

## Commitment Budget 2010/11 to 2012/13

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Chief Executive / Corporate Services</b>				
Approved Budget	16,322	16,389	16,331	16,349
Alternative Cash Office Counter Service		-16		
Transport function - Best Value Review & Berkshire Wide Procurement			-50	
Printing costs for the annual council tax and business rates bills		23		
Discretionary NDR Relief		10		
Place Survey (every 2 years for CAA)		15	-15	15
Area Based Grant		89	TBC	TBC
Borough Elections			70	-70
Capital Invest to Save 07/08 - server refresh			13	
LSVT Residual costs- cessation of SLA's/Enid wood house surrender		-125		
Capital Invest to Save 09/10 - Voltage Optimizers		-4		
Capital Invest to Save 09/10 - EDRMS		-18		
Pilot Job Evaluation		-50		
Transfer of responsibilities for the maintenance of storage systems		18		
Net Inter Departmental Virements	67			
<b>Chief Executive / Corporate Services Adjusted Budget</b>	<b>16,389</b>	<b>16,331</b>	<b>16,349</b>	<b>16,294</b>
<b>Children, Young People and Learning</b>				
Approved Budget	15,945	15,789	15,627	15,637
Suitability surveys		-20		20
Schools Music Festival			10	-10
Area Based Grant		-188	TBC	TBC
South Bracknell Youth		50		
Transfer of responsibilities for the maintenance of storage systems		-4		
Net Inter Departmental Virements	-156			
<b>Children, Young People and Learning Adjusted Budget</b>	<b>15,789</b>	<b>15,627</b>	<b>15,637</b>	<b>15,647</b>
<b>Adult Social Care and Health</b>				
Approved Budget	23,494	23,667	23,583	23,594
Modernise In-house Home Care		-64		
Learning Disability Initiatives		-60		
Area Based Grant		18	TBC	TBC
Social Care & Learning Restructure		36	11	
Transfer of responsibilities for the maintenance of storage systems		-14		
Net Inter Departmental Virements	173			
<b>Adult Social Care and Health Adjusted Budget</b>	<b>23,667</b>	<b>23,583</b>	<b>23,594</b>	<b>23,594</b>
<b>Environment, Culture and Communities</b>				
Approved Budget	26,473	26,397	28,655	28,719
Landfill Tax / Waste Disposal PFI		338	-79	-201
Landfill tax increase		103	109	106
Local Development Framework		174	-50	55
Planners Farm Income		10	30	
Capital Invest to Save 06/07 - Easthampstead Park		-1	-1	-1
LPSA2- Improve health & well being of adult residents		-42		
LPSA2- Community Cohesion (Sport)		-31		
Area Based Grant		1,754	TBC	TBC
Commuted Maintenance Forest Park/Bagshot Road		-4		
Sandhurst Freedom March				5
Capital Invest to Save 09/10 - Voltage Optimizers		-12		
South Hill Park Grounds			80	
Forestcare		-30	-25	
Coroners Service - transfer from TVPA				9
Capital Invest to Save 09/10 - Edgbarrow Leisure Centre Lighting		-1		
Net Inter Departmental Virements	-76			
<b>Environment, Culture and Communities Adjusted Budget</b>	<b>26,397</b>	<b>28,655</b>	<b>28,719</b>	<b>28,692</b>
<b>Total Service Departments</b>	<b>82,242</b>	<b>84,196</b>	<b>84,299</b>	<b>84,227</b>

## Commitment Budget 2010/11 to 2012/13

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Non Departmental / Council Wide</b>				
Approved Budget	-8,016	-8,024	-9,123	-8,623
2009/10 capital programme ( full year effect) -Interest		75		
Minimum Revenue Provision		300		
2009/10 use of balances (full year effect)		22		
LPSA 2 funding from Earmarked reserves		73		
Area Based Grant		-1,673	<b>TBC</b>	<b>TBC</b>
Commuted Maintenance Forest Park/Bagshot Road		4		
PWC Income Target		50		
Procurement Savings		85		
Travel Plan		-35		
1% increase in employers NI			500	
Net Inter Departmental Virements	-8			
<b>Non Departmental / Council Wide</b>	<b>-8,024</b>	<b>-9,123</b>	<b>-8,623</b>	<b>-8,623</b>
<b>TOTAL BUDGET</b>	<b>74,218</b>	<b>75,073</b>	<b>75,676</b>	<b>75,604</b>
<b>Change in commitment budget</b>		<b>855</b>	<b>603</b>	<b>-72</b>

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:

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Corporate Services	8,029	7,971	7,989	7,934
Children, Young People and Learning	21,789	21,627	21,637	21,647
Adult Social Care and Health	26,543	26,459	26,470	26,470
Environment, Culture & Communities	35,232	37,490	37,554	37,527
Non Departmental/Council Wide	-17,375	-18,474	-17,974	-17,974
	<b>74,218</b>	<b>75,073</b>	<b>75,676</b>	<b>75,604</b>

The Council's draft budget proposals for 2010/11 had been agreed by the Executive as the basis for consultation with the Overview and Scrutiny Commission and Panels and other interested parties. The proposals were submitted for the Commission's comment. The Borough Treasurer's report attached the Revenue Budget and Capital Programme reports which had been presented to Executive. The annexes to each report set out the budget proposals in detail.

The relevant pages of the report for the Commission and the O&S Panels were highlighted. Members of the Commission had also received extracts of the Panels' considerations of the budget papers. Panel Chairs presented their Panel's minute and the following issues arose –

#### Adult Social Care

- Funding in the Supporting People budget was declining. Guidance was in place to find alternative sources of funding and the aim was to keep the same level of service at a reduced unit cost. The annual review of Supporting People was likely to take longer than usual and would be presented to the Environment, Culture and Communities O&S Panel.
- The comment that there was spare capacity for alternative day care services at Age Concern was disputed. Councillor Ward confirmed spare capacity at Sandhurst Day Centre and that under the flexible personalisation agenda people could choose what services they wanted.
- The lease for Eastern Road day services (BROC) could not be altered but alternative uses for the building were being investigated. Councillors Leake and Mrs Shillcock expressed the view that alternative accommodation should be sought as soon as possible.
- Councillor Mrs Shillcock asked what deferral was necessary to save £10,000 in the current year on the purchase of Forestcare equipment. An answer would be sought and sent to the member.

#### Environment, Culture and Communities

- EC&C service pressures and development amounted to £726,000 whilst the Department was also responsible for the greatest service economies of £1,318,000.
- The proposals for savings relating to surface dressing highways were noted. The Chief Officer: Financial Services confirmed that highway improvements were capital works and may not represent savings to the revenue budget. He would provide information to members on the proposed revisions to the highway improvement budget.
- Councillor Virgo raised the issue of what he regarded to be the serious problem at Swinley Forest and asked if the proposed scheme to cut down some of the trees to open up the area would proceed.
- One member supported the Panel's view that the proposal to discontinue the resource to collect stray dogs and to patrol for dog fouling issues could potentially damage partnership working.

Children's Services and Learning

No comments were added to the draft minutes of the Panel meeting when the budget had been considered.

The Commission then looked in detail at the areas of their responsibility, Corporate Services/ Chief Executives/ Council wide and the following comments points arose in discussion –

- There was a projected overspend on the devolved staffing budget in 2009/10 for Corporate Services as that budget assumed a vacancy rate of 3% to 4%. In the current financial climate there had been very little staff turnover and therefore very little scope for savings.
- With the downturn in the economy the rate of property vacancies had increased and income had reduced.
- Councillor McLean urged members to fully appreciate the consequences to the overview and scrutiny function of the deletion of one full time post which would at least impact upon the quantity of output of work, if not the quality.
- The transfer of all programmed building maintenance work as appropriate from the revenue to the capital budget.
- The cross cutting review of organisational and back office services with the objective of saving £350,000.
- The proposed increases to fees and charges were noted.
- Dr Josephs-Franks raised the issue of inconvenience caused by increased car park charges but the Chief Executive pointed out that the Council was in a difficult budget position and therefore the suggested increases were necessary.
- Reference was made to the virement of £0.034 million from the Council's LABGI receipt to support the business community.

In considering the Capital Programme, members of the Commission had concerns about the deferral of £3.2 million of urgent repairs and the impact on income generation.

The Commission had no other general comments on the proposals.

## **SUMMARY OF RESPONSES TO THE COUNCIL'S 2009/10 BUDGET CONSULTATION**

- 1 A detailed response was received which included some comments on the consultation process itself and the council's strategy. It also contained adverse comments on the following specific budget proposals:
  - Community Engagement, Equalities and Community Cohesion
  - Overview and Scrutiny
  - Human Resources – trade union funding
  - Better commissioning: Domiciliary Care
  - The Look In
  - Day Care Services – Downside
  - CCTV
  - Environment Development
  - Dog Control
  - Cemetery and Crematorium
  - Trading Standards / Environmental Health
  - Parks, Open Spaces & Countryside
  - Departmental Marketing

The response also included support for the communications and marketing and back office review savings proposals.
- 2 A response from the Bracknell Forest Senior Citizens Forum made some adverse comments on how the consultation process had been handled. Specific comments concentrated on the forum's concern for the loss of Downside Day Care Centre, the reduction in opening hours for Bracknell Library and the closure of the Look In.
- 3 A response was received from the Sports and Social Club raising a number of points on the proposal to stop the Council's payment to the club which is used to subsidise out of hours social activities for staff.
- 4 Individual responses from the general public tended to focus on the closure of the Look In with approximately twenty responses requesting that the closure be reconsidered. References were also made by one or two individuals to the following savings proposals:
  - highways maintenance;
  - dog control and
  - Downside Day Centre.

## CORPORATE SERVICES/CHIEF EXECUTIVE

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Democratic, Member and Mayoral Services</b>  This service provides support for the Democratic process including Members allowances, training and Mayoral support. The Council will discontinue the Annual Civic Reception saving £9,000. In addition the Council plans to reduce the courier service which transfers documents between all Council establishments. This will save £25,000 which includes staffing and vehicle costs.	-34		
<b>Community Engagement, Equalities and Community Cohesion</b>  Residents Panel (BF1500) – The Council intends to delete the budget for general consultation with the Residents Panel. The Panel will be maintained to provide for specific consultations for services and/or partner organisations.	-10		
<b>Easthampstead House Catering/Trolley Service</b>  This service provides a trolley refreshment service within Easthampstead House. This service could be discontinued and a private contractor sought to provide a delivery service to staff funded by the staff.	-15		
<b>Information Technology</b>  The Council intends to reduce the IT support for employees by the removal of one post in the Desktop Team saving £30,000. In practice this means that customer expectations will need to be managed as project work, IT purchases and office moves will all take longer to deliver. In addition a further saving of £70,000 will come from the licences budget.	-100		
<b>Overview and Scrutiny</b>  Overview and Scrutiny was introduced as part of the modernisation of local government via the Local Government Act 2000. Its purpose is to hold the executive to account; undertake policy development and review; monitor and improve performance; investigate issues of public concern; and external scrutiny including health. Legislation has further widened the 'reach' and powers of Overview and Scrutiny. Taking this into consideration the Council proposes to reduce its officer team supporting Overview and Scrutiny from 3 FTEs to 2 FTEs. This will result in a largely reactive service.	-20		

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Central Training Unit</b>  This saving will remove 0.5 FTE which will reduce the project management support provided by the Central Training Unit. This will mean an existing full time employee working reduced hours. It will reduce the resources of the Council to manage complex projects however all IT projects will continue to be supported by the IT Department.	-25		
<b>Print Unit</b>  Savings will be achieved through improved productivity in the print process or from the team undertaking other corporate activities, ie. scanning as part of the Council's implementation of document image processing. When Microsoft Publisher is removed from all computers the need for design capability will increase the volume of design work to be managed.	-70		
<b>Communications and Marketing</b>  The Communications and Marketing team provides internal and external communications support to all Departments, staff and councillors. The team produces publications including the staff magazine and a residents' newspaper, Town & Country.  The Council has reviewed the production of its resident's newspaper and it will be limited to three editions each year, limit the number of pages and reduce the quality of paper used. This will save around £20,000. The Council also plans to reduce the number of copies produced of its staff magazine saving £10,000 and it will in future be provided as an online version through the Council's intranet.	-30		
<b>Legal Services</b>  Restrict access to legal publications to an on-line legal database (essentially for statutes) and core encyclopaedias.	-10		
<b>Legal Services</b>  Delete part-time Legal Assistant Contracts/Conveyancing post. This means that there would be no contracts support for the Assistant Borough Solicitor. The post is currently vacant.	-18		

# REVENUE BUDGET PROPOSALS

Annexe D

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Human Resources</b>			
Reduce the funding currently provided to trade unions from £8k to £5k.	-3		
<b>Human Resources</b>			
Reduce one part time Learning and Development Officer. This post is currently vacant.	-11		
<b>Human Resources</b>			
Reduce by three days one Health and Safety Advisor. This may necessitate a redundancy. Routine work will continue to be undertaken by a reduced staffing complement. However this will mean that this reduction in capacity would not allow for peaks or unforeseen events. The Council's Environmental Health Section in its enforcement role will be able to provide back up in certain situations.	-23		
<b>Human Resources</b>			
Delete the subsidy to the Sports and Social Club. The Council currently makes a payment to the Staff & Social Club, which subsidises out of hours social activities for the staff.	-8		
<b>Democratic and Registration Services</b>			
A line by line examination of the detailed budgets has identified some further savings across committee servicing, electoral registration, registration of births, deaths and marriages and postal services. This would leave very little scope for larger or unanticipated purchases.	-10		
<b>Finance</b>			
Based on recent claims history we could take a greater risk by taking higher excesses on insurance policies	-25		
<b>Finance</b>			
Rationalise existing staffing structure. With a reduction in resources there is a risk that deadlines for the submission of government financial returns and responses to external queries (including those of the district auditor) may take longer.	-20		



<b>Description Impact</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
<b>Finance</b>  Further reductions to insurance premiums were achieved at the last renewal and it is anticipated that these can be maintained into 2010/11.	<b>-40</b>		
<b>Customer Services</b>  Additional income generated by increasing cost of court summons.	<b>-5</b>		
<b>Customer Services</b>  Following the closure of the payment counter a review of processes in the Cash Office has identified an opportunity to reduce staff by a further 0.5 FTE	<b>-12</b>		
<b>Property</b>  Delete depot receptionist post. There will be no physical presence at the depot reception, but duties will be absorbed by the Assistant Facilities Manager.	<b>-15</b>		
<b>Property</b>  Outsource depot cleaning by adding the depot to the current Council cleaning contract.	<b>-12</b>		
<b>Capitalisation</b>  Transfer all programmed maintenance work in 2010/11 to Capital.	<b>-41</b>		
<b>Human Resources</b>  The Council successfully manages sickness absence with an average absence of 5.7 days per employee in 2008/09. This performance is well below the sector average of 7.6 days. One aspect of the management of sickness absences is the use of occupational health. Increased referral of staff to occupational health has led to an increase in costs however this is compensated for by the low average number of days' sickness.	<b>15</b>		
<b>Property</b>  The Council receives £2.28m in annual rentals from its commercial property. In previous years there have been very few vacancies however with the downturn in the economy the rate of vacancy has increased.	<b>120</b>		

**REVENUE BUDGET PROPOSALS****Annexe D**

<b>Description Impact</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
<b>Net Proposed Budget Movement</b>	<b>-422</b>		

## CHILDREN YOUNG PEOPLE AND LEARNING

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Provisions for Looked After Children</b>  Based on the current schedule of known children where there have been reductions in disabled children placements, in placements with Independent Fostering Agencies, and as a significant number of children move into after care, a budget reduction can be made.	-360		
<b>Recharge more Costs to the Schools Budget</b>  The Schools Budget is fully grant funded from the Department for Children, Schools and Families which has issued statutory Regulations that specify eligible expenditure. There are a number of areas within the Regulations that are not clearly defined, most notably around special educational needs, and it is now considered appropriate for the Sensory Needs Service delivered by the PCT to be charged to the Schools Budget. Other areas consider Schools Budget related are Education Health Partnerships and some elements of Social and Emotional Aspects of Learning and schools related IT licences. The Schools Forum must agree budget proposals where the LA makes a greater percentage increase in centrally managed budgets compared to budgets delegated to schools. If the Forum does not agreed to fund these costs then continuation of these services would need to be reviewed.	-165		
<b>Recharge more Costs to Grants</b>  A number of staff currently funded from revenue budgets that support capital works could be funded from external capital grants. This would relate to property staff. A range of other revenue grants have also been scrutinised to establish the extent to which current base budget costs could in future be financed from grants.	-100		
<b>Student Finance</b>  The responsibility for providing information, advice and guidance for those students who commenced a new Higher Education course of study in September 2009 transferred from the Local Authority Student Finance Teams to the Student Loans Company. The Council retains responsibility for supporting students who have already commenced a course, but workloads are reducing. As a result the Council will reduce the telephone helpline and other forms of specialist advice to the public.	-20		

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Former Teacher Pensions</b>  Government funding Regulations make the Council responsible for former teacher pension liabilities. Whilst there is inflationary pressure, over time costs are reducing as the number of payments required reduces through natural causes.	<b>-30</b>		
<b>Residence Order Allowances</b>  There has been a reduction in the number of children for whom a residence order allowance is being paid, as Special Guardianship Orders are now the preferred option for families. As there have been no new residence order allowances started in last year, a budget reduction is proposed.	<b>-50</b>		
<b>Office Services</b>  A line by line review of office costs has identified savings in administrative costs.	<b>-20</b>		
<b>Children's Social Care/Social Work Teams</b>  The number of cases subject to an initial assessment will increase from December 2009 following the publication of the revised post-Laming 'Working Together'. The revised report requires all referrals from professionals to have an initial assessment. A proportion of these cases will then require allocation into teams where caseloads are already high. There has also been recent increases in the number of looked after children, including those disabled children in receipt of short break care. Therefore additional resources are required to manage this increased workload.	<b>100</b>		
<b>Net Proposed Budget Movement</b>	<b>-645</b>		

## ADULT SOCIAL CARE AND HEALTH

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<p><b>Better commissioning: Domiciliary Care</b></p> <p>Domiciliary Care is currently commissioned on a traditional contract basis with a range of suppliers having been tendered at rates specified through open competition. An alternative approach is now proposed whereby the market would be asked to contract at a fixed rate set by the Council which would be below the current average rate. A number of LAs have moved to fixed price contracts and this may work better under Transforming Adult Social Care agenda for more self directed support.</p>	-110		
<p><b>Lookin</b></p> <p>The Look In is the café for the over 50s, based in Broadway which will close from April 2010. It is a discretionary service that costs the Council £60k per year, which is the difference between income from sales and expenditure on staff and maintenance, etc.</p>	-60		
<p><b>Day Care Services</b></p> <p>Downside is used for the provision of day care services. The use of this property to provide these services does not reflect the Governments modernisation agenda for these services. In addition the cost of running the building including maintenance is increasing due to the age and condition of the building. Therefore the Council propose to review its options for the use of this property and to consult with the service users and their carers on these options in 2010 before making any final decision. The identified saving is contingent on the outcome of a properly conducted Cabinet Office Model Consultation and that the alternative modernised provision for the service users concerned is more cost effective.</p>	-75		
<p><b>Collaborative Procurement</b></p> <p>These procurement savings are based on the delivery of additional corporate contracts and further collaborative procurement opportunities developed by the Berkshire Procurement and Shared Services Unit. These have now been allocated to Adult Social Care and Health in relation to savings that can be generated on contracts in 2010/11.</p>	-70		
<p><b>Purchased Care – All Adult Social Care</b></p> <p>Pressure arises principally from demographic changes as children with disabilities become the responsibility of Adult</p>	445	509	540

**REVENUE BUDGET PROPOSALS****Annexe D**

<b>Description Impact</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
Social Care when they reach adulthood and adults and older people with support needs live longer with a greater period of time requiring social care support.			
<b>Net Proposed Budget Movement</b>	<b>130</b>	<b>509</b>	<b>540</b>

## ENVIRONMENT, CULTURE AND COMMUNITIES

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Head of Cultural services</b>	<b>-50</b>		
This post has been deleted and the Parks and Countryside section has been re-structured as a result. The deletion of this post will result in a reduction of specialist management capacity within the Parks and Countryside area.			
<b>Planning Policy</b>			
This reduction requires a re-focus of transportation planning from planning policy into transportation but it is anticipated that the work can be absorbed with manageable impact on existing services.	<b>-35</b>		
<b>Homeless Families</b>			
Within the homeless families' service, accommodation can be provided in a number of ways, leased, privately rented, council owned and bed and breakfast. The authority has moved away from bed and breakfast towards providing rent deposits for accommodation in the private sector. This has resulted in reduced costs.			
<b>Free Swimming</b>	<b>-40</b>		
Bracknell Forest Council's Free Swimming scheme operated from April – July inclusive. The cost of this scheme was estimated at £40k a year and this was put into this year's budget as a growth item. The Council joined the Government Free Swimming programme in August and received a Government grant as a result.			
<b>Highway Maintenance</b>			
This service fulfils a statutory duty in relation to the maintenance of the public highways. This includes lighting, road maintenance, drainage etc. The proposal is to take the economy from the surface dressing budget (£315k) by stopping all surface dressing. Surface dressing involves the spraying and addition of chippings to an existing surface in order to extend its life.	<b>-315</b>		

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>CCTV</b>  The Highway Maintenance budget includes for the maintenance of the CCTV cameras in Bracknell Town and Sandhurst. The cameras are monitored by another Council (£61k) and the total budget is £113k. The proposal is to continue to maintain the cameras however the monitoring role will be brought locally within existing resources rather than contracted out.	-61		
<b>Policy and Performance</b>  The primary role of this officer is to ensure that Environmental Health and Trading Standards services comply with the continuously changing legal and technical environment in which they operate and that the Council itself has policies in place which meet legislative requirement. Beyond this the officer also ensures that the performance of the teams is accurately recorded and reported to the relevant authorities in a timely manner and highlighting and enabling efficiencies by more effective joint working. Removing this position from the establishment will mean added pressure on senior management to fully interpret and comply with legislation.	-49		
<b>Environment Development</b>  The Council is at an early stage in developing its climate change ambitions and is currently focussing on tangible actions to improve its performance in this regard. A secondary part of this is to try and ensure that climate change is embedded in all relevant policies across the Council and to encourage other partners such as schools to become involved. While this is desirable to ensure sustainability, it would be possible to slow the rate of progress. This will reduce the capacity of a small team and the Council will consequently modify its ambitions with regards to climate change.	-33		
<b>Dog Control</b>  The Council has a legal duty to deal with stray dogs 24/7. Kennelling and out of hours cover is currently contracted out. The Council has a duty to investigate complaints of dog fouling, dogs not on a lead, dangerous dogs and stray dogs. The Council proposes to no longer have a resource to collect stray dogs or to patrol for dog fouling issues. The Councils response to dog fouling will therefore revert back to the use of letters rather than direct action by the use of fixed penalty tickets.	-23		



Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Cemetery and Crematorium</b>	<b>-80</b>		
Recent price increases have not had any impact on the demand for these services. This economy assumes zero resistance and no reduction in business and as such the income target is maximised. This will be achieved through an increase in charges of 5%.			
<b>Finance: Performance and Resources</b>	<b>-30</b>		
There is a current vacancy in the establishment which is intended to work on housing related finance. DMT have agreed to accept less finance support to managers.			
<b>Licensing</b>	<b>-10</b>		
Income levels for licensing activity have not reduced as anticipated following changes in the regulations in recent years.			
<b>Trading Standards / Environmental Health</b>	<b>-16</b>		
There is a part time post currently vacant that has been used to undertake activities such as inspection of premises and monitoring of licences (eg food, alcohol etc). These inspections will now be less frequent however Trading Standards and Environmental Health will still ensure the highest risk premises are inspected.			
<b>Emergency Planning</b>	<b>-5</b>		
Change the current Emergency Call Out arrangements to require only the 2 posts within emergency planning to be on standby rather than a larger number of other officers.			
<b>Housing (administration)</b>	<b>-23</b>		
Economies can be achieved across a wide range of individual budget lines producing a significant saving in administration costs.			
<b>Housing options</b>	<b>-18</b>		
The introduction of new policies relating to housing has resulted in a dramatically reduced demand for temporary accommodation. On the basis that this trend becomes permanent, a part time post to manage this work can be deleted from the establishment.			

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Housing options</b>  The planned introduction of Choice Based Lettings and the automation that brings is intended to bring operational efficiencies. On the basis that these efficiencies do materialise, a part time post can be deleted from the establishment.	-18		
<b>Planning (DC and Policy)</b>  The economic impact of the recession has resulted in a marked reduction in major planning applications and a change in the nature of applications in general. Additionally, processes have become more streamlined. As a consequence of these factors it is proposed to reduce the establishment to align with the current and anticipated workload over the next few years. The Local Development Scheme has also been streamlined to concentrate on allocation of sites resulting in a decrease in the number of policy documents being delivered over the next 3 years. The posts involved are: 1 senior planning post, 1 planner, the reduction in technical support has been achieved by reducing the hours of certain posts.	-91		
<b>Housing options</b>  The Council currently contracts with REAP (Reading Emergency Accommodation Project) to provide re-settlement advice and support for vulnerable people. The intention is that the service will be tendered as part of a larger Supporting People contract providing support and advice and it is anticipated that a saving will be made due to economies of scale.	-20		
<b>Transport Development</b>  The Council currently uses consultants to provide it with key traffic monitoring information. The review of consultancy services associated with the existing contract highlights that efficiencies can be made by bringing this work in house which will also better support the use of the Council's traffic model.	-15		
<b>Road Safety</b>  The Council has a budget to promote road safety. This will be reduced resulting in less awareness activity.	-5		

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Archives</b>  Bracknell Forest contributes to the running of a county archives services managed by Reading Borough Council. The Council has been notified that the budget for 2010/11 will reduce.	-11		
<b>The Look Out</b>  This saving of £7,000 will be taken mostly from the marketing and printing budget.	-7		
<b>Parks, Open Spaces &amp; Countryside</b>  This service covers the provision of approximately 85 recreation/open spaces. These indicative savings are on budgets of approximately £365,000 a year relating to general maintenance of these open spaces. This budget reduction will result in less frequent grass cutting, litter clearance and general maintenance.	-55		
<b>Health Improvement Officer</b>  The post of Health Improvement Officer was created, jointly with the PCT, to increase health activity in the population through accessing services from within local communities and also to develop certain elements of the public health agenda relating to Environmental Health. This includes the GP referral scheme which is now well established and will continue. It is now proposed to cease the specific promotion of health activity.	-10		
<b>Sports Development</b>  This budget was required to pay for our contribution towards the Berkshire Sports Partnership. As the funding arrangements have changed this budget is no longer required.	-9		
<b>Cultural Strategy Implementation</b>  The Cultural Partnership is the vehicle via which the Cultural Strategy is driven forward and there is a small budget available to assist with this process. Reducing this budget will decrease the scope for the Partnership to assist with specific projects.	-10		

<b>Description Impact</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
<b>Bracknell Leisure Centre and Coral Reef</b>  This is a reduction in the marketing budget relating to these 2 services.	<b>-7</b>		
<b>Libraries</b>  This relates to a reduction in the stock budget which in the current year is £261,890. This budget is used to purchase books and audio-visual materials for lending. NI 9 measures use of public libraries which may be adversely impacted as lending materials is the core business of the library service.	<b>-50</b>		
<b>Libraries</b>  This relates to deleting a current vacant post of Support Services Librarian which is a back office function.	<b>-30</b>		
<b>Libraries</b>  This budget reduction is derived by closing Bracknell main library on 1 day a week thus moving from 6 day to 5 day opening. It is proposed to move back to the pre 2001 position and close on a Wednesday.	<b>-20</b>		
<b>Coral Reef</b>  This relates to reducing the planned opening hours of Coral Reef by ceasing the 'early bird' session which currently operates 06.30am to 09.30am Monday to Friday.	<b>-25</b>		
<b>Training</b>  The Leisure and Culture division currently has a training budget of £10,500 a year covering staff within the Parks and Countryside section and senior management within the division. It is proposed to reduce the amount of training provided.	<b>-2</b>		
<b>Departmental Research &amp; Development</b>  The current budget is £18,270. It is used to commission bespoke research and/or implement improvement work. Recent examples are options appraisal for the ex-leisure DSO, the strategic review of the library service and the Single Improvement Tool for Leisure and Culture services. Reducing this budget means the department has limited capacity to undertake development work.	<b>-7</b>		

# REVENUE BUDGET PROPOSALS

# Annexe D

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Departmental Marketing</b>  This budget is currently £3,820. It is used to promote the department within the community such as supporting the Crowthorne Traders Association Christmas lights, supporting local community activities (e.g. buying adverts) and offers sponsorship to Bracknell Football Club / Bracknell Rugby Club (the latter currently suspended). A £2000 reduction will mean that only the sponsorships will be pursued.	-2		
<b>Surestart</b>  The grant to support the distribution of materials provided via Surestart has been withdrawn (£11,000). The Executive's direction on such grant withdrawals is clear and as a consequence the two part time library officers employed to liaise, support and distribute materials to nurseries and crèches will be made redundant from 31 <sup>st</sup> March. The Children, Young People and Learning Department will continue to receive materials and will ensure they are distributed but clearly without the support of dedicated library staff.	-11		
<b>Capitalisation</b>  Transfer all programmed maintenance work in 2010/11 to Capital.	-208		
<b>Land Charges</b>  There have been statutory changes to the financial management of accounts in relation to Land Charges. In future the Council cannot subsidise the Council Tax by making a surplus on Land Charges. Each year the Council has to balance the budget taking into account the previous years' performance.	35		
<b>Easthampstead Park Conference Centre Income</b>  Reduced income as a result of the recession	300		
<b>Bracknell Leisure Centre/Coral Reef Income</b> Reduced income as a result of the recession	70		
<b>Downshire Golf Course Income</b> Reduced income as a result of the recession	40		
<b>Car Park Income</b> Reduced income as a result of the recession	240		

**REVENUE BUDGET PROPOSALS**
**Annexe D**

<b>Description Impact</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
<b>Demographic pressures</b>  Refuse Collection - increase in the number of domestic properties where waste has to be collected.	<b>17</b>		
<b>Libraries Computer Line Rentals</b>  Increased cost of line rentals. The Council is reviewing the contract for line rentals and plans to merge all of its line rentals under one contract from 1 October 2010.	<b>13</b>		
<b>Surestart</b>  The grant to support the distribution of materials provided via Surestart has been withdrawn (£11,000). The Executive's direction on such grant withdrawals is clear and as a consequence the two part time library officers employed to liaise, support and distribute materials to nurseries and crèches will be made redundant from 31 <sup>st</sup> March. The Children, Young People and Learning Department will continue to receive materials and will ensure they are distributed but clearly without the support of library staff.	<b>11</b>		
<b>ENVIRONMENT, CULTURE AND COMMUNITIES TOTAL</b>	<b>-800</b>		

## COUNCIL WIDE

Description Impact	2010/11 £'000	2011/12 £'000	2012/13 £'000
<b>Service Efficiency Programme</b>  The recent Service Efficiency Strategy identified a process, together with a range of projects capable of delivering efficiency savings in each of the next three financial years. These include speedier collection of debts, rationalisation of the printer estate, improved processing of benefits and increased income and efficiencies within Forestcare.	-50		
<b>BPR Service Review</b>  This is a cross cutting project covering all Directorates and includes the restructuring and consolidation of internal postal services.	-50		
<b>Organisational and Back Office Review</b>  This is an extension to the Service Efficiency Programme. It will encompass services which are provided centrally and within each department. These services are not directly involved with front line services however they are key to the support of front line officers and the successful overall performance of the Council. These services cover customer contact, administration, professional support services e.g. Finance, IT, HR, performance management, general management and organisational structures.  It is proposed to undertake an organisational and back office review in 2010 with the objective of reducing the cost of these services by an additional £350k with effect from April 2011. This project will affect over two hundred staff distributed across all sections of the Council. As the work delivered by these sections supports the Council's front line services it is important that any change is managed such that the impact on those front line services is minimised. This project will consist of a series of reviews which are complex and interrelated requiring detailed business analysis in order to determine the optimal design of each area. The transition to any new model of service delivery will need to be managed carefully so as to ensure the minimum of disruption.		-350	
<b>Corporate Contingency</b>  In the 2009/10 budget the level of general contingency was set at £0.390m. A sum of £0.127m is currently included for contingency in the base budget for 2010/11. This is derived from the original 2009/10 contingency less ongoing allocations made during the year. Having reviewed the risks	873		

<b>Description Impact</b>	<b>2010/11 £'000</b>	<b>2011/12 £'000</b>	<b>2012/13 £'000</b>
associated with the 2010/11 budget it is proposed to increase the general contingency by £0.873m to £1.000m.			
<b>Interest on the Capital Programme</b>  The proposed 2010/11 capital programme of £8.069m will result in the loss of £0.100m of interest in 2010/11 and further £0.500m of interest in 2011/12. This is as a result of the capital programme being higher than the capital receipts generated in the year. This takes into account projected capital receipts of £2m in 2010/11 and the cash-flow requirements associated with the Garth Hill redevelopment, but excludes the self-funding Invest to Save schemes.	<b>100</b>	<b>500</b>	
<b>Interest Received</b>  The 2010/11 budget is based on an average rate of return of 2% and reflects the lower cash balances as a result of the 2009/10 and 2010/11 Capital Programmes. The 2009/10 budget was based on a return of 2.5% and as such expected interest income is projected to fall from £1.30m to £0.66m in 2010/11. After taking into account movements in the commitment budget and the impact of the proposed capital programme this produces a budget pressure of £0.440m.	<b>440</b>		
<b>Net Proposed Budget Movement</b>	<b>1,313</b>	<b>150</b>	



## TREASURY MANAGEMENT REPORT

- 1.1 The Council reviews the annual Treasury Management Strategy Statement under the requirement of the CIPFA Code of Practice on Treasury Management, which was adopted by the Council in March 2002. 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 This report outlines the Council’s prudential indicators for 2010/11 – 2012/13 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:
  - The reporting of the prudential indicators setting out the expected capital activities at Annex E(i) (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities). The treasury management prudential indicators are now included as treasury indicators in the CIPFA Treasury Management Code of Practice;
  - The Council’s Minimum Revenue Provision (MRP) Policy at Annex E(ii), which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007);
  - The Treasury Management Strategy Statement which sets out how the Council’s treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit, the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is the Affordable Borrowing Limit required by s3 of the Local Government Act 2003 and shown at Annex E(iii);
  - The Annual Investment Strategy which sets out the Council’s criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the CLG Investment Guidance and is shown in Annex E(iv).
- 1.3 Revised editions of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice were produced in November 2009. The CLG is currently consulting on changes to the Investment Guidance. The revised guidance arising from these Codes has been incorporated within these reports, with the CLG proposals being incorporated where these do not conflict with current Guidance. If necessary the Investment Strategy contained in Annex E(iii) will be revised if any elements of the final CLG Investment Guidance have not already been covered.
- 1.4 The main changes initiated in the revisions above increase the Members’ responsibility in this area. This would require greater Member scrutiny of the treasury policies, increased Member training and awareness and greater frequency of information.
- 1.5 One element of the revised CIPFA Treasury Management Code of Practice is that the clauses to be adopted as part of the Council’s Financial Regulations be amended. The key change is that a responsible body (committee, board or group) be responsible for ensuring effective assessment and evaluation of the treasury management strategy and policies, before making recommendations to Council.

- 1.6 As such it is proposed that the Governance and Audit Committee be nominated to fulfil this role and the new Code and updated policies be fully reviewed by this body at their next meeting. The new Code specifically encourages Councils to revisit their Treasury Management policies and strategies on a more frequent basis and as such this will provide the opportunity to achieve this.
- 1.7 The amended clauses set out by the Code are included within the attached Treasury Management Policy (Annex E(v)) and it is recommended that this policy be adopted by Council and that they be incorporated within the Council's Financial Regulations at the next available opportunity.

### **Recommendations**

It is recommended that Council Approve

- The Prudential Indicators and Limits for 2010/11 to 2012/13 contained within Annex E(i)
- The Minimum Revenue Provision (MRP) Policy contained within Annex E(ii)
- The Treasury Management Strategy Statement, and the Treasury Prudential Indicators contained in Annex E(iii)
- The Authorised Limit Prudential Indicator contained in E(iii)
- The Investment Strategy 2010/11 to 2012/13 and Treasury Management Limits on Activity contained in Annex E(iv)
- The revised Treasury Policy Statement contained in Annex E (v). This revision nominates the Governance and Audit Committee to be responsible for examining and assessing the effectiveness of the Treasury management Strategy and Policies.

### **The Capital Prudential Indicators 2010/11 – 2012/13**

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. This report updates currently approved indicators and introduces new indicators for 2012/13.

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 2010/11 to 2012/13 complements these indicators. Some of the prudential indicators are shown in the treasury management strategy to aid understanding.

#### **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 unsupported 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 etc., 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 the impact of the recession on the property market, similarly the proceeds from the Right-to-Buy sharing agreement with Bracknell Forest Homes will also be impacted on by the wider economy.

The Council is asked to approve the summary capital expenditure projections below. This forms the first prudential indicator:

<b>Capital Expenditure £m</b>	<b>2009/10 Original</b>	<b>2009/10 Revised</b>	<b>2010/11 Estimate</b>	<b>2011/12 Estimate</b>	<b>2012/13 Estimate</b>
Capital Expenditure	50,326	49,851	36,098	19,213	16,054
<b>Financed by:</b>					
Capital receipts	3,000	1,800	3,000	3,000	3,000
Capital grants	40,651	40,651	24,649	6,832	3,928
Capital reserves	0	0	0	0	0
Revenue	0	0	0	0	0
<b>Net financing need for the year</b>	<b>6,675</b>	<b>7,400</b>	<b>8,449</b>	<b>9,381</b>	<b>9,126</b>

### **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.

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).

The Council is asked to approve the CFR projections below:

<b>£m</b>	<b>2009/10 Original</b>	<b>2009/10 Revised</b>	<b>2010/11 Estimate</b>	<b>2011/12 Estimate</b>	<b>2012/13 Estimate</b>
<b>Capital Financing Requirement</b>					
<b>Total CFR</b>	<b>7,184</b>	<b>9,118</b>	<b>17,202</b>	<b>25,395</b>	<b>33,505</b>
<b>Movement in CFR</b>	<b>6,654</b>	<b>7,328</b>	<b>8,084</b>	<b>8,193</b>	<b>8,110</b>

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	6,675	7,400	8,449	9,381	9,126
Less MRP/VRP and other financing movements	21	72	365	688	1,016
<b>Movement in CFR</b>	<b>6,654</b>	<b>7,328</b>	<b>8,084</b>	<b>8,193</b>	<b>8,110</b>

CLG Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils to replace the existing Regulations, so long as there is a prudent provision. The Council is recommended to approve the MRP Statement attached in Annex E(ii)

### **Affordability Prudential Indicators**

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Actual and Estimates of the ratio of financing costs to net revenue stream.

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2009/10 Original	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Ratio	-1.81%	-1.36%	-0.89%	-0.65%	-0.42%

The estimates of financing costs include current commitments and the proposals in the Capital Programme Budget report.

Incremental impact of capital investment decisions on the Council Tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

£	Original 2009/10	Proposed Budget 2009/10	Forward Projection 2010/11	Forward Projection 2011/12	Forward Projection 2012/13
<b>Council Tax - Band D</b>	3.08	3.31	3.87	4.07	4.18

### **Minimum Revenue Provision (MRP) Policy Statement**

The concept on 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 make an annual charge to the General Fund of 4% of the General Fund Debt.

These regulations have now been amended and Department for Local Government & Communities (DCLG) issued new 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 case of borrowing supported by government, reasonably consummate with the period implicit in the determination of the grant. The Council can choose to charge more than the minimum.

It is a requirement of these new regulations that full Council approve an annual MRP Statement of its policy on making MRP.

As capital expenditure is incurred which cannot be immediately financed through capital receipts or grant the Council's borrowing need (its Capital Financing Requirement) will be positive and an MRP will be required. In practice the Council is unlikely to need to borrow externally in the medium term as it has sufficient revenue investments, arising from the Council's reserves and balances to cover this expenditure. However it will still need to make a charge to revenue for this "internal borrowing".

The move to International Financial Reporting Standards (IFRS) in local government is expected to bring more PFI schemes on balance sheet and to result in some leases (or parts of leases) being reclassified as finance lease instead of operating leases. These contracts would become subject to the requirement to provide MRP. IFRS requires these changes to be accounted for retrospectively. With the result that an element of the rental or service charge payable in previous years will be taken to the balance sheet to reduce the liability. On its own this change would result in a one-off increase to the capital financing requirement, and an equal increase in revenue account balances. This is not seen as a prudent course of action and as such the guidance recommends the inclusion in the annual MRP charge of an amount equal to the amount that has been taken to the balance sheet to reduce the liability, including the retrospective element in the first year.

The guidance sets out four options for making MRP. It envisages that authorities can distinguish between borrowing that is "supported" (through the RSG system) and other "unsupported or prudential" borrowing. The first two methods should only be used for "supported" borrowing

- 1) The regulatory method. This involves following the existing practice outline in the former DCLG regulation. For the Council this is essentially the same as the CFR method.
- 2) The CFR Method. This involves setting the MRP equal to 4% of the Capital Financing Requirement at the end of the preceding year. This is the method the Council has used in setting its MRP since the prudential system was introduced in 2003.
- 3) The Asset Life Method. This method requires MRP to be charged over the asset life. The asset life is determined in the year MRP commences and is

not changed. MRP will not be charged until the asset becomes operational. Therefore it will be possible to take an MRP holiday for those assets in construction.

- 4) The Depreciation Method. This requires the MRP to equal the actual depreciation based on standard accounting procedures.

### **Recommended Policy**

In setting the 2010/11 budget and beyond the following policy is recommended:

- 1) 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.
- 2) The Council will identify the level of “supported borrowing” and use the CFR Method i.e 4% of this figure as part of the MRP charge. The supported borrowing will be used in full irrespective of the service block the funding was allocated in the grant settlement and will also be allocated to the appropriate assets in relation to the constraints of the medium term financial strategy.
- 3) For the remaining “unsupported borrowing” the Council will use the asset life method. We will use standard categories of asset life to streamline the process: These will be:
  - Freehold land – 50 years
  - Major new building on council owned land – 40 to 70 years (unless design life is demonstrably shorter)
  - Planned maintenance – 10 years
  - Major refurbishment of existing buildings -10 years
  - IT Equipment – 4 years
  - IT systems – 10 years
  - Other Equipment – 5 years
  - Infrastructure assets – 20 years
  - Vehicles & Plant - 7 Years

The actual charge made in the year will be based on applying the above policy to the previous years actual capital expenditure and funding decisions. Therefore the 2010/11 charge will be based on 2009/10 capital out-turn.

## 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 (the CIPFA Code of Practice on Treasury Management – revised November 2009). This Council adopted the Code of Practice on Treasury Management in March 2002, and will adopt 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 2010/11 – 2012/13

The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. The Council does not anticipate any external borrowing over the period 2010/11 to 2012/13. The table below highlights the expected change in investment balances.

£'000	2009/10 Revised	2010/11 Estimated	2011/12 Estimated	2012/13 Estimated
<b>External Debt</b>				
Debt at 31 March	0	0	0	0
<b>Investments</b>				
Investments at 31 March	43,100	25,000	16,000	6,000



### 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 2010/11 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 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 £000	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Borrowing	12,000	23,000	31,000	37,000
Other long term liabilities	0	0	0	0
Total	12,000	23,000	31,000	37,000

### 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 £m	2009/10 Revised	2010/11 Estimate	2011/12 Estimate	2012/13 Estimate
Borrowing	10,000	20,000	28,000	34,000
Other long term liabilities	0	0	0	0
Total	10,000	20,000	28,000	34,000

### Borrowing in advance of need.

The Borough Treasurer 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 Borough

Treasurer 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. However given the level of investments projected for 2010/11 it is not expected that any borrowing in advance of need will be required in 2010/11.

### Expected Movement in Interest Rates

Short-term rates are expected to remain on hold for a considerable time. The recovery in the economy has commenced but it will remain insipid and there is a danger that early reversal of monetary ease, (rate cuts and Quantative Easing {QE}), could trigger a dip back to negative growth and a W-shaped GDP path.

### Medium-Term Rate Estimates (averages)

Annual Average %	Bank Rate	Money Rates		PWLB Rates*		
		3 month	1 year	5 year	20 year	50 year
2008/09	3.9	5.0	5.3	4.2	4.8	4.5
2009/10	0.5	0.8	1.4	3.2	4.4	4.6
2010/11	1.0	1.5	2.3	4.0	5.0	5.2
2011/12	2.0	2.5	3.3	4.3	5.3	5.3
2012/13	4.5	4.8	5.3	5.3	5.5	5.3

\* Borrowing Rates

Credit extension to the corporate and personal sectors has improved modestly but banks remain nervous about the viability of counterparties. This is likely to remain a drag upon activity prospects, as will the lacklustre growth of broad money supply.

The main drag upon the economy is expected to be weak consumers' expenditure growth. The combination of the desire to reduce the level of personal debt and job uncertainty is likely to weigh heavily upon spending. This will be amplified by the prospective increases in taxation already scheduled for 2010 – VAT and National Insurance. Without a rebound in this key element of UK GDP growth, any recovery in the economy is set to be weak and protracted.

The MPC will continue to promote easy credit conditions via quantitative monetary measures. QE has been extended to a total of £200bn and there is still an outside chance that it could be expanded further in February. Whether this has much impact in the near term remains a moot point given the personal sector's reluctance to take on more debt and add to its already unhealthy balance sheet.

With inflation set to remain subdued in the next few years (though a sharp blip is forecast for the next few months), the pressure upon the MPC to hike rates will remain moderate. But some increase will be seen as necessary in 2010 to counter the effects of external cost pressures (as commodity price strength filters through) and to avoid damage that sterling could endure if the UK is seen to defy an international move to commence policy exit strategies.

The outlook for long-term fixed interest rates is a lot less favourable. While the UK's fiscal burden should ease in the future, this will be a lengthy process and deficits over the next two to three financial years will require a very heavy programme of gilt issuance. The market will no longer be able to rely upon Quantitative Easing to alleviate this enormous burden.

The absence of the Bank of England as the largest buyer of gilts will shift the balance between supply and demand in the gilt-edged market. Other investors will almost certainly require some incentive to continue buying government paper.

This incentive will take the form of higher interest rates. The shorter fixed interest rates will be pressured higher by the impact of rising money market rates. While bank purchases in this part of the market will continue to feature as these institutions meet regulatory obligations, this process will be insufficiently strong to resist the upward trend in yields.

**Borrowing Strategy 2010/11 – 2012/13**

Given the level of current investments, the Council does not envisage any long-term borrowing in 2010/11 although the Authorised Limit for External Debt has been set to enable the Council to manage its cash flow effectively through the use of temporary borrowing, in the unlikely event that this should be necessary.

## **Investment Strategy 2010/11 – 2012/13**

### **Key Objectives**

The Council's investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time first and ensuring adequate liquidity second – the investment return being a third objective. Following the economic background outlined in the Treasury Management Strategy, the current investment climate has one over-riding risk consideration that of counterparty security risk. As a result of these underlying concerns officers are implementing an operational investment strategy which maintains the tightened the controls already in place in the approved investment strategy.

### **Investment Counterparty Selection Criteria**

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration.

After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Borough Treasurer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria is separate to that which chooses Specified and Non-Specified investments as it provides an overall pool of counterparties considered high quality the Council may use rather than defining what its investments are.

The rating criteria use the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria. This is in compliance with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.

Credit rating information is supplied by our treasury consultants on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

In accordance with the Investment Guidance, the Council will, in considering the security of proposed investments, follow different procedures according to which of two categories, Specified or Unspecified, the proposed investment falls into.

Specified Investments offer high security and high liquidity and are:

- ◆ Denominated, paid and repaid in sterling;
- ◆ Not long term investments, i.e. they are due to be repaid within 12 months of the date on which the investment was made;
- ◆ Not defined as capital expenditure; and
- ◆ Are made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency or are made with the UK Government or a Local Authority in England, Wales, Scotland or Northern Ireland.

Non-Specified Investments are those which do not meet the definition of Specified Investments.

The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:

- ◆ UK Banks and Building Societies – must meet the minimum following credit criteria

<b>Fitch</b>	<b>Moodys</b>	<b>S&amp;P</b>
Short Term F1	Short Term P1	Short Term A1
Individual A Support 1 to 3	Financial Strength C	
Individual A/B Support 1 to 3		
Individual B Support 1 to 3		
Individual B/C Support 1 to 2		

- ◆ Money Market Funds – AAA Rating Sterling Denominated
- ◆ UK Government (including gilts and Debt Management Account Deposit Facility (DMADF))
- ◆ UK Local Authorities

#### **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 and Building Societies.

#### **Use of additional information other than credit ratings.**

Additional requirements under the Code of Practice now require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

#### **Time and Monetary Limits applying to Investments.**

The time and monetary limits for institutions on the Council's Counterparty List are as follows (the monetary limits will cover both Specified and Non-Specified Investments):

	<b>Money Limit</b>	<b>Time Limit</b>
<b>UK Banks and Building Societies</b>	£7m	364 days

<b>Money Market Funds</b>	£7m	n/a
<b>UK Government</b>	unlimited	364 days
<b>UK Local Authorities</b>	£7m	364 days

The proposed criteria for Specified and Non-Specified investments are attached to this document.

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 2010/11 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.

#### **Economic Investment Considerations**

Expectations on shorter-term interest rates, on which investment decisions are based, show likelihood of the current 0.5% Bank Rate remaining flat but with the possibility of a rise in mid-2010. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.

There is an operational difficulty arising from the current banking crisis. There is currently little value investing longer term unless credit quality is reduced. Whilst some selective options do provide additional yield uncertainty over counterparty creditworthiness suggests shorter dated investments would provide better security.

#### **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% increase/decrease in all interest rates to the estimated treasury management income for next year. That element of the investment portfolio which are of a longer term, fixed interest rate nature will not be affected by interest rate changes.

<b>£'000</b>	<b>2010/11 Estimated + 1%</b>	<b>2010/11 Estimated - 1%</b>
<b>Revenue Budgets</b>		
Investment income	330	330

#### **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 to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the limits:

	2010/11	2011/12	2012/13
<b>Interest rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	25%	25%	25%
<b>Limits on variable interest rates based on net debt</b>	100%	100%	100%
<b>Maturity Structure of fixed interest rate borrowing 2010/11</b>			
		<b>Lower</b>	<b>Upper</b>
Under 12 months		0%	100%
12 months to 2 years		0%	0%
2 years to 5 years		0%	0%
5 years to 10 years		0%	0%
10 years and above		0%	0%
<b>Maximum principal sums invested &gt; 364 days</b>			
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 2010/11 the Council does not expect to enter into any borrowing and as such 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 Butlers as its treasury management consultants. The company provides a range of services which include:

- Technical support on treasury matters, capital finance issues and the drafting of Member reports;
- Economic and interest rate analysis;

- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings/market information service comprising the three main credit rating agencies;

Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice the final decision on treasury matters remains with the Council. This service is 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, an evaluation will be carried out to establish the level and nature of Member training required. This will be delivered by senior officers in conjunction with the Council's Treasury Management Advisers. 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

### **Risk Benchmarking**

A development in the revised Codes and the CLG consultation paper is the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently used to assess investment performance. Discrete security and liquidity benchmarks are new requirements to the Member reporting, although the application of these is more subjective in nature. The Council will review the practical application of such indicators over the coming year and will work in conjunction with the Council's Treasury management advisers and Members to implement a scheme of risk benchmarks that adds value to the treasury management function.

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**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
<b>Debt Management Agency Deposit Facility*</b> (DMADF) * this facility is at present available for investments up to 6 months	No	Yes	Govt-backed	In-house	364 Days
<b>Term deposits</b> 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
<b>Term deposits</b> with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 364 Days	No	Yes	<i>See credit grid</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	364 Days
<b>Certificates of Deposit</b> issued by credit-rated deposit takers (banks and building societies) : up to 364 Days.  <i>Custodial arrangement required prior to purchase</i>	No	Yes	<i>See credit grid</i>	To be used by external fund managers only subject to the guidelines and parameters agreed with them	364 Days
<b>Gilts</b> : 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
<b>Money Market Funds</b> <i>These funds do not have any maturity date</i>	No	Yes	<a href="#">AAA Rating by Fitch, Moodys or S&amp;P</a>	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
<b>Forward deals</b> with credit rated banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	No	Yes	<a href="#">See Credit Grid</a>	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
<b>Commercial paper</b> <i>[short-term obligations (generally with a maximum life of 9 months) which are issued by banks, corporations and other issuers]</i>  <i>Custodial arrangement required prior to purchase</i>	No	Yes	<a href="#">See Credit Grid</a>	To be used by external fund managers only subject to the guidelines and parameters agreed with them	9 months
<b>Treasury bills</b> <i>[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</i>	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.***

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating **</u>	<u>Circumstance of use</u>	<u>Maximum maturity of investment</u>
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	<i>364 Days</i>
<b>Term deposits</b> 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	<i>See Credit grid</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	<i>5 Years</i>
<b>Certificates of Deposit</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	(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	<i>See Credit grid</i>	To be used by external fund managers only subject to the guidelines and parameters agreed with them	<i>5 years</i>

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum Credit</u> <u>Rating?</u>	<u>Circumstance of</u> <u>use</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
<b>Callable deposits</b> 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	<i>See Credit Grid</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	<i>5 years</i>
<b>UK government gilts</b> with maturities in excess of 1 year  <i>Custodial arrangement required prior to purchase</i>	(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	<i>10 years including but also including the 10 year benchmark gilt</i>

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum credit</u> <u>rating **</u>	<u>Circumstance of</u> <u>use</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
<b>Forward deposits</b> 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	<i>See Credit Grid</i>	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.	<i>5 years</i>
<b>Deposits with unrated deposit takers (banks and building societies) but with unconditional financial guarantee from HMG or credit-rated parent institution : any maturity</b>	(A) Credit standing of parent will determine ultimate extent of credit risk	No	Yes	<i>See Credit Grid</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	<i>1 year</i>

### Credit Criteria Grid 2010/11

The criteria for providing a pool of high quality investment counterparties (both Specified and Non-specified investments) is:

- ◆ UK Banks and Building Societies – must meet the minimum following credit criteria

<b>Fitch</b>	<b>Moody's</b>	<b>S&amp;P</b>
Short Term F1	Short Term P1	Short Term A1
Individual A Support 1 to 3	Financial Strength C	
Individual A/B Support 1 to 3		
Individual B Support 1 to 3		
Individual B/C Support 1 to 2		

- ◆ Money Market Funds – AAA Rating Sterling Denominated
- ◆ UK Government (including gilts and DMADF)
- ◆ UK Local Authorities

**Time and Monetary Limits applying to Investments** - The time and monetary limits for institutions on the Council's Counterparty List are as follows (the monetary limits will cover both Specified and Non-Specified Investments)):

	<b>Money Limit</b>	<b>Time Limit</b>
<b>UK Banks and Building Societies</b>	£7m	364 days
<b>Money Market Funds</b>	£7m	n/a
<b>UK Government</b>	unlimited	364 days
<b>UK Local Authorities</b>	£7m	364 days

**TREASURY  
POLICY  
STATEMENT**

**Bracknell Forest Council**

## TREASURY POLICY STATEMENT

This organisation adopts CIPFA's Code of Practice for Treasury Management in Local Authorities.

The Code identifies three key principles

- Public service organisations should put in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury management activities.
- Their policies and practices should make clear that the effective management and control of risk are prime objectives of their treasury management activities and that responsibility for these lies clearly within their organisations. Their appetite for risk should form part of their annual strategy and should ensure that priority is given to security and liquidity when investing funds.
- They should acknowledge that the pursuit of value for money in treasury management, and the use of suitable performance measures, are valid and important tools for responsible organisations to employ in support of their business and service objectives; and that within the context of effective risk management, their treasury management policies and practices should reflect this.



<b>TREASURY POLICY STATEMENT</b>
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**This organisation defines its treasury management activities as:**

*The management of the organisation's 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.*

**This organisation regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation**

**This organisation acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management**

## TREASURY POLICY STATEMENT

This organisation will create and maintain, as the cornerstones for effective treasury management;

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities.
- Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.

This organisation will receive reports on its treasury management policies, practices and activities, including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

This organisation delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Borough Treasurer, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

This organisation nominates a relevant body to be responsible for examining and assessing the effectiveness of the treasury management strategy and policies.

## **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**

<b>Balance</b>	<b>Purpose</b>	<b>Policy</b>	<b>Value</b>
<b>General Fund</b>	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, however because of the uncertainty surrounding the recovery of Icelandic funds it would not be prudent to let the balance fall below £6.5m until there is more certainty about how much will be repaid. Using balances to support expenditure results in a loss of investment income.	March 08 £5.757m March 09 £10.375m March 10 £9.425m March 11 £>>>>

**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:

<b>Reserve</b>	<b>Purpose</b>	<b>Policy</b>	<b>Value</b>
<b>Insurance and other Uninsured Claims</b>	This provides cover for the excess payable on claims under the Council's insurance policies (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 provision could sustain claims in excess of current claims history	March 08 £2.212m March 09 £2.079m March 10 £2.029m March 11 £1.979m
<b>Budget Carry Forward</b>	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 08 £0.376m March 09 £0.549m March 10 £0.000m March 11 £0.000m
<b>Cost of Structural Change</b>	The reserve gives an opportunity 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 08 £1.396m March 09 £1.396m March 10 £0.743m March 11 £0.743m
<b>Performance Improvement</b>	The balance of this fund will be used to fund LPSA2 allocations for projects to help meet all the ten targets to be achieved by the Council and its key partners	After allowing for allocations during the year, the reserve has been reduced to the amount required to meet future commitments.	March 08 £0.366m March 09 £0.073m March 10 £0.000m March 11 £0.000m
<b>Schools' Balances</b>	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 08 £1.619m March 09 £1.899m March 10 £1.899m March 11 £1.899m

**Annexe F**

<b>Reserve</b>	<b>Purpose</b>	<b>Policy</b>	<b>Value</b>
<b>Family Tree Nursery</b>	A reserve created following the agreement to set up of a self funding Nursery. It holds the specific grant income received in advance and is used to manage future fluctuations in fee income from ongoing trading.	To manage short term fluctuations in demand for Nursery placements	March 08 £0.074m March 09 £0.112m March 10 £0.112m March 11 £0.112m
<b>Discretionary School Carry Forwards</b>	The statutory requirement to carry forward school balances has been extended to cover those held for the Language & Literacy Unit, Pupil Referral Units and the Schools Specific Contingency as set out in the financial regulations.	Budget Carry Forwards are permitted in accordance with the scheme set out in financial regulations.	March 08 £0.092m March 09 £0.172m March 10 £0.000m March 11 £0.000m
<b>Unused Schools Budget Balance</b>	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. 2008-09 was the first year of a three year provisional budget.	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 08 -£0.157m March 09 £0.360m March 10 £0.000m March 11 £0.000m
<b>Education Library Service</b>	A joint arrangement with other Berkshire authorities for the Education Library Service. This reserve is used for the provision of future equipment such as a new mobile library.	The reserve is held in order to finance the renewal or maintenance of specific items of equipment and reduces pressure on maintenance budgets in one particular year. Use of the reserve is subject to the agreement of the Council's participating in the joint arrangement.	March 08 £0.128m March 09 £0.119m March 10 £0.119m March 11 £0.119m

**Annexe F**

<b>Reserve</b>	<b>Purpose</b>	<b>Policy</b>	<b>Value</b>
<b>Repairs &amp; Renewals</b>	The Council has accumulated funding in an earmarked reserve from service charges paid by tenants at Longshot Lane	The reserve is held in order to finance the future improvement works at Longshot Lane, reducing pressure on maintenance budgets.	March 08 £0.002m March 09 £0.002m March 10 £0.007m March 11 £0.007m
<b>Building Regulation Chargeable Account</b>	A statutory ring fenced account which over a three year cycle 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 08 £0.002m March 09 -£0.020m March 10 £0.000m March 11 £0.000m
<b>Landfill Allowances Trading Scheme (LATS) unused allowances</b>	This reserve represents the unused LATS allowance which will be used to fund future shortfalls between the target set by DEFRA and the actual landfill usage	The unused allowances have reduced in value from £5.0 to £0.1 per tonne. As no trading occurred and the allowances cannot be carried forward to be used in 2009/10 the remaining balance on the reserve post revaluation (3k) has been reduced to zero.	March 08 £0.128m March 09 £0.000m March 10 £0.000m March 11 £0.000m
<b>Local Economy Steering Group</b>	This is a new reserve set up for 2008/09. It has been created using LABGI income to fund initiatives that support the local economy.	The creation of the reserve was considered at CMT on the 18 February and is in response to the Council's new priority to sustain local economic prosperity.	March 08 £0.000m March 09 £0.034m March 10 £0.000m March 11 £0.000m
<b>LPSA2 Performance Reward Grant</b>	This is a new reserve set up for 2008/09 to hold the Performance Reward Grant until its allocation between the Local Strategic Partners can be accurately determined	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 08 £0m March 09 £0.329m March 10 £0.329m March 11 £0.000m

## Other Balances

Balance	Purpose	Policy	Value
<b>Collection Fund Balance</b>	The Collection Fund balance represents the surplus or deficit on the Collection Fund. This is a separate account which shows the transactions of the billing authority in relation to National Non Domestic Rates and Council Tax and the distribution to precepting bodies.	The balance on this fund is considered alongside the Council's annual budget and Council Tax proposals.	March 08 £0.534m March 09 £0.170m March 10 £0.000m March 11 £0.000m
<b>Financial Instrument Adjustment Account</b>	This is a new reserve set up for 2008/09 and represents the impairment charge on Icelandic bank financial assets. Bracknell Forest has taken advantage of the Capital Finance Regulations to defer the impact of the impairment on the General Fund by transferring it to this account.	This reserve is held for specific accounting reasons. The value is based on guidance received from CIPFA's Local Authority Accounting Panel.	March 08 £0m March 09 -£0.608m March 10 -£0.457m March 11 £0.000m

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

Line		2009/10	2010/11
		<b>£'000</b>	<b>£'000</b>
	<b>Bracknell Forest's Expenditure</b>		
1	Chief Executives /Corporate Services	9,886	7,486
2	Children, Young People and Learning	21,490	20,991
3	Adult Social Care and Health	26,025	26,564
4	Environment, Culture & Communities	34,184	36,701
5	Corporate Wide Items ( to be allocated)	(332)	(98)
6	<b>Sub-Total</b>	<b>91,253</b>	<b>91,644</b>
7	<b>Non Departmental Expenditure</b>		
8	Contingency provision	390	1,000
9	Debt Financing Costs	50	372
10	Levying Bodies	84	97
11	Interest	(1,302)	(665)
12	Pension Interest Cost	10,896	10,896
13	Expected Return on Pension Assets	(10,604)	(10,604)
14	Other Services	241	234
15	Contribution from Capital Resources	(300)	(300)
16	Capital Charges	(8,365)	(8,365)
17	Contribution from Pension Reserve	(3,319)	(3,319)
18	Contribution from Earmarked Reserves	(126)	(50)
19	Area Based Grant	(4,680)	(6,359)
20	<b>Sub-Total</b>	<b>74,218</b>	<b>74,581</b>
21	Movement in General Fund Balances	(2,242)	>>>>>
22	<b>Bracknell Forest's Budget Requirement</b>	<b>71,976</b>	>>>>>
23	Less - External Support		
24	National Non-Domestic Rates	(20,915)	(22,804)
25	Revenue Support Grant	(4,827)	(3,311)
26	Collection Fund Adjustment	(169)	0
27	<b>Bracknell Forest's Total Requirement on the Collection Fund</b>	<b>46,065</b>	>>>>>
28	<b>Collection Fund</b>		
29	Bracknell Forest's Requirement	46,065	>>>>>
30	divided by the Council Tax Base ('000)	43.35	43.80
31	<b>Council Tax at Band D (excluding Parishes)</b>		
32	Bracknell Forest	£1,062.63	>>>>>



## CORPORATE SERVICES / CX OFFICE

### Virements between Departments

Total	Explanation
£'000	
	<b><u>Reorganisation</u></b>
<b>-18</b>	<b>Safer Community Grant to Youth Offending Team</b>  Area Based Grant is held by the Community Safety Team within Corporate Services on behalf of the Crime and Disorder Reduction Partnership (CDRP). This one-off virement transfers the Early Intervention Project allocation awarded by the CDRP to the Youth Offending Team in Children Young People and Learning.
	<b><u>Council Wide items</u></b>
10	<b>Corporate Wide Savings - Travel Plan</b> Implementation of the Travel Plan included the funding for three pooled cars. £10,000 has been transferred to the Integrated Transport Team within Corporate Services to meet the associated costs in 2009/10.
2	<b>Corporate Wide Savings - Travel Plan</b> Implementation of the Travel Plan included making £10,000 of funding available for green travel initiatives. An initiative for smarter driver training has been identified for this year and a virement of £1,500 has been requested by the Integrated Transport Team within Corporate Services.
2	<b>Area Based Grant - Community Call to Action Funding</b>  New Area Based Grant funding of £1,833 has been confirmed, intended to cover the costs of the new requirements under the Police and Justice Act 2006. Where a councillor is asked to consider a local crime and disorder matter by a ward resident, that councillor is required to consider and respond to the matter indicating any action to be taken. Any Community Calls for Action have to be reviewed by the Overview and Scrutiny Commission and relevant O&S Panels.
<b>-4</b>	<b>Total Virements</b>

## CHILDREN, YOUNG PEOPLE AND LEARNING

### Virements between Departments

Total	Explanation
£'000	
	<b><u>Reorganisation</u></b>
18	<b>Safer Community Grant to Youth Offending Team</b>  Area Based Grant is held by the Community Safety Team within Corporate Services on behalf of the Crime and Disorder Reduction Partnership (CDRP). This one-off virement transfers the Early Intervention Project allocation awarded by the CDRP to the Youth Offending Team in Children Young People and Learning.
	<b><u>Council Wide items</u></b>
9	<b>Area Based Grant</b> This reflects an increase in grant funding for 2009/10
27	<b>Total Virements</b>

## Equality Impact Assessment Record

### EIA Guidance

Please ensure that you have read the Council's EIA Guidance booklet, available on Boris, before starting work on your EIA, it should be read in conjunction with this form. If anything is unclear please contact your departmental equality representative listed below. This form is designed to summarise the findings of your EIA. Please also keep a record of your other discussions in producing the impact assessment.

### Drafting your EIA

The boxes in this form are designed to expand please ensure that you add data, consultation results and other information to back up any assertions that you make. A draft of this record form must be sent to the Council's Equality Officer Abby Thomas and your departmental equality representative(s) (listed below) who will send you comments on it before it is finalised and signed off by your Chief Officer. This step is important to check the quality and consistency of EIAs across the Council.

### Departmental Equality Representatives

ECC Jane Eaton  
CS Abby Thomas  
ASC&H Sarah Scales

CYPL Graham Symonds  
CXO Stephanie Boodhna


### Publishing

The Council is legally required to publish this EIA record form on the Council's website. Please send a copy of the final version of the EIA record form to the Council's Equality Officer Abby Thomas to publish.

<b>Date of EIA</b>	26th November, 2009	<b>EIA Guidance Page Ref.</b>
<b>Directorate</b>	Adult Social Care and Health	
<b>Part One - Initial Screening Record</b>		
<b>1. Activity to be assessed</b>	<b>Closure of the Look-In Cafe</b>	
<b>2. What is the activity?</b>	Policy/strategy      Function/procedure      Project Review      Service <input checked="" type="checkbox"/> <b>Organisational change</b>	
<b>3. Is it a new or existing activity?</b>	New <input checked="" type="checkbox"/> <b>Existing</b>	
<b>4. Who are the members of the EIA team?</b>	Chief Officer Older People & Long Term Conditions: Mira Haynes Service Manager Community Support & Development: Naoma Dobson Ser Community Support Wellbeing Team Mgr.: Jane Brown Acting Mgr.Look-In: Stewart Williams	
<b>5. Initial screening assessment.</b>	<p>1. Does the activity have the potential to cause adverse impact or discriminate against different groups in the Council's workforce or the community?</p> <p>This is not a service under Fair Access to Care Services, but rather a venue open to the general public.</p> <p>2. Does the activity make a positive contribution to equalities?</p> <p>As above (1)</p>	

<b>6. Did Part 1: Initial Screening indicate that a full EIA was necessary?</b>	<p>If the answer to question one above is 'yes' then it is necessary to go ahead with a full Equality Impact Assessment.</p> <p>Yes – full EIA completed and recorded below.</p> <p><a href="mailto:abby.thomas@bracknell-forest.gov.uk">abby.thomas@bracknell-forest.gov.uk</a></p>	
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Part Two - Full EIA Record			
<b>7. Who is the activity designed to benefit/target?</b>	<p><b>The purpose of the activity is to:</b></p> <p>The purpose of the activity is to provide a meeting space for people fifty years and older with meals and refreshments available to purchase.</p> <p><b>The activity is designed for: Overwrite with details</b></p> <p>The activity is designed for: Older People</p>		
<b>8. Summarise the information gathered for this EIA including research and consultation to establish what impact the activity has on different equality groups.</b>	<p>Falling revenues mean the Council must achieve savings in those areas least likely to impact on the most vulnerable groups and where services are not dictated by statute.</p> <p>Consultation with the workforce will begin week commencing 30/11/09.</p> <p>Consultation with voluntary groups who may be interested in taking over the premises will follow shortly.</p> <p>Following the consultation, proposals to re-provide services will be finalised.</p>		
<b>9. A) With regard to the equalities themes, which groups does the activity impact upon?</b>  <b>B) Might any of these groups be adversely impacted?</b>  <b>If you have not got sufficient information to make a judgement, go to box 17 and list the actions that you will take to collect further information.</b>	<b>A) Groups Impacted</b>  Age	<b>B) Groups impacted adversely</b>  Please see list of actions in Section 8 that will enable us to collect the information necessary to determine adverse impact. A revised EIA will be completed when this information becomes available.	
<b>10. What evidence is there to suggest an impact/adverse impact?</b>	<p>At present there is no evidence of adverse impact from the closure of the cafe. There are a number of venues in the immediate area that offer seating and refreshments. There are also nearby premises where community organisations can hold surgeries / meetings.</p>		
<b>11. On what grounds can impact or adverse impact be justified?</b>	<p>The Council's declining resources must be targeted towards its statutory requirements to meet the needs of the most vulnerable residents.</p>		

<b>12. Have any examples of good practice been identified as part of the EIA?</b>	N/A	
<b>13. What actions are you currently undertaking to address issues for any of the groups impacted/adversely impacted?</b>	Discussions are underway with the voluntary sector to identify another way forward	
<b>14. What actions will you take to reduce or remove any differential/adverse impact?</b>	<p>Consultation with the voluntary sector to see if there is any interest in the cafe remaining open under another provider.</p> <p>In the event that closure becomes inevitable, a communications strategy is in place to ensure the wider community is kept well informed of the closure and signposted to alternative venues.</p>	
<b>15. Into which action plan/s will these actions be incorporated?</b>	Communications	
<b>16. Who is responsible for the action plan?</b>	<p>Chief Officer Older People &amp; Long Term Conditions: Mira Haynes</p> <p>Service Manager Community Support &amp; Development: Naoma Dobson</p> <p>Community Support Wellbeing Team Mgr.: Jane Brown</p> <p>Acting Mgr.Look-In: Stewart Williams</p>	
<b>17. Chief Officers signature.</b>	<p>Name Mira Haynes</p> <p>Signature... </p>	
<b>18. Which PMR will this EIA be reported in?</b>	All completed EIA's must be reported in your departments PMR. Note here the service department and relevant quarter/date of PMR i.e the quarter in which the EIA will be published.	

## Equality Impact Assessment Record

### EIA Guidance

Please ensure that you have read the Council's EIA Guidance booklet, available on Boris, before starting work on your EIA, it should be read in conjunction with this form. If anything is unclear please contact your departmental equality representative listed below. This form is designed to summarise the findings of your EIA. Please also keep a record of your other discussions in producing the impact assessment.

### Drafting your EIA

The boxes in this form are designed to expand please ensure that you add data, consultation results and other information to back up any assertions that you make. A draft of this record form must be sent to the Council's Equality Officer Abby Thomas and your departmental equality representative(s) (listed below) who will send you comments on it before it is finalised and signed off by your Chief Officer. This step is important to check the quality and consistency of EIAs across the Council.

### Departmental Equality Representatives

ECC Jane Eaton  
CS Abby Thomas  
ASC&H Sarah Scales

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### Publishing

The Council is legally required to publish this EIA record form on the Council's website. Please send a copy of the final version of the EIA record form to the Council's Equality Officer Abby Thomas to publish.

<b>Date of EIA</b>	26th November, 2009	<b>EIA Guidance Page Ref.</b>
<b>Directorate</b>	Adult Social Care and Health	
<b>Part One - Initial Screening Record</b>		
<b>1. Activity to be assessed</b>	<b>Re-provision of Downside Resource Centre</b>	
<b>2. What is the activity?</b>	Policy/strategy      Function/procedure      Project Review      Service <input checked="" type="checkbox"/> <b>Organisational change</b>	
<b>3. Is it a new or existing activity?</b>	New <input checked="" type="checkbox"/> <b>Existing</b>	
<b>4. Who are the members of the EIA team?</b>	Chief Officer Older People & Long Term Conditions: Mira Haynes Service Manager Community Support & Development: Naoma Dobson Ser Community Support Wellbeing Team Mgr.: Jane Brown Acting Mgr. Downside Resource Centre: David Parker	
<b>5. Initial screening assessment.</b>	<p>1. Does the activity have the potential to cause adverse impact or discriminate against different groups in the Council's workforce or the community?</p> <p>Potential adverse impact on both users of the service and the Council's workforce.</p> <p>2. Does the activity make a positive contribution to equalities?</p> <p>Provision of day opportunities for disabled, vulnerable and disadvantaged residents makes a positive contribution to equalities through ensuring equal access.</p>	

<b>6. Did Part 1: Initial Screening indicate that a full EIA was necessary?</b>	<p>If the answer to question one above is 'yes' then it is necessary to go ahead with a full Equality Impact Assessment.</p> <p>Yes – full EIA completed and recorded below.</p> <p><a href="mailto:abby.thomas@bracknell-forest.gov.uk">abby.thomas@bracknell-forest.gov.uk</a></p>	
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<b>Part Two - Full EIA Record</b>		
<b>7. Who is the activity designed to benefit/target?</b>	<p><b>The purpose of the activity is to: Overwrite with details</b></p> <p>The purpose of the activity is to examine ways of providing day activities for older people and those with a long term conditions that enable them to access community facilities and leisure opportunities.</p> <p><b>The activity is designed for: Overwrite with details</b></p> <p>The activity is designed for: Older People and people with a long term condition.</p>	
<b>8. Summarise the information gathered for this EIA including research and consultation to establish what impact the activity has on different equality groups.</b>	<p>Recent consultation with Environmental Health and Borough Surveyors raised serious health and safety concerns around the Downside Resource Centre Building. As a result, and on the advice of BFBC Legal Services, the decision was taken to close the building as of Monday, 23/11/09.</p> <p>Alternative temporary provision is now in place using Heathlands Day Centre premises along with a number of other community facilities.</p> <p>Full consultation with users, carers, staff and voluntary sector services will commence shortly.</p> <p>Reviews of all Service Level Agreements are currently being undertaken and Care Managers will be asked to reassess the needs of all those receiving a service.</p> <p>Following the consultation, proposals to re-provide services will be finalised.</p>	
<b>9. A) With regard to the equalities themes, which groups does the activity impact upon?</b>  <b>B) Might any of these groups be adversely impacted?</b>  <b>If you have not got sufficient information to make a judgement, go to box 17 and list the actions that you will take to collect further information.</b>	<p><b>A) Groups Impacted</b></p> <p>Disability Age</p>	<p><b>B) Groups impacted adversely</b></p> <p>Please see list of actions in Section 8 that will enable us to collect the information necessary to determine adverse impact.</p> <p>A revised EIA will be completed when this information becomes available.</p>

<b>10. What evidence is there to suggest an impact/adverse impact?</b>	At present there is no evidence of adverse impact from the closure of the building as the service is being re-provided at alternative locations and there will be no changes to the way in which individuals can access transport to these locations. However, full impact will only be determined following consultation with all stakeholder groups.		
<b>11. On what grounds can impact or adverse impact be justified?</b>	Health and safety of both people using the centre and workforce based there must be our first priority.		
<b>12. Have any examples of good practice been identified as part of the EIA?</b>	Downside Resource Centre has undertaken regular user satisfaction surveys and the centre's Service User Committee is an integral part of all service planning decisions.		
<b>13. What actions are you currently undertaking to address issues for any of the groups impacted/adversely impacted?</b>	<p>We are currently running a virtual service offering a range of activities, both community-based and at Heathlands Day Centre, in an effort to minimise the impact of the closure of the resource centre building.</p> <p>In addition, we have commissioned extra home care services and meal provision in order to address any shortfall in the length of day activities currently on offer.</p>		
<b>14. What actions will you take to reduce or remove any differential/adverse impact?</b>	All people using Downside Resource Centre and their carers will have their needs reassessed in order to reduce or remove any adverse impact brought about by the need to close the Downside Resource Centre Building.		
<b>15. Into which action plan/s will these actions be incorporated?</b>	Day Services Review		
<b>16. Who is responsible for the action plan?</b>	Chief Officer Older People & Long Term Conditions: Mira Haynes Service Manager Community Support & Development: Naoma Dobson Community Support Wellbeing Team Mgr.: Jane Brown Acting Mgr. Downside Resource Centre: David Parker		
<b>17. Chief Officers signature.</b>	<p>Name Mira Haynes</p> <p>Signature </p>		
<b>18. Which PMR will this EIA be reported in?</b>	All completed EIA's must be reported in your departments PMR. Note here the service department and relevant quarter/date of PMR i.e the quarter in which the EIA will be published.		