

Commitment Budget 2011/12 to 2014/15

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Chief Executive / Corporate Services					
Approved Budget	15,846	15,923	16,022	15,952	15,952
Transport function - Best Value Review		-50			
Place Survey		-15			
Borough Elections		70	-70		
Capital Invest to Save 07/08 - server refresh		13			
Other revisions to recharges		61			
Transfer of the CCTV service from Environment, Culture and Communities		48			
Reallocation of postage savings		8			
Full year effect of in year savings		-16			
ABG and specific grant changes		-20			
Net Inter Departmental Virements	77				
Chief Executive / Corporate Services Adjusted Budget	15,923	16,022	15,952	15,952	15,952
Children, Young People and Learning					
Approved Budget	14,991	14,466	13,958	13,968	13,948
Suitability surveys			20	-20	
Schools Music Festival		10	-10		
Senior Management Restructure		-112			
Reallocation of postage savings		-1			
Full year effect of in year savings		-314			
ABG and specific grant changes		-91			
Net Inter Departmental Virements	-525				
Children, Young People and Learning Adjusted Budget	14,466	13,958	13,968	13,948	13,948
Adult Social Care and Health					
Approved Budget	23,688	23,300	23,669	23,669	23,669
Senior Management Restructure		11			
Reallocation of postage savings		-1			
Full year effect of in year savings		65			
ABG and specific grant changes		294			
Net Inter Departmental Virements	-388				
Adult Social Care and Health Adjusted Budget	23,300	23,669	23,669	23,669	23,669
Environment, Culture and Communities					
Approved Budget	27,866	27,633	28,059	28,076	28,197
Landfill Tax / Waste Disposal PFI		71	-207	6	16
Landfill tax increase		109	106	104	99
Local Development Framework		-50	105	3	-110
Planners Farm Income		30			
Capital Invest to Save 06/07 - Easthampstead Park		-1	-1	-1	-1
Royal Military Academy Freedom March			5		
South Hill Park Grounds		80			
Forestcare		-25			
Coroners Service - transfer from TVPA		10	9	9	9
E+ Card		66			
Transfer of the CCTV service to Corporate Services		-48			
Reallocation of postage savings		-6			
Full year effect of in year savings		21			
ABG and specific grant changes		169			
Net Inter Departmental Virements	-233				
Environment, Culture and Communities Adjusted Budget	27,633	28,059	28,076	28,197	28,210
Total Service Departments	81,322	81,708	81,665	81,766	81,779
Non Departmental / Council Wide					
Approved Budget	-7,804	-6,735	-570	-570	-570
2010/11 capital programme (full year effect) - Interest		71			
Minimum Revenue Provision		179			
2010/11 use of balances (full year effect) - Interest		4			
Changes in employers NI and thresholds		250			
ABG and specific grant changes		5661			
Net Inter Departmental Virements	1,069				
Non Departmental / Council Wide	-6,735	-570	-570	-570	-570
TOTAL BUDGET	74,587	81,138	81,095	81,196	81,209
Change in commitment budget		6,551	-43	101	13

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:

	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Corporate Services	6,854	6,953	6,883	6,883	6,883
Children, Young People and Learning	19,231	18,723	18,733	18,713	18,713
Adult Social Care and Health	25,679	26,048	26,048	26,048	26,048
Environment, Culture & Communities	36,135	36,561	36,578	36,699	36,712
Non Departmental/Council Wide	-13,312	-7,147	-7,147	-7,147	-7,147
	74,587	81,138	81,095	81,196	81,209

Extract from the meeting of the O&S Commission 27 January 2011.

Budget Consultation

The Borough Treasurer Designate presented his report on the draft budget proposals for 2011/12. The proposals had been agreed by the Executive in December 2010 as the basis for consultation with the Overview and Scrutiny Commission and Panels and other interested parties.

The proposals were prepared prior to receipt of the Provisional Local Government Finance Settlement, details of which were received the day before the Executive met, and therefore did not take account of the settlement. The Commission noted that it may be necessary to reduce spending next year by up to £2.25m, in addition to the £3.7m identified in the original budget proposals. Around £1m had been fully anticipated as it related to grant funded work that had been due to end on 31 March, leaving just over £1m further savings to find from balances or further expenditure reductions. Work on this was underway and the outcome would be fed into the budget consultation process as soon as possible.

The annexes set out the budget proposals in detail:-

<u>Revenue Budget</u>	A	Commitment Budget
	B	Budget pressures
	C	Suggested savings
	D	Proposed fees and charges
<u>Capital Programme</u>	A	Capital Programme
	B	Corporate Services/Chief Executive
	C	Council wide

Extracts of the Overview and Scrutiny Panels' consideration of the budget papers were also included.

The Commission scrutinised the budget proposals for Chief Executive's Office, Corporate Services Department and non-Departmental/Council wide items, including budget pressures, budget savings proposals, proposed fees and charges and capital programme.

The Commission noted that, following the spending review announcement, the Executive would look again at the Capital Programme, as a significant amount of grant funding had been made available to the Council. The Director of Corporate Services referred to the committed items and budget pressures which had been kept to an absolute minimum, also to the maximisation of savings, and particularly different ways of providing technology to members and the Thin Client desktop refresh.

Arising in discussion and from members' questions:-

- NHS learning disability budgets and associated commissioning responsibility for social care for adults had transferred to local authorities.
- If there was no increase in Council Tax the Council would receive additional grant of £1.212m. The Executive planned to accept this offer but may need to revisit in the light of the final settlement.
- Budget assumptions had been based on low interest rates continuing throughout 2011/12.

- A pay increase of £250 for employees earning less than £21,000, in line with the Chancellor's budget statement. A pay freeze for employees earning £21,000 and above.
- The Council-wide pressures were in areas where the departmental allocation was not yet known but would be implemented in due course.
- There was pressure on staff to review business processes in order to save money.
- Regulations did not permit the Council to recover from schools the cost of the purchase of allowances to cover CO² emissions by schools. The government was, however, being pressed to introduce changes enabling Councils to pass on the cost to schools.
- Roof work at Time Square had helped mitigate energy costs and improved the environmental efficiency.
- The Freedom March was a Royal Military Academy Borough event.
- There was a request for an investigation into the possibility of members accessing agenda papers without paper copies.
- Decisions relating to refresh of computers were scrutinised by ICT Steering Group, Corporate Management Team, Executive and O&S Commission.
- The Chief Officer: IT to present to the next meeting on the desktop refresh programme and the member ICT kit proposals. Consultation on these proposals would be undertaken with members when a potential way forward had been determined
- The risks associated with deferring repairs to properties and assets.
- The Capital Programme external funding proposals for community centres would extend to the halls operated by Town and Parish Councils. The Director of Corporate Services explained that, as this external funding source for those facilities was Section 106, they would be considered as part of the usage of Section 106 monies, where the section 106 agreement identified that particular area as having need.
- A request to involve non-Executive members as far as possible with the process of spending section 106 money.
- Members expressed concern that over £2million of urgent repairs was being deferred.

The Commission noted the draft minutes of the O&S Panels and commented as follows:-

- Adult Social Care – no comment.
- Environment, Culture and Communities –
 - Officers were investigating Development Control fees for retrospective planning applications.
 - Easthampstead Park Conference Centre was a Bracknell Forest asset. If disposed of within the next six years, a share of any profit, after deducting new investment, would have to be distributed to the other Berkshire authorities.
- Children, Young People and Learning – no comment.

The Commission agreed that those members interested would meet as a Working Group to look at late changes made to the proposed budget. The Executive agenda would be published on 7 February after which there would be a window of opportunity for the Commission to comment on the revisions. The Working Group would meet on 9 February at 7.30pm.

The Chairman expressed the Commission's appreciation of the officers' hard work in the preparation of the budget.

Children, Young People & Learning O&S Panel

2011/12 Draft Budget Proposals

The Director of Children, Young People and Learning presented a report on the key themes and priorities for the Children, Young People and Learning Department as outlined in the Council's Draft Budget Proposals for 2011/12. The key themes included draft budget pressures, draft budget savings, draft budget net position, capital spend, staffing implications, and fees, charges and other income.

The Panel was informed that the draft budget proposals had been developed before the Council had received notification of its final financial settlement from Central government. This settlement had now been received and work was taking place to ensure that proposals were in line with the settlement.

One of the most significant budgetary developments for the Department was the amalgamation of a number of grants into a single Early Intervention Grant and the removal of ringfencing. A move that gave greater flexibility in the way that funding could be spent.

The Government had placed a significant emphasis on the importance of early intervention and prevention work and these areas featured strongly in the draft proposals.

Arsing from members' questions and comments the following points were noted:

- Figures in the 2011/12 Commitment Budget for Senior Management Restructure related to the restructure of the team following the departure of senior officers during 2009/10.
- Savings proposed in the Education Welfare Service would focus on the organisation surrounding the front line staff. The Council's statutory education welfare role would be maintained
- Changes to the contract for advocacy and independent visiting would enable the provision of a spot service from a range of experienced providers which would be more appropriate to the Council's requirements than the previous service
- The reduction of 0.6FTE staff at the Larchwood Short Break Care Centre would be through the loss of ancillary staff and not those staff working directly with the children using the service
- The proposed saving in the cost of care and support for looked after children were a result of children naturally moving through the care system
- The loss of 1.0FTE post in the Student Finance Section had been a planned redundancy following the centralisation of the student loans application service
- A long term strategy was being developed for the delivery of speech and language therapy services. More details would be circulated to members
- There had been no business case to continue funding the Family Tree Nursery

and following consultation with families and staff it had been recommended that the Council close the Nursery on 31 March 2011. The associated report would be circulated to members

The Panel stressed that they understood the need to make cut backs but expressed a wish that consideration be given to reinstating any services that had been reduced as soon as possible.

The Panel thanked the Director for her report and noted the draft budget proposals.

Environment, Culture & Communities O&S Panel

2011/12 Draft Budget Proposals

The Panel received extracts from the proposed 2011/12 General Fund Revenue Budget and Capital Programme reports relating to Environment, Culture and Communities which were agreed for consultation by the Executive on 14 December 2010. The covering report advised that further savings of over £1m remained to be found in addition to those identified in the 2011/12 budget proposals subject to consultation, owing to the lateness, complexity and scale of grant reduction of the Provisional Local Government Finance Settlement.

The Director of Environment, Culture and Communities introduced the budget proposals which included detailed information on budget pressures and savings, proposed fees and charges, the Capital Programme and proposed Capital Schemes. The Director drew the Panel's attention to the proposed Commitment Budget for 2011/12 to 2014/15.

Arising from Members' questions and comments the following points were noted:

- No areas had been removed from the Commitment Budget for Environment, Culture and Communities, however the Department's commitments had been reviewed in detail and adjusted where necessary. It was agreed that the Director would provide further details of areas adjusted.
- The Borough Treasurer would provide Members with an update on the recovery of the Council's investments in Icelandic banks.
- The rate of car parking charges was set to optimise income from the Council's car parks whilst ensuring no reduction in footfall for the Town Centre. Current charges were set in accordance with the market rate.
- It was expected that Downshire Golf Complex, Car Park Income and Easthampstead Park Conference Centre would experience a decline in income, however Downshire Golf Complex and Car park Income would continue to generate a surplus in 2011/12. Easthampstead Park Conference Centre would realise a loss for the first time primarily due to reduced business use.
- Alternative uses for Downshire Golf Complex had been considered in the past but had not been viable. Selling the Complex had been considered in the current fiscal year, however the Department had been advised that it was not the right time to release the asset to the market. The Downshire Golf Complex

currently made an operational surplus for the Council.

- Easthampstead Park Conference Centre had previously been run by a private contractor, however this had not been profitable and Bracknell Forest Council had taken over management of the Centre. The Conference Centre was currently held jointly by the 6 unitary authorities in Berkshire on a 24 year contract, of which 6 years remained, after which the Centre would fall to this Council when the possibility of private sector management would be investigated.
- There would be a further reduction of £55,000 in the grant to the Thames Valley Safer Roads Partnership. The Partnership had been reorganised and efficiencies made which meant the same service would be received by Bracknell Forest without a reduction in road safety. The Partnership would be retaining speed cameras as they were considered to be a valuable safety feature.
- A £30,000 cost for dog control was due to an increase in the number of stray dogs, which the Council was legally obliged to rescue and home, and was not related to the post of Dog Warden which had been deleted as part of last year's budget savings.
- Opportunities to make reductions to the Council's Arts Development function had been pursued as this was not considered to be an essential service in the current economic climate. The Council would be working closely with partners such as South Hill Park to deliver the arts function in Bracknell Forest.
- Additional income received by Forest Care was as a result of the service taking on new corporate clients such as neighbouring local authorities and an increase in client numbers.
- The Commitment Budget contribution to the Sandhurst Freedom March in 2012 had been agreed by the Executive previously.
- The fees for Development Control reflected current market rates and would be revised next year to meet costs when local fee setting would commence. It was intended that local fee setting would take account of retrospective planning applications.

The Panel noted the draft budget proposals for 2011/12 and agreed that comments made in relation to the Environment, Culture and Communities Department Budget would be passed on to the Executive.

Adult Social Care O&S Panel

2011/12 Draft Budget Proposals

The Director of Adult Social Care and Health presented a report on the key themes and priorities for the Adult Social Care and Health Department as outlined in the Council's Draft Budget Proposals for 2011/12. The key themes included draft budget pressures, draft budget savings, draft budget net position, capital spend, staffing implications, and fees, charges and other income. The Panel was advised that there was a need to identify further savings in excess of £1m in addition to those included in the budget

proposals due to the lateness, complexity and scale of reduction of the Provisional Local Government Finance Settlement.

Draft budget pressures included purchased care for Adult Social Care for young people reaching adulthood, increasing numbers of older people and those with dementia, increasing numbers of people with long term conditions, and support for carers. Draft budget pressures consisted of £809,000 altogether.

Draft budget savings included improved commissioning in relation to residential and supported living costs, drugs and alcohol, the meals at home service and the resettlement service. The subsidy in relation to the meals at home service had been removed. The residential home at 8 Portman Close had been de-registered resulting in a reduction in support costs. A joint rehabilitation service was now being provided on behalf of the Primary Care Trust (PCT). There had been a 6% saving last year in relation to the consolidated rate for domiciliary care, and greater contributions regarding continuing health care.

Mobile working, and therefore spending less time in the office, had enabled staff in Adult Social Care to undertake visits more frequently. A vacant post had been deleted in relation to day opportunities. Some buildings would possibly be affected by the maintenance programme. The total draft budget savings were estimated at £1,382,000, leaving the net position at £573,000 once the budget pressures totalling £809,000 had been accounted for.

There were no major capital developments planned from the Corporate Capital Programme at present. The personal Adult Social Services Capital Grant of £183,000, designed to support the three key areas of personalisation, reform and efficiency, was unallocated at present. A Section 88 transfer had been undertaken in relation to the Learning Disability Grant of £7,764,000. The net position had been increased by income streams.

The PCT had contributed funding of £175,000 for re-ablement enhancing and end of life care. Next year the NHS funding for social care would be £961,000. Work was being undertaken with the PCT to agree how to use this funding to improve support and services. There would be increasing opportunities for joint working with the health sector and other organisations such as bordering local councils. There had been no reduction in Adult Social Care services as a consequence of the budget savings which resulted from work over the past two years to identify efficiencies and adopt improved working practices.

Arising from Members' questions and comments the following points were noted:

- The current year budget saving relating to additional support for carers had not resulted in any service reduction and had been achieved through use of the Council's Ladybank service and other providers reducing the need to purchase respite care services from external providers. An increase in the range of support for carers created a budget pressure of £100,000 in 2011/12.
- Focus had been given to improving purchasing amongst other cost saving exercises.
- A budget pressure of £709,000 had arisen primarily from children with disabilities transferring from Children's Services to Adult Social Care when they reached 18 years of age and increasing numbers of older people and people with long term conditions requiring support living longer.
- The reduction in Government grant formed part of the £809,000 draft budget pressures.

Annexe B

- There would be a Section 75 agreement in relation to the transfer over of services to a GP Consortium when the PCT's were disbanded in order to maintain established links with the health sector.
- A Council wide contingency fund formed from underspends last year had met the cost of redundancies associated with service closures during this year.
- There had been no further care worker redundancies identified as part of the 2011/12 budget.

Panel Members asked for their thanks and appreciation to be passed to staff in the Adult Social Care and Health Department for all their hard work.

SUMMARY OF RESPONSES TO THE COUNCIL'S 2011/12 BUDGET CONSULTATION

- 1 A detailed response was received from the Bracknell Liberal Democrats who found the draft proposals broadly acceptable and welcomed the proposal to freeze Council tax in 2011/12. The following observations were also made:
 - That if further action is required the Council should consider using general reserves;
 - It would be more informative to provide details of programme costs and priorities within each department rather than just listing the changes that are needed to balance the budget.
- 2 A business rate payer highlighted the impact of rates on his profitability. He felt that small business discounts are too small to make a significant difference. This could lead to further shops in the high street becoming empty resulting in further revenue losses for the Council.
- 3 Parish Councils were consulted with the only concern relating to the reduction of Internal Audit time.
- 4 Responses were received from two employees working in areas directly affected by the savings proposals asking for further details of the reduction.
- 5 A request was made from Be Heard for an 'easy read' version of the consultation which was provided. The respondent felt that insufficient time had been given to considering the impact of the saving proposals on people's lives. People affected should be fully informed of the changes and their concerns addressed. Concern was expressed about the impact of less staff on the quality of Day Services and organised sports and leisure activities.
- 6 The Bracknell Forest Over 50's Forum found the consultation short on detail and requested a meeting with the Council. On 1 February 2011 representatives of the forum met with members and officers to discuss the Council's budget proposals for 2011/12. The focus of the discussion was on the pressures and savings contained within the Adult Social Care and Health budget.

The Director of Adult Social Care and Health outlined the pressures being faced by the service as a result of:

- children becoming the responsibility of adult social care when they reach 18
- increasing numbers of older people
- increasing numbers of people with long term conditions
- older carers being unable to continue with their caring responsibilities

The Director went to explain how the Council was responding to these pressures whilst at the same time achieving economies through improved commissioning.

The Chairman of the Over 50's Forum stressed that the cuts announced by the Coalition Government would have a significant impact on those on fixed

incomes and those vulnerable groups reliant upon Council services. In response it was pointed out that the Government's emphasis had shifted towards supporting older people and away from children and that this was reflected in the Council's budget proposals.

There was considerable uncertainty around the impact of future cuts on social care and the personalisation agenda in particular. It was, therefore, agreed that the Council should maintain an ongoing dialogue with representatives of the Over 50's Forum, facilitated by the Older People's Champion.

Other matters discussed during the course of the meeting included:

- the need to recognise the difficulties some older people faced when dealing with bills as part of the personalisation agenda
- the need to ensure that services provided by the voluntary sector and the Council were complimentary and did not overlap.
- the reassurance that there would still be flowers in the town centre even though the Council did not intend to take part in Bracknell in Bloom.

CORPORATE SERVICES/CHIEF EXECUTIVE

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Customer Services</p> <p>Reduction in Cashier staffing levels from 2.0 to 1.5 FTE. Following the closure of the payment counter at the Cash Office, more customers are paying by alternative methods such as direct debit and online. This further reduction in staff is now possible.</p>	-11			
<p>Customer Services</p> <p>Deletion of one part time Customer Services post. Where tasks are still necessary the administration work will be absorbed elsewhere within the service.</p>	-18			
<p>Customer Services</p> <p>Following the implementation of the new Revenues and Benefits system there is a reduction in the annual licence fee. The saving will be reduced in 2012/13 and subsequent years to £16,000.</p>	-25	9		
<p>Democratic and Support Services</p> <p>The level of additional assistance during the canvass will be reduced. This will place extra pressure on the Electoral Team to manage the process and depending on the level of support required it may not be possible to undertake a mini canvass, which is usually undertaken in February in an election year to reduce the number of inaccuracies in the electoral register.</p>	-7			
<p>Democratic and Support Services</p> <p>Deletion of part time Document Management Assistant from the Records Office. The work will need to be absorbed by the remaining team members.</p>	-18			
<p>Democratic and Support Services</p> <p>Reduce the budget for Members approved conferences. Depending on the location of approved conferences it might not be possible for Members to attend every one.</p>	-10			
<p>Democratic and Support Services</p> <p>A budget has been introduced to reflect the increase in delivery service income.</p>	-2			

REVENUE BUDGET PROPOSALS

Annexe D

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>ICT Services</p> <p>Reduction in training costs. To be achieved by reviewing personal development plans, prioritising training and looking at assigning project specific training to capital. This could result in less skilled staff.</p>	<p>-5</p>			
<p>ICT Services</p> <p>Reduction in contracted services budget. Achieved by using less external advice and suppliers, however the resolution of issues will take longer as there will not be the current level of access to specialist support and advice.</p>	<p>-14</p>			
<p>ICT Services</p> <p>Reduce communications equipment rental costs. Possible due to the end of certain equipment contracts which will not be renewed.</p>	<p>-20</p>			
<p>ICT Services</p> <p>The reorganisation of the service will result in the deletion of 2 full time posts but the addition of a new part time Data Hub Officer to bring together a Council Wide hub, building on the approach in the Joint Strategic Needs Assessment.</p> <p>The loss of one Team Manager post will result in a much reduced capacity to deal with unplanned work, so prioritisation will be key. The removal of the Chief Technical Officer post will limit the team's ability to undertake detailed technology design and put greater emphasis on trusting suppliers and partners.</p>	<p>-88</p>			
<p>Property Services</p> <p>Increase in Depot income. Will be achieved by maintaining existing lettings and undertaking marketing if any vacancies occur. This is however dependant upon demand for space and the ability to pay rent, which is dependant upon the national economy.</p>	<p>-30</p>			
<p>Legal Services</p> <p>Reduction in court costs budget. Dependant on the number of cases that the Council takes to Court.</p>	<p>-10</p>			

REVENUE BUDGET PROPOSALS

Annexe D

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Chief Executive's Office Reduction in subscriptions. Support from some organisations is no longer needed.	-16			
Chief Executive's Office Reduce photography and printing budgets by £5,000 each by commissioning fewer photo opportunities and undertaking less printing. This could result in a significant reduction in PR for the Council.	-10			
Chief Executive's Office Reduction in the size of the Communications Team, by reducing the capacity of the Head of Communications and Marketing by 30%. This will increase the vulnerability of the Council during times of crisis/media emergency.	-18			
Finance Deletion of vacant Trainee Accountant post. This then places a reliance on the employment market when filling qualified Accountant posts instead of 'growing our own'.	-21			
Finance Reduction in supplies and services budgets including printing, consultants' fees, reference books and publications.	-3			
Finance Reduction in number of audit days purchased for contracted and contingency audit days. There is a risk of an in year overspend if additional unplanned internal audit work is required, e.g. investigations.	-15			
Finance Insurance markets remain soft and some reduction in premiums should be achievable during renegotiation. This will be dependant upon insurers' co-operation.	-15			
Finance A reduction in the statutory inspection fees charged by the external auditor following the abolition of the Comprehensive Area Assessment audit.	-18			

REVENUE BUDGET PROPOSALS

Annexe D

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Customer Services</p> <p>The Cash Office is faced with increased charges from Securicor and the Post Office which cannot be accommodated from elsewhere in the Customer Services budgets.</p>	5			
<p>Human Resources</p> <p>There has been an increase in the number of staff entitled to Long Service Awards.</p>	3			
<p>Human Resources and Finance</p> <p>The new software licensing costs for the Payroll and HR system are higher than budgeted following the extension of the contract.</p>	17			
<p>ICT Services</p> <p>The Department for Work and Pensions funding for the physical link to the Government Connect secure network is due to cease (£15,000). In addition there is a requirement for a new link to the NHS N3 Network (£5,000).</p>	20			
ADDITIONAL PROPOSALS SINCE DECEMBER				
<p>Customer Services</p> <p>The amount spent on the debt collection commission by the Revenue section is expected to reduce and a saving is therefore achievable.</p>	-5			
<p>ICT Services</p> <p>An additional reduction in the contracted services budget. Achieved by using less external advice and suppliers, however the resolution of issues may take longer as there will not be the current level of access to specialist support and advice.</p>	-5			
<p>ICT Services</p> <p>A further reduction in training costs. To be achieved by reviewing personal development plans, prioritising training and looking at assigning project specific training to capital. This could result in less skilled staff.</p>	-5			
<p>Legal Services</p> <p>An additional reduction in court costs budget. Dependant on the number of cases that the Council takes to Court.</p>	-20			

REVENUE BUDGET PROPOSALS

Annexe D

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Legal Services The award of costs together with an increase in chargeable legal work, including Section 106 agreements, means that additional income can be anticipated	-5			
Chief Executive's Office Notification has been received of an annual reduction in the Local Government Association subscription.	-8			
CORPORATE SERVICES/CHIEF EXECUTIVE TOTAL	-377	9		

CHILDREN YOUNG PEOPLE AND LEARNING

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Support to Departmental Management Team</p> <p>There will be a reduction in staffing and support to the Management Team through deleting the vacant 0.7 FTE administrative support post.</p>	-20			
<p>Educational Psychology Service</p> <p>The service supports young people experiencing or causing psychological distress, usually affecting their healthy emotional, social or educational development. There will be a reduction of 0.4 FTE staff with a reduction in the level of service available to support schools and young people.</p>	-25			
<p>Education Welfare Service</p> <p>The service works with schools, parents/carers and their children who are experiencing difficulties in school. It ensures that regular attendance at school remains of paramount importance in order that children may benefit from their education. Staffing levels will be reduced by the equivalent of 0.7 FTE, resulting in a withdrawal from some multi-agency work and a revised school referral threshold.</p>	-20			
<p>Re-commissioning of advocacy and independent visiting</p> <p>Re-commission provision from the voluntary sector as the current contract is ending using a spot purchase model from a range of providers, with the expectation of a consequent reduction in cost.</p>	-15			
<p>Larchwood short break care unit</p> <p>Larchwood is a short-term care unit, offering breaks for children and young people with learning disabilities. There will be a reduction of 0.6 FTE in indirect staffing support.</p>	-10			
<p>Provision of information to parents of children with disabilities</p> <p>This service is currently provided through a contract with the Family Resource Centre. A review has identified that bringing the service in house, to be managed within Children's Social Care – Learning Difficulties and Disabilities Service would reduce costs.</p>	-10			

REVENUE BUDGET PROPOSALS

Annexe D

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Children Looked After – costs of care and support</p> <p>On current known placements, if only planned changes occur from September 2010 to March 2012, a saving will be achieved. Savings will arise primarily from the relatively high age profile with a number of high cost pupils moving into cheaper after care arrangements or transferring to ASCH. This is a volatile budget and is subject to significant changes at short notice. The net saving is after allowing for an increase in the number of Child Protection Plans, which has consequently caused an increase in the number of looked after children. The additional cost of managing this is estimated at £95,000 and provides for 0.5 FTE increases in each of the following: the independent chair of child protection conferences; servicing of these meetings; and the allocation of an experienced social worker and the independent reviewing officer.</p>	<p>-136</p>			
<p>Integrated Youth Support Service</p> <p>Review the staffing arrangements across the support services for 13-19 year age range and up to 25 for those with Special Educational Needs / Learning Disabilities as part of developing a more integrated structure around the future youth offer.</p>	<p>-30</p>			
<p>ICT maintenance fees</p> <p>A review has been undertaken of the requirement to retain all the modules currently used in the Department's Capita One ICT data base. This has concluded that modules supporting ContactPoint, Training Manager on-line and Education Plan Monitoring are either no longer required or their key outputs can be obtained through alternative means.</p>	<p>-13</p>			
<p>Student Finance</p> <p>Responsibility for processing Higher Education and Further Education student loans and grant applications passes to Student Loans Company in 2011. The dedicated 1.0 FTE post in place to support this responsibility will be deleted.</p>	<p>-27</p>			
<p>Human Resources Modern Apprentice post</p> <p>There will be a reduction in support to the Human Resource function through deleting the vacant 1.0 FTE modern apprentice post.</p>	<p>-5</p>			

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Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Human Resources</p> <p>The Departmental training budget will be reduced by £4,000, with a consequential impact on staff development and the cost of administering the official staff absence arrangements in schools will be charged to the Schools Budget at £10,000.</p>	<p>-14</p>			
<p>School Improvement Service</p> <p>The School Improvement Service is currently part funded through specific grants to deliver the National Strategies. This funding will be withdrawn from April, with total known loss of grant (as at Sept 10) at £0.237m. In order to maintain a level of provision for specialist and targeted advice and support for all schools, and to continue to provide a level of support for school improvement a new traded service will be established. These funds would be use to meet costs associated with the new model which would include a subscription scheme for schools. A full business case is being developed to support the new traded service model.</p>	<p>60</p>			
<p>Domestic Violence</p> <p>A significant change in approach to tackling domestic violence is proposed, involving more direct intervention, to mirror the intensive approach currently proving successful through the Operation Ladybird scheme. This investment is intended to head off increased costs from domestic violence in the longer term.</p>	<p>100</p>			
<p>ADDITIONAL PROPOSALS SINCE DECEMBER</p>				
<p>Connexions</p> <p>Connexions is a contracted service that provides career information, advice and guidance for young people on a universal and targeted basis. The contractor would reduce the number of Personal Assistants with resources being prioritised to those most at risk of becoming Not in Education, Employment or Training (NEET). The Bracknell town drop in centre is also likely to relocate to another building, e.g. Portman Close or NRG and operate on a reduced hours basis.</p>	<p>-100</p>			
<p>Targeted Mental Health</p> <p>This grant funded project has provided training for staff in schools to identify potential mental health issues in children, prior to referral to specialist agencies and to disseminate best practice to aid prevention. The initial</p>	<p>-100</p>			

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Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>scheme included an element of start up costs that do not need to continue into 2011-12. These one off costs related to organisational arrangements and initial expert input can now be reduced. There is also the potential to work more closely with the Child and Adolescent Mental Health Service.</p>				
<p>Preventative and Early Intervention Board (formerly Children’s Fund)</p> <p>The current part time PEI Board Manager post will be deleted with associated management of the programme absorbed within the Department.</p>	<p>-15</p>			
<p>Short Breaks for Disabled Children</p> <p>A range of opportunities have been developed to provide short breaks for disabled children. Some valuable projects have become sustainable and can now be delivered with less money. A number of others will continue to be supported at the current level, with a small number being subject to a reduction. Some areas of duplication have been removed through more effective planning.</p>	<p>-88</p>			
<p>Children’s Centres</p> <p>Now that Children’s Centres have become more established it has been possible to review current arrangements to ensure a more efficient and targeted service is available, removing activities that are no longer considered essential. In some instances, services currently provided under contract will be absorbed as far as possible into current work streams.</p>	<p>-120</p>			
<p>Early Years Workforce</p> <p>This funding is used to increase graduate leadership in Early Years settings. It ensures the continuous professional development of Early Years practitioners and builds their qualification levels to a relevant Level 3 and above. A range of workforce related financial subsidies will be reduced, including Graduate Leader Fund payments to providers in PVI settings and the number of training courses.</p>	<p>-78</p>			
<p>Early Years Sustainability</p> <p>This funding is intended to ensure there is sufficient accessible, flexible, affordable and high quality Early Years provision for all those 3 and 4 year olds eligible for Free Entitlement funding. Changes in working</p>	<p>-80</p>			

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Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>arrangements, together with efficiency improvements on external contracts will allow for cost reductions, mainly in support to childminding which is in accordance with current priorities.</p>				
<p>Two Year Old Offer</p> <p>This budget ensures there is sufficient accessible, flexible, affordable and high quality Early Years provision for the most vulnerable two year olds. Reductions will be made to targeted family outreach and direct financial support to providers.</p>	<p>-32</p>			
<p>Child Trust Fund</p> <p>It is no longer a requirement to contribute to Child Trust Funds of Looked after Children as the national scheme has been abolished.</p>	<p>-1</p>			
<p>Youth Opportunity Fund</p> <p>The Youth Opportunity Fund is managed by young people (Youth Council) which considers applications for funds from other young people to increase the range of opportunities available to them. A reduction in available funding is proposed.</p>	<p>-25</p>			
<p>Think Family Grant</p> <p>Think Family provides a strategic lead in moving provision throughout the Council to a family way of working. It provides intensive, intervention support to families with multiple problems and parenting advice and courses at all levels of need. As the service has become more established, it is proposed to delete the 0.5 FTE manager post.</p>	<p>-33</p>			
<p>LSC transfer special purpose grant</p> <p>A Berkshire Sub Regional Group, hosted by Slough Borough Council, was established at the abolition of the Learning and Skills Council for commissioning and managing sufficiency of places for all learners' post 16 and quality assuring provision. This proposal is to withdraw from the Berkshire Joint Arrangement and directly employ one member of staff to undertake strategic responsibility for post 16 places and have particular responsibilities for supporting vulnerable learners.</p>	<p>-93</p>			

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Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Extended Services Start-Up</p> <p>Extended services provide community based activities and services for vulnerable and disadvantaged children, young people, parents and families. This grant was intended to be short term to help establish services in schools and the local community. At the withdrawal of funding, it is proposed to delete most of the general support services, and continue funding the work of a 0.5 FTE Nepali Community Worker and 0.6 FTE Extended Services Co-ordinator.</p>	<p>-78</p>			
<p>CHILDREN YOUNG PEOPLE AND LEARNING TOTAL</p>	<p>-1,008</p>			

ADULT SOCIAL CARE AND HEALTH

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Residential and Supported Living Costs for People with Learning Disabilities</p> <p>Under Valuing People Now, funding and commissioning of social care for adults with learning disabilities transferred from the NHS to local authorities. Part of this process has delivered savings arising as a consequence of people needing different care and support arrangements.</p>	-430			
<p>Finance Team - Financial Assessments</p> <p>The new Integrated Adults System and other changes to processes have created efficiencies and improvements in the assessment of people's ability to make a financial contribution to the support provided by the council. Provided the Mobile Financial Assessments Module is implemented, which is dependent on system upgrades, a 0.8 FTE staffing reduction will be achieved. This will also deliver a more timely and improved level of information to individuals.</p>	-20			
<p>Drugs / Alcohol</p> <p>Support has been provided to people with drugs or alcohol dependencies through a Joint Arrangement with other Berkshire Local Authorities. This arrangement has been replaced with a more cost effective service that will be provided through an East Berkshire Joint Commissioning arrangement for which BFC has the lead.</p>	-55			
<p>Resettlement service</p> <p>Support to people finding accommodation has been moved from an external contract to a service level agreement with the Environment, Communities and Culture Department. This arrangement will generate efficiencies through greater economies of scale on the provision of resettlement services.</p>	-10			
<p>Meals at Home Service</p> <p>The current Framework agreement for Meals at Home Service through one provider at subsidised rate has been replaced with a range of providers with no subsidy from the Council.</p>	-45			

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Review of Staffing at Waymead Respite and Day Opportunities</p> <p>Review of staffing requirements in relation to demand and individual need from people with learning disabilities indicates that a reduction of 1.0 FTE staff can be achieved. Based on current demand, the reduction will not prevent the service meeting statutory and safety requirements in relation to staffing levels.</p>	<p>-23</p>			
<p>De-registration of 8 Portman Close</p> <p>To better meet the needs and choices of individuals with learning disabilities, 8 Portman Close has been approved to be de-registered as a residential home and will now enable people to have individual tenancies. This will ensure more person centred support care arrangements are in place at reduced cost.</p>	<p>-90</p>			
<p>Improved Commissioning</p> <p>A range of measures have been put in place over the past few years that have assisted in managing demand which taken together with the adoption of a robust approach to commissioning services from providers has resulted in cost reductions on commissioned services.</p>	<p>-709</p>			
<p>Purchased Care – all Adult Social Care</p> <p>Resourcing anticipated impact from rise in population on care support. This pressure arises principally from demographic changes as children with disabilities become the responsibility of Adult Social Care when they reach 18 and increasing numbers of older people and people with long term conditions require support. This support is now tending to be for a greater periods of time as people live longer.</p>	<p>709</p>			
<p>Additional Support for Carers</p> <p>Working with Carers is an important part of this Councils vision to support people to remain independently at home. It is proposed that this funding would enable the continued development of innovative ways of supporting carers in the valuable support role they undertake. The new funding for this important area is being found from within our own resources even in these tough times.</p>	<p>100</p>			

REVENUE BUDGET PROPOSALS

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Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
ADDITIONAL PROPOSALS SINCE DECEMBER				
Social Care Reform Grant This was originally 3 year funding stopping in March 2011. All plans for personalisation have been achieved and commitments will cease at that time.	-346			
Dementia Advisory Service The Dementia Advisory service supports people in the early stages of diagnosis, until they need more intensive support from either a Community Psychiatric Nurse or Social Worker. The support provided by the Dementia Adviser delays the need for Social Services intervention with early indications showing a reduction of around 50% in referrals to Social Services and to Community Psychiatric Nurses since the Dementia Adviser has been in post.	35	-35		
ADULT SOCIAL CARE AND HEALTH TOTAL	- 884	-35		

ENVIRONMENT, CULTURE AND COMMUNITIES

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Heritage The part time post will be made redundant.	-15			
Arts Development The two vacant arts development posts would not be filled and the two part time dance development officers would be made redundant.	-81			
Bracknell Leisure Centre/Coral Reef Reductions in refuse collection, transfer proportion of Business Development post to Libraries.	-11			
Street Cleansing No ability to undertake enhancement works and no entry in Bracknell in Bloom.	-50			
Car Parks New contract includes duties previously carried out by staff. Reduction in budgets for running costs.	-120			
Environmental Health There would be no contingency budget to carry out work on contaminated land as a result of site investigations.	-5			
Licensing Increased income from licensing and new primary authority scheme.	-7			
Staffing Reductions Reduction of Building Control Officer, part time Technical Clerk, part time Team Leader.	-38			
Staffing Funding Fund 50% of Senior Environmental Policy Officer from Suitable Alternative Non Green Spaces (SANGS) monies.	-15			
Staffing Funding Fund part of Highway Network Co-ordinator from Section 74 overruns income.	-16			
Joint Planning Unit Some monitoring work to be taken back in house. Likely to result in a redundancy in the JSPU. Costs would be shared across the six Berkshire Unitaries.	-30			
Climate Change Reduction in promotion and project work budgets.	-4			

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Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Forest Care Additional income generated.	-45			
Supporting People Renegotiated contracts with providers of service.	-150			
Departmental Support Services Reduction on all supplies & services budgets.	-19			
Refuse Collection Contract Estimated saving on the new contract, subject to confirmation.	-320	-100		
Street Cleansing Experiment with separating street arisings between landfill and recycling has proven successful generating a saving.	-40			
Recycling Promotions Negotiations with Re3 partners require the contract to undertake more promotion from within that budget, meaning the Council's can be reduced.	-50			
Re3 Waste Disposal Contract New estimate from Reading BC for the Council's contribution to Re3 costs. Reduction primarily based on estimates of reducing waste tonnage and landfill. This economy reflects the anticipated saving, but given the potential fluctuation in waste, additional contingency may be prudent. Negates a £180,000 pressure currently in the Commitment budget.	-260	-5	-25	-27
Thames Valley Safer Roads Partnership Reducing the grant to Roads Safety Partnership.	-55			
Revenue impact of capital schemes Replacement of software for public PC's in libraries, EPCC building security alarm installation, additional maintenance costs of new highway infrastructure and at the Lookout.	10			
Downshire Golf Complex There has been a continued decline in income at the Golf Complex in 2010/11 which is a reflection of a national downward trend.	100			

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Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Car Park income There has been a continued decline in the sale of car park season tickets (£85,000). Loss of net income upon sale of Old Manor Car Park (£25,000). This pressure is net of the additional income generated by the recent increases in car park charges and assumes no customer resistance, and also net of an inflation increase which is identified elsewhere in the budget proposals.</p>	25			
<p>Car Park season ticket income Loss of income due to a major purchaser of season tickets re-locating in December 2011. Full year effect 2012/13 £214,000.</p>	72	142		
<p>Dog Control Due to the continued increase in the number of stray dogs the costs to the contractor have risen accordingly.</p>	30			
<p>Easthampstead Park Conference Centre There has been a continued decline of income, primarily due to reduced business use.</p>	110			
ADDITIONAL PROPOSALS SINCE DECEMBER				
<p>Car Park season ticket income An addition to the pressure of £72,000 already put forward due to major purchaser of season tickets re-locating earlier than anticipated.</p>	44	-44		
<p>Cost of goods sold The inability to raise charges (for competitive reasons) to match the increase in costs has resulted in a reduction in profitability and therefore an additional budget pressure.</p>	23			
<p>Supporting People A review of supporting people services to various client groups will be undertaken with a view to achieving efficiency or new service configuration during the first quarter of 2011/12. Following the review different service type and volumes will be procured for the rest of the financial year.</p>	-80			
<p>Refuse Collection Contract The estimated saving on the new refuse collection contract was based on a price of £1 per litre of diesel. The new contract commences 1 August 2011. Since the tender was accepted fuel prices have increased significantly. This pressure reflects an estimated increase of 15p per litre. The pricing mechanism in the tender includes charging fuel at cost.</p>	10			

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Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Weather forecasting winter maintenance The new weather forecasting contract for 2011/12 has recently been awarded. This is lower than the previous contract and will therefore result in a saving against the base budget.	-4			
ENVIRONMENT, CULTURE AND COMMUNITIES TOTAL	-991	-7	-25	-27

COUNCIL WIDE

Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
<p>Payment of pension fund contributions in advance</p> <p>Arrangements can be made with the pension fund to pay both employers and employees contributions in advance. The amount will be discounted by the pension fund's anticipated return on these contributions. The indications are that the pension fund will offer a discount of the order of 3%, exceeding the Council's anticipated return on its investments and producing a revenue saving.</p>	-200			
<p>Terms and Conditions</p> <p>Reduction in mileage allowances, for example.</p>	-50	-50		
<p>Corporate Contingency</p> <p>In the 2010/11 budget the level of general contingency was set at £1.000m. The commitment budget for 2011/12 includes £1.393m for the contingency. This results from the original 2010/11 contingency plus ongoing transfers into the contingency relating to the in-year savings package and energy price reductions. Having reviewed the risks associated with the 2011/12 budget it is proposed to reduce the general contingency by £0.393m back to £1.000m.</p>	-393			
<p>Carbon Reduction Commitment (CRC) Energy Efficiency Scheme</p> <p>The CRC scheme requires local authorities to purchase allowances to cover their CO2 emissions. Although the first payment is not anticipated until July 2012 this will relate to emissions in the 2011/12 financial year and is, therefore, a pressure in next year's budget. At this point the Council is required to purchase allowances to cover CO2 emissions by schools, but is unable to pass this cost onto the schools themselves. School CO2 emissions represent £72,000 of the overall pressure.</p>	216			
<p>Increase in employer's pension fund contributions</p> <p>The actuarial valuation of the pension fund is currently underway. The outcome will need to be reflected in the employer's contribution rate from 1 April 2011. Initial indications are that the Council can expect a 0.5% increase in the contribution rate from 15.5% to 16.0%. The final increase will however be subject to the outcome of the Hutton review of public sector pensions due to be announced by March 2011 together with the Chancellor's</p>	280			

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Description Impact	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
stated intention to increase the employee contribution rate.				
<p>Planned maintenance</p> <p>The Council faces a backlog of maintenance on its properties. The capital programme provides for funding to begin to address this issue, although some of the required works do not meet the definition of capital expenditure. The Corporate Asset Management Plan recommended that revenue funding of up to £500,000 should be made available to address this need on an annual basis, but a review of the most urgent works indicates that this pressure can be contained to £200,000 in 2011/12.</p>	200			
<p>Additional Bank Holiday</p> <p>Costs arising from the additional bank holiday in 2011 for the royal wedding and 2012 for the diamond jubilee.</p>	60		-60	
<p>Revenue impact of the Capital Programme</p> <p>The proposed 2011/12 capital programme of £10.223m will result in the loss of £0.029m of interest in 2011/12 and a revenue pressure of a further £0.268m in 2012/13. 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 2011/12 but excludes the self-funding Invest to Save schemes.</p>	29	268		
<p>Interest Received</p> <p>The 2010/11 budget is based on an average rate of return of 0.9% and reflects the lower cash balances as a result of the 2010/11 and 2011/12 Capital Programmes. The 2010/11 budget was based on a return of 2.0% and as such expected interest income is projected to fall from £0.769m to £0.209m in 2011/12. After taking into account movements in the commitment budget and the impact of the proposed capital programme this produces a budget pressure of £0.456m.</p>	456			
<p>COUNCIL WIDE TOTAL</p>	598	218	-60	

TREASURY MANAGEMENT REPORT

- 1.1 The Local Government Act 2003 requires the Council to “have regard to” the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.
- 1.2 This report outlines the Council’s prudential indicators for 2011/12 – 2013/14 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).

The Capital Prudential Indicators 2011/12 – 2013/14

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 2013/14.

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 2011/12 to 2013/14 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:

Capital Expenditure £000	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate
Capital Expenditure	21,450	18,663	14,118
Financed by:			
Capital receipts	2,000	3,000	3,000
Capital grants	11,223	6,200	5,600
Capital reserves	0	0	0
Revenue	0	0	0
Net financing need for the year	8,227	9,463	5,518

The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR. Due to the nature of some of the capital expenditure identified above (ie grant), an element will be immediately impaired or will not qualify as capital expenditure for CFR purposes. As such the net financing figure above may differ from that used in the CFR calculation.

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

The Council is asked to approve the CFR projections below:

£000	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate
Capital Financing Requirement			
Total CFR	21,902	26,932	34,150
Movement in CFR	5,031	7,218	3,057

Movement in CFR represented by			
Net financing need for CFR purposes	5,582	7,970	4,098
Less MRP/VRP and other financing movements	551	752	1,041
Movement in CFR	5,031	7,218	3,057

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

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:

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.

%	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate
Ratio	-0.27%	-0.02%	+0.46%

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.

£	Forward Projection 2011/12	Forward Projection 2012/13	Forward Projection 2013/14
Council Tax - Band D	1.86	3.60	2.77

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 commensurate 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 2011/12 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 2011/12 charge will be based on 2010/11 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 2011/12 – 2013/14

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 2011/12 to 2012/13, but projects that it will be required to borrow externally in 2013/14. The table below highlights the expected change in investment balances.

£'000	2011/12 Estimated	2012/13 Estimated	2013/14 Estimated
External Debt			
Debt at 31 March	0	0	6,000
Investments			
Investments at 31 March	9,000	1,000	0

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 2011/12 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	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate
Borrowing	24,000	28,000	37,000
Other long term liabilities	0	0	0
Total	24,000	28,000	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	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate
Borrowing	22,000	27,000	35,000
Other long term liabilities	0	0	0
Total	12,000	27,000	35,000

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 2011/12 it is not expected that any borrowing in advance of need will be required in 2011/12.

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 and recent growth data has come in at the high side of expectations. Nevertheless, this higher rate is unlikely to be sustained, with growth expected to revert back to more insipid levels. The danger of a double-dip recession is fading but the crisis in the euro-zone, the prospects of tight economic policies at home and tenuous consumer confidence means the threat has still not evaporated completely.

The Office for Budget Responsibility has presented a realistically downbeat view of the economy's recovery prospects over the short and medium term, projecting that growth will struggle to exceed its trend rate in the current parliament. The Government's determination to cut the size of the public sector deficit considerably more quickly than its predecessor will be a drag upon activity in the medium term.

The void left by significant cuts in public spending will have to be filled by a number of alternatives – corporate investment, rising exports and consumers' expenditure. In terms of sheer magnitude, the latter is the most important and a strong recovery in this area is by no means certain. The combination of the desire to reduce the level of personal debt and continued job uncertainty is likely to weigh heavily upon spending. This will be amplified by fiscal policy tightening, outlined in the Budget and expanded upon in the 20 October Comprehensive Spending Review. Without a rebound in personal spending, any recovery in the economy is set to be weak and protracted.

The Bank of England admits that inflation will remain above target until 2012. Inflation performance remains a key risk to the future course of interest rates. Nevertheless, the perceived need to counter the fiscal squeeze via accommodative monetary policy suggests that barring a deterioration from the current situation, the MPC will be prepared to hold rates at very low levels until the latter stages of 2011.

Medium-Term Rate Estimates (averages)

Annual Average %	Bank Rate	Money Rates		PWLB Rates*		
		3 month	1 year	5 year	25 year	50 year
2010/11	0.5	0.7	1.5	2.6	4.6	4.7
2011/12	0.7	1.0	1.8	3.3	5.3	5.4
2012/13	1.7	2.0	2.8	4.2	5.5	5.6
2013/14	3.1	3.2	3.7	4.8	5.6	5.7
2014/15	4.0	4.2	4.5	5.6	5.6	5.8
2015/16	4.0	4.2	4.2	5.3	5.5	5.5

* Borrowing Rates

The outlook for long-term interest rates is favourable in the near term but is set to deteriorate in the latter part of 2011. Yields will be suppressed by continued investor demand for safe haven instruments following the uncertainties and unfolding tensions within the entire Eurozone. In addition to this, the market has been underpinned by evidence of decelerating activity in major economies and the coalition government's

apparent determination to deal with the parlous state of public sector finances. These two factors will restrict any deterioration in gilt market performance in the near term.

However, while the UK's fiscal burden will almost certainly ease, it will be a lengthy process and deficits over the next two to three financial years will still require a very heavy programme of gilt issuance. The latest Bank Inflation Report suggests the market will not be able to rely upon Quantitative Easing indefinitely to alleviate this enormous burden.

Eventually, 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.

Borrowing Strategy 2011/12

Given the level of current investments, the Council does not envisage any long-term borrowing in 2011/12 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 2011/12 – 2013/14

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 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

Fitch	Moody's	S&P
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		

- ◆ In addition to the criteria above part nationalised UK banks with a Fitch minimum short term rating of F1, long term rating A and support rating 3 (or equivalents)
- ◆ 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):

	Money Limit	Time Limit
UK Banks and Building Societies	£7m	364 days
Money Market Funds	£7m	n/a
UK Government	unlimited	364 days
UK Local Authorities	£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 2011/12 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/late-2011. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts.

The criteria for choosing counterparties set out above provide a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Borough Treasurer may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.

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

Sensitivity to Interest Rate Movements

Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to the estimated treasury management income for next year. That element of the investment portfolio which is of a longer term, fixed interest rate nature will not be affected by interest rate changes.

£'000	2011/12 Estimated + 1%	2011/12 Estimated - 1%
Revenue Budgets		
Investment income	200	200

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:

	2011/12	2012/13	2013/14
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	25%	25%	25%
Limits on variable interest rates based on net debt	100%	100%	100%
Maturity Structure of fixed interest rate borrowing 2010/11			
		Lower	Upper
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%
Maximum principal sums invested > 364 days			
Principal sums invested > 364 days	£m 0	£m 0	£m 0

Performance Indicators

The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. For 2011/12 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 Sector as its treasury management consultants. The service was previously provided by Butlers, however in November 2010 Butlers was bought by Sector and incorporated into its operations. 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. Following on from the organisational restructuring impacting on Sector/Butlers, this service will be reviewed in 2011.

Member and Officer Training

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. Following the nomination of the Governance and Audit Committee to examine and assess the effectiveness of the Treasury Management Strategy and Policies, initial training was provided to the Committee in November 2010. The need for further training will be reviewed in 2011. 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

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.

SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated.

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

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Maximum period
Money Market Funds <i>These funds do not have any maturity date</i>	No	Yes	AAA Rating by Fitch, Moodys or S&P	In-house and by external fund managers subject to the guidelines and parameters agreed with them	The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements
Forward deals with credit rated banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	No	Yes	See Credit Grid	In-house and by external fund managers subject to the guidelines and parameters agreed with them. Tracking of all forward deals to be undertaken and recorded.	1 year in aggregate
Commercial paper <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	See Credit Grid	To be used by external fund managers only subject to the guidelines and parameters agreed with them	9 months
Treasury bills <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	364 Days
Term deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid : as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	No	<i>See Credit grid</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	5 Years
Certificates of Deposit with credit rated deposit takers (banks and building societies) with maturities greater than 1 year <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	5 years

<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>
Callable deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity. (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk : borrower will not pay back deposit if interest rates rise after deposit is made.	No	No	<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>
UK government gilts 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>
Forward deposits with credit rated banks and building societies for periods > 1 year (i.e. negotiated deal period plus period of deposit)	(A) (i) Known rate of return over period the monies are invested ~ aids forward planning. (B) (i) Credit risk is over the whole period, not just when monies are actually invested. (ii) Cannot renege on making the investment if credit rating falls or interest rates rise in the interim period.	No	No	<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>
Deposits with unrated deposit takers (banks and building societies) but with unconditional financial guarantee from HMG or credit-rated parent institution : any maturity	(A) Credit standing of parent will determine ultimate extent of credit risk	No	Yes	<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

Fitch	Moody's	S&P
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		

- ◆ In addition to the criteria above part nationalised UK banks with a Fitch minimum short term rating of F1, long term rating A and support rating 3 (or equivalents)
- ◆ 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):

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

Reserves & Balances Policy Statement

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

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

Reserves and Balances can be held for a number of purposes

General Balances

Balance	Purpose	Policy	Value
General Fund	Provides general contingency for unavoidable or unforeseen expenditure and to cushion against uneven cash flows and provides stability in longer term financial planning.	Policy based on a risk assessment of budget and medium term financial plans. Historically £4m has been considered to be the minimum prudent level. Using balances to support expenditure results in a loss of investment income.	March 08 £5.757m March 09 £10.375m March 10 £8.845m March 11 £7.419m March 12 £>>>>

Earmarked Reserves

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

Reserve	Purpose	Policy	Value
Insurance and other Uninsured Claims	This provides cover for the excess payable on claims under the Council's insurance 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 £2.092m March 11 £2.042m March 12 £1.992m
Budget Carry Forward	Used to carry forward approved unspent monies to the following year.	Budget Carry Forwards are permitted only in accordance with the scheme set out in financial regulations.	March 08 £0.376m March 09 £0.549m March 10 £0.101m March 11 £0.000m March 12 £0.000m
Cost of Structural Change	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 £1.000m March 11 £0.900m March 12 £0.900m
Schools' Balances	These funds are used to support future expenditure within the Dedicated Schools Block and include individual school balances.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LEA has no practical control over the level of balances.	March 08 £1.619m March 09 £1.899m March 10 £1.617m March 11 £1.617m March 12 £1.617m
Family Tree Nursery	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	To manage short term fluctuations in demand for Nursery placements	March 08 £0.074m March 09 £0.112m March 10 £0.110m March 11 £0.000m

Annexe F

Reserve	Purpose	Policy	Value
	ongoing trading.		
Discretionary School Carry Forwards	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 £0.198m March 11 £0.000m March 12 £0.000m
Unused Schools Budget Balance	The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget and as such has no impact on the Council's overall level of balances. 2009-10 was the second 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 £0.139m March 11 £0.000m March 12 £0.000m
Education Library Service	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 £0.127m March 11 £0.127m March 12 £0.127m
Repairs & Renewals	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 £0.024m March 11 £0.035m March 12 £0.000m

Annexe F

Reserve	Purpose	Policy	Value
Building Regulation Chargeable Account	A statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose. The account is currently in deficit and therefore there is no balance on the reserve.	March 08 £0.002m March 09 -£0.020m March 10 £0.000m March 11 £0.000m March 12 £0.000m
Landfill Allowances Trading Scheme (LATS) unused allowances	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	This reserve represents the unused LATS allowance for 2009/10 which if unsold at 30 September 2010 will need to be written out of the reserve.	March 08 £0.128m March 09 £0.000m March 10 £0.076m March 11 £0.000m March 12 £0.000m
Local Economy Steering Group	This was a new reserve set up for 2008/09. It has been created using LABGI income to fund initiatives that support the local economy.	This reserve has been created in response to the Council's priority to sustain local economic prosperity.	March 08 £0.000m March 09 £0.034m March 10 £0.029m March 11 £0.000m
LPSA2 Performance Reward Grant	This was 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 £0.000m March 09 £0.329m March 10 £0.665m March 11 £0.665m March 12 £0.000m
Regeneration of Bracknell	Over the past few years the Council has continued to lead on the redevelopment of the Town Centre and in particular the development of the Civic Hub project. This reserve is to fund the ongoing development work.	The balance on the reserve has been increased so that resources are available to review and support the Town Centre Redevelopment in the current economic climate.	March 08 £0.761m March 09 £0.000 m March 10 £0.294m March 11 £0.000m March 12 £0.000m
Capital Feasibility Studies	To facilitate the delivery of the capital programme a reserve has been created which can be used to finance expenditure on the preparation of capital schemes.	This reserve can only be used to provide financial support for preparation work on capital schemes contained within the draft capital programme. Once the scheme has	March 10 £0.200m March 11 £0.200m March 12 £0.200m

Annexe F

Reserve	Purpose	Policy	Value
		<p>been approved then the costs charged to this reserve will be recharged against the approved capital scheme. Therefore assuming that all schemes on the draft capital programme are approved then this reserve will always be reinstated to its original value.</p>	
Icelandic Banks	<p>A reserve created in 2009/10 to cover the potential loss of an element of the Council's deposits held in two Icelandic banks.</p>	<p>This reserve will be used to meet any losses of the Council's investments in two Icelandic banks which have been put into receivership/administration.</p>	<p>March 10 £2.575m March 11 £2.197m March 12 £0.000m</p>

Other Balances

Balance	Purpose	Policy	Value
Collection Fund Balance	The SORP 2009 contained changes to the accounting for the Collection Fund. As a result the balance on this account will now be zero. Any surplus/deficit payable to or receivable from the Thames Valley Police Authority and Royal Berkshire Fire Authority will now be reflected in creditors/debtors.	The year end balance on this account will in future be zero.	March 08 £0.534m March 09 £0.170m March 10 £0.000m March 11 £0.000m March 12 £0.000m
Collection Fund Adjustment Account	A new reserve required to reflect Collection Fund changes included in the SORP 2009. The balance represents the difference between the Council Tax income included in the Income and Expenditure Account and the amount required by regulation to be credited to the General Fund.	This balance is held for specific accounting reasons.	March 10 £0.100m March 11 £0.100m March 12 £0.100m
Financial Instrument Adjustment Account	This was 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 £0.000m March 09 -£0.608m March 10 -£0.378m March 11 £0.000m March 12 £0.000m

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

Line		2010/11	2011/12
		£'000	£'000
	Bracknell Forest's Expenditure		
1	Chief Executives /Corporate Services	6,777	6,646
2	Children, Young People and Learning	19,756	17,791
3	Adult Social Care and Health	26,067	24,142
4	Environment, Culture & Communities	36,368	35,930
5	Corporate Wide Items (to be allocated)	(98)	1,045
6	Sub-Total	88,870	85,554
7	Non Departmental Expenditure		
8	Contingency provision	1,000	1,000
9	Debt Financing Costs	372	551
10	Levying Bodies	97	97
11	Interest	(659)	(402)
12	Pension Interest Cost	10,918	10,918
13	Expected Return on Pension Assets	(6,924)	(6,924)
14	Other Services	234	235
15	Contribution from Capital Resources	(300)	(300)
16	Capital Charges	(8,061)	(8,061)
17	Contribution from Pension Reserve	(4,551)	(4,551)
18	Contribution from Earmarked Reserves	(50)	(50)
19	Area Based Grant	(6,359)	0
20	New Homes Bonus grant	0	(600)
21	Council Tax Freeze Grant	0	(1,212)
22	Sub-Total	74,587	76,255
23	Movement in General Fund Balances	(557)	(1,590)
24	Bracknell Forest's Budget Requirement	74,030	74,665
25	Less - External Support		
26	National Non-Domestic Rates	(22,804)	(19,931)
27	Revenue Support Grant	(3,311)	(6,161)
28	Collection Fund Adjustment	0	(100)
29	Bracknell Forest's Total Requirement on the Collection Fund	47,915	48,473
30	Collection Fund		
31	Bracknell Forest's Requirement	47,915	48,473
32	divided by the Council Tax Base ('000)	43.80	44.31
33	Council Tax at Band D (excluding Parishes)		
34	Bracknell Forest	£1,093.95	£1,093.95

CORPORATE SERVICES / CX OFFICE

Virements between Departments

Total	Explanation
£'000	
	<u>Reorganisation</u>
48	Community Safety The budget for the CCTV service has been transferred from Environment, Culture and Communities
	<u>Structural Changes</u>
45	Structural Changes Reserve A virement is required to cover the costs associated with a reorganisation within the Chief Executive's Office.
93	Total Virements

CHILDREN, YOUNG PEOPLE AND LEARNING

Virements between Departments

Total	Explanation
£'000	
	<u>Contingency Fund</u>
400	There has been a significant increase in the cost of supporting looked after children. Whilst the Department has managed £0.180m of savings to reduce the financial impact, overall a £0.400m net over spend is forecast. An allocation has been requested from the Corporate Contingency to fund the forecast over spending.
	<u>Council Wide items</u>
19	An in year allocation of new Area Based Grant grant has been received to be used for the production of a child poverty strategy. This funding will be used to undertake data analysis and consultation with all the key groups, which must be completed by the end March, to be published alongside the Children and Young Peoples Plan.
419	Total Virements

ENVIRONMENT, CULTURE & COMMUNITIES

Virements between Departments

Total	Explanation
£'000	
	<u>Reorganisation</u>
-48	The budget for the CCTV service has been transferred to Corporate Services.
	<u>S106 Bus Contracts</u>
-22	The Section 106 Agreement for Peacock Farm, agreement number 6367, allows for bus services to be provided between this area and the Bracknell bus and rail stations. The contract price has reduced due to the number of properties now completed, in accordance with the contract, the sum now payable for 2010/11 is £201,480. This is a reduction of £22,210 on the virement made at the beginning of the financial year.
-70	Total Virements

Equalities Screening Record Form

Date of Screening: 18 November 2010	Directorate: Environment, Culture and Communities	Section: Leisure and Culture
1. Activity to be assessed	<p>Budget reductions in the Arts and Heritage Service.</p> <p>The budget reduction option is to delete the following posts from the Arts and Heritage Service: Arts and Heritage Officer, Arts Development Officer, Heritage Officer and 2 dance artists. The worker time for the Arts and Heritage Service covered by these posts is 73.8 hours + 18.5 hours a week and represents the whole of the team making up the service. The budgets associated with the arts and heritage service will also be deleted. In total the budget for arts and heritage including the posts above amounts to £78,980 in 2010/2011.</p> <p>5,530 people attended 144 events and activities held by the Arts and Heritage team in 2009/2010. Over 700 people attended Heritage Open Days co-ordinated and promoted by the Heritage Officer in 2010. Research carried out by Arts Marketing Hampshire (2007) indicates that 35% of the adult population has attended arts events and 20% taken part. 35% of the Bracknell Forest population is around 40,000 people indicating this cut may represent around 15% of the total arts events attendance in the Bracknell Forest community. Heritage Online web site received in 2008/2009 received on average 10,000 visits a month. We do not know how many individuals this represents but it may be the loss of this site impact takes a greater proportion of the communities heritage activity.</p> <p>The team deliver the Heritage Strategy and run the Heritage Forum which meets 3 times a year and maintain the Heritage database and Heritage Online web site (which in 2008/2009 received on average 10,000 visits a month). Membership of the Heritage Forum includes Bracknell Forest Councillors, Parish Councillors as well as local historians and representatives of local associations. The team also provides expert advice to the voluntary sector on heritage matters. It also provides advice and information for local groups setting up their own project and a point of contact for liaison with Arts Council England and Regional Agencies. It also delivers the Public Art Advisory Panel and provides expert advice to planners regarding provision of and commissioning of public art through the planning process.</p> <p>South Hill Park Arts Centre is the main provider of arts in the Borough and the Berkshire Record Office holds archives relating to the history of Bracknell Forest Borough. They remain unaffected by this option</p> <p>Some public art matters may be covered by the Bracknell Forest Council Planning and Transport Division.</p> <p>Liaison with Berkshire Archaeology is through the Council's Planning and Transport Division</p> <p>The Head of Libraries, Arts and Heritage represents Bracknell Forest Council at the regular meetings that take place with the Berkshire Record Office.</p>	
2. What is the activity?	<input type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input checked="" type="checkbox"/> Service <input checked="" type="checkbox"/> Organisational change	
3. Is it a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	
4. Officer responsible for the screening	Ruth Burgess, Head of Libraries, Arts and Heritage	
5. Who are the members of the EIA team?	Jane Eaton, Chief Officer: Performance and Resources; Ruth Burgess, Head of Libraries, Arts and Heritage.	
6. What is the purpose of the activity?	The purpose of the activity is to provide opportunities to participate in, to appreciate, understand and support local arts and heritage development.	
7. Who is the activity designed to benefit/target?	The activity is designed for everyone who lives and works in Bracknell Forest. Some parts of the service are designed and targeted at particular communities with particular needs.	

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<p>8. a Racial equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	Y	N	<p>The Arts and Heritage Service aimed to foster good relations between the different racial communities in Bracknell by running a range of events under the Let's celebrate diversity banner. Over 200 people from a diverse background attended Birch Hill Community Centre to experience a range of art form workshops, displays and stalls; from Irish folk, African Drumming to Bollywood. There was excellent support from the voluntary sector, especially from the Indian Community Association-Bracknell. This event was organised in 2010 as part of Arts Spaces, an arts week for Birch Hill, Hanworth, Great Hollands and Jennett's Park.</p> <p>The loss of this service means the Council will no longer have the ability to hold such events and learning and understanding between racial groups may fall.</p>
<p>8. b What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc.</p>	<p>We do not have information about how many people from different racial groups attended our events so we cannot say whether any one group will be more affected by the end of this service than another.</p>		
<p>9. a Gender equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	Y	N	<p>Our events have not targeted one gender over another although statistically our evidence indicates more women than men attended the arts events. This means the cut will have a higher impact on women than men.</p> <p>The only targeted event on gender was the <i>Magic for Dads</i> workshop at Jennett's Park.</p>
<p>9. b What evidence do you have to support this?</p>	<p>In terms of Arts feedback (2006-2008), three times as many females participated than males. Of those who chose to complete the Heritage Open Days form two thirds were female.</p>		
<p>10. a Disability equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	Y	N	<p>Our events have not targeted disability groups. However several of our events have targeted vulnerable young people and older people. These groups tend to have a higher level of disability than the population as a whole. The proportion of people with a long term conditions who attended the Heritage Open Days in 2008 and completed the monitoring form was nearly 40%. As a result we think it likely this cut will have a higher impact on people with disabilities.</p>
<p>10. b What evidence do you have to support this?</p>	<p>Of the 93 people who chose to complete the Heritage Open Days form 37 indicated they had a long term condition.</p>		
<p>11. a Age equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	Y	N	<p>Many of our events were targeted at older and younger people and the loss of the events is likely to have a disproportionate impact on our older and younger residents.</p> <p>Crowthorne Carnival. This was specifically for people at risk or excluded from school on referrals from PCSOs and Youth Clubs. It is a voluntary run event which takes place every other year. For 2008, the arts team worked with young carers, young people at risk of being excluded and youth club members who had not been involved before.</p> <p>Trail Blazers. A project launched by Look Ahead Housing which resulted in artists working with vulnerable young people, developing leadership skills and building links with local communities through arts activities.</p>

Annexe I(i)

			<p>United and Dancewise Bracknell Forest Youth Dance Forum. The Council's ongoing youth dance project which meets at Priestwood Youth Dance Centre on Sundays during term time and is led by professional dance artists.</p> <p>Age to Age A cross generation song making and reminiscence project involving song making and reminiscence project involving older people (telling their stories) and pupils (making the songs) led by a professional musician and storyteller. Organised in partnership with Extended Services, to include work in Harmans Water and Crowthorne.</p>
<p>11. b What evidence do you have to support this?</p>	<p>Of those who chose to complete the Heritage Open Days form most people who attended were over the ages of 65, followed closely by the 55 to 64 age group.</p> <p>In terms of Arts feedback (2006-2008) the majority of those replying were under 35 and 45 years of age.</p> <p>Research carried out by Arts Marketing Hampshire (2007) indicates that 35% of the adult population has attended arts events and 20% taking part. This is based on a sample statistically replicating the population, showed involvement in arts activities is similar to that indicated in the national Taking Part survey, carried out by the Department for Culture, Media and Sport. This survey, since 2005, shows that 33% of adults and 91% of children attending these events take part.</p>		
<p>12. a Religion and belief equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p>Y</p>	<p>N</p>	<p>Our events have not included specific religious focus although some of our events planned at extending racial understanding (see section 8) did include religious elements. We have not monitored the religion of people attending our events. However we have no evidence to suggest this cut will affect one religious group more than another.</p>
<p>12. b What evidence do you have to support this?</p>	<p>We have not monitored the number of people attending our events from different religions so we do not know for certain whether our view the impact is unlikely to be disproportionate is correct.</p>		
<p>13. a Sexual orientation equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p>Y</p>	<p>N</p>	<p>We have not run any events targeted at people of one sexual orientation or another. We have not monitored the sexual orientation of people attending our events. However we have no evidence to suggest this cut will affect people of one sexual orientation more than another.</p>
<p>13. b What evidence do you have to support this?</p>	<p>We have not monitored the sexual orientation of people attending our events so we do not know for certain whether our view the impact is unlikely to be disproportionate is correct.</p>		
<p>14. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carer's/ex-offenders) and on promoting good community relations.</p>	<p>Many of our events were designed to promote good community relations and better understanding between groups. These include the intergeneration project Age to Age and the Let's Celebrate Diversity event.</p> <p>Many of our events also targeted social disadvantaged young people and were important diversional activities for them and, we believe, helped reduce the level of anti-social behaviour by the young in the Borough. This view is supported by PCSOs referring young people to our activities such as Crowthorne Carnival.</p>		
<p>15. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?</p>	<p>This decision will have a negative impact on several different equalities groups on the grounds that the Council cannot afford to provide these services any more.</p>		

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16. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	<p>All evidence held by the service suggests activities and events are very beneficial to a diverse range of groups. In Bracknell Forest, the area's overall shared vision and priorities are set out in the Sustainable Community Strategy 'Living Together, Working Together 2008-2014'. Priority 3b is "Enjoying Life' and includes two objectives specific to arts and culture: 'Cultural activities will be valued and will encourage people to celebrate all aspects of achievement, diversity and civic pride' and 'There will continue to be a wide range of arts and sports facilities that are accessible to everyone'.</p> <p>Statistically our analysis suggests the greatest impact is on older people; younger people, especially those from social disadvantaged backgrounds and women (two thirds). The impact will also be to lessen cultural understanding especially around racial and religious issues.</p>		
17. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?	Y	N	No, although this cut disadvantages many groups, it is lawful.
18. What further information or data is required to better understand the impact? Where and how can that information be obtained?	The Council's budget consultation in December 2010 will enable consultation with equality groups on the budget proposals the consultation responses and results will be added to the impact assessment.		
19. On the basis of sections 7 – 17 above is a full impact assessment required?	Y	N	Based on the information we have at present we do not believe we need to complete a full assessment. These activities do impact on many people's lives but stopping them will not have a large detrimental impact on any disadvantaged group.
20. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.			
Action	Timescale	Person Responsible	Milestone/Success Criteria
South Hill Park A C to take over the Creative Network for individuals.	31/3/11	Head of Libraries, Arts and Heritage	Creative Network continues to operate during 2011/12.
South Hill Park A C to lead the Lift Off Dance Festival 2011.	31/3/12		Lift Off Dance Festival 2011 takes place.
Public Art	31/3/11	Chief Officer: Planning & Transport	Public art continues to form part of new developments.
Liaison with Berkshire Archaeology	31/3/11		Liaison with Berkshire Archaeology continues.
21. Which service, business or work plan will these actions be included in?	Libraries, Arts and Heritage Team Plan.		
22. Have any current actions to address issues for any of the groups or examples of good practice been identified as part of the screening?	Actions to keep the Creative Network operating and make the Lift Off Dance Festival run during 2011/12 have taken place.		
23. Chief Officers signature.	Signature:		Date:
24. Which PMR will this screening be reported in?			

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

Equalities Screening Record Form

Date of Screening: November 2010	Directorate: C,YP&L	Section: Learning and Achievement
1. Activity to be assessed	Proposed staffing reduction in Educational Psychology Service by 0.4 FTE staff	
2. What is the activity?	<input type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input checked="" type="checkbox"/> Service <input type="checkbox"/> Organisational change	
3. Is it a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	
4. Officer responsible for the screening	Bob Welch Chief Adviser	
5. Who are the members of the EIA team?	Anthony Riches Principal Education Psychologist	
6. What is the purpose of the activity?	The service supports the LA to identify and assess special educational needs of children and young people and those CYP (and their teachers and carers) who experience psychological distress, usually affecting their healthy emotional, social or educational development.	
7. Who is the activity designed to benefit/target?	Children and Young People	
8. a Racial equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	N	Please explain considering the impact on White British and Irish, Gypsy/Roma/Travellers, White Other, Black and Minority Ethnic groups; e.g Asian, Black, Chinese, Mixed Race.
8. b What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc.	This is a universal service, focussed on all children who meet the criteria for support.	
9. a Gender equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	N	Please explain considering the impact on men, women and transgender, where relevant.
9. b What evidence do you have to support this?	This is a universal service, focussed on all children who meet the criteria for support.	
10. a Disability equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	Y	Please explain considering all forms of disability e.g. visually impaired, hearing impaired, physically disabled, learning disability, mental health and unseen disabilities e.g. heart disease and diabetes
10. b What evidence do you have to support this?	Children with a mild learning disability or emotional or mental health issues, or their families and teachers, will have less opportunity to engage with an Educational Psychologist.	
11. a Age equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	N	Please explain considering the impact on children, young people, middle aged and older people.
11. b What evidence do you have to support this?	This is a universal service, focussed on all children who meet the criteria for support.	

Annexe I(ii)

<p>12. a Religion and belief equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p align="center">N</p>	<p>Please explain considering the impact on those with a religious belief e.g Christians, Jews, Hindus, Muslims, Sikhs and Buddhists; as well as those with non religious beliefs e.g Atheist</p>	
<p>12. b What evidence do you have to support this?</p>	<p>This is a universal service, focussed on all children who meet the criteria for support.</p>		
<p>13. a Sexual orientation equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p align="center">N</p>	<p>Please explain considering the impact on heterosexual men and women, gay men, lesbians and bisexual men and women.</p>	
<p>13. b What evidence do you have to support this?</p>	<p>This is a universal service, focussed on all children who meet the criteria for support.</p>		
<p>14. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carer's/ex-offenders) and on promoting good community relations.</p>	<p>None</p>		
<p>15. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?</p>	<p>No</p>		
<p>16. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?</p>	<p>The service is focussed on those in groups listed under item 10. A small number of pupils below the threshold for support and statutory intervention could be affected.</p>		
<p>17. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?</p>	<p align="center">N</p>	<p>Please explain for each equality group</p>	
<p>18. What further information or data is required to better understand the impact? Where and how can that information be obtained?</p>	<p>The Council's budget consultation in December 2010 will enable consultation with equality groups on the budget proposals the consultation responses and results will be added to the impact assessment.</p>		
<p>19. On the basis of sections 7 – 17 above is a full impact assessment required?</p>	<p align="center">N</p>	<p>This is a service reduction but all statutory duties will be completed. The impact will be in a reduction of time devoted to development work and other projects and the team's capacity to work with young people who may not have special educational needs.</p>	
<p>20. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.</p>			
<p align="center">Action</p>	<p align="center">Timescale</p>	<p align="center">Person Responsible</p>	<p align="center">Milestone/Success Criteria</p>
<p>Review service provision</p>	<p>April 2011</p>	<p>Anthony Riches</p>	<p>Key service levels maintained and report deadlines met.</p>
<p> </p>	<p> </p>	<p> </p>	<p> </p>
<p> </p>	<p> </p>	<p> </p>	<p> </p>
<p>21. Which service, business or work plan will these actions be included in?</p>	<p>C,YP&L business plan</p>		

Annexe I(ii)

22. Have any current actions to address issues for any of the groups or examples of good practice been identified as part of the screening?	No
23. Chief Officers signature.	<p style="text-align: center;"><i>Bob Welch</i></p> Signature: 1.12.10 Date:
24. Which PMR will this screening be reported in?	Quarter 3


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

Equalities Screening Record Form

Date of Screening: November 2010	Directorate: C,YP&L	Section: Learning and Achievement
1. Activity to be assessed	Proposed staffing reduction in Education Welfare Service by 0.7 FTE staff	
2. What is the activity?	<input type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input checked="" type="checkbox"/> Service <input type="checkbox"/> Organisational change	
3. Is it a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	
4. Officer responsible for the screening	Bob Welch Chief Adviser	
5. Who are the members of the EIA team?	Gloria King Children and Families Manager	
6. What is the purpose of the activity?	The service supports the LA to secure good levels of attendance in schools	
7. Who is the activity designed to benefit/target?	Children and Young People	
8. a Racial equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	N	Please explain considering the impact on White British and Irish, Gypsy/Roma/Travellers, White Other, Black and Minority Ethnic groups; e.g Asian, Black, Chinese, Mixed Race.
8. b What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc.	This is a universal service, focussed on all children their families who meet the criteria for support.	
9. a Gender equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	N	Please explain considering the impact on men, women and transgender, where relevant.
9. b What evidence do you have to support this?	This is a universal service, focussed on all children their families who meet the criteria for support.	
10. a Disability equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	N	Please explain considering all forms of disability e.g. visually impaired, hearing impaired, physically disabled, learning disability, mental health and unseen disabilities e.g. heart disease and diabetes
10. b What evidence do you have to support this?	This is a universal service, focussed on all children their families who meet the criteria for support.	
11. a Age equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	N	Please explain considering the impact on children, young people, middle aged and older people.
11. b What evidence do you have to support this?	This is a universal service, focussed on all children their families who meet the criteria for support.	

Annexe I(iii)

<p>12. a Religion and belief equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p>N</p>	<p>Please explain considering the impact on those with a religious belief e.g Christians, Jews, Hindus, Muslims, Sikhs and Buddhists; as well as those with non religious beliefs e.g Atheist</p>	
<p>12. b What evidence do you have to support this?</p>	<p>This is a universal service, focussed on all children their families who meet the criteria for support.</p>		
<p>13. a Sexual orientation equality - Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p>N</p>	<p>Please explain considering the impact on heterosexual men and women, gay men, lesbians and bisexual men and women.</p>	
<p>13. b What evidence do you have to support this?</p>	<p>This is a universal service, focussed on all children their families who meet the criteria for support.</p>		
<p>14. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carer's/ex-offenders) and on promoting good community relations.</p>	<p>None</p>		
<p>15. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?</p>	<p>N/A</p>		
<p>16. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?</p>	<p>No</p>		
<p>17. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?</p>	<p>N</p>	<p>Please explain for each equality group</p>	
<p>18. What further information or data is required to better understand the impact? Where and how can that information be obtained?</p>	<p>The Council's budget consultation in December 2010 will enable consultation with equality groups on the budget proposals the consultation responses and results will be added to the impact assessment.</p>		
<p>19. On the basis of sections 7 – 17 above is a full impact assessment required?</p>	<p>N</p>	<p>This is a service reduction but all statutory duties will be completed. The impact will be in a reduction of time devoted to development work and other projects and the team's capacity to work with children, young people and their families.</p>	
<p>20. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.</p>			
<p>Action</p>	<p>Timescale</p>	<p>Person Responsible</p>	<p>Milestone/Success Criteria</p>
<p>Review service provision</p>	<p>April 2011</p>	<p>Gloria King</p>	<p>Key service levels maintained and report deadlines met.</p>
<p></p>	<p></p>	<p></p>	<p></p>
<p></p>	<p></p>	<p></p>	<p></p>
<p>21. Which service, business or work plan will these actions be included in?</p>	<p>C,YP&L business plan</p>		
<p>22. Have any current actions to address issues for any of the groups or examples of good practice been identified as part of the screening?</p>	<p>No</p>		

23. Chief Officers signature.	 Signature: Date: 1.12.10
24. Which PMR will this screening be reported in?	Quarter 3

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