

TO: SCHOOLS FORUM  
DATE 16 JANUARY 2020

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**2020/21 PROPOSALS FOR THE LOCAL AUTHORITY BUDGET**  
**Executive Director: People**

**1 PURPOSE OF REPORT**

- 1.1 To present to the Forum for comment a summary of the Council's budget proposals for 2020/21 with a particular focus on the impact expected on the People Directorate, as agreed by the Executive on 17 December 2019.
- 1.2 These proposals assume that funding will be in line with the announcements contained within the Spending Round 2019 and the Technical Consultation on the Local Government Finance Settlement 2020/21 which followed in October. The Provisional Local Government Financial Settlement is likely to be delayed due to the General Election on the 12 December and may not be announced until January.
- 1.3 Comments received on these budget proposals will be submitted to the Executive on 11 February alongside any impact from the announcement of the Finance Settlement. This will allow the Executive to determine its final budget package and recommend the appropriate Council Tax level to Council, which will formally approve the 2020/21 budget and Council Tax on 26 February.

**2 RECOMMENDATIONS**

- 2.1 **That the Schools Forum comments on the 2020/21 budget proposals of the Executive for the People Directorate in respect of:**
  - i. **The revenue budget (Annexes A to C), and**
  - ii. **The capital programme (Annexe D).**

**3 REASONS FOR RECOMMENDATIONS**

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

**4 ALTERNATIVE OPTIONS CONSIDERED**

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

**5 SUPPORTING INFORMATION**

**Introduction**

- 5.1 This report presents a summary of the Council's revenue and capital budget proposals for 2020/21 that were prepared on information and assumptions available at December 2019 and are therefore subject to change as more information emerges or changes

occur as part of the consultation process. The focus of this report is proposals from the People Directorate, with full details of the council's budget proposals available at:

<http://democratic.bracknell-forest.gov.uk/ieListDocuments.aspx?CId=102&MId=8577&Ver=4>

## **Revenue Budget**

### **Commitment budget**

- 5.2 Initial preparations for the 2020/21 budget have focussed on the Council's Commitment Budget for 2020/21 – 2022/23. This brings together the Council's existing expenditure plans, taking account of approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the 2019/20 budget was set.
- 5.3 A number of changes are proposed to the Commitment Budget since it was last considered by the Executive in February which amount to a net decrease in budget of £0.470m. The main changes include; due to slippage in the capital programme and additional capital receipts last year the budget for the Minimum Revenue Provision has been significantly reduced (-£0.803m); the removal of adult social care resources provided in the Spring Budget 2017 is no longer expected to occur (-£0.509m); a review of the transformation programme resulting in the removal of the preliminary savings built into the Commitment Budget for the Adults Transformation (£0.600m) and Public Transport (£0.350m); and the full year effect of the final Commercial Property purchases has generated a further saving of -£0.309m.
- 5.4 Taking account of these changes, Table 1 summarises the position and shows that base expenditure (excluding schools) is planned to decrease by £0.470m to £74.499m next year, before consideration is given to allowances for inflation and the budget proposals identified by individual Directorates in 2020/21. The commitment budget relating to the People Directorate is shown in Annexe A.

**Table 1: Summary Commitment Budget 2020/21-2022/23**

Item	Planned Expenditure		
	2020/21 £000	2021/22 £000	2022/23 £000
Base Budget	74,969	74,499	75,261
<i>Movements in Year:</i>			
Central	-26	-42	29
Delivery	-209	59	0
People (excluding schools)	-30	20	-282
Non Departmental / Council Wide	-205	725	816
<i>Total Movements</i>	-470	762	563
<b>Adjusted Base</b>	<b>74,499</b>	<b>75,261</b>	<b>75,824</b>

## Provisional Local Government Financial Settlement 2020/21

- 5.5 On 4 September 2019 the Government set out the results of the 2019 Spending Round. The spending round is for one year only and in effect rolls forward the 2019/20 Local Government Finance Settlement whilst also providing significant additional resources for social care. A technical consultation on the Local Government Finance Settlement 2020/21 was also issued in October which provided further details including indicative figures for social care funding at individual council level. The Council's 2020/21 budget has been based on the information provided and details of the impact on individual income streams are outlined below where known. The Provisional Local Government Financial Settlement is currently not available and the exact timing of its publication is unknown, however it is likely to be delayed due to the decision to hold a General Election on the 12 December.
- 5.6 The 2019 Spending Round also confirmed that the reforms of the Business Rates System and the review of the funding formula, used to determine funding allocations in the annual Local Government Finance Settlement, will now not be completed and implemented until 2021/22 at the earliest. These will include a full reset of Business Rates retention baselines, a move towards 75% retention of Business Rates growth and a complete review of the bases for measuring relative needs and resources. It is expected that in 2020 the Government will carry out a multi-year Spending Review, which will lay the groundwork for these reforms.
- 5.7 Funding from central government is currently received through a share of Business Rates, Revenue Support Grant (RSG) and Specific Grants. Both the 2019 Spending Round and the technical consultation have indicated that the 2020/21 Settlement Funding Assessment, comprised of RSG and Business Rates Baseline Funding, will be uprated in line with the change in the small business non-domestic rating multiplier (1.6%). Funding from RSG is therefore projected to increase to -£1.771m for 2020/21 (in 2019/20 RSG of -£1.743m was subsumed into the Business Rates Baseline as part of the pilot) and the Business Rates Baseline to increase to -£16.832m (-£16.562m in 2019/20).

### Grants

- 5.8 The Council also receives substantial external funding through a number of specific grants for which the following assumptions have been included within the latest budget projections:
1. *New Homes Bonus*. This is used to incentivise LAs to maximise house building. As a result of the reforms to date, funding has reduced from -£3.9m in 2016/17 to -£1.4m in 2019/20 with a further expected reduction of £0.4m included in the draft budget proposals. This reduction assumes that a similar level of new NHB will be received for 2020/21 as that received in 2019/20, however, based on Council Tax data submitted in October for changes in the Council Tax Base and the number of empty homes, the allocation could potentially be significantly higher. The allocation, including the impact of any changes to the baseline, is expected to be confirmed in the Provisional Settlement.
  2. *Other Specific Grants*. This mainly relates to ring-fenced Public Health, NHS funding streams and Better Care Fund which are reflected in the base budget. For 2020/21 the Government is proposing to protect all social care grants from 2019/20 as well as providing £1 billion in new grant funding. The technical consultation provides indicative figures showing an additional -£1.282m of social care funding for Bracknell Forest. The -£0.362m of funding received last year for Winter Pressures will now be incorporated into the Improved Better Care Fund

(iBCF) rather than being a ring-fenced grant and the existing iBCF funding will also be maintained at current levels.

### Business Rates

- 5.9 A third important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), the impact of appeals and local growth or decline as local businesses and economic conditions expand or contract. The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government.
- 5.10 At this stage, Business Rates income is forecast to grow in line with the Government's baseline assumptions in 2020/21 (1.6%). Currently the Council collects significantly more Business Rates than it is allowed to keep and until the 2018/19 Business Rates Pilot only received approximately 30% of any Business Rates growth. There has however been considerable volatility in Business Rates income following the transfer of a large multi-national company on to the Council's valuation list in 2013/14, rather than being retained on the "central list" that is then used by the government for overall funding purposes.
- 5.11 Initially this significantly increased the level of Business Rates collected locally but following a successful appeal the rateable value was reduced by 28% in 2016/17. A final projection for the impact of changes in Business Rates income on the Collection Fund in 2019/20 will need to be made by the 31 January which will be incorporated into the February budget report. Early indications are that there will be a significant surplus which will be used to mitigate the risk of further losses in Business Rates income from the multi-national company referred to above.
- 5.12 The Government has announced that the introduction of a new system will now be delayed until 2021/22 which will be based on 75% retention of Business Rates growth locally. To coincide with this a fair funding review is currently underway which will calculate the new baseline funding levels for individual local authorities based on an up-to-date assessment of their relative needs and resources. Existing grants including RSG and the Public Health Grant will be incorporated into the revised baseline and more responsibilities are likely to be transferred to Local Government to ensure that the new system is fiscally neutral overall. The outcome of these deliberations is impossible to determine, although it will almost certainly have a significant long-term impact on the funding of the Council.
- 5.13 This will most likely mean that all or a large part of the additional business rates that the Council has secured through the company referred to above and from the town centre opening in 2017 will no longer directly benefit Bracknell Forest. This is a consequence of Bracknell Forest having for many years been able to generate income significantly in excess of its assessed funding needs. As the Council uses a substantial element of Business Rates growth (approximately £4m) to support the budget, this will result in a significantly increased budget gap in 2021/22.
- 5.14 The Council has benefitted considerably from being part of a Berkshire Wide Business Rates pilot area for the last two years. However, the Government has confirmed that except for the devolution areas and London, all other business rates retention pilots agreed for 2019/20 will finish at the end of the financial year and there will be no further pilot arrangements for 2020/21. This will affect the amount of Business Rates income that the Council can retain with income from growth being reduced back to 49% less a levy payment for 2020/21. As the Council has taken the prudent decision not to use any

of the additional pilot income to immediately support the revenue budget, the only impact this will have is to reduce the amount that can be transferred into the Future Funding Reserve to support future budgets.

### Council Tax

- 5.15 Council Tax at present levels will generate total income of -£59.419m in 2020/21. An increase in the Council Tax Base arising from the occupation of new properties during 2020/21 and a reduction in the take-up of the Local Council Tax Benefit Support Scheme is forecast to contribute an additional -£1.188m (+2%). The 2020/21 Council Tax Base will be finalised on 4 December.
- 5.16 The surplus/deficit on the Council Tax element of the Collection Fund in 2019/20 will need to be assessed by the 15 January 2020. Early indications are that there will be a surplus. This figure will impact on the 2020/21 budget and will be incorporated into the February budget report.
- 5.17 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases equal to or in excess of a threshold percentage which is normally included in the Local Government Financial Settlement. Following the outcome of the 2019 Spending Round, the Government is proposing a core referendum limit of 2% plus the option for councils with responsibility for adult social care, such as Bracknell Forest, to set an adult social care precept of up to a further 2%. Each 1% increase in Council Tax would generate approximately -£0.606m of additional income. The referendum principles will be confirmed in the provisional settlement.
- 5.18 The Executive at its meeting in February will recommend to Council the level of Council Tax in light of the Final Settlement, the results of the consultation and the final budget proposals.

### Budget Proposals for 2020/21

#### *Service pressures and Developments*

- 5.19 In preparing the 2020/21 draft budget proposals each directorate has evaluated the potential pressures on its services and those relating to the People Directorate are set out in Annexe B. Table 2 summarises the pressures by directorate.

Table 2: Service Pressures/Development

<b>Directorate</b>	<b>£'000</b>
Central	0
Delivery	417
People (excluding schools)	6,479
Non-Departmental / Council Wide	0
<b>Total Pressures/Developments</b>	<b>6,896</b>

- 5.20 Many of the pressures are simply unavoidable as they relate to current levels of demand or legislation changes. They do, however, also support the six strategic themes included in the new Council Plan in the following way:

- caring for residents and their families (£6.395m);
- provide value for money (£0.177m);

- communities (£0.214m);
- protecting and enhancing the environment (0.120m).

- 5.21 One-off pressures are included above, where more staff are required temporarily to support the transition of the People Directorate to a new operating model, whilst maintaining current services (£1.424m). Recognising that this issue is time limited, it is proposed that these costs will be funded from an Earmarked Reserve in 2020/21, to be created by re-prioritising existing earmarked reserves.
- 5.22 Service pressures will be kept under review throughout the budget consultation period. There is always the risk in Social Care services in particular, that the numbers of people requiring care packages, the content of existing care packages and contract inflation will vary considerably from the assumptions included in these draft budget proposals. Any revisions to service pressures will be reported to the Executive in February.
- 5.23 In addition to these revenue proposals the Council continues to invest in its priorities through targeted capital expenditure. Details are set out below from paragraph 5.36, but any revenue cost implications arising from the capital proposals are included in these draft budget proposals

#### *Service Economies*

- 5.24 Members and officers have held regular meetings to determine options for savings and a list of potential draft budget savings has been developed. This list totals -£4.609m and is summarised in Table 3 with areas relating to the People Directorate set out in more detail in Annexe C. As in previous years, savings have focused as far as possible on increasing efficiency, income generation and reducing central and departmental support rather than on front line services. There will potentially be some impact on services, although this has been minimised to a large degree.

Table 3: Summary Service Economies

<b>Directorate</b>	<b>£'000</b>
Central	-1,050
Delivery	-428
People (excluding schools)	-1,429
Non-Departmental / Council Wide	-1,679
<b>Total Savings</b>	<b>-4,586</b>

#### *Council Wide Issues*

- 5.25 Apart from the specific departmental budget proposals there are some Council wide issues affecting all directorates' budgets which need to be considered. The precise impact of these corporate budgets is likely to change before the final budget proposals are recommended, however the current view on these issues is outlined below:
- a) Capital Programme

The scale of the Council's Capital Programme for 2020/21 will impact upon the revenue budget and is itself subject to consultation. Current proposals, as set out further below from paragraph 5.36 and after allowing for projected receipts of approximately £6.2m (including Community Infrastructure Levy (CIL)) in 2020/21 and carry forwards, the additional revenue costs will be zero in 2020/21 and £0.291m in 2021/22.

b) Interest and Investments

With borrowing rates close to historical lows, the borrowing strategy of the Council will be to minimise the impact on the revenue. The Council will therefore take a mix of borrowing maturities over the years reflecting the need for day-to-day cash flow and its longer-term capital investment strategy. The Council, in close co-ordination with its Treasury Management advisers, will monitor medium and long-term interest rates and take any necessary decisions based on the information available to effectively and efficiently fund the capital programme.

c) Provision for Inflation and Pay Awards

At this stage the inflation provision is not finalised, although for planning purposes a sum of £2.300m (£2.396m 2019/20) has been added to the budget. This will be achieved by:

- Assuming pay awards of 2%;
- Negotiating to minimise inflation on contracts;
- Increasing fees and charges in line with the Council's income policy.

The Council will need to consider where it is appropriate and necessary to provide for inflation over the coming weeks so that the actual inflation provision can be added to the final budget report in February 2020.

d) Fees and charges

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

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

A large proportion of fees and charges have remained at similar levels for many years, being increased only to reflect inflation each year. Recognising this, it is proposed that directors be authorised to apply inflationary increases to fees and charges in their areas at the earliest possible opportunity, to help the current year's financial position. For all instances where the proposed increase is not purely inflationary, the normal consultation process will apply.

e) Corporate Contingency

The Council manages risks and uncertainties in the budget by way of a general contingency added to the Council's budget. Every year the Council faces risks on its budget in relation to demand led services, Business Rates and the general economic climate. The Contingency has been maintained at £2.5m as part of the draft budget proposals. This reflects the significant demand

pressures being experienced within social care and the challenges in delivering significant further transformation savings.

#### *Spending on schools*

- 5.26 There is a significant medium term financial pressure on the Schools Budget arising from the cost of new schools that are being built in response to new housing and the resultant need for more school places in order to fulfil the Council's agreed objective of delivering local schools for local children. In order to provide sufficient places when they are required, new schools will generally need to open towards the start of the developments but will take a number of years to fill up as house building continues. During this period, new schools need additional financial support to cover what can be significant diseconomies of scale.
- 5.27 This cost pressure is not adequately resourced in the funding settlement from the Department for Education (DfE) and over the medium term is expected to create a funding shortfall of around £4m. To help manage this, as part of the 2019/20 budget, the Executive agreed that £1m of Council reserves would be made available as part of a funding package. The contribution for 2020/21 is expected to amount to £0.308m.
- 5.28 Funding for SEND pupils will increase by 8% (£1.472m) next year. Whilst a substantial increase, this would still be insufficient to fund the forecast cost increase of £3.4m which arises from significant increases in both the numbers of pupils requiring support and the complexity of need.
- 5.29 This is a national issue, with the latest statistical release from the DfE recording that the number of pupils in England with a statement or Education Health Care Plan (EHCP) having increased in the last 2 years to January 2019 by 11.9%. Changes in the number of children receiving additional support through high needs budgets in Bracknell Forest show a steeper increase than the national figures, with the number expected to increase by 17.7% from April 2018 to March 2020 and costs by 27.3%.
- 5.30 The council will work closely with the Schools Forum to develop a medium-term balanced budget for children with SEND.

#### *Summary position on the Revenue Budget*

- 5.31 Adding the draft proposals to the Commitment Budget and taking account of the corporate issues identified above would result in total expenditure of £81.787m as shown in Table 4.

Table 4: Summary of proposals:

	£'000
Commitment Budget	74,499
Budget Pressures	6,896
Budget Economies	-4,586
Capital Programme	0
Inflation Provision	2,300
Reversal of the one-off transfer from the Future Funding Reserve for the projected Collection Fund - Business Rates deficit in 2018/19	4,942
Transfer from Earmarked Reserve to meet one-off staffing pressures	-1,424
Reduction in total New Homes Bonus 2020/21	441
Additional Social Care Funding	-1,281
<b>Draft Budget Requirement 2020/21</b>	<b>81,787</b>

- 5.32 Without the Provisional Finance Settlement, assumptions have had to be made on the level of grant income. It has been assumed that the Council can anticipate income of up to -£79.210m. This arises from Revenue Support Grant (-£1.771m), Business Rates baseline funding (-£16.832m) and Council Tax at the 2019/20 level (-£60.607m).
- 5.33 With the potential overall cost of the budget package being consulted on in the region of £81.787m, this leaves a potential gap of around £2.577m. Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:
- an increase in Council Tax;
  - an appropriate contribution from the Council's revenue reserves, bearing in mind the Medium-Term Financial position;
  - identifying further expenditure reductions.

#### *Reserves*

- 5.34 The Council has an estimated £6.5m available in General Reserves at 31 March 2020, if spending in the current year matches the approved budget. Details are contained in Table 5.

Table 5: General Reserves as at 31 March 2020

	£m
General Fund	9.1
Planned use in 2019/20	(2.6)
<b>Estimated Balance as at 31 March 2020</b>	<b>6.5</b>

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

### **Capital Programme**

#### Introduction

- 5.36 The Council's total usable capital receipts at 31<sup>st</sup> March 2019 were zero as all receipts have been applied to fund prior capital investment – all receipts during 2019/20 will be used to finance the 2019/20 Capital Programme. The Council is partly reliant on capital receipts and other contributions to fund its capital programme, although interest generated from capital receipts can also help support the revenue budget in the short term. However, with investment rates at historic lows it makes more economic sense to offset borrowing.
- 5.37 The proposed capital programme for 2020/21 has been developed, therefore, on the assumption that it will be funded by a combination of Government grants, other external contributions and borrowing in addition to capital receipts, CIL contributions and some small miscellaneous property sales should enable £5m of the capital programme to be funded from receipts. Internal resources will be used in the first instance and borrowing from external sources will be used only when necessary. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans.

## New Schemes

5.38 Within the general financial framework outlined above, Service Directorates have considered new schemes for inclusion within the Council's Capital Programme for 2020/21 – 2022/23. Given that both capital and revenue resources are under pressure, each directorate has evaluated and prioritised proposed schemes into broad categories in line with the Council's Asset Management Plan. Having done this, only the very highest priority schemes and programmes are being recommended for inclusion in the Capital Programme.

## Elements of the capital programme

5.39 The capital programme is structured into categories of spend as follows:

- *Unavoidable and committed schemes*; these are required to ensure that the Council is not left open to legal sanction and includes items relating to health and safety issues, new legislation etc. Committed schemes also include those that have been started as part of the 2019/20 Capital Programme. The significant relevant projects relate to capitalisation of project management costs and various road and transport schemes.
- *Maintenance (Improvements and capitalised repairs)*; an assessment is made of the state of each building and highways element and its repair priority with a condition rating and repair urgency to inform spending requirements which are intended to address the most pressing high priority works. Maintenance of school buildings is financed from DfE School Condition Grant, with the expenditure budget set at the equivalent amount to the grant income.
- *Rolling programmes*; cover more than one year and give a degree of certainty for forward planning schemes to improve service delivery. They make an important contribution towards the Council's established Asset Management Plans and mainly include ICT programmes.
- *Other desirable schemes*; are other high priority schemes that meet the needs and objectives of their service and include school building adaptations to facilitate school improvement and various safeguarding and pre-school projects.
- *Invest to save schemes*; these are schemes where the additional revenue income or savings arising from their implementation exceeds the Council's borrowing costs.

## Summary

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

Table 6: Capital Programme 2020/21 to 2022/23

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
<b>Service Area</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Delivery	2,180	1,835	1,835
People	3,972	50	0
Central Directorates	12,548	3,789	3,889
<b>Total Capital Programme</b>	<b>18,700</b>	<b>5,674</b>	<b>5,724</b>
<b>Less Externally Funded</b>	<b>13,910</b>	<b>2,649</b>	<b>2,649</b>
<b>Council Funded Programme</b>	<b>4,790</b>	<b>3,025</b>	<b>3,075</b>

## Funding options

- 5.41 The proposed capital programme for 2020/21 has been developed on the assumption that it will be funded by approximately £5m from a combination of:
- Government grants
  - Section 106 funding (developer contributions)
  - CIL
  - And council funding from capital receipts and prudential borrowing
- 5.42 Following the introduction of the Prudential Borrowing regime local authorities are able to determine the level of their own capital expenditure with regard only to affordability on the revenue account. In practice this represents the amount of borrowing they can afford to finance and will necessitate taking a medium-term view of revenue income streams and capital investment needs.
- 5.43 To achieve its aim of ensuring that capital investment plans are affordable, prudent and sustainable, the Local Government Act requires all local authorities to set and keep under review a series of prudential indicators included in the CIPFA Prudential Code for Capital Finance in Local Authorities. The Capital Programme recommended in this report can be sustained and is within the prudential guidelines. Full Council will need to agree the prudential indicators for 2020/21 to 2022/23 in February 2020, alongside its consideration of the specific budget proposals for 2020/21 and the Council's medium-term financial prospects.

## **6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

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

### Director of Finance

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

### Equalities Impact Assessment

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

### Strategic Risk Management Issues

- 6.2 A sum of £2.5m is currently included in the draft proposals to meet the costs of unpredictable or unforeseen items that would represent in year budget risks. The Executive will need to make a judgement on the level of Contingency at its meeting in February.

- 6.3 The Director of Finance, as the Council's Chief Finance Officer (Section 151 Officer), must formally certify that the budget is sound. This will involve identifying and assessing the key risk areas in the budget to ensure the robustness of estimates and ensuring that appropriate arrangements are in place to manage those risks, including maintaining an appropriate level of reserves and Contingency. This formalises work that is normally undertaken each year during the budget preparation stages and in monthly monitoring after the budget is agreed. The Director of Finance will report his findings in February, when the final budget package is recommended for approval.
- 6.4 The scale of the Council's Capital Programme for 2019/20 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts or borrowing. The generation of capital receipts in future years may mitigate the impact on the revenue budget, but as the timing and scale of these receipts is uncertain their impact is unlikely to be significant.
- 6.5 There are also a range of risks that are common to all capital projects which include:
- Tender prices exceeding the budget
  - Planning issues and potential delays
  - Uncertainty of external funding
  - Building delays due to unavailability of materials or inclement weather
  - Availability of staff with appropriate skills to implement schemes
- 6.6 These can be managed through the use of appropriate professional officers and following best practice in project management techniques. The report also identifies the risk associated with the shortfall in maintenance expenditure compared to that identified by the latest condition surveys. With only those highest priorities receiving funding in 2020/21, there will be a further build up in the maintenance backlog and a risk that the deterioration in Council assets will hamper the ability to deliver good services.

## 7 CONSULTATION

### Principal Groups Consulted

- 7.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal>. There will also be a dedicated mailbox to collect comments.
- 7.2 The timetable for the approval of the 2020/21 Budget is as follows:

Executive agree proposals as basis for consultation	17 December 2019
Consultation period	18 December 2019 - 28 January 2020
Executive considers representations made and recommends budget.	11 February 2020
Council considers Executive budget proposals	26 February 2020

Background Papers

BFC budget proposal reports to the Executive:

<http://democratic.bracknell-forest.gov.uk/ieListDocuments.aspx?CId=102&MId=8577&Ver=4>

Contacts for further information

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Doc. Ref:K:\Pine\Executive\Schools Forum\97) 160120\Forum 2020-21 LA Budget Proposals from the council.doc

## Description of Commitment Budget Items for 2020/21 to 2022/23

Department and Item	Description	2020-21 £000	2021-22 £000	2022-23 £000
<b>People Directorate</b>				
Suitability surveys	Suitability and access surveys are undertaken every three years to update the Asset Management Plan so that up to date information is available to inform investment decisions on the capital programme.		20	-20
School Budget Funding for 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 several 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. In 2019/20 an allocation of £0.338m was built into the base budget funded from an Earmarked Reserve. This is expected to reduce to £0.308m in 2020/21.	-30		-262
<b>Total</b>		<b>- 30</b>	<b>20</b>	<b>- 282</b>

## Revenue budget: proposed PRESSURES for the People Directorate

Description	2020/21 £'000	2021/22 £'000	2022/23 £'000
<p><b>Social care packages and support</b></p> <p>Increased cost of social care packages in both Children and Adults. This is a combination of increases in numbers and increases in the cost of care as well as specialist legal support, advice to young people from independent advocates and those families without recourse to public funds.</p> <p>The pressure on the Adults budget from children turning 18 has been separately identified.</p>	<p>2,583</p> <p>256</p>		
<p><b>Withdrawal of Continuing Health Care funding</b></p> <p>The CCG has commenced a review of individuals who were in receipt of health funding. This review has resulted in the withdrawal of funding in a number of cases, covering both children and adults. The review is ongoing and so there is a likelihood of this pressure increasing.</p>	807		
<p><b>Transformation</b></p> <p>The work programme from the Children's Transformation programme is being re-evaluated and has therefore paused. The current savings targets have therefore been removed pending outcome of the review.</p>	1,042		
<p><b>Loss of income</b></p> <p>The Office for The Police &amp; Crime Commissioner has indicated that grant funding for the Youth Offending Team will no longer be available to support current spending. There will also be a shortfall in income at the Open Learning Centre which now includes the sales income targets from the former Education Centre.</p>	100		
<p><b>Service pressures</b></p> <p>The new Youth facility at Braccan Walk, which is expected to open in September 2020, will require a premises and general resources budget.</p> <p>Demand for independent advocates for looked after children has increased.</p>	<p>23</p> <p>25</p>	17	

Description	2020/21 £'000	2021/22 £'000	2022/23 £'000
<p><b>Recruitment and retention</b></p> <p>There is a national shortage of Approved Mental Health Professionals which are critical to the Mental Health and Out of Hours services. As a result, the Council has been paying high agency costs to fill these posts. A retention payment has been proposed to help fill these posts and reduce reliance on short term agency.</p>	<b>19</b>		
<p><b>Family Safeguarding model</b></p> <p>The family safeguarding model will be sustained beyond the period of the initial grant funding.</p>	<b>200</b>		
<p><b>Departmental staffing pressures</b></p> <p>A number of areas have been identified where there are pressures on the staffing budget in order to comply with statutory responsibilities and to ensure service quality standards are met. This pressure will be managed down as structures and ways of working are redefined over the coming year, therefore it is a pressure for 2020/21 only.</p>	<b>1,424</b>	<b>-1,424</b>	
<b>PEOPLE TOTAL</b>	<b>6,479</b>	<b>-1,407</b>	<b>0</b>



Description Impact	2019/20 £'000	2020/21 £'000	2021/22 £'000
<p>through commissioning with the re-configured team applying a rigorous and challenging approach to deliver quality provision efficiently. This incorporates management of inflation (£300,000) using the most skilled and appropriate staff to undertake negotiations (£60,000)</p> <ul style="list-style-type: none"> <li>• A number of reviews are planned for Education and Learning that include looking at the support arrangements for schools and governing bodies and looking at opportunities for savings arising from the former Education Centre being incorporated within the Open Learning Centre (£85,000).</li> <li>• It has been agreed with the CCG that the Stroke Grant will now be funded from the Better Care Fund (£38,000).</li> </ul>			
<p><b>Income generation</b></p> <p>The following areas have been identified where income can be, or already is, generated:</p> <ul style="list-style-type: none"> <li>• Increasing number of clients are contributing to the costs of their care using deferred payments. There is a fee for arranging this which is generating additional income (£20,000).</li> <li>• Waymead (which provides respite services to clients with learning disabilities) has in recent years generated a surplus of income due to more placements from other local authorities (£25,000).</li> <li>• Adult Social Care client income can be maximised by charging self-funders for the arrangement of their care and streamlining internal processes to ensure data information is entered onto the care system is accurate (£26,000).</li> <li>• A new policy will be introduced to ensure tenants of Council accommodation (both council-owned and leased from a private landlord) are recharged for repairs work where it is required due to actions they have taken (£5,000).</li> </ul>	<b>76</b>		
<p><b>Public Health activities</b></p> <p>Savings on the general fund budget can also be made through better identification of existing expenditure that has a clear Public Health benefit. These services can then be funded from the Public Health grant. Two areas have been identified on an ongoing basis, Dogs 4 Good and the family safeguarding model.</p> <p>Short term Public Health funding has been secured for the family support programmes delivered through Journey to Parenthood (£7,000 for 2 years) and Homestart (£30,000 for 1 year)</p>	<b>297</b>		
<p><b>PEOPLE DIRECTORATE TOTAL</b></p>	<b>1,429</b>	<b>-30</b>	<b>-7</b>

## CAPITAL PROGRAMME – PEOPLE DIRECTORATE

	2020/21 £000	2021/22 £000	2022/23 £000	TOTAL £000
<b>Committed</b>				
No Schemes	-	-	-	-
<b>Unavoidable</b>				
No Schemes	-	-	-	-
<b>Rolling Programme / Other Desirable</b>				
<b>Non-Schools</b>				
Rowans Pre School	202	-	-	202
Sandhurst Nursery Relocation	86	50	-	136
<b>Departmental Bids:</b>				
Ascot Heath Security	46	-	-	46
Primary SEMH Hub	40	-	-	40
Sandy Lane School Improvement	292	-	-	292
Harmans Water School Improvement	365	-	-	365
Carbon Reduction Measures	10	-	-	10
<b>School Bids:</b>				
Cranbourne Security & Safeguarding	72	-	-	72
College Town Security	42	-	-	42
Wildridings Fire Safety	17	-	-	17
Wildridings Security & Safeguarding	41	-	-	41
Crowthorne Car Park Safety	17	-	-	17
<b>Total</b>	<b>1,230</b>	<b>50</b>	<b>-</b>	<b>1,280</b>
<b>TOTAL REQUEST FOR COUNCIL FUNDING</b>	<b>1,230</b>	<b>50</b>	<b>-</b>	<b>1,280</b>
<b>External Funding - Other</b>				
<b>Non-Schools</b>				
Rowans Pre School - S106	84	-	-	84
Disabled Facilities Grants	tba	tba	tba	-
<b>Schools</b>				
DfE Grant: Schools Capital Maintenance	1,499	-	-	1,499
DfE Grant: Devolved Formula Capital	258	-	-	258
DfE Grant: Special Provision Capital Fund	250	-	-	250
Carbon Reduction Measures	40	-	-	40
Sandy Lane School Improvement - S106	73	-	-	73
Kennel Lane Improvements - S106	538	-	-	538
	<b>2,742</b>	<b>-</b>	<b>-</b>	<b>2,742</b>
<b>TOTAL EXTERNAL FUNDING</b>	<b>2,742</b>	<b>-</b>	<b>-</b>	<b>2,742</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>3,972</b>	<b>50</b>	<b>-</b>	<b>4,022</b>

# **PEOPLE DIRECTORATE**

## **2020/21 Capital Programme Bids**

### **NEW SCHEMES**

#### **1. The Rowans Pre-school - £286,000**

The Rowans Family Hub is co-located on the site of Fox Hill Primary school. Most of the accommodation is within the old Infant school building, this building is currently shared between the Family Hub and the school foundation stage (nursery and reception classes).

There is a modular building on the site (previously the school nursery) which is also part of the Family Hub. The modular sits in between the two school buildings and is currently rented to The Rowans Pre-school, the pre-school has an OFSTED Outstanding grade and provides early education for 2, 3- and 4-year olds.

The school is currently having some additional security fencing installed to enhance safeguarding and this will mean the pre-school is within the school security making access more challenging. It will be more difficult for parents of children attending the pre-school to access the existing site and potentially add to the workload of the school office staff if they are the only people able to give access to the site as the pre-school drop-off and collection times differ from the school.

The school would benefit from the additional space of the existing modular to enable them to offer nurture spaces for the children and parent meeting spaces. This cannot be achieved without alternative accommodation to rehouse the thriving pre-school.

School have stated they would be happy to for a modular building to be placed on the school field closer to the Family Hub. Locating the pre-school, here would enable access via the path around the Family Hub meaning families/visitors to the preschool would not have to access the secure school site. One plan has been received the costings are for a 'turn key' option.

The plans for the school to establish a nurture room for vulnerable pupils is not achievable unless they are able to utilise the accommodation within the modular building therefore relocation of the pre-school is critical for the project to work.

#### **2. Sandhurst School Nursery Relocation - £86,000**

A project to relocate the private nursery from The Spot building to the currently vacant caretaker's house at Sandhurst School. Benefits to the Council include:

This project will free up space in The Spot building for school use. Having taken over responsibility for the Sports Centre building (which is conjoined with The Spot building) from ECC from April 2017, the school are working on options for school use of these areas and The Spot accommodation, including use by Post 16 and SEN. This in turn will free up other areas in the existing school buildings for teaching and learning and through re-allocation and re-ordering of room use will help the school to address areas of unsuitable accommodation.

The nursery provider will have the accommodation they need to deliver the statutory 30 hours of free education and childcare for working parents from September 2017. The provider is already working up this offer and parents are already signing up for this, and places have been allocated, however the Spot accommodation does not have suitable outdoor soft play space which this project would provide.

The nursery also supports the Local Authority duty for free childcare places for eligible, vulnerable two year olds.

This will transfer the use of and running costs of The Spot building from CYPL to the school. The CYPL Revenue budget for The Spot is £5,100 p.a. which includes an expenditure budget for staff costs for cleaners of £6,890 and an income budget of £13,930 from rent paid by the nursery. This excludes any reactive maintenance costs that might be incurred in a given year which would be an additional cost to CYPL.

With school agreement all of these functions can continue to be provided by and at Sandhurst School without interfering with school use of The Spot building, and this would be a condition of the transfer of The Spot to the school.

Relocating the nursery into the former caretaker's house will bring this currently vacant and wasting asset into productive use, creating rent income for the school which is currently £13,930 p.a. The caretaker's house is not required by the school as they have a second caretaker's house on site which is occupied. The vacant house cannot realistically be sold because it is located in the centre of the school site and this would mean members of the public living in the midst of a working school site which would be undesirable for safeguarding reasons.

By transferring the use and responsibility for The Spot building from CYPL to the school, the asset would remain in BFC ownership, however in the event that the school moved to academy status, the provisions of the Academies Act would mean the use of the building would transfer to the school. When existing schools become academies freehold is retained by BFC and the school take a long lease of all of the site and buildings that they have had use of during the previous 8 years.

Sandhurst school has missed out on the significant capital investment that has gone into the other Bracknell Forest secondary schools over recent years because the main focus of the Education Capital Programme has been on meeting the Council's statutory duty to provide sufficient school places and Sandhurst has historically been under subscribed.

The school are keen to take over The Spot Youth and Community Centre facility as part of a desire to expansion the school.

The school are supportive of the nursery expansion and has recognised the valuable synergies' and benefits to its business, in light of this the nursery has been offered the caretakers bungalow as an alternative bespoke provision. The bungalow will require considerable adaptations to meet requirements.

Moving the nursery to the caretaker's bungalow will reduce the cost of refurbishment of The Spot and enable the school to have complete access.

There are no available premises for the nursery to relocate within the local area, all avenues have been fully explored.

This proposal involves redevelopment and extension of the caretaker's house to provide a compliant nursery space.

### **3. Ascot Heath Secure Boundary Fence - £46,000**

Replacement of the existing fence to the front of school with a new secure fence. Motorising the existing manually operated vehicle gates so that the boundary can be kept secure during the middle of the day. Provision of access control and CCTV to cover the gates and external areas. Measures required for safeguarding of pupils

#### **4. New Primary SEMH School - £40,000**

A proposal for a new 4-11 primary co-educational SEMH school with 50 places. This bid is for funding to undertake a feasibility & cost report that would inform the creation of the proposed new school going forwards.

Detailed studies and analysis of pupil numbers, education provision and trends in the Borough relating to SEND, migration and accommodation have revealed that the creation of a new SEMH School best meets the needs of children and young people (CYP) and their families.

BF has seen a steady increase in pupil numbers and rising rolls in primary schools, resulting in pressure on the intake year and the requirement for additional capacity throughout the Borough for all CYP. Following this period of sustained growth, birth rates are now falling, but BF continues to be an area of significant housing growth, which is now the largest predictor of need for pupil places.

A specific trend has been the arrival in recent years of an increasing number of families from outside the UK. In particular, we are experiencing a steady rise in the numbers of refugees; currently 10 CYP in the borough are refugees. Experiencing a traumatic situation, such as conflict, separation from family and financial hardship, all of which are common experiences for refugees, can significantly increase the likelihood of needing specialist SEMH provision.

Data from 2016 shows an upturn in the % of CYP with EHCP/statements in primary and secondary settings, so we have evidence of increasing need for specialist primary provision. As of September 2017, there are 716 CYP from BF with a statement or EHCP; 8 are in out of borough mainstream primary; 139 are in out of borough special schools. CYP with Social, Emotional and Mental Health barriers (SEMH) represent 96 of the 716 (13.4% against 12.3% nationally (DfE)) and are the largest group of pupils educated outside of BF (54 in 2015-16) as well as those in independent provision (13 in the primary phase).

We do not have sufficient specialist provision for a growing number of CYP with a primary presentation of SEMH, which is why so many are currently educated out of Borough. Out of borough places have a personal impact on individuals and families. CYP with SEMH are at a disadvantage due to travel over long distances to school, separation from their community support network and inability to engage with community life.

There is also a significant financial impact on the Borough. BF spends more on SEND than both the national average and our statistical neighbours. The spend for CYP educated out of authority in non-maintained or independent schools is £2,731,386, with £37,935 of this for 72 pre-16 pupils. 71% of CYP with SEN who are educated in independent or non-maintained schools present a prime difficulty of either ASC (35%) or SEMH (36%).

BFC is committed to ensuring inclusion and the education of CYP in their own communities. The increasing numbers of CYP with SEND, the lack of SEMH places within the borough, the high cost of out of borough places, the numbers of SEMH referrals and the efficiency of SEND outreach services are all key considerations which have led to BFC running this proposal.

#### **5. Sandy Lane School Improvement - £365,000**

Suitability Surveys have been undertaken for all maintained schools as part of the Schools Asset Management Plan, based on the 2014 DfE school building design guides Building Bulletins 102 and 103. Gap analysis of where the current school buildings depart from the DfE design guides for new schools flag up the need for suitability improvements. Most of the suitability issues identified in the surveys are in respect of undersized classrooms and lack of specialist practical teaching spaces. Implementing suitability works improve outcomes for pupils by removing the physical impediments to teaching and learning inherent in existing school buildings. Suitability can also be described as fitness for purpose.

The suitability surveys have identified 315 items of identified suitability works across all maintained schools.

Prioritisation of these has taken into account the requirements of:

1) The Education & Learning Strategy, with a view to removing impediments to teaching and learning at those maintained schools that current have a “Requires Improvement” Ofsted grade.

2) The School Capacity Strategy, which is to reduce surplus school places across the Borough. It is relatively simple to address undersized classrooms by expanding these into adjacent classrooms and by doing this we can remedy undersized classrooms and remove surplus classrooms at the same time.

The focus of this project is therefore on the Sandy Lane Primary School, the suitability surveys of which have identified a number of undersized classrooms and the Ofsted grade of which is “Requires Improvement”.

The proposed Suitability works comprise internal adaptations and remodelling/refurbishment. The proposed works can also be linked to a future reduction in admission numbers in both schools bringing them from 3FE down to 2FE, however this has not yet been agreed with the Headteacher or Governing Body.

## **6. Harmans Water School Improvement - £365,000**

Improvement works to school buildings to enhance teaching and learning and to surplus school places.

Suitability Surveys have been undertaken for all maintained schools as part of the Schools Asset Management Plan, based on the 2014 DfE school building design guides Building Bulletins 102 and 103. Gap analysis of where the current school buildings depart from the DfE design guides for new schools flag up the need for suitability improvements. Most of the suitability issues identified in the surveys are in respect of undersized classrooms and lack of specialist practical teaching spaces. Implementing suitability works improve outcomes for pupils by removing the physical impediments to teaching and learning inherent in existing school buildings. Suitability can also be described as fitness for purpose.

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2) The School Capacity Strategy, which is to reduce surplus school places across the Borough. It is relatively simple to address undersized classrooms by expanding these into adjacent classrooms and by doing this we can remedy undersized classrooms and remove surplus classrooms at the same time.

The focus of this project is therefore on Harmans water Primary School, the suitability survey of which has identified a number of undersized classrooms and the Ofsted grade of which is “Requires Improvement”. The proposed Suitability works comprise internal adaptations and remodelling/refurbishment. The proposed works can also be linked to a future reduction in admission numbers in both schools bringing them from 3FE down to 2FE, however this has not yet been agreed with the Headteacher or Governing Body

## **7. School Carbon Reduction Measures - £50,000**

This project will provide a budget for short payback energy schemes in schools that will be prioritised by the Planned Works Project Management Group.

BFC has a Management Agenda to drastically reduce Carbon emissions namely the Climate change action plan in which the council is committed to improving energy/carbon efficiency in schools. The objective is to reduce schools' energy costs and carbon emissions. This programme will mitigate and reduce this amount payable in future years by targeting energy projects that will have the greatest impact in reducing energy costs and carbon emissions.

Suitable projects will be identified by the Borough Energy Manager.

## **8. Cranbourne – Security & Safeguarding Including Boundary Fence - £72,000**

This project includes replacement of the current boundary fence to the rear of the school which is currently post & rail or chain link type and affords no security or protection. A secure boundary fence is required to keep intruders away for the safeguarding of pupils on the school site. The project also includes provision of a new set of gates, upgrading the security on the site for the same reason including CCTV and access control works.

## **9. College Town Security - £42,000**

Replacement of part of the boundary fence around the site that comprises chain link type fencing and is bending/rusting away. We have been approached by neighbours wanting to replace the boundary fence between their property and the school but this would be a bad precedent leaving the security of the site essentially in the hands of others. This would also mean the boundary fence could end up comprising multiple different fences of differing types, and standards of security. A single secure boundary fence owned by the school is required for the security of the site.

The remaining boundary fencing is palisade or secure post and panel and is in reasonable condition.

## **10. Wildridings School – Fire Safety Works - £17,000**

Provision of a fire exit doors in Year 3 classroom (Fire safety and effectiveness of current fire doors) 2. Replacement main entrance doors and Fire exit doors in Year 5 and 6 area.

At present there is no external door in this classroom which causes concern, as children and adults evacuating the building due to fire would have to travel through other classrooms and corridors to evacuate the building.

There are also at least three other fire exit doors which cannot be opened swiftly and need replacing along with other fire doors which are not fit for purpose. (gaps under, down the sides etc.) The two key doors which require urgent attention are the main entrance and the main Fire exit door in our Year 5 and 6 area leading to KS2 playground.

As Headteacher I am so concerned re these fire safety issues that I am asking Bracknell Fire Service to visit and provide a written report on these safety issues. Quotes for remedial work will be provided once the Fire Brigade have visited and completed their report.

## **11. Wildridings School – Security & Safeguarding Perimeter Fence - £41,000**

The perimeter fence is inadequate to ensure the safety of children and adults within the school. Given that the Governors have already spent £10,000 on providing an electronic gate, new parental entry point onto the site and added security fencing at a cost of £40,902 to improve the current situation, a further £40,000 is needed to ensure the safety of all within the school.

The current fence is dilapidated and in some areas can be breached both under and over. There are incidents where pupils have left the site without authorisation and cases where adults, not connected with the school, had approached children at vulnerable points along the fence line.

Upon my appointment, an inspection carried out by the authority deemed Wildridings an unsafe place for children to be educated due to safeguarding issues and the openness of the site. Whilst the Governors have done their best to improve the situation with the current climate of restrictive budgets, it has not been possible to rectify this serious issue completely. The project would ensure that the boundary fence was fit for purpose, ensuring the safety of those within and would include the provision of an access entry point for emergency services to get close to the school buildings.

The quote provided is comprehensive including breaking down the perimeter area into sections which are individually costed. This would allow for the most vulnerable areas to be identified and prioritised. I have provided photographic evidence showing the current state of the fencing. Our priority is the safety of the children and staff at all times.

## **12. Crowthorne CE Primary School Car Park Extension - £17,000**

To extend existing car park to create 7 more spaces. At present the car park cannot accommodate all staff cars which means some have to park in the playground. This can cause obstructions and can result in the children not being able to use the space for PE Lesson or at break times.