to streamline the management of the functions resulting in the deletion of the Highways Asset Manager post.	**-59**		
DELIVERY TOTAL	**-355**	**0**	**0**

PEOPLE

Description Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000
Revised delivery of services and support arrangements As part of the on-going process to improve efficiency, the Department continues to review services to consider alternative ways for their delivery or opportunities for cost reductions through reduced take up or general efficiencies. The main changes proposed this year regarding lower demand relate to: • Demand for direct payments to a young person needing care and support, to pay for the cost of arranging all or part of their own support rather than through the council, has reduced. Other changes in response to service review, new ways of working and general efficiencies are: • The Special Educational Needs Team assesses the educational needs of children and young people with special needs and disabilities. The Team will be reviewed and updated, with changes in roles and responsibilities to ensure statutory duties and key local priorities continue to be met (£46,000). • The funded training for parents and carers to support children and young people with specialist medical needs will cease as it will in future be funded and delivered by the Clinical Commissioning Group (£7,000). • Funding for Oakwood Youth Challenge Activity Centre of facilities to increase/develop inclusion for children with disabilities will cease now that the work has concluded and is now embedded and self-sustaining. No further funding contributions are required (£2,000).	**-15** **-55**		
Housing related savings Savings can be categorised as follows: • Following a management restructure the number of Heads of Service posts has reduced. • The cost of the Disabled Facilities Grant team will be met from the associated grant from central government. • Reduction in net homelessness costs due to lower levels of Bed & Breakfast, and income from temporary accommodation.	**-120** **-87** **-40**		

Description **Impact**	**2019/20** **£'000**	**2020/21** **£'000**	**2021/22** **£'000**
Adult Social Care related savings Savings can be categorised as follows: • Better Care Fund funding for assistive equipment & technology. • The grants and donations budget will be aligned to reflect current commitments. Further discretionary grants awarded during the year will be considered in the light of the current budgetary position. • Uncommitted budget in the Mental Health Community Network budget will be reduced. As this is budget that has not been used in the current year, there are not expected to be any adverse service implications. • Additional income from increased activity in the deputyship team.	**-180** **-105** **-25** **-10**		
Commissioning and Social Work 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 of the 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).	**54**		
Children Looked After 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 placements 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 Local Authorities, including Bracknell Forest. Cost allocation through the partnership is through an agreed formula based on the proportion of adoptions by each Local Authority over the previous 3 years. Each year the proportion changes as the latest 3 year usage data is used. The charge to Bracknell Forest has increased as a greater proportion of adoptions were secured than in the previous period.	**911**		

Description Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000
Education related statutory duties The Department for Education no longer provides grant funding to Local Authorities 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.	**23**		
Externally provided Adult Social Care Based on the current cost of care packages there continues to be a pressure on Adult Social Care. Most of the pressure is being noted in the Older People budget, but also includes the Learning Disability budget. The pressure is caused by an increase in complexity of packages as the number of individuals supported has marginally decreased in recent months. This pressure will be kept under review throughout the budget setting cycle as care costs are volatile and can change significantly.	**982**		
Schools Budget- New Schools 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. New schools generally need to open at the start of the developments and will take a number of years to fill up as house building continues. During this period, they need additional financial support to cover what can be significant diseconomies of scale. This cost pressure is not adequately resourced in the funding settlement from the government and in order to protect school budgets, up to £1m of funding will be provided by the Council over the next four years.	**338**		
PEOPLE TOTAL	**1,671**	**0**	**0**

COUNCIL WIDE

Description Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000
Departmental Supplies & Services The following budgets have been centralised following the closure of Easthampstead House and the transfer of staff to Time Square: postage, stationery, refreshments and mobile telephones. As a result of the centralisation and previous underspends, a saving has been identified.	**-64**		
Voluntary Sector Grants The Council provides grant support to some voluntary sector organisations that are also able to generate income from charges to their service users. Recognising this, it is proposed to implement the previously agreed tapering of grant support to Shopmobility (£9,850) following an eightfold increase in visitors to the town centre, and to reduce the grant to Keep Mobile (£10,000) and seek to agree further phased reductions over time.	**-20**		
Earmarked Reserves Funding from an earmarked reserve to help meet the additional cost of new schools. Up to £1m will be provided by the Council over the next four years.	**-338**		
COUNCIL WIDE TOTAL	**-422**	**0**	**0**

Annexe E

TREASURY MANAGEMENT REPORT

1.1 The Local Government Act 2003 requires the Council to "have regard to" the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

1.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

1.3 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

1.4 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

1.5 CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.6 Revised reporting is required for 2019/20 due to revisions of the Ministry of Housing, Communities and Local Government's (MHCLG) Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is being reported separately.

Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
   - the capital plans, (including prudential indicators);
   - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
   - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
   - an investment strategy, (the parameters on how investments are to be managed).

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.7 The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Governance and Audit Committee.

1.8 The Treasury Management Strategy for 2019/20 covers two main areas:

Capital issues
- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;

- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

Annexe E(i)

The Capital Prudential Indicators 2019/20 – 2021/22

The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the Council's underlying capital appraisal systems. Within this overall prudential framework there is an impact on the Council's treasury management activity – as it will directly impact on borrowing or investment activity and as such the Treasury Management Strategy for 2019/20 to 2021/22 complements these indicators.

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

The Capital Expenditure Plans

The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This capital expenditure needs to have regard to:

- Service objectives (e.g. strategic planning);
- Stewardship of assets (e.g. asset management planning);
- Value for money (e.g. option appraisal);
- Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
- Affordability (e.g. implications for the council tax);
- Practicality (e.g. the achievability of the forward plan).

The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources. This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants, or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Council's borrowing need.

The key risks to the plans are that the level of Government support has been estimated and is therefore maybe subject to change. Similarly some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale. For instance anticipated asset sales may be postponed due to external factors such as the impact of the wider economy.

The Council is asked to approve the summary capital expenditure projections below and to note the out-turn position reported to the Executive and approved on the 17th July 2018.

Capital Expenditure	2019/20 Estimate £000	2020/21 Estimate £000	2021/22 Estimate £000
Capital Expenditure	33,437	4,980	4,780
Commercial Activities	0	0	0
Financed by:			
Capital receipts	5,599	3,000	3,000
Capital grants & Contributions	14,387	2,445	2,445
Net financing need for the year	**19,050**	**-465**	**-665**

The Council's Borrowing Need (the Capital Financing Requirement)
The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR. Due to the nature of some of the capital expenditure identified above (ie grant), an element will be immediately impaired or will not qualify as capital expenditure for CFR purposes. As such the net financing figure above may differ from that used in the CFR calculation. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments (VRP). No additional voluntary payments are planned.

Annexe E(i)

The Council is asked to approve the CFR projections below:

£m	2017/18 Actual	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital Financing Requirement					
CFR – services	127,740	147,492	165,042	185,936	184,863
CFR - Commercial activities/ non-financial investments	**58,381**	**89,940**	**89,609**	**89,270**	**88,924**
Total CFR	186,121	237,432	254,651	275,206	273,787
Movement in CFR	**74,413**	**51,311**	**17,219**	**20,555**	**-1,420**

Movement in CFR represented by					
Net financing need for the year (above)	73,208	49,618	14,850	17,722	-4,674
Less MRP/VRP and other financing movements	1205	1,693	2,369	2,833	3,255
Movement in CFR	**74,413**	**51,311**	**17,219**	**20,555**	**-1,420**

 # 2018/19 includes impact of carry-forward from 2018/19 in addition to 2019/20 Capital Programme

CLG Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. The Council is recommended to approve the MRP Statement attached in Annex E(ii)

Minimum Revenue Provision (MRP) Policy Statement

The concept of the Minimum Revenue Provision (MRP) was introduced when the Local Government Capital Finance System was changed on 1 April 1990. This required local authorities to assess their outstanding debt and to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

Department for Local Government & Communities (DCLG) issued regulations in 2008 which require a local authority to calculate for the current financial year an amount of MRP which it considers "prudent". The broad aim of a prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits or in the case of borrowing supported by government, reasonably commensurate with the period implicit in the determination of the grant. The Council can choose to charge more than the minimum. In order to minimise the impact on the revenue budget whilst ensuring that prudent provision is made for repayment of borrowing, the Council moved from the equal instalments method to the annuity method in calculating the annual charge over the estimated life of the asset from 1st April 2017.

Further statutory guidance on MRP was issued by Government on 2 February 2018, which largely becomes effective from 1 April 2019. The exception related to the section allowing local authorities to change their approach to calculating MRP at any time, which took effect immediately. A key part of the updated guidance clarified that the duty to make MRP extends to investment properties where their acquisition has been partially or fully funded by an increase in borrowing or credit arrangements. A variety of options are provided to councils under the regulations and guidance, so long as there is a prudent provision.

This Council has prioritised risk management in defining its policy and approach to commercial property investment. While some councils will continue to waive MRP on commercial properties using this justification, the Director of Finance, following advice taken from both the Council's Treasury Advisers and legal advice from Counsel, believes that a voluntary revenue provision (VRP) should be made in respect of these assets. This would have regard to the Government guidance and, at the same time, ensure that the Council retains the flexibility to reverse this set-aside at a future date should the assets be sold or the value of the assets change.

The Director: Finance recommends that Council approves the following MRP Statement.

- For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

  Based on CFR – MRP will be based on the CFR. This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

- From 1 April 2008 for all unsupported borrowing (including PFI and finance leases but excluding CPIS expenditure) the MRP policy will be:

Asset life method - MRP will be based on the annuity basis, in accordance with the regulations. Repayments included in annual PFI or finance leases are applied as MRP.

- For assets purchased under the Commercial Property Investment Strategy (CPIS) the VRP policy will be:

  Partial deferral method – VRP will be charged at 10% of the property value over a 15 year period to reflect a realistic level of value risk, on the basis that the properties will typically be held for a period of no greater than around 10 to 20 years.

- For all other capital expenditure funded from borrowing where there is an intention to repay the borrowing from future related receipts (including loans to companies wholly or partly owned by the Council) and there is a strong likelihood that this will happen, the MRP policy will be:

  Deferral method - MRP will be deferred and the liability repaid through future capital receipts from disposing of the asset or loan repayments from third parties

There will be a presumption that capital receipts will be allocated to the appropriate assets in relation to the constraints of the medium term financial strategy.

The actual charge made in the year will be based on applying the above policy to the previous year's actual capital expenditure and funding decisions. Therefore the 2019/20 charge will be based on 2018/19 capital out-turn.

MRP Overpayments

A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2018 the total VRP overpayments were £0m.

TREASURY MANAGEMENT STRATEGY STATEMENT

The Treasury Management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Annex E(i) consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The Treasury Management service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992.

The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice - 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). This Council has adopted the revised Code.

As a result of adopting the Code the Council also adopted a Treasury Policy Statement. This adoption is the requirement of one of the prudential indicators.

The Code of Practice requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year, and a new requirement of the revision of the Code of Practice is that there is a mid-year monitoring report.

This strategy covers:

The Council's debt and investment projections;
The Council's estimates and limits on future debt levels;
The expected movement in interest rates;
The Council's borrowing and investment strategies;
Treasury performance indicators;
Specific limits on treasury activities;

Debt and Investment Projections 2019/20 – 2021/22
The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed.

	2019/20 Estimated	2020/21 Estimated	2021/22 Estimated
External Debt			
Debt at 31 March	£120m	£130m	£135m
Investments			
Investments at 31 March	£10m	£10m	£10m

Current Portfolio
The overall treasury management portfolio as at 31 March 2018 and for the position as at 31st December are shown below for both borrowing and investments

	Actual	Actual	Current	Current
	31/03/18	31/03/18	31/10/18	31/10/18
Treasury Investments	£000	%	£000	%
Money Market Funds	16,994	100	10,364	100
External Borrowing	£000	%	£000	%
Local Authorities	30,000	30%	20,000	20%
PWLB	70,000	70%	80,000	80%
Net Treasury Borrowing	83,006		69,636	

Limits to Borrowing Activity
Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2019/20 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Borough Treasurer reports that the Council has complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

The Authorised Limit for External Debt
A further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

The Council is asked to approve the following Authorised Limit:

Authorised limit	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Borrowing	£270m	£280m	£270m
Other long term liabilities	£20m	£18m	£17m
Total	£290m	£298m	£287m

Operational Boundary for External Debt
The Authority is also recommended to approve the Operational Boundary for external debt for the same period. The proposed Operational Boundary is based on the same

estimates as the Authorised Limit but reflects directly the estimate of the most likely but not worst case scenario, without the additional headroom included within the Authorised Limit to allow for unusual cash movements.

Operational Boundary	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Borrowing	£265m	£270m	£265m
Other long term liabilities	£20m	£18m	£17m
Total	£285m	£293m	£282m

Borrowing in advance of need.
The Director of Finance may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Director of Finance will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

Expected Movement in Interest Rates

The Council's treasury advisor, Link Asset Services has provided the following forecast:

Link Asset Services Interest Rate View	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	0.80%	0.90%	1.10%	1.10%	1.20%	1.40%	1.50%	1.60%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	0.90%	1.00%	1.20%	1.20%	1.30%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%
12 Month LIBID	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%	1.60%	1.70%	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.20%
25yr PWLB Rate	2.90%	3.00%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%	3.60%	3.70%
50yr PWLB Rate	2.70%	2.80%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.40%	3.50%

The flow of positive economic statistics since the end of the first quarter of 2018 has shown that pessimism was overdone about the poor growth in quarter 1 when adverse weather caused a temporary downward blip. Quarter 1 at 0.1% growth in GDP was followed by a return to 0.4% in quarter 2 and by a strong performance in quarter 3 of +0.6%. However, growth in quarter 4 is expected to weaken significantly.

At their November quarterly Inflation Report meeting, the MPC repeated their well-worn phrase that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary of contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time, but declined to give a medium term forecast. However, with so much uncertainty around Brexit, they warned that the next move could be up or down, even if there was a disorderly Brexit. While it would be expected that Bank Rate could be cut if there was a significant fall in GDP growth as a result of a

disorderly Brexit, so as to provide a stimulus to growth, they warned they could also *raise* Bank Rate in the same scenario if there was a boost to inflation from a devaluation of sterling, increases in import prices and more expensive goods produced in the UK replacing cheaper goods previously imported, and so on. In addition, the Chancellor could potentially provide fiscal stimulus to support economic growth, though at the cost of increasing the budget deficit above currently projected levels.

It is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. Getting parliamentary approval for a Brexit agreement on both sides of the Channel will take well into spring 2019. However, in view of the hawkish stance of the MPC at their November meeting, the next increase in Bank Rate is now forecast to be in May 2019, (on the assumption that a Brexit deal is agreed by both the UK and the EU). The following increases are then forecast to be in February and November 2020 before ending up at 2.0% in February 2022.

Inflation. The Consumer Price Index (CPI) measure of inflation has been falling from a peak of 3.1% in November 2017 to 2.1% in December 2018. In the November Bank of England quarterly Inflation Report, inflation was forecast to still be marginally above its 2% inflation target two years ahead, (at about 2.1%), given a scenario of minimal increases in Bank Rate.

As for the **labour market** figures in October**,** unemployment at 4.1% was marginally above a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 3.3%, (3 month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates less CPI inflation), earnings are currently growing by about 1.2%, the highest level since 2009. This increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC was right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy.

In the **political arena**, the Brexit deal put forward by the Conservative minority government was defeated on 15 January. It is unclear at the time of writing, how this situation will move forward. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to reaching an orderly Brexit though the risks are increasing that it may not be possible to get full agreement by the UK and EU before 29 March 2019, in which case this withdrawal date is likely to be pushed back to a new date. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary and fiscal policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

Investment and borrowing rates

- Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.

- Borrowing interest rates have been volatile so far in 2018-19 and have increased modestly since the summer. The policy of avoiding new borrowing by running down spare cash balances has served well over the

last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;

- There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

Borrowing Strategy 2019/20

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2019/20 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the Executive at the next available opportunity.

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Debt rescheduling

As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;

- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Executive, at the earliest meeting following its action.

Investment Strategy 2019/20 – 2021/22

Investment Policy

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

3. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in appendix under the categories of 'specified' and 'non-specified' investments.

    - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
    - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. Lending and transaction limits, (amounts and maturity), for each counterparty will be set through applying the matrix table shown under the Council's creditworthiness policy

6. This authority has engaged external consultants, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

7. All investments will be denominated in sterling.

8. As a result of the change in accounting standards for 2018/19 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. The MHCLG are currently conducting a consultation for a temporary override to allow English local authorities time to adjust their portfolio of investments. Members will be updated when the result of this consultation is known

Creditworthiness policy

This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following maturities .

Dark pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
Light pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
Blue	1 year (only applies to nationalised or semi nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
Banks	orange	£7m	1 yr
Banks – part nationalised	blue	£7m	1 yr
Banks	red	£7m	6 months
Banks	green	£7m	100 days
Banks	No colour	£0m	0 days
Debt Management Account Deposit Facility	AAA	£7m	6 months
Local authorities	n/a	£7m	1 yr
Money Market Funds (CNAV,LVNAV & VNAV)	AAA	£7m	liquid
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	£7m	liquid
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	£7m	liquid

The creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue influence to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-, viability rating of A-, and a support rating of 1 There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored in real time. The Council is alerted to changes to ratings of all three agencies through its use of our creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government

In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded however the current investment limits for 2019/20 restrain all investments to less than 1 year. Any amendment to this strategy will require the credit-criteria to be amended to include a long-term rating. This will be addressed through the formal approval by Council of a revised Treasury Management Strategy and Annual Investment Strategy.

Country and Sector Considerations
Due care will be taken to consider the country, group and sector exposure of the Council's investments. The current investment strategy limits all investments to UK Banks, Building Societies and Local Authorities, in addition to Sterling denominated AAA Money Market Funds.

Economic Investment Considerations

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates. The criteria for choosing counterparties set out above provides a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Borough Treasurer may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.

Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (a Government body which accepts local authority deposits), Money Market Funds, and strongly rated institutions. The credit criteria have been amended to reflect these facilities.

Sensitivity to Interest Rate Movements
Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% change in interest rates to the estimated treasury management costs for next year. However as all borrowing is fixed any increase in rates will only impact on new borrowing.

	2019/20 Estimated + 1%	**2019/20 Estimated - 1%**
Revenue Budgets	**£'000**	**£'000**
Borrowing costs	1,000	1,000

Treasury Management Limits on Activity
There are four further treasury activity limits, which were previously prudential indicators. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse

movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

Upper limits on variable interest rate exposure – This identifies a maximum limit for variable interest rates based upon the debt position net of investments

Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.

Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and are based on the availability of funds after each year-end.

The Council is asked to approve the limits:

	2019/20	**2020/20**	**2020/21**
Interest rate Exposures			
	Upper	**Upper**	**Upper**
Limits on fixed interest rates based on net debt	£280m	£288m	£287m
Limits on variable interest rates based on net debt	£280m	£288m	£287m
Maturity Structure of fixed interest rate borrowing 2017/18			
		Lower	**Upper**
Under 12 months		0%	100%
12 months to 2 years		0%	100%
2 years to 5 years		0%	100%
5 years to 10 years		0%	100%
10 years and above		0%	100%
Maximum principal sums invested > 364 days			
Principal sums invested > 364 days	£m 0	£m 0	£m 0

Performance Indicators
The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. For 2019/20 the relevant benchmark will relate only to investments and will be the "7 Day LIBID Rate". The results of these indicators will be reported in the Treasury Annual Report.

Treasury Management Advisers
The Council uses Link Asset Services as its treasury management consultants. The Council recognises that responsibility for treasury management decision remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which

their value will be assessed are properly agreed and documented, and subject to regular review.

Member and Officer Training

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. Following the nomination of the Governance and Audit Committee to examine and assess the effectiveness of the Treasury Management Strategy and Policies, initial training was provided and additional training was has been undertaken as necessary. Officer training is carried out in accordance with best practice and outlined in TMP 10 Training and Qualifications to ensure that all staff involved in the Treasury Management function are fully equipped to undertake the duties and responsibilities allocated to them

SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated.

Investment	**Share/ Loan Capital?**	**Repayable/ Redeemable within 12 months?**	**Security / Minimum Credit Rating ****	**Circumstance of use**	**Maximum period**
Debt Management Agency Deposit Facility* (DMADF) * this facility is at present available for investments up to 6 months	No	Yes	Govt-backed	In-house	364 Days
Term deposits with the UK government or with Local Authority in England, Wales, Scotland or Northern Ireland with maturities up to 364 Days	No	Yes	High security although LAs not credit rated.	In-house and by external fund managers subject to the guidelines and parameters agreed with them	364 Days
Term deposits with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 364 Days	No	Yes	*As per Investment Criteria*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	364 Days
Certificates of Deposit issued by credit-rated deposit takers (banks and building societies) : up to 364 Days. *Custodial arrangement required prior to purchase*	No	Yes	*As per Investment Criteria*	To be used by external fund managers only subject to the guidelines and parameters agreed with them	364 Days
Gilts : up to 364 Days	No	Yes	Govt-backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	364 Days

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Maximum period
Money Market Funds CNAV, LVNAV, and VNAV *These funds do not have any maturity date*	No	Yes	*AAA Rating by Fitch, Moodys or S&P*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements
Forward deals with credit rated banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	No	Yes	*As per Investment Criteria*	In-house and by external fund managers subject to the guidelines and parameters agreed with them. Tracking of all forward deals to be undertaken and recorded.	1 year in aggregate
Commercial paper *[short-term obligations (generally with a maximum life of 9 months) which are issued by banks, corporations and other issuers]* *Custodial arrangement required prior to purchase*	No	Yes	*As per Investment Criteria*	To be used by external fund managers only subject to the guidelines and parameters agreed with them	9 months
Treasury bills [*Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value*] *Custodial arrangement required prior to purchase*	No	Yes	Govt-backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	1 year

NON-SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated.

Investment	**(A) Why use it?** **(B) Associated risks?**	**Share/ Loan Capital?**	**Repayable/ Redeemable within 12 months?**	**Security / Minimum credit rating ****	**Circumstance of use**	**Maximum maturity of investment**
Deposits with Authority's Banker where credit rating has dropped below minimum criteria	Where the Council's bank no longer meets the high credit rating criteria set out in the Investment Strategy the Council has little alternative but to continue using them, and in some instances it may be necessary to place deposits with them, these deposits should be of a very short duration thus limiting the Council to daylight exposure only (i.e. flow of funds in and out during the day, or overnight exposure).	No	Yes	n/a	In-House	*364 Days*
Term deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid : as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	No	*As per Investment Criteria*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	*5 Years*
Certificates of Deposit with credit rated deposit takers (banks and building societies) with maturities greater than 1 year *Custodial arrangement required prior to purchase*	(A) (i) Although in theory tradable, are relatively illiquid. (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of CD which could negatively impact on price of the CD.	No	Yes	*As per Investment Criteria*	To be used by external fund managers only subject to the guidelines and parameters agreed with them	*5 years*

Investment	**(A) Why use it?** **(B) Associated risks?**	**Share/ Loan Capital?**	**Repayable/ Redeemable within 12 months?**	**Security / Minimum Credit Rating?**	**Circumstance of use**	**Maximum maturity of investment**
Callable deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity. (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk : borrower will not pay back deposit if interest rates rise after deposit is made.	No	No	*As per Investment Criteria*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	*5 years*
UK government gilts with maturities in excess of 1 year *Custodial arrangement required prior to purchase*	(A) (i) Excellent credit quality. (ii)Very Liquid. (iii) If held to maturity, known yield (rate of return) per annum ~ aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss.	No	Yes	Govt backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	*10 years including but also including the 10 year benchmark gilt*

Investment	**(A) Why use it?** **(B) Associated risks?**	**Share/ Loan Capital?**	**Repayable/ Redeemable within 12 months?**	**Security / Minimum credit rating ****	**Circumstance of use**	**Maximum maturity of investment**
Forward deposits with credit rated banks and building societies for periods > 1 year (i.e. negotiated deal period plus period of deposit)	(A) (i) Known rate of return over period the monies are invested ~ aids forward planning. (B) (i) Credit risk is over the whole period, not just when monies are actually invested. (ii) Cannot renege on making the investment if credit rating falls or interest rates rise in the interim period.	No	No	*As per Investment Criteria*	In-house and by external fund managers subject to the guidelines and parameters agreed with them. Tracking of all forward deals to be undertaken and recorded.	*5 years*
Deposits with unrated deposit takers (banks and building societies) but with unconditional financial guarantee from HMG or credit-rated parent institution : any maturity	(A) Credit standing of parent will determine ultimate extent of credit risk	No	Yes	*As per Investment Criteria*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	*1 year*

Reserves & Balances Policy Statement

As part of the financial planning process the Council will consider the establishment and maintenance of reserves and balances. In setting these, account is taken of the key assumptions underpinning the budget and financial strategy, together with the Council's financial management arrangements. Key factors considered include;

- Cash flow
- Assumptions on inflation and interest rates
- Level and timing of capital receipts
- Demand led pressures
- Planned economies
- Risk associated with major projects
- Availability of other funding (e.g. insurance)
- General financial climate

Reserves and Balances can be held for a number of purposes

General Balances

Balance	Purpose	Policy	Value
General Fund	Provides general contingency for unavoidable or unforeseen expenditure and to cushion against uneven cash flows and provides stability in longer term financial planning.	Policy based on a risk assessment of budget and medium term financial plans. Historically £4m has been considered to be the minimum prudent level.	March 16 £12.730m March 17 £11.071m March 18 £9.047m March 19 £9.046m March 20 £6.432m

Earmarked Reserves

Earmarked Reserves are sums of money which have been set aside for specific purposes. These are excluded from general balances available to support revenue or capital expenditure. The Council has the following earmarked reserves:

Reserve	Purpose	Policy	Value
Insurance and other Uninsured Claims	This provides cover for the excess payable on claims under the Council's insurance polices (self insurance). It also provides for any potential future claims not covered by existing policies, including contractual disputes and legal claims.	Needs to be at a level where the provision could sustain claims in excess of current claims history	March 16 £2.666m March 17 £2.750m March 18 £2.843m March 19 £2.815m March 20 £2.815m
Budget Carry Forward	Used to carry forward approved unspent monies to the following year.	Budget Carry Forwards are permitted only in accordance with the scheme set out in financial regulations.	March 16 £0.315m March 17 £0.221m March 18 £0.084m March 19 £0.000m March 20 £0.000m
Cost of Structural Change	To fund the one-off additional costs arising from restructuring before the benefits are realised.	This reserve will be used to meet organisational wide and departmental restructures where there are demonstrable future benefits.	March 16 £1.555m March 17 £1.852m March 18 £1.990m March 19 £1.444m March 20 £1.944m
Schools' Balances	These funds are used to support future expenditure within the Dedicated Schools Block and include individual school balances.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LEA has no practical control over the level of balances.	March 16 £3.333m March 17 £1.695m March 18 £1.272m March 19 £1.072m March 20 £0.872m
Discretionary School Carry Forwards	The statutory requirement to carry forward school balances has been extended to cover those held for Pupil Referral Units and the	Budget Carry Forwards are permitted in accordance with the scheme set out in financial regulations.	March 16 £0.074m March 17 £0.052m March 18 £0.091m

Reserve	Purpose	Policy	Value
	Schools Specific Contingency as set out in the financial regulations.		March 19 £0.091m March 20 £0.091m
Unused Schools Budget Balance	The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget and as such has no impact on the Council's overall level of balances.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose.	March 16 £1.373m March 17 £1.778m March 18 £1.994m March 19 £1.600m March 20 £1.200m
SEN Resource Units	To fund building adaptations required to develop SEN (special education needs) resource units.	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve has been approved by the Executive member for Children, Young People and Learning.	March 16 £0.316m March 17 £0.304m March 18 £0.337m March 19 £0.459m March 20 £0.459m
School Meals Re-tender	To cover the costs of the re-tender exercise.	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve has been approved by the Executive member for Children, Young People and Learning.	March 16 £0.040m March 17 £0.040m March 18 £0.040m March 19 £0.040m March 20 £0.040m
School Expansion Rates	To help finance the increase in Business Rates arising from school expansions. School budgets are normally set on a provisional figure and the reserve will absorb the differences between provisional and actual figures.	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve has been approved by the Executive member for Children, Young People and Learning.	March 16 £0.445m March 17 £0.595m March 18 £0.841m March 19 £1.091m March 20 £1.191m
School Diseconomy Costs	To help finance the medium term cost pressure that will arise from new schools being built. These will generally open with relatively low pupil	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve	March 17 £0.300m March 18 £0.800m March 19 £1.000m

Reserve	Purpose	Policy	Value
	numbers and will therefore need additional financial support until pupil numbers reach a viable level.	has been approved by the Schools Forum.	March 20 £0.746m
SEN Strategy Reserve	To help finance the additional medium term costs arising from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children and to explore the potential for different models of alternative provision.	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve has been approved by the Schools Forum.	March 18 £0.439m March 19 £0.389m March 20 £0.139m
Repairs & Renewals	The Council has accumulated funding in an earmarked reserve from service charges paid by tenants at Longshot Lane, Forest Park and Liscombe.	The reserve is held in order to finance future improvement works thereby reducing pressure on maintenance budgets.	March 16 £0.014m March 17 £0.009m March 18 £0.021m March 19 £0.021m March 20 £0.021m
Building Regulation Chargeable Account	A statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose. The account is currently in deficit and therefore there is no balance on the reserve.	March 16 £0.000m March 17 £0.000m March 18 £0.000m March 19 £0.000m March 20 £0.000m
Commuted Maintenance of Land	Money is received and set aside for the ongoing maintenance of land transferred to the Council under Section 106 agreements.	The reserve will be used to cover the cost of maintaining land transferred to the Council under Section 106 agreements.	March 16 £1.104m March 17 £1.375m March 18 £1.519m March 19 £1.479m March 20 £1.479m
S106 and Travel Plan Monitoring	Money is received and set aside to cover the costs of monitoring developers' compliance with Section 106 agreements, including any travel plan requirements.	The reserve will be used to cover the cost of monitoring developers' compliance with Section 106 agreements, including any travel plan requirements.	March 16 £0.120m March 17 £0.128m March 18 £0.145m March 19 £0.131m March 20 £0.131m

Annexe F

Reserve	Purpose	Policy	Value
Property Searches Chargeable Account	A reserve created for a statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose.	March 16 £0.154m March 17 £0.135m March 18 £0.092m March 19 £0.087m March 20 £0.082m
Transformation	To support investment in service innovation and improvements.	The reserve will be used to meet the upfront costs of transformation.	March 16 £1.399m March 17 £1.960m March 18 £2.882m March 19 £2.882m March 20 £2.502m
Revenue Grants Unapplied	To hold unspent revenue grants and contributions where there are no outstanding conditions.	The reserve will be used to match the grant income to the associated expenditure.	March 16 £2.333m March 17 £3.653m March 18 £2.899m March 19 £2.734m March 20 £2.574m
School Masterplans and Feasibility Studies	To meet the cost of masterplans and feasibility studies for schools expansion.	Any upfront costs incurred prior to a decision being taken to construct an asset may need to be met from revenue.	March 16 £0.500m March 17 £0.350m March 18 £0.341m March 19 £0.691m March 20 £0.591m
Repairs and Maintenance	Addresses 1D priorities (urgent works required to assets which are life expired and/or in serious risk of imminent failure) which are revenue rather than capital in nature.	The reserve will be used for high priority revenue repairs and maintenance. The reserve is no longer required.	March 16 £0.039m March 17 £0.039m March 18 £0.030m March 19 £0.030m March 20 £0.000m
Public Health Reserve	Under the conditions of the Public Health grant, any under spend of the ring fenced grant can be carried over via a reserve into the next financial year.	The reserve will be used to fund Public Health priorities and projects.	March 16 £0.380m March 17 £0.539m March 18 £1.007m March 19 £1.670m March 20 £1.670m

Annexe F

Reserve	Purpose	Policy	Value
Better Care Fund Reserve	To help meet the cost of Better Care Fund priorities and projects.	The reserve will be used to fund Better Care Fund priorities and projects.	March 16 £1.328m March 17 £0.617m March 18 £1.420m March 19 £1.570m March 20 £0.611m
Regeneration of Bracknell Town Centre	To help meet the cost of Council funded Town Centre initiatives	The reserve will be used to fund Town Centre initiatives.	March 17 £0.250m March 18 £0.752m March 19 £0.752m March 20 £3.502m
Commercial Properties Acquisition	To meet any revenue costs arising from the Council's Commercial Property Investment Strategy.	Any upfront costs incurred prior to a decision being taken to purchase a commercial property will need to be met from revenue if the purchase does not proceed. The reserve will be closed at the end of 2018/19 as it is no longer required.	March 17 £0.150m March 18 £0.125m March 19 £0.000m
London Rd Feasibility	To meet professional fees regarding the London Road landfill site.	The reserve will be used to cover professional fees relating to the feasibility study.	March 18 £0.050m March 19 £0.050m March 20 £0.000m
Future Funding	Will be used to smooth the impact of changes in Business Rates income and central government funding decisions.	The reserve will help to balance the revenue budget over the medium term. It has a wider remit than just Business Rates but also replaces the Business Rates Equalisation Reserve.	March 18 £8.608m March 19 £19.822m March 20 £19.556m
Dilapidations Reserve	Holds funds from tenants for end-of-lease property repairs and reinstatements.	The reserve will be used to carry out repairs and reinstatements to commercial properties required before they can be re-let.	March 18 £0.045m March 19 £0.045m March 20 £0.045m
New Schools Reserve	A new reserve to be set up in 2019/20 to help fund the additional financial support initially required by new schools	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	March 20 £0.662m

Reserve	Purpose	Policy	Value
		need for more school places. New schools generally need to open at the start of the developments and will take a number of years to fill up as house building continues. During this period, they need additional financial support to cover what can be significant diseconomies of scale. Up to £1m of funding will be provided by the Council over the next four years with £0.338m required in 2019/20.	

Unusable Revenue Reserves

Certain reserves are kept to manage the accounting processes and do not represent usable resources for the Council.

Balance	Purpose	Policy	Value
Collection Fund Adjustment Account	A reserve required to reflect Collection Fund changes included in the SORP 2009. The balance represents the difference between the Council Tax income included in the Income and Expenditure Account and the amount required by regulation to be credited to the General Fund.	This balance is held for specific accounting reasons.	March 16 -£5.611m March 17 £5.761m March 18 -£2.351m March 19 -£2.351m March 20 -£2.351m
Accumulated Absences Account	A reserve which absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year (e.g. annual leave and flexi-time entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.	This balance is held for specific accounting reasons.	March 16 -£5.598m March 17 -£5.328m March 18 -£5.685m March 19 -£5.685m March 20 -£5.685m
Pensions	Reflects the Council's share of the Royal County of Berkshire Pension Fund's assets and liabilities. Contributions will be adjusted to ensure any projected deficit is funded.	This balance is held for specific accounting reasons.	March16 -£214.650m March17 -£282.216m March18 -£276.125m March 19 -£276.125m March 20 -£276.125m

Annexe G

PROVISIONAL BUDGET SUMMARY STATEMENT
Subject to amendment in the light of final budget decisions

Line		2018/19	2019/20
		£'000	**£'000**
	Bracknell Forest's Expenditure		
1	Central	9,028	9,525
2	Delivery	29,355	26,837
3	People	66,536	67,136
4	Corporate Wide Items (to be allocated)	(252)	377
5	**Sub-Total**	**104,667**	**103,875**
6	**Non Departmental Expenditure**		
7	Contingency provision	2,500	2,500
8	Debt Financing Costs (Minimum Revenue Provision)	1,816	2,221
9	Levying Bodies	111	113
10	Interest	3,326	2,846
11	Pension Interest Cost & Administration Expenses	7,725	7,725
12	Other Services	248	248
13	Business Rates Growth	(13,116)	(14,256)
14	Contribution from Capital Resources	(200)	(200)
15	Capital Charges	(14,560)	(14,560)
16	Contribution from Pension Reserve	(18,305)	(18,305)
17	Contribution to/(from) Earmarked Reserves	11,214	<<<<<
18	New Homes Bonus grant	(1,767)	(1,351)
19	Flood and Travel Related Grants	(4)	(15)
20	**Net Revenue Budget**	**83,655**	**<<<<<**
21	Movement in General Fund Balances	(2,515)	<<<<<
22	**Net Revenue Budget after use of balances**	**81,140**	**<<<<<**
23	Less - External Support		
24	Business Rates	(20,635)	(18,305)
25	Revenue Support Grant	0	0
26	Collection Fund Adjustment – Council Tax	(115)	427
27	Collection Fund Adjustment – Business Rates	(3,045)	4,942
28	**Bracknell Forest's Council Tax Requirement**	**57,345**	**<<<<<**
29	**Collection Fund**		
30	Bracknell Forest's Requirement	57,345	<<<<<
31	divided by the Council Tax Base ('000)	45.298	45.573
32	**Council Tax at Band D (excluding Parishes)**		
33	Bracknell Forest	£1,265.94	£<<<<<

Directorate Virements over £50,000

Debit	Credit	Explanation
£'000	**£'000**	
		People
		Additional government grant announced in September 2018 to help local authorities deal with winter pressures in Adult Social Care.
	-362	Government Grants
96		ACT & CMHTOA - employees
266		ACT - contracted services
362	**-362**	**Total**
		Schools Budget
		The Education and Skills Funding Agency has confirmed changes to Dedicated School Grant funding in respect of the High Needs Block where actual place data is now available to replace previous estimates, resulting in additional income of £0.084m. Furthermore, the Secretary of State for Education announced an additional £250m of high needs funding – £125m for 2018-19; £125m for 2019/20. This is "in recognition of the cost pressures that LAs are experiencing on the high needs element of this Grant [the DSG]". This equates to £0.302m for Bracknell Forest in each year. The total £0.386m increase in grant nets off to nil through a corresponding increase in high needs expenditure budgets.
386		Non-Maintained Special Schools & Colleges
	-386	Dedicated Schools Grant
386	**-386**	**Total**

Virements between Directorates

Total	Explanation
£'000	
	Central
65	A budget for the Council Wide Support Service Review in the People Directorate has been transferred to Finance and HR (split 50/50) to cover costs of support services.
	People
-65	A budget for the Council Wide Support Service Review in the People Directorate has been transferred to Finance and HR (split 50/50) to cover costs of support services.
0	**Total Virements**

Permanent Directorate Virements affecting Devolved Staffing Budgets (DSB)

DSB	Non-DSB	Explanation
£'000	£'000	
		People Cash Budget
		The Council is part of the Thames Valley Adoption Agency (TVAA) and the Post Adoption Social Worker was transferred to the agency in December 2017 as part of the process to align all appropriate functions of partnering authorities into the TVAA. This service is managed by Oxfordshire County Council on behalf of the 7 local authorities involved.
-60		Other Children and Family Services
	60	Children Looked After
		Schools hosting Children's Centres / Family Hubs have traditionally provided caretaking and site services for the council through Service Level Agreements. As schools have discontinued these arrangements, direct recruitment at three sites has been required to efficiently and safely operate facilities for the public and direct employment has been necessary.
18	-18	Early Years, Childcare and Play
-42	**42**	**Total**
		Schools Budget
		A historic underspend on the Sensory Consortium Contract is being used to fund a Mental Health support worker. This post was previously funded via a grant from the Clinical Commissioning Group (CCG). This is seen as a key responsibility which supports schools and covers some requirements for Ofsted.
50	-50	Other SEN Services
		The Autism Support Service was originally delivered to pupils in mainstream schools through a Service Level Agreement provided by Kennel Lane Special School. This highly valued service is now directly provided by the Council with all costs relating to staffing.
85	-85	Other SEN Services
135	**-135**	**Total**

Initial Equalities Screening Record Form

Date of Screening: 21/11/2018	Directorate: OD, Transformation and HR	Section: Transformation and Engagement
1. Activity to be assessed	An updated EIA screening of the reduction in voluntary sector grant awarded to Shopmobility. An EIA screening and a full EIA were last done in 2016.	
2. What is the activity?	☒ Policy/strategy ☐ Function/procedure ☐ Project ☐ Review ☐ Service ☐ Organisational change	
3. Is it a new or existing activity?	☐ New ☒ Existing	
4. Officer responsible for the screening	Genny Webb	
5. Who are the members of the screening team?	Genny Webb	
6. What is the purpose of the activity?	Bracknell Shopmobility is based in Bracknell Town Centre. They assist people with mobility impairments, temporary or permanent, to get around the locality.	
7. Who is the activity designed to benefit/target?	Shopmobility is designed to benefit individuals with mobility impairments so they are able to get around the town centre area using motorised scooters or wheelchairs.	

Protected Characteristics	Please tick yes or no		Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	What evidence do you have to support this? E.g. equality monitoring data, consultation results, customer satisfaction information etc Please add a narrative to justify your claims around impacts and describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making, include consultation results/satisfaction information/equality monitoring data
8. Disability Equality – this can include physical, mental health, learning or sensory disabilities and includes conditions such as dementia as well as hearing or sight impairment.	Y	N	**Adverse impact**	**Shopmobility's clients all have a physical disability. Potential reduction in service availability.**
9. Racial equality	Y	**N**	**No impact identified at this time.**	**No particular ethnic group will be disproportionately affected.**
10. Gender equality	Y	**N**	**No impact identified at this time.**	**Data would need to be gathered through the consultation process to demonstrate the service is used equally by all genders.**

11. Sexual orientation equality	Y	**N**	**No impact identified at this time.**	**No particular sexual orientation will be disproportionately affected.**
12. Gender re-assignment	Y	**N**	**No impact identified at this time.**	**Gender re-assigned people will not be disproportionately affected.**
13. Age equality	**Y**	N	**Adverse impact**	**Most clients are older people**
14. Religion and belief equality	Y	**N**	**No impact identified at this time.**	**No particular religion or belief will be disproportionately affected.**
15. Pregnancy and maternity equality	Y	**N**	**No impact identified at this time.**	**Pregnancy and maternity will not be disproportionately affected.**
16. Marriage and civil partnership equality	Y	**N**	**No impact identified at this time.**	**Marriage and civil partnership will not be disproportionately affected.**
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders, armed forces communities) and on promoting good community relations.	**None**			
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	**N/A**			
19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	**N/A**			
20. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?	Y	**N**	No	
21. What further information or data is required to better understand the impact? Where and how can that information be obtained?	**The proposed grant reduction is the final year of a 3 year reduction period. A full EIA was done in 2016 to consider the impact of the reduction and the options available to Shopmobility to become self-sustaining and financially independent from the council. The council and Shopmobility are in regular communication through grant monitoring meetings. No further information or data is required at this stage.**			

22. On the basis of sections 7 – 17 above is a full impact assessment required?	Y	N	**A full EIA was done in 2016 and a 12-week consultation carried out. One of the reasons for the 3 year reduction of Shopmobility's grant was that once the new town centre opened (September 2017) their membership would increase. Although there has been a small increase in the number of members, it's not at the level anticipated. However, Shopmobility continue to hold high levels of reserves, way above their reserves policy. This reduces the risk to the organisation and affords them the opportunity to find new ways of working to minimise the impact on their customers. The reduction in the grant over the last two years has not resulted in a reduced service to customers.**

23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.

Action	Timescale	Person Responsible	Milestone/Success Criteria
Continue to hold quarterly grant monitoring meetings, focussing on how Shopmobility are moving towards being self-sustaining and independent of council funding.	Ongoing on a quarterly basis	Genny Webb, Principal Policy Officer	

24. Which service, business or work plan will these actions be included in?	OD, Transformation and HR Directorate, Transformation and Engagement team
25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?	N/A
26. Director's signature.	Signature [illegible] Date: 3/12/2018.

Initial Equalities Screening Record Form

Date of Screening: **04/12/2018**	**Directorate: PP&R**		**Section: Transport Development**	
1. Activity to be assessed	The reduction of the grant payment to Keep Mobile, the main provider of community transport to residents of the borough.			
2. What is the activity?	☐ Policy/strategy ☐ Function/procedure ☐ Project ☐ Review ☒ Service ☐ Organisational change			
3. Is it a new or existing activity?	☐ New ☒ Existing			
4. Officer responsible for the screening	Phillip Burke			
5. Who are the members of the screening team?	Phillip Burke, Stuart Jefferies			
6. What is the purpose of the activity?	The grant payment supports the provision of social transport, specifically dial-a-ride and Group Transport trips, for residents of Bracknell Forest Borough who are unable to use regular public transport.			
7. Who is the activity designed to benefit/target?	Elderly and disabled residents of Bracknell Forest.			
Protected Characteristics	**Please tick yes or no**		**Is there an impact?** What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	**What evidence do you have to support this?** E.g equality monitoring data, consultation results, customer satisfaction information etc Please add a narrative to justify your claims around impacts and describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making, include consultation results/satisfaction information/equality monitoring data
8. Disability Equality – this can include physical, mental health, learning or sensory disabilities including conditions such as dementia.	**Y**	**N** ✓	No believed impact	This service is specifically aimed at residents with a disability, or who are elderly. However, Keep Mobile confirmed in a meeting on 03/12/18 that, due to a general drop in demand for Group Transport trips, they do not believe the grant reduction will have an impact on the dial-a-ride and Group Transport services.
9. Racial equality	Y	N ✓	No believed impact	The results of a full EIA consultation in 2012 showed the majority of respondents to the consultation were White British. We do not have access to the current membership data but we have no evidence to suggest a disproportionate effect on people of different races.

10. Gender equality	Y	N ✓	No believed impact	A large proportion of users of the service are female. However, Keep Mobile confirmed in a meeting on 03/12/18 that, due to a general drop in demand for Group Transport trips, they do not believe the grant reduction will have an impact on the dial-a-ride and Group Transport services.
11. Sexual orientation equality	Y	N ✓	No believed impact	We do not have data regarding this particular characteristic but we do not believe a reduction in service is likely to lead to this particular group being specifically affected.
12. Gender re-assignment	Y	N ✓	No believed impact	We do not have data regarding this particular characteristic but we do not believe a reduction in service is likely to lead to this particular group being specifically affected.
13. Age equality	Y	N ✓	Negative impact	The majority of users of the service are elderly. However, Keep Mobile confirmed in a meeting on 03/12/18 that, due to a general drop in demand for Group Transport trips, they do not believe the grant reduction will have an impact on the dial-a-ride and Group Transport services.
14. Religion and belief equality	Y	N ✓	No believed impact	We do not have data regarding this particular characteristic but we do not believe a reduction in service is likely to lead to this particular group being specifically affected.
15. Pregnancy and maternity equality	Y	N ✓	No believed impact	We do not have data regarding this particular characteristic but we do not believe a reduction in service is likely to lead to this particular group being specifically affected.
16. Marriage and civil partnership equality	Y	N ✓	No believed impact	We do not have data regarding this particular characteristic but we do not believe a reduction in service is likely to lead to this particular group being specifically affected.
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders, armed forces communities) and on promoting good community relations.	No anticipated impact on any other groups. Keep Mobile confirmed in a meeting on 03/12/18 that, due to a general drop in demand for Group Transport trips, they do not believe the grant reduction will have an impact on the dial-a-ride and Group Transport services.			
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	Not applicable.			

19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	Not applicable.		
20. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?	Y	N ✓	Keep Mobile confirmed in a meeting on 03/12/18 they do not believe the grant reduction will have an impact on the dial-a-ride and Group Transport services.
21. What further information or data is required to better understand the impact? Where and how can that information be obtained?	Keep Mobile confirmed in a meeting on 03/12/18 they do not believe the grant reduction will have an impact on the dial-a-ride and Group Transport services.		
22. On the basis of sections 7 – 17 above is a full impact assessment required?	Y	N ✓	No impact on the current levels of service is anticipated.

23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.

Action	Timescale	Person Responsible	Milestone/Success Criteria
We will continue to monitor the uptake of the services provided.	ongoing	Phillip Burke	We will continue to monitor the percentage of requested trips which are declined due to a lack of resources.

24. Which service, business or work plan will these actions be included in?	Transport Development
25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?	The activity being screened is the provision of alternative transport to elderly and/or disabled residents. As such it actively promotes equality of opportunity for these residents.
26. Director' signature.	Signature: Date: 07/12/2018

When complete please send to samantha.wood@bracknell-forest.gov.uk for publication on the Council's website.