

TO: THE EXECUTIVE  
DATE: 16 DECEMBER 2014

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**GENERAL FUND REVENUE BUDGET 2015/16  
(Chief Executive/Borough Treasurer)**

**1. PURPOSE OF REPORT**

- 1.1 Under the Council's constitution, the Executive is required to consult on its detailed budget proposals with the Council's Overview & Scrutiny Commission and any other interested parties or individuals for a period of at least six weeks. This report summarises the current position on the Council's budget preparations for 2015/16.
- 1.2 At the time the Executive agenda was published the Provisional Local Government Financial Settlement had not been announced and is not expected until late December 2014. Therefore, in the absence of the Provisional Settlement, the report is based on the indicative 2015/16 funding figures received in February 2014.
- 1.3 All comments received on these budget proposals will be submitted to the Executive on 10 February along with details of the final Financial Settlement. This will allow the Executive to determine its final budget package and recommend the appropriate Council Tax level to Council, who will formally approve the 2015/16 budget and Council Tax on 25 February 2015.

**2 RECOMMENDATIONS**

**That the Executive:**

- 2.1 **Agree the draft budget proposals for 2015/16 as the basis for consultation with the Overview & Scrutiny Commission and other interested parties or individuals.**
- 2.2 **Agree the Treasury Management Strategy and associated documents at Annexe E and request that the Governance and Audit Committee review each of the key elements.**
- 2.3 **Agree that the 2015/16 Schools Budget be set at the estimated level of grant income plus any accumulated balances, with the Executive Member for Children, Young People and Learning authorised to make amendments and agree budgets for schools and services centrally managed by the Council.**
- 2.4 **Approve the virements relating to the 2014/15 budget as set out in Annexes F and G and recommend those that are over £0.100m for approval by Council.**

**3 REASONS FOR RECOMMENDATIONS**

- 3.1 The recommendations are designed to allow the Executive to consult on its draft budget proposals for 2015/16 as required by the Local Government Act 2003.

**4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 The range of options being considered is included in the report and its Annexes.

## SUPPORTING INFORMATION

### 5 COMMITMENT BUDGET 2015/16 – 2017/18

5.1 Initial preparations for the 2015/16 budget have focussed on the Council's Commitment Budget for 2015/16 – 2017/18. This brings together the Council's existing expenditure plans, taking account of approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the 2014/15 budget was set.

5.2 A number of changes are proposed to the Commitment Budget since it was last considered by the Executive in July and are reflected in the summary in Table 1. The most significant are set out below:

- The latest waste projections have indicated an increase in waste tonnages and a reduction in the amount being recycled. In addition, increases in landfill tax are now directly linked to RPI and will be reflected in the inflation calculation (£0.380m).
- The Local Development Framework has required updating due to changes in National Policy, including those brought in through the National Planning Policy Framework. This has resulted in additional costs for technical work and studies and has changed the spend profile over the next three years compared to the previous estimate (£0.163m). The new programme has been formalised in the updated Local Development Scheme approved by the Executive.
- Inclusion of the forecast recruitment and retention payments in Children's Social Care agreed by the Employment Committee on the 18 June (£0.130m). The budget increase will be reviewed once the actual number of employees entitled to the payment has been established.
- The projection for the Minimum Revenue Provision now incorporates the latest forecast for capital spend and receipts and the on-going under spend from 2014/15 (-£0.390m).
- Inclusion of the savings from the Aiming High programme agreed by the Executive on 23 September (-£0.108m).
- The allocation for pension fund contributions now reflects the actual lump sum deficit payments the Council will need to make over the next three years (-£0.197m).

Whilst these changes to the Commitment Budget are individually significant, their overall impact is to increase the Council's budget by only £0.011m (includes other minor changes) when compared to the position reported in July.

5.3 Taking account of these changes, Table 1 summarises the position and shows that base expenditure (excluding schools) is planned to increase by £1.005m to £90.779m next year, before consideration is given to allowances for inflation and the budget proposals identified by individual Departments in 2015/16. The commitment budget is shown in more detail in Annexe A.

Table 1: Summary Commitment Budget 2015/16-2017/18

|                                                         | Planned Expenditure |                 |                 |
|---------------------------------------------------------|---------------------|-----------------|-----------------|
|                                                         | 2015/16<br>£000     | 2016/17<br>£000 | 2017/18<br>£000 |
| Base Budget                                             | 89,774              | 90,779          | 92,241          |
| <i>Movements in Year:</i>                               |                     |                 |                 |
| Adult Social Care, Health and Housing                   | 17                  | 10              | 0               |
| Children, Young People and Learning (excluding schools) | 22                  | -30             | 10              |
| Corporate Services / Chief Executive's Office           | 121                 | -65             | -29             |
| Environment, Culture & Communities                      | 795                 | 110             | -166            |
| Non Departmental / Council Wide                         | 50                  | 1,437           | 600             |
| <i>Total Movements</i>                                  | 1,005               | 1,462           | 415             |
| <b>Adjusted Base</b>                                    | <b>90,779</b>       | <b>92,241</b>   | <b>92,656</b>   |

## 6 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2015/16

- 6.1 Alongside the 2014/15 Local Government Financial Settlement announced in February 2014, the Government published a Provisional 2015/16 Settlement for local authorities. As expected, for such an early Provisional Settlement, this did not contain a great amount of detail but gave councils an indication of the likely level of funding to be used for planning purposes.
- 6.2 In July 2014 the Government published a consultation paper on potential changes to both the total amount of funding assumed in the Provisional Settlement and a number of technical changes to the allocation methodologies. The outcome of this exercise is expected to be known when the 2015/16 Provisional Settlement is published in late December.
- 6.3 Funding from central government is received through Revenue Support Grant (RSG) and Specific Grants. The provisional amount of RSG announced in February 2014 for 2015/16 showed a fall from -£19.297m to -£15.171m, representing a 21.4% reduction. As noted above, further reductions may result from the consultation proposals outlined by the Government in the summer.
- 6.4 The level of Specific Grants will be announced as part of the 2015/16 Provisional Settlement. However, at this stage in the budget cycle the Council has already been made aware of two particular changes.
- The Education Services Grant (ESG) is paid to fund education support services which local authorities provide centrally to maintained schools but for the most part academies must secure independently; for example, human resources, financial supervision and asset management. It is not a ring-fenced grant: local authorities and Academies are free to decide how it is spent based on their individual circumstances. The June 2013 Spending Review announced that £200 million of savings will be needed to be made from the ESG in 2015/16; almost 20% of total ESG grant expenditure. A

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consultation in March of this year sought views on how this reduction might be achieved. It is estimated that the Council will see a reduction of £0.426m.

- Parts of the discretionary Social Fund, introduced in 1987, were abolished by the Welfare Reform Act 2013 and replaced by a non-ring-fenced specific grant from April 2013 for the final two years of the Spending Review up to March 2015. The Government informed local authorities that the allocation of future funding would be assessed as part of the next Spending Round Settlement. It is intended that, from April 2015, local welfare provision would be funded from general grant to Local Government, instead of an identifiable sum being made available specifically for this purpose. The overall impact of this change in approach is expected to be a reduction in funding of £0.208m.

- 6.5 A third important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates change each year due to inflationary increases (set by central government) and local growth or decline as local businesses and economic conditions expand or contract.
- 6.6 The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government. Taking into account the baseline funding level published in February 2014 and factoring in local circumstances, the budget projections assume income of -£21.247m. There is a risk associated with these projections due to the impact of the Town Centre regeneration and changes in the local economic conditions; however officers monitor total yield, revaluations, changes-in-circumstances, appeals and refunds on a monthly basis.
- 6.7 During 2013/14 a large multi-national company transferred on to the Council's valuation list which materially increased the level of business rates collected locally. When setting the budget for 2014/15 the Council's share of the resulting one-off surplus on the Collection Fund for 2013/14 and the on-going additional rates income were transferred into the Business Rates Equalisation Reserve. The 2015/16 budget proposals assume that the on-going transfer to the reserve will be reduced by £3m to help balance the budget.
- 6.8 Based on the number of additional properties that have been built and liable for Council Tax in the last 12 months to October, the budget proposals assume an additional New Home Bonus (NHB) grant of -£0.500m. This excludes a share of the NHB Adjustment Grant (NHBAG) that is top-sliced from the local government overall funding total to ensure there is sufficient funding to meet all the NHB allocations. Any surplus is returned to local-authorities on a pro-rata basis. The actual figure will be announced as part of the Provisional Settlement, but the current model assumes that the level of NHBAG received in 2014/15 (-£0.052m) will be continued in 2015/16.

## **7 COUNCIL TAX**

- 7.1 Following the acceptance of Council Tax Freeze Grant and the resultant zero increase for the last four years, Council Tax at present levels will generate total income of -£45.944m in 2015/16. The Local Council Tax Benefit Support Scheme is treated as a discount i.e. a reduction in the calculation of the Council Tax Base. The latest information on the take-up of Council Tax support indicates that it will be significantly less than that budgeted for in 2013/14. Based on the latest forecast, Council Tax income will increase by £0.356m as a result in 2015/16. In addition a further £0.406m will be generated from an increase in the Tax Base primarily arising from the occupation of new properties during 2015/16. Based on these provisional figures, Council Tax income is therefore expected to be -£46.706m for 2015/16.

- 7.2 The Government has again prioritised keeping Council Tax increases to the minimum possible next year. To support this aim, the Department for Communities and Local Government has announced that it will give Councils who agree to freeze or reduce Council Tax in 2015/16 a one-off grant equivalent to a 1% increase in Council Tax. Any future support will be announced as part of the 2016 Spending Round following the General Election.
- 7.3 The Executive intends to accept the Government's offer to work in partnership with local authorities to protect council tax payers with a council tax freeze, thereby passing on the benefit to the council tax payers for a fifth consecutive year. The working assumption upon which the proposals in this report are based is that there will be no increase in Council Tax and that the Council will receive additional grant from Central Government of -£0.505m.
- 7.4 The Executive at its meeting in February will recommend to Council the level of Council Tax in light of the Final Settlement, the results of the consultation and the final budget proposals.

## 8 BUDGET PROPOSALS 2015/16

### Service Pressures and Developments

- 8.1 In the face of significant reductions in public expenditure in general and in grants to Local Government in particular the scope to invest in new service provision is self evidently severely restricted. Nevertheless, it is important to retain a clear focus to ensure that the Council continues to protect and, wherever possible, improve services and to invest in the Borough, focussing on protecting front line services and delivering the Council's Medium Term Objectives. In preparing the 2015/16 draft budget proposals each department has evaluated the potential pressures on its services and these are set out in Annexe B. The following Table summarises the pressures by department.

Table 2: Service Pressures/Development

| <b>Department</b>                                       | <b>£'000</b> |
|---------------------------------------------------------|--------------|
| Adult Social Care, Health and Housing                   | 838          |
| Children, Young People and Learning (excluding schools) | 140          |
| Corporate Services / Chief Executive's Office           | 182          |
| Environment, Culture & Communities                      | 424          |
| <b>Total Pressures/Developments</b>                     | <b>1,584</b> |

- 8.2 Many of the pressures are simply unavoidable and respond only to changing demographic trends, particularly as they principally relate to increases in client numbers within Adult Social Care. They do, however, also support the Council's overarching priorities and medium term objectives in the following way:
- protect and enhance our environment (0.289m)
  - promote health & achievement (£0.160m);
  - create a Borough where people are safe, and feel, safe (£0.888m);
  - sustain economic prosperity (£0.037m);
  - provide value for money (£0.086m).

- 8.3 In addition to these revenue proposals the Council continues to invest in its priorities through targeted capital expenditure. A substantial investment in the long term future of the Borough is planned, to secure the delivery of regeneration in Bracknell town centre, to ensure that there are sufficient school places for our children and young people, and to protect and enhance the Borough's outstanding leisure offer. Details of these major investments are contained in the capital programme report and in other individual reports elsewhere on tonight's agenda, but the cost of funding all potential commitments arising from these various proposals is included in the revenue plans before members.

Service Economies /Balancing the Budget

- 8.4 Members and officers have held regular meetings to determine options for savings and a list of potential draft budget savings has been developed. This list totals -£2.476m and is attached at Annexe C and summarised in Table 3. As in previous years, these economies focus as far as possible on central and departmental support rather than on front-line services. However, since it became a Unitary Authority the Council has successfully delivered savings of around £62m in total. Against this background of continually bearing down on costs and driving to improve efficiency it is becoming increasingly difficult to find further savings in these areas, which would not compromise the Council's ability to function effectively. Additional economies identified by Adult Social Care, Health and Housing resulting from the current take-up of the Local Council Tax Benefit Support Scheme have now been incorporated into the Council Tax calculation in paragraph 7.1. Treasury Management savings previously shown under Corporate Services have now been incorporated into Non Departmental budgets.

Table 3: Summary Service Economies

| <b>Department</b>                                       | <b>£'000</b>  |
|---------------------------------------------------------|---------------|
| Adult Social Care, Health and Housing                   | -698          |
| Children, Young People and Learning (excluding schools) | -494          |
| Corporate Services / Chief Executive's Office           | -411          |
| Environment, Culture & Communities                      | -813          |
| Non Departmental / Council Wide                         | -60           |
| <b>Total Savings</b>                                    | <b>-2,476</b> |

Significant Budget Decisions

- 8.5 Consideration and approval of the budget is a major policy decision. However, the budget, by its nature, includes a range of proposals, some of which in themselves represent important policy decisions. More details on each of the proposals are included in Annexe B.
- 8.6 As the budget report is a policy document and is subject to six weeks consultation, the identification of these issues within the budget report facilitates detailed consultation on a range of significant policy decisions.

### Council Wide Issues

8.7 Apart from the specific departmental budget proposals contained in Annexes A and B there are some Council wide issues affecting all departments' budgets which need to be considered. The precise impact of these corporate budgets is likely to change before the final budget proposals are recommended, however the current view on these issues is outlined in the following paragraphs.

a) Capital Programme

As outlined above, the scale of the Council's Capital Programme for 2015/16 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts, government grants, developer contributions or borrowing from internal resources. The proposed Council Funded Capital Programme of £16.818m and externally funded programme of £17.804m for 2015/16 features in a separate report on tonight's agenda. After allowing for projected receipts of approximately £2.5m in 2015/16 and carry forwards, but excluding the self-funding Invest to Save schemes, the additional revenue costs will be £0.034m in 2015/16 and £0.453m in 2016/17. These figures include on-going costs associated with the maintenance and support of IT capital purchases.

b) Interest and Investments

Investment returns are likely to remain relatively low during 2015/16 and beyond. The Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2015. Given the Council's approach to managing risk and keeping investments limited to a maximum of 6 months maturity with the exception of the part-nationalised UK Banks, the opportunity to achieve rates in excess of the Bank Rate is limited.

The 2015/16 budget is therefore based on an average rate of return of approximately 0.5% and reflects the lower cash balances as a result of the proposed 2015/16 Capital Programme. The net impact of these is a £0.085m pressure, being £0.034m related to the Capital Programme and a loss of income of £0.051m from the fall in the expected yield on investments from cash-flow movements.

There is a risk, however, that the Council's cash-flow will differ from past years as a result of the reforms to Business Rates Retention which has a dramatic impact on the cash-profile of the Council. As such any change in interest rates or cash balances will clearly have an impact on the overall investment income generated by the Council with every 0.1% reduction in the average rate of return adding a £0.03m pressure to the General Fund.

The Council reviews the annual Treasury Management Strategy Statement under the requirement of the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Local Government Act 2003 required the Council to "have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the capital investment plans are affordable, prudent and sustainable". Annexe E outlines the Council's prudential indicators for 2015/16 – 2017/18 and sets out the expected treasury management activities for this period. It is recommended that the Executive agree the

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Treasury Management Strategy and associated documents and in line with the Code of Practice request that the Governance and Audit Committee review each of the key elements.

### c) Provision for Inflation and Pay Awards

The Commitment Budget excludes the cost of inflation on both expenditure and income. In past years, the Council has restricted the provision for inflation on prices as a general economy measure, to help address the underlying budget gap, although pay awards have been fully funded. In the context of the Council's overall financial position, it is again prudent to consider where the provision for inflation on prices can be limited as an economy measure, although some exceptions will be necessary to reflect actual increases that will not be containable without real service reductions or to meet contractual commitments. In particular it will be important to have realistic discussions with key providers about what level of inflation is genuinely necessary on some contracts and placements.

At this stage the inflation provision is not finalised, although for planning purposes a sum of £1.700m (£1.875m 2014/15) has been added to the budget. This will be achieved by:

- Building in the 2 year pay award for National Joint Council staff and assuming 1% for all other pay awards except for the Chief Executive and Directors for whom zero pay inflation is again planned;
- Negotiating to minimise inflation on contracts;
- Increasing fees and charges by 1.8% unless this is inconsistent with the Council's income policy.

The Council will need to consider where it is appropriate and necessary to provide for inflation over the coming weeks so that the actual inflation provision can be added to the final budget report in February 2014.

### d) Fees and Charges

The Council established a policy for the review of fees and charges when setting the 2001/02 budget. This requires each Department to consider the level of charges against the following criteria:

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

It is estimated that many prices, where the Council charges users a fee for services, will need to increase by around 1.8% to recover the costs of those services. However, where current economic conditions and the market rate indicate a different percentage, for example for leisure income, this has been applied. Certain other fees also attract a different percentage as they are determined by statute. The proposed fees and charges are included in Annexe D.

e) Corporate Contingency

The Council manages risks and uncertainties in the budget through the use of a general contingency added to the Council's budget. Every year the Council faces risks on its budget in relation to demand led services, Business Rates and the general economic climate. In 2015/16 there will be specific significant risks in relation to:

- the implementation of a recent court ruling regarding the deprivation of liberty safeguards;
- the Care Act;
- and waste tonnages.

The level of risk and uncertainty is more significant than that for last year. The general Contingency included in the budget proposals currently stands unchanged at £1m but will need to be reviewed in order to set a realistic and deliverable budget in 2015/16.

The Executive will need to make a judgement on the appropriate level of contingency at its February meeting, taking advice from the Borough Treasurer who will need to certify the robustness of the overall budget proposals in the context of the Council's remaining general and earmarked reserves. All the reserves will be reviewed to ensure that they are sufficient to manage the financial risks facing the Council in the coming years.

Spending on Schools

- 8.8 The Schools Budget continues to be funded by grants, the most significant of which is the specific ring-fenced Dedicated Schools Grant (DSG). This comprises three notional blocks; schools, which includes delegated school budgets and a small number of centrally managed services aimed at 5 – 16 year olds; early years, which again includes funds to pay providers and a limited range of central support services for 2 – 4 year olds; and the high needs block, which is generally centrally managed and is intended to fund the cost of education for 0 – 25 year olds when individual needs exceed £10,000. The DSG totalled £79.6m in 2014/15.
- 8.9 The allocations are not ring-fenced to each block, so more or less can be planned to be spent within each element, but a ring-fence continues on the DSG as a whole so that it can only be spent on the functions defined within the School and Early Years Finance Regulations.
- 8.10 Funding in each block was initially based on 2012/13 budgeted spend but has subsequently been updated for changes in pupil numbers, albeit at 2012/13 prices. However, changes in the number of high needs pupils have only been funded up to the minimum £10,000 cost. Whilst this ensures adequate funding for the increased pupil numbers in mainstream schools and early years providers, it does not cover any costs for new high needs pupils where they are over £10,000 which has caused financial difficulty for the Schools Budget. During 2014/15, there has been an in-year increase in high needs pupils of 22, at an average additional cost of £0.042m which amounts to total additional spend of £0.924m. None of this extra spend is covered in the funding settlement, meaning the Schools Budget is expected to carry forward an underlying over spend of around £1m. It is anticipated that there are sufficient general reserves in the Schools Budget to fund the over spend anticipated in 2014/15 but that additional on-going funding will be required.

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- 8.11 For 2015/16, the Department for Education (DfE) has announced that £390m of new money will be allocated to the Schools Block element of DSG through a *Fairer Schools Funding for 2015/16* initiative, to be targeted to the councils currently receiving the lowest funding rates. This will result in a £1.5m increase (2.4%) for the Schools Budget.
- 8.12 Whilst the intention of the DfE is that this extra money will be made available for schools, the reality of the position in Bracknell Forest is that the majority of additional income will need to be spent on High Needs pupils. Individual schools and the Schools Forum have been informed of the likelihood that at least £1m of the increased income will not be available for allocation to schools but instead diverted to support high needs pupils. The expectation therefore is that £0.5m will be passed on to schools, but this will only be sufficient to cover the additional cost arising next year from a 2.3% increase in the employers Teachers' Pension Scheme Rate, effective from September 2015.
- 8.13 In addition to the DSG, schools also receive revenue funding from other specific grants including School Sixth Forms (currently £4.5m), the Pupil Premium (£2.9m), Primary PE and Sports Premium (0.295m) and the Universal Infant Free School Meals Grant (£0.86m). All of these amounts are subject to change in 2015/16.
- 8.14 Whilst it is expected that the schools and early years block elements of the DSG will be confirmed by the end of December, it is unlikely that the high needs block amount will be known this year. However, the DfE requires Councils to confirm the basis on which actual school budgets will be allocated, including per pupil and all other funding rates, by 20 January 2015 even though relevant information required to calculate budgets will not be supplied before 19 December 2014. To meet this requirement, 2015/16 school budgets will have to be set on the basis of the estimated level of DSG plus any other grants and accumulated balances. The draft budget proposals therefore assume the Schools Budget is set at the estimated level of grants and that any accumulated deficit or surplus is managed to a nil balance by the end of the funding period.
- 8.15 Decisions around the final balance of the budget between spending by schools and that on services managed by the Council is the responsibility of the Executive Member for Children, Young People and Learning, although the Schools Forum must be consulted, and in certain circumstances, agree to budget proposals.

### Summary

- 8.16 Adding the draft proposals to the Commitment Budget and taking account of the corporate issues identified above would result in total expenditure of £82.504m as shown in Table 5.

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Table 5: Summary of proposals:

|                                                                                            |               |
|--------------------------------------------------------------------------------------------|---------------|
|                                                                                            | £'000         |
| Commitment Budget                                                                          | 90,779        |
| Budget Pressures                                                                           | 1,584         |
| Budget Economies                                                                           | -2,476        |
| Capital Programme                                                                          | 34            |
| Changes in Investment Income                                                               | 51            |
| Inflation Provision                                                                        | 1,700         |
| In-year Business Rates Income                                                              | -3,000        |
| Transfer of Business Rates Surplus to the Business Rates Equalisation Reserve <sup>1</sup> | -6,322        |
| New Homes Bonus 2015/16                                                                    | -500          |
| Reduction in Education Services Grant                                                      | 426           |
| Social Fund Grant                                                                          | 208           |
| <b>Draft Budget Requirement 2015/16</b>                                                    | <b>82,484</b> |

<sup>1</sup>This element of the transfer to the reserve was for one year only as it relates to the significant surplus achieved on the Collection Fund in 2013/14 which was one-off in nature.

8.17 Without the Provisional Finance Settlement assumptions have had to be made on the level of grant income. It has been assumed that the Council can anticipate income of up to -£77.786m. This arises from Revenue Support Grant and Business Rates baseline funding (-£30.575m excluding Council Tax Freeze Grant), additional Council Tax Freeze Grant (-£0.505m) and Council Tax (-£46.706m).

8.18 With the potential overall cost of the budget package being consulted on in the region of £82.484m, this leaves a potential gap of around £4.698m. Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:

- an appropriate contribution from the Council's revenue reserves, bearing in mind the Medium Term Financial Strategy;
- identifying further expenditure reductions.

## 9 RESERVES

9.1 The Council has an estimated £7.0m available in General Reserves at 31 March 2015. Details are contained in Table 6.

Table 6: General Reserves as at 31 March 2015

|                                              |            |
|----------------------------------------------|------------|
|                                              | £m         |
| General Fund                                 | 9.6        |
| Planned use in 2014/15                       | (2.6)      |
| <b>Estimated Balance as at 31 March 2015</b> | <b>7.0</b> |

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

- 9.3 The Council's share of the Business Rates surplus for 2013/14 and the additional Business Rates income in 2014/15 will be transferred into the Business Rates Equalisation Reserve at the year end. It is estimated that there will be a balance of £11.7m available on the reserve at the end of 2014/15.

## **10 CONCLUSION**

- 10.1 The Council's constitution requires a six week consultation period on the draft budget proposals. In this context, it is inevitable that, of the broad range of options proposed for consultation, not all will necessarily be included in the final budget package. It is also likely that some further issues with a financial impact will arise between now and February. When the Final Settlement is known, the Executive can consider the prudent use of revenue balances to support expenditure in line with the overall medium term financial strategy, along with any further expenditure reductions.
- 10.2 It is suggested, therefore, that the normal process whereby the Overview & Scrutiny Commission reviews the overall budget package and determines whether any specific issues should be considered further by the Overview and Scrutiny Panels at their meetings in January, is followed. The proposals will also be placed on the Council's website for public consultation.
- 10.3 All comments from the Overview & Scrutiny Commission, Overview and Scrutiny Panels and all others will then be submitted to the Executive on 10 February 2015. This will allow the Executive to determine the final budget package and recommend the appropriate Council Tax level to the Council on 25 February 2015.

## **11 BUDGET MONITORING 2014/15- VIREMENT REQUEST**

- 11.1 A virement is the transfer of resources between two budgets but it does not increase the overall budget approved by the Council. Financial Regulations require formal approval by the Executive of any virement between £0.050m and £0.100m and of virements between departments of any amount. Full Council approval is required for virements over £0.100m. During 2014/15 a number of virements have been identified which require the approval of the Executive. These have been previously reported to the Corporate Management Team which recommends them to the Executive for approval. They have been included in the Quarterly Service Reports. Details of virements between departments are set out in Annexe F. Details of internal departmental virements exceeding £0.050m are set out in Annexe G.

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

### Borough Solicitor

- 12.1 Nothing to add to the report.

### Borough Treasurer

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

### Equalities Impact Assessment

- 12.3 The Council's final budget proposals will potentially impact on all areas of the community. A detailed consultation process is planned in order to provide individuals and groups with the opportunity to comment on the draft proposals. This will ensure

that in making final recommendations, the Executive can be made aware of the views of a broad section of residents and service users. None of the budget proposals require specific equality impact assessments to be carried out.

#### Strategic Risk Management Issues

- 12.4 A sum of £1m is currently included in the draft proposals to meet the costs of unpredictable or unforeseen items that would represent in year budget risks. The Executive will need to make a judgement on the level of Contingency at its meeting in February.
- 12.5 The Borough Treasurer, as the Council's Chief Finance Officer (Section 151 Officer), must formally certify that the budget is sound. This will involve identifying and assessing the key risk areas in the budget to ensure the robustness of estimates and ensuring that appropriate arrangements are in place to manage those risks, including maintaining an appropriate level of reserves and Contingency. This formalises work that is normally undertaken each year during the budget preparation stages and in monthly monitoring after the budget is agreed. The Borough Treasurer will report his findings in February, when the final budget package is recommended for approval.

### **13 CONSULTATION**

#### Principal Groups Consulted

- 13.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal>. There will also be a dedicated mailbox to collect comments.
- 13.2 The timetable for the approval of the 2015/16 Budget is as follows

|                                                                 |                                       |
|-----------------------------------------------------------------|---------------------------------------|
| Executive agree proposals as basis for consultation             | 16 December 2014                      |
| Consultation period                                             | 17 December 2014 -<br>27 January 2015 |
| Executive considers representations made and recommends budget. | 10 February 2015                      |
| Council considers Executive budget proposals                    | 25 February 2015                      |

#### Background Papers

None

#### Contact for further information

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## Commitment Budget 2015/16 to 2017/18

|                                                                     | 2014/15<br>£'000 | 2015/16<br>£'000 | 2016/17<br>£'000 | 2017/18<br>£'000 |
|---------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| <b>Adult Social Care, Health and Housing</b>                        |                  |                  |                  |                  |
| Approved Budget                                                     | 32,240           | 32,276           | 32,293           | 32,303           |
| Carers Accommodation Strategy                                       |                  | -10              |                  |                  |
| Fixed civil penalties - failure to declare changes in circumstances |                  | 10               | 10               |                  |
| Bracknell Forest Supplement                                         |                  | 17               |                  |                  |
| Net Inter Departmental Virements                                    | 36               |                  |                  |                  |
| <b>Adult Social Care and Health Adjusted Budget</b>                 | <b>32,276</b>    | <b>32,293</b>    | <b>32,303</b>    | <b>32,303</b>    |

### Description of Commitment Budget Items for 2015/16 to 2017/18

| Department and Item                                                 | Description                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adult Social Care, Health and Housing</b>                        |                                                                                                                                                                                                                                                                                                           |
| Carers Accommodation Strategy                                       | The Strategy involves the re-provision and modernisation of services currently provided at Waymead Short Term Care and Bracknell Day Services in Eastern Road. As well as improving the quality of service, cost benefits will arise in the medium term.                                                  |
| Fixed civil penalties - failure to declare changes in circumstances | Households who deliberately or negligently generate an overpayment in benefit for failing to inform a change in circumstance will be fined. An income budget was therefore created in 2014/15. However, it is expected that the number of fixed penalties issued will reduce in the two subsequent years. |
| Bracknell Forest Supplement                                         | An additional amount paid from 1 April 2014 to bring the hourly rate of Council employees (including Outer Fringe Area Allowance) up to the equivalent of £7.65.                                                                                                                                          |

## ADULT SOCIAL CARE, HEALTH AND HOUSING

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2015/16<br>£'000                                     | 2016/17<br>£'000 | 2017/18<br>£'000 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|------------------|------------------|
| <p><b>Adult Social Care Demographic pressures</b></p> <p>The demographic changes impact on the number of people requiring social care support. The Council are legally required to provide support to those meeting its eligibility criteria for Adult Social Care and will provide this in the most cost efficient way.</p> <p>The Department forecast population changes and requisite costs using the "Projecting Older People Population Information" and the "Projecting Adult Needs and Service Information" tools, developed by the Department of Health. These estimate the number of people likely to need support in any given local authority and enable an estimate of the financial impact to be made for budgeting purposes. Other known changes, such as future transfers of large care packages, have also been taken into account.</p> <p>The estimated financial impact of the changes are:</p> <ul style="list-style-type: none"> <li>• Older People</li> <li>• Mental Health</li> <li>• Long Term Conditions</li> </ul> | <p><b>216</b></p> <p><b>31</b></p> <p><b>484</b></p> |                  |                  |
| <p><b>New sensory support recipient</b></p> <p>Funding required for a placement at the WESC Foundation in Exeter, a centre that specialises in visual impairment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>30</b>                                            |                  |                  |
| <p><b>Support to the Health &amp; Wellbeing Board</b></p> <p>Advice and support for the Health &amp; Wellbeing Board in relation to changes in legislation, policy and practice. Lead and coordinate responses to these changes.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>20</b>                                            |                  |                  |
| <p><b>Approved Mental Health Practitioner Service</b></p> <p>There is a pressure on the staff budget for Approved Mental Health Practitioners due to a shortage in the market for qualified staff and a reliance on agency staff. Options will be explored for recruiting permanent staff and reducing our reliance on agency, but this is likely to involve additional cost to the Council.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>20</b>                                            |                  |                  |
| <p><b>Additional welfare and housing caseworker</b></p> <p>There has been a 60% increase in homeless acceptances</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>37</b>                                            |                  |                  |

|                                                                                                                                                                                                             |                   |                 |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------|-----------------|
| <p>and a 44% increase in housing advice casework over the last financial year without a commensurate increase in staff resources. Additional staff resources will improve homeless prevention activity.</p> |                   |                 |                 |
| <p><b>ADULT SOCIAL CARE, HEALTH AND HOUSING TOTAL</b></p>                                                                                                                                                   | <p><b>838</b></p> | <p><b>0</b></p> | <p><b>0</b></p> |

## ADULT SOCIAL CARE, HEALTH AND HOUSING

| Description<br>Impact                                                                                                                                                                                                                                                                                       | 2015/16<br>£'000 | 2016/17<br>£'000 | 2017/18<br>£'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|
| <p><b>Customer response officer</b></p> <p>The process for dealing with complaints has been redesigned within the Department. As such a post has been deleted and costs will be reduced.</p>                                                                                                                | -22              |                  |                  |
| <p><b>Property maintenance</b></p> <p>Due to the decommissioning of a number of buildings the budget is no longer required at this level.</p>                                                                                                                                                               | -15              |                  |                  |
| <p><b>E-billing for Homecare</b></p> <p>The introduction of the Finance Manager module of Electronic Monitoring of Homecare will produce efficiency savings in care package costs from the ability to charge per minute for home care.</p>                                                                  | -25              |                  |                  |
| <p><b>Housing Benefit administration costs</b></p> <p>Reductions in the use of printing and design services and postage costs. The transfer of prosecution to the single investigation service also means reduced legal fees.</p>                                                                           | -53              |                  |                  |
| <p><b>Drugs and Alcohol Action Team (DAAT)</b></p> <p>Public Health grant funding of the DAAT team will be increased.</p>                                                                                                                                                                                   | -73              |                  |                  |
| <p><b>Assistive Equipment and Technology</b></p> <p>Due to reduced usage of the equipment purchase budget and more use of the Berkshire equipment store, budget can be released in this area. Increased use of the Berkshire Equipment Store means we are getting more credits from returned equipment.</p> | -50              |                  |                  |
| <p><b>Amber House Rent budget</b></p> <p>The rent budget for Amber House is no longer required.</p>                                                                                                                                                                                                         | -55              |                  |                  |
| <p><b>Learning Disabilities commissioning changes</b></p> <p>Net commissioning changes achieved by the end of the year resulting from changes in circumstances, supported living arrangements and anticipated NHS continuing healthcare funding.</p>                                                        | -367             |                  |                  |

| <b>Description<br/>Impact</b>                                                                                                                                                                                                                                                                                                                       | <b>2015/16<br/>£'000</b> | <b>2016/17<br/>£'000</b> | <b>2017/18<br/>£'000</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| <p><b>Delayed transfer of care fines</b></p> <p>Improved procedures resulting in reduction in fines due to delayed transfer of care from hospitals.</p>                                                                                                                                                                                             | <b>-10</b>               |                          |                          |
| <p><b>Single Fraud Investigation Service</b></p> <p>Two members of staff will transfer to DWP Single Fraud Investigation Service on 1 December 2014. The requirements for Council Tax benefit fraud has yet to be clarified. Housing Benefit Administration Subsidy Grant has also been reduced, so this represents the anticipated net saving.</p> | <b>-16</b>               |                          |                          |
| <p><b>Employment service</b></p> <p>The staff establishment in the Employment Service will be reduced by one post. This post is currently vacant so there are no one-off costs.</p>                                                                                                                                                                 | <b>-12</b>               |                          |                          |
| <b>ADULT SOCIAL CARE, HEALTH AND HOUSING TOTAL</b>                                                                                                                                                                                                                                                                                                  | <b>-698</b>              | <b>0</b>                 | <b>0</b>                 |

## ADULT SOCIAL CARE, HEALTH &amp; HOUSING DEPARTMENT

## 2015/16 PROPOSED FEES &amp; CHARGES

**Service: HOUSING: FORESTCARE, HOMELESSNESS AND SMALL LANDSALES**

**Purpose of the Charge:** To contribute to the costs of the service.

|                                                | 2014/15<br>Budget<br>£'000 | Proposed<br>2015/16<br>Budget<br>£'000 |
|------------------------------------------------|----------------------------|----------------------------------------|
| <b>Income the proposed fees will generate:</b> | 1,132                      | 1,152                                  |

**Are concessions available?** No.

**Link to the Council's Medium Term Objectives:**

To create a borough where people are safe and feel safe and to offer value for money.

| Description                                                                                         | Current Fee<br>(Inc VAT)<br>£.p    | Current Fee<br>(Exc VAT)<br>£.p | Proposed Fee<br>(Inc VAT)<br>£.p | Proposed Fee<br>(Exc VAT)<br>£.p | Increase<br>% |
|-----------------------------------------------------------------------------------------------------|------------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------|
| <b>Forestcare Community Alarms</b>                                                                  |                                    |                                 |                                  |                                  |               |
| Lifeline Rental and Monitoring                                                                      | Per week                           |                                 |                                  |                                  |               |
| - BFBC                                                                                              | 4.37                               | 3.64                            | 4.46                             | 3.71                             | 2.0%          |
| - Others                                                                                            | 4.76                               | 3.97                            | 4.76                             | 3.97                             | 0.0%          |
| Lifeline Monitoring only                                                                            | Per week                           |                                 |                                  |                                  |               |
| - BFBC                                                                                              | 3.46                               | 2.88                            | 3.53                             | 2.94                             | 2.0%          |
| - Others                                                                                            | 4.19                               | 3.49                            | 4.19                             | 3.49                             | 0.0%          |
| Extra/Lost Pendants                                                                                 |                                    |                                 |                                  |                                  |               |
| - Flat Charge                                                                                       | 68.76                              | 57.30                           | 68.76                            | 57.30                            | 0.0%          |
| - Monthly charge (£10 x6)                                                                           | New charge                         |                                 | 72.00                            | 60.00                            |               |
| - Admin fee for returned pendant                                                                    | New charge                         |                                 | 24.00                            | 20.00                            |               |
| Keyholder Service (lifeline customers)                                                              | Per week                           |                                 |                                  |                                  |               |
| - up to 12 visits                                                                                   | 7.54                               | 6.28                            | 7.56                             | 6.30                             | 0.3%          |
| - extra visits                                                                                      | 18.00                              | 15.00                           | 18.00                            | 15.00                            | 0.0%          |
| Keyholder and mobile response                                                                       | Per week                           |                                 |                                  |                                  |               |
| - Per additional visit                                                                              | 54.00                              | 45.00                           | 54.00                            | 45.00                            | 0.0%          |
| Keysafe Supply and fit                                                                              | One-off                            | 72.00                           | 60.00                            | 72.00                            | 0.0%          |
|                                                                                                     | Monthly (£10 x 6)                  |                                 |                                  | 60.00                            |               |
| Installation/moving of keysafes                                                                     |                                    | 54.00                           | 45.00                            | 54.00                            | 0.0%          |
| Monitoring of security diallers                                                                     | Per week                           | 12.30                           | 10.25                            | 12.54                            | 2.0%          |
| Monitoring of 2 security diallers                                                                   | Per week                           | 18.00                           | 15.00                            | 18.36                            | 2.0%          |
| Lone Workers                                                                                        | per person per year or part person | 46.55                           | 38.79                            | 47.48                            | 2.0%          |
| Lone Workers - with reports                                                                         | per person per year or part person | 49.01                           | 40.84                            | 49.50                            | 1.0%          |
| Hourly charge for adhoc work                                                                        |                                    | 54.00                           | 45.00                            | 54.00                            | 0.0%          |
| Lifeline Installation Charge                                                                        | New charge                         |                                 |                                  | 15.00                            |               |
| Epilepsy sensor (per week)                                                                          | New charge                         |                                 |                                  | 2.50                             |               |
| <b>Homelessness</b>                                                                                 |                                    |                                 |                                  |                                  |               |
| Bed and Breakfast                                                                                   |                                    |                                 |                                  |                                  |               |
| Current Tenancies Per Week                                                                          |                                    | **                              |                                  | **                               |               |
| 10a Portman Close                                                                                   |                                    |                                 |                                  |                                  |               |
| Rent                                                                                                | Per week                           |                                 | **                               | **                               |               |
| Service Charge                                                                                      | Per week                           |                                 | 17.99                            | 18.31                            | 1.8%          |
| Household Equipment                                                                                 | Per week                           |                                 | 9.10                             | 9.26                             | 1.8%          |
| Fuel*                                                                                               | Per week                           |                                 | 5.67                             | 5.77                             | *             |
| Water*                                                                                              | Per week                           |                                 | 2.71                             | 2.76                             | *             |
| Private Sector Leasing                                                                              |                                    |                                 |                                  |                                  |               |
| Current Tenancies Per Week                                                                          |                                    | **                              |                                  | **                               |               |
| Banbury Flats                                                                                       |                                    | **                              |                                  | **                               |               |
| Council Owned Temporary Accommodation                                                               |                                    | **                              |                                  | **                               |               |
| * These charges will be uplifted in line with fee increases from utility companies, 1.8% is assumed |                                    |                                 |                                  |                                  |               |
| ** These rents will be set to accord to the Housing Benefit Subsidy Regulations                     |                                    |                                 |                                  |                                  |               |
| <b>Small Landsales - Administration Fee</b>                                                         |                                    |                                 |                                  |                                  |               |
| Flat Charge                                                                                         |                                    | 211.14                          | 175.95                           | 214.94                           | 1.8%          |
| <b>Passport and Driving Licence Checking Service</b>                                                |                                    |                                 |                                  |                                  |               |
| For landlords (new charge)                                                                          |                                    |                                 |                                  | 24.00                            | 20.00         |
| For employers (new charge)                                                                          |                                    |                                 |                                  | 24.00                            | 20.00         |

## ADULT SOCIAL CARE, HEALTH &amp; HOUSING DEPARTMENT

## 2015/16 PROPOSED FEES &amp; CHARGES

|                                                                                                   |
|---------------------------------------------------------------------------------------------------|
| <b>Service: HOUSING: RENTS FOR LEARNING DISABILITY CLIENTS AND EASTHAMPSTEAD MOBILE HOME PARK</b> |
|---------------------------------------------------------------------------------------------------|

|                                                                          |
|--------------------------------------------------------------------------|
| <b>Purpose of the Charge:</b> To contribute to the costs of the service. |
|--------------------------------------------------------------------------|

|                                                | 2014/15<br>Budget<br>£'000 | Proposed<br>2015/16<br>Budget<br>£'000 |
|------------------------------------------------|----------------------------|----------------------------------------|
| <b>Income the proposed fees will generate:</b> | 74                         | 75                                     |

|                                       |
|---------------------------------------|
| <b>Are concessions available?</b> No. |
|---------------------------------------|

|                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------|
| <b>Link to the Council's Medium Term Objectives:</b><br>To encourage the provision of a range of appropriate housing. |
|-----------------------------------------------------------------------------------------------------------------------|

| Description                                                  | Current Fee<br>(Exc VAT) | Proposed Fee<br>(Exc VAT) | Increase |      |
|--------------------------------------------------------------|--------------------------|---------------------------|----------|------|
|                                                              | £.p                      | £.p                       | %        |      |
| <b>Rents - Accommodation for Learning Disability Clients</b> |                          |                           |          |      |
| 151 Holbeck                                                  | Per week per bedroom     | 94.76                     | 96.47    | 1.8% |
| 9 Portman Close                                              | Per week per bedroom     | 94.76                     | 96.47    | 1.8% |
| <b>Service Charges</b>                                       |                          |                           |          |      |
| 151 Holbeck, 9 Portman                                       | Per week per bedroom     | 13.27                     | 13.51    | 1.8% |
| <b>Waymead</b>                                               |                          |                           |          |      |
| Rent                                                         | Per week per bedroom     | 153.30                    | 156.06   | 1.8% |
| Service Charge                                               | Per week per bedroom     | 27.08                     | 27.57    | 1.8% |
| Fuel*                                                        | Per week per bedroom     | 5.67                      | 5.77     | *    |
| Water*                                                       | Per week per bedroom     | 6.64                      | 6.76     | *    |
| <b>Easthampstead Mobile Home Park</b>                        |                          |                           |          |      |
| Site Rent                                                    |                          | 47.82                     | 48.68    | 1.8% |
| Water Charge                                                 |                          | 17.87                     | 18.19    | 1.8% |

*The above rents and utility charges are based on a 52 week year*

*\* Charges will be varied in line with increases by the relevant utility companies*

## ADULT SOCIAL CARE, HEALTH &amp; HOUSING DEPARTMENT

## 2015/16 PROPOSED FEES &amp; CHARGES

|                                         |
|-----------------------------------------|
| <b>Service: HOUSING BENEFIT SERVICE</b> |
|-----------------------------------------|

|                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------|
| <b>Purpose of the Charge:</b> To set Council Tax Benefit (reduction scheme) Annual uprating for working age people. |
|---------------------------------------------------------------------------------------------------------------------|

|                                                | <b>2014/15<br/>Budget<br/>£'000</b> | <b>Proposed<br/>2015/16<br/>Budget<br/>£'000</b> |
|------------------------------------------------|-------------------------------------|--------------------------------------------------|
| <b>Income the proposed fees will generate:</b> | 34,238                              | 34,854                                           |

|                                                                                                                |
|----------------------------------------------------------------------------------------------------------------|
| <b>Are concessions available?</b> Yes. The actual contribution will be assessed in accordance with the current |
|----------------------------------------------------------------------------------------------------------------|

|                                                                                                               |
|---------------------------------------------------------------------------------------------------------------|
| <b>Link to the Council's Medium Term Objectives:</b><br>To target financial support to vulnerable households. |
|---------------------------------------------------------------------------------------------------------------|

| <b>Description</b>                                                                        | <b>Current Fee<br/>(Exc VAT)<br/>£.p</b> | <b>Proposed Fee<br/>(Exc VAT)<br/>£.p</b>                       | <b>Increase<br/>%</b> |
|-------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------|-----------------------|
| <b>Applicable Amounts:</b>                                                                |                                          |                                                                 |                       |
| <b>Personal Allowances</b>                                                                | Housing Benefit uprating 2014-15         | Housing Benefit uprating 2015-16                                |                       |
| <b>Premiums</b>                                                                           | Housing Benefit uprating 2014-15         | Housing Benefit uprating 2015-16                                |                       |
| <b>Disregards*</b>                                                                        | Housing Benefit uprating 2014-15         | Housing Benefit uprating 2015-16                                |                       |
| <i>*War Widows pensions and War disablement pensions are fully disregarded as income.</i> |                                          |                                                                 |                       |
| <b>Income-related social security benefits</b>                                            | Housing Benefit uprating 2014-15         | Housing Benefit uprating 2015-16                                |                       |
| <b>Non income-related social security benefits</b>                                        | Housing Benefit uprating 2014-15         | Housing Benefit uprating 2015-16                                |                       |
| <b>War pensions Scheme Benefits</b>                                                       | Housing Benefit uprating 2014-15         | Housing Benefit uprating 2015-16                                |                       |
| <b>Contributory and non-contributory social security rates</b>                            | Housing Benefit uprating 2014-15         | Housing Benefit uprating 2015-16                                |                       |
| <b>Non dependant deductions and bands.</b>                                                | Council Tax National scheme 2014/15      | National prescribed regulations as set for the pensioner scheme |                       |

The 2014-15 rates are available at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/268414/a24-2013.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/268414/a24-2013.pdf)

## ADULT SOCIAL CARE, HEALTH &amp; HOUSING DEPARTMENT

## 2015/16 PROPOSED FEES &amp; CHARGES

|                                                                                          |
|------------------------------------------------------------------------------------------|
| <b>Service: ADULT RESIDENTIAL AND NURSING CARE - CONTRIBUTIONS FROM PEOPLE SUPPORTED</b> |
|------------------------------------------------------------------------------------------|

|                                                                            |
|----------------------------------------------------------------------------|
| <b>Purpose of the Charge:</b> To contribute to the costs of accommodation. |
|----------------------------------------------------------------------------|

|                                                | <b>2014/15<br/>Budget</b> | <b>Proposed<br/>2015/16<br/>Budget</b> |
|------------------------------------------------|---------------------------|----------------------------------------|
|                                                | <b>£'000</b>              | <b>£'000</b>                           |
| <b>Income the proposed fees will generate:</b> | 2,614                     | 2,661                                  |

|                                                                                                                |
|----------------------------------------------------------------------------------------------------------------|
| <b>Are concessions available?</b> Yes. The actual contribution will be assessed in accordance with the current |
|----------------------------------------------------------------------------------------------------------------|

|                                                      |
|------------------------------------------------------|
| <b>Link to the Council's Medium Term Objectives:</b> |
|------------------------------------------------------|

|                                                                            |
|----------------------------------------------------------------------------|
| To promote independence and choice for vulnerable adults and older people. |
|----------------------------------------------------------------------------|

| <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Current Fee<br/>(Exc VAT)</b> | <b>Proposed Fee<br/>(Exc VAT)</b> | <b>Increase</b>    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------|--------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>£.p</b>                       | <b>£.p</b>                        | <b>%</b>           |
| <b>Residential and Nursing Care</b><br>This includes permanent, respite and short term care. Where people are in accommodation funded by the Council, the maximum contribution they will be asked to make is the cost of the accommodation, but this will be subject to a financial assessment under 'CRAG' and so the actual contribution may be lower. Fee increases in 2015/16 will depend on each persons' financial circumstances but for most people will be linked to the increase in pensions and benefits they receive. | Various                          | Various                           | 1.8%<br>(Estimate) |
| <b>Payments deferred pending sale of property</b><br>For deferred payment arrangements already in place by                                                                                                                                                                                                                                                                                                                                                                                                                       |                                  |                                   |                    |
| Interest payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2% above Lloyds base rate        | 2% above Lloyds base rate         |                    |
| Due date:<br>Under deferred payment agreement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 56 days from support ceasing     | 56 days from support ceasing      |                    |
| Other                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Date of support ceasing          | Date of support ceasing           |                    |

## ADULT SOCIAL CARE, HEALTH &amp; HOUSING DEPARTMENT

## 2015/16 PROPOSED FEES &amp; CHARGES

**Service: ADULT NON RESIDENTIAL SERVICES - CONTRIBUTIONS FROM PEOPLE SUPPORTED**

**Purpose of the Charge:** To contribute to the costs of support.

|                                                | 2014/15<br>Budget<br>£'000 | Proposed<br>2015/16<br>Budget<br>£'000 |
|------------------------------------------------|----------------------------|----------------------------------------|
| <b>Income the proposed fees will generate:</b> | 1,767                      | 1,799                                  |

**Are concessions available?** Yes. The actual contribution will be assessed in accordance with the current

**Link to the Council's Medium Term Objectives:**

To promote independence and choice for vulnerable adults and older people.

| Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Current Fee<br>(Exc VAT)<br>£.p | Proposed Fee<br>(Exc VAT)<br>£.p | Increase<br>%      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|--------------------|
| <b>Non Residential Support</b><br>This includes homecare, day care, meals and other support in the community.<br>Where people are supported by the Council, the maximum contribution they will be asked to make is the cost of the support, but this will be subject to a financial assessment under the 'Fairer Contributions' policy and so the actual contribution may be lower.<br>Fee increases in 2015/16 will depend on each persons financial circumstances but for most people will be linked to the increase in pensions and benefits they receive. | Various                         | Various                          | 1.8%<br>(Estimate) |

**Service: ADULT RESIDENTIAL CARE - CHARGES WHEN COUNCIL NOT RESPONSIBLE FOR FUNDING (WAYMEAD AND HEATHLANDS)**

**Purpose of the Charge:** To recover the full cost of the service used.

|                                                | 2014/15<br>Budget<br>£'000 | Proposed<br>2015/16<br>Budget<br>£'000 |
|------------------------------------------------|----------------------------|----------------------------------------|
| <b>Income the proposed fees will generate:</b> | 48                         | 49                                     |

**Are concessions available?** No.

**Link to the Council's Medium Term Objectives:**

To promote independence and choice for vulnerable adults and older people.

| Description                                                                           | Current Fee<br>(Exc VAT)<br>£.p | Proposed Fee<br>(Exc VAT)<br>£.p | Increase<br>% |
|---------------------------------------------------------------------------------------|---------------------------------|----------------------------------|---------------|
| <b>Residential Care (including Respite)</b>                                           |                                 |                                  |               |
| <b>Older People</b><br>Residential Charge per week<br>Respite Charge per night        | 680.70<br>97.20                 | 693.00<br>98.90                  | 1.8%<br>1.8%  |
| <b>Learning Disability</b><br>Residential Charge per week<br>Respite Charge per night | 1,273.10<br>182.60              | 1,296.00<br>185.90               | 1.8%<br>1.8%  |

## ADULT SOCIAL CARE, HEALTH &amp; HOUSING DEPARTMENT

## 2015/16 PROPOSED FEES &amp; CHARGES

Service: ADULT DAY CARE

Purpose of the Charge: To recover the costs of the service.

|                                         | 2014/15<br>Budget<br>£'000 | Proposed<br>2015/16<br>Budget<br>£'000 |
|-----------------------------------------|----------------------------|----------------------------------------|
| Income the proposed fees will generate: | 38                         | 39                                     |

Are concessions available? No.

Link to the Council's Medium Term Objectives:

To promote independence and choice for vulnerable adults and older people.

| Description                       | Current Fee<br>(Exc VAT)<br>£.p | Proposed Fee<br>(Exc VAT)<br>£.p | Increase<br>% |
|-----------------------------------|---------------------------------|----------------------------------|---------------|
| <b>Day Care</b>                   |                                 |                                  |               |
| <b>Heathlands Day Centre</b>      |                                 |                                  |               |
| Charge per day                    | 51.80                           | 52.70                            | 1.8%          |
| Carers Drop in Service            | 6.30                            | 6.40                             | 1.8%          |
| <b>Learning Disability</b>        |                                 |                                  |               |
| Standard Care      Charge per day | 40.70                           | 41.40                            | 1.8%          |
| Special Care      Charge per day  | 119.10                          | 121.20                           | 1.8%          |

Service: BLUE BADGE SCHEME

Purpose of the Charge: To contribute to the cost of the service.

|                                         | 2014/15<br>Budget<br>£'000 | Proposed<br>2015/16<br>Budget<br>£'000 |
|-----------------------------------------|----------------------------|----------------------------------------|
| Income the proposed fees will generate: | 1                          | 1                                      |

Are concessions available? No

Link to the Council's Medium Term Objectives:

To promote independence and choice for vulnerable adults and older people.

| Description                              | Current Fee<br>(Exc VAT)<br>£.p | Proposed Fee<br>(Exc VAT)<br>£.p | Increase<br>% |
|------------------------------------------|---------------------------------|----------------------------------|---------------|
| Blue Badge - Issues and Duplicate Badges | 10.00                           | 10.00                            | 0.0%          |

## ADULT SOCIAL CARE, HEALTH &amp; HOUSING DEPARTMENT

## 2015/16 PROPOSED FEES &amp; CHARGES

|                                                           |
|-----------------------------------------------------------|
| <b>Service: HEALTH FUNDED ADULT SOCIAL CARE PROVISION</b> |
|-----------------------------------------------------------|

|                                                                    |
|--------------------------------------------------------------------|
| <b>Purpose of the Charge:</b> To recover the costs of the service. |
|--------------------------------------------------------------------|

|                                                | 2014/15<br>Budget<br>£'000 | Proposed<br>2015/16<br>Budget<br>£'000 |
|------------------------------------------------|----------------------------|----------------------------------------|
| <b>Income the proposed fees will generate:</b> | 4,816                      | 4,903                                  |

|                                       |
|---------------------------------------|
| <b>Are concessions available?</b> No. |
|---------------------------------------|

|                                                      |
|------------------------------------------------------|
| <b>Link to the Council's Medium Term Objectives:</b> |
|------------------------------------------------------|

|                                                                            |
|----------------------------------------------------------------------------|
| To promote independence and choice for vulnerable adults and older people. |
|----------------------------------------------------------------------------|

| Description                                                                                                                           | Current Fee<br>(Exc VAT)<br>£.p | Proposed Fee<br>(Exc VAT)<br>£.p | Increase<br>%   |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------|-----------------|
| <b>Health Funded Provision</b><br>The Council receives a number of different income streams from health organisations, summarised as: |                                 |                                  |                 |
| - Registered nursing care contribution                                                                                                | £110.89 per week                | DH rates to be set in April 2015 | 1.8% (estimate) |
| - Continuing health care contributions                                                                                                | Actual costs incurred           | Actual costs incurred            | 1.8% (estimate) |
| - Joint funded posts and other income.                                                                                                | Actual costs incurred           | Actual costs incurred            | 1.8% (estimate) |

**TO: THE EXECUTIVE  
16 DECEMBER 2014**

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**CAPITAL PROGRAMME 2015/2016 - 2017/2018  
(Borough Treasurer/Chief Executive)**

**1 PURPOSE OF DECISION**

- 1.1 Under the Council's constitution, the Executive is required to consult on its detailed budget proposals with the Council's Overview & Scrutiny Commission and any other interested parties or individuals for a period of at least six weeks. This report summarises the current position on the Council's Capital Programme budget preparations for 2015/16.
- 1.2 This report draws together each department's proposals so that the Executive can agree a draft capital programme for 2015/16-2017/18 as the basis for consultation. In compiling the draft programme the main focus is inevitably on determining the requirements for 2015/16, although future year's schemes do also form an important part of the programme.
- 1.3 The 2015/16 Capital Programme marks a step change in the Council's capital spending plans. The inclusion of significant capital projects such as the Town Centre redevelopment enabling works, the Binfield Learning Village at Blue Mountain and Coral Reef Transformation represent a substantial investment in the future of the Borough and all three projects will be a major feature of future year's capital programmes as well as in 2015/16.
- 1.4 The financial implications of the recommendations in this report are reflected in the subsequent report on the Council's draft revenue budget. Any revisions to the proposals put forward by each service would also need to be reflected in that report which will also be published as the basis for consultation following the Executive's meeting.

**2 RECOMMENDATIONS**

**That the Executive:**

- 2.1 **Approves, for consultation, an initial Council funded capital programme of £16.818m for 2015/16 as set out in paragraph 5.24 and summarised in Annex A, including the schemes listed in Annexes B – F.**
- 2.2 **To approve as a supplementary capital approval funding in 2014/15 of £0.447m for Binfield Learning Village at Blue Mountain, as outlined in the Funding Model agreed by Executive in October 2014.**
- 2.3 **Approves, for consultation, the inclusion of an additional budget of £1m for Invest to Save schemes.**
- 2.4 **Approves, for consultation, the inclusion of £1.880m of expenditure to be funded from S106 as outlined in paragraph 5.25.**
- 2.5 **Approves, for consultation, the inclusion of £17.804m of expenditure to be externally funded as outlined in paragraph 5.25.**

**2.6 Approves the virements totalling £0.33m to the 2014/15 Children Young People and Learning Programme, as set out in Annex I, in order to meet the demands of the School Places Plan.**

### **3 REASONS FOR RECOMMENDATIONS**

3.1 The reasons for the recommendations are set out in the report.

### **4 ALTERNATIVE OPTIONS CONSIDERED**

4.1 The alternative options are considered in the report.

### **5 SUPPORTING INFORMATION**

#### **Capital Resources**

5.1 Each year the Council agrees a programme of capital schemes. In the past these schemes have been funded from three main sources:

- the Council's accumulated capital receipts
- Government Grants
- other external contributions

5.2 The Local Government Act 2003 brought in radical changes to the financing of capital expenditure and from that date, the Government no longer issued borrowing approvals. Instead, under a new "prudential framework", Councils can set their own borrowing limits based on the affordability of the debt.

5.3 As the Council's accumulated capital receipts have been fully utilised, the Council returned to a position of internal borrowing in 2010 and as such a revenue contribution is required each year to repay this internal borrowing. Once the Council's current level of investments is exhausted, which is expected to be within 2016, the Council will need to borrow externally.

5.4 The Council's estimated total usable capital receipts at 31<sup>st</sup> March 2014 are zero. As a debt free authority the Council is partly reliant on capital receipts to fund its capital programme, although interest generated from capital receipts can also help support the revenue budget in the short term. The Council still receives a share of any Right-To-Buy proceeds from Bracknell Forest Homes in addition to a share of capital receipts from the VAT Shelter scheme.

5.5 The proposed capital programme for 2015/16 has been developed, therefore, on the assumption that it will be funded by a combination of Government grants, other external contributions and some internal borrowing in addition to the £2.5m of capital receipts. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans which also appear on tonight's agenda.

#### **New Schemes**

5.6 Within the general financial framework outlined above, Service Departments have considered new schemes for inclusion within the Council's Capital Programme for 2015/16 – 2017/18. Given that both capital and revenue resources are under pressure, each Department has evaluated and prioritised proposed schemes into

the broad categories, set out in the Council's Corporate Capital Strategy and in line with the Council's Asset Management Plan. Having done this, only the very highest priority schemes and programmes are being recommended for inclusion in the Capital Programme.

- 5.7 Within this framework however, the proposed programme does include three significant items, each of which represents a major investment in the future of the Borough in its own right. These relate to the imminent regeneration of the Bracknell town centre, the creation of the new Binfield Learning Village at Blue Mountain and the maintenance and enhancement at the Corel Reef leisure pool.

#### **Town Centre Redevelopment Works**

- 5.8 Now that the stage has almost been reached when the Development Agreement with Bracknell Regeneration Partnership (BRP) will become unconditional, the Council will need to undertake its own planned investment on wider Town Centre infrastructure. In order to facilitate the Town Centre redevelopment works it is proposed that the Council should invest up to £12.4m (excluding Stamp Duty which may become payable depending on the nature of the transactions) over the period 2014/15 to 2017/18. This will include the purchase of the Bracknell Town Centre Bus Station alongside investment in a new replacement Park and further public realm and highway works. Further details of the expenditure can be found on a separate Report on tonight's Agenda. The expenditure is shown as committed on the draft capital programme on the assumption that Full Council will approve the expenditure at its January meeting.

- 5.9 All of these items have a much wider impact than the new development itself and will benefit the whole Borough. However the expenditure needs to be co-ordinated with the specific work that BRP are planning to carry out.

#### **Town Centre Infrastructure Works**

- 5.10 Similarly in order to facilitate transport movements around the Borough, including the planned Town Centre redevelopment, it is necessary to continue to fund a number of infrastructure schemes. As such a funding need of £2.0m has been identified in the 2015/16 proposals with further commitments required in future years to ensure that the regenerated town centre functions as a "whole centre" and not just as an isolated shopping outlet. As such spending levels of around £2m per annum are likely to be required until the new Northern Retail Quarter area is open for trading. This additional expenditure is aimed at maximising the positive experience of visiting the regenerated town centre.

#### **Binfield Learning Village at Blue Mountain**

- 5.11 The Binfield Learning Village at Blue Mountain is a priority for the Council. The programme will deliver statutory places required in the Borough alongside meeting the need for new housing and the associated community facilities. Based on the most recent feasibility study the total cost of the Learning Village, if commenced now, is £39.07m plus £3m contingency costs. As per the current programme the building works will start in January 2016 and as such costs are likely to increase between now and then due to inflation. As the programme progresses and further milestones are met the impact of inflation will be reported and budget approvals updated. The Executive agreed the Funding Model in October 2014 and as such the approvals for 2014/15 through to 2017/18 are sought in this report.

#### **Coral Reef Transformation**

- 5.12 The main roof structures at Coral Reef are complex and have required extensive monitoring and maintenance for the latter part of its life. At 25 years old they are reaching the end of their practical lifespan and need to be replaced in a planned

way. While the major issue lies with the main roof over the pool hall, all other roofs are of the same construction and in due course will need to be replaced too. In addition a number of options, including two additional flumes and a new flume tower, to improve the leisure offer are being proposed alongside a significant refurbishment of the building to enhance the Borough's "signature" leisure offer. A separate, more detailed report, will be considered by the Executive on tonight's agenda outlining the project and identifying the revenue impact of the scheme. The overall capital cost of the scheme is estimated to be £11.229m and this is included in the draft Capital Programme.

**Other Unavoidable & Committed schemes**

- 5.13 This category covers schemes which must proceed to ensure that the Council is not left open to legal sanction and includes items relating to health and safety issues, new legislation etc. Committed schemes also include those that have been started as part of the 2014/15 Capital Programme. Also included within this category are those schemes that were previously funded from the General Fund Revenue Account, but which by their nature could be legitimately capitalised, thereby reducing pressure on the revenue budget. Schemes in this category form the first call on the available capital resources.
- 5.14 Within these categories, provision has been made to address the rolling programme of disabled access requirements to Council buildings (£0.1m). The works have been identified through independent access audits and have been prioritised to meet the needs of users of these buildings. Significant progress has been made in past years and a programme of works has been planned across a range of service areas and is outlined in Annex G.

**Maintenance (Improvements and capitalised repairs)**

- 5.15 An assessment has been made of the condition of the Council's property assets to arrive at an estimate of the outstanding maintenance works required. An assessment is made of the state of each building element and its repair priority with a condition rating and repair urgency as follows.

|                                            |                                                                                                                                                                                                                           |
|--------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Definition of Condition Categories:</b> |                                                                                                                                                                                                                           |
| A:                                         | Good – Performing as intended and operating efficiently.                                                                                                                                                                  |
| B:                                         | Satisfactory – Performing as intended but showing minor deterioration.                                                                                                                                                    |
| C:                                         | Poor – Showing major defects and/or not operating as intended.                                                                                                                                                            |
| D:                                         | Bad – Life expired and/or serious risk of imminent failure.                                                                                                                                                               |
| <b>Priority:</b>                           |                                                                                                                                                                                                                           |
| 1                                          | Urgent works that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of the occupants and/or remedy a serious breach of legislation.                               |
| 2                                          | Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health & safety of the occupants and/or a minor breach of the legislation. |
| 3                                          | Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health & safety of the occupants and/or a minor breach of the legislation.         |
| 4                                          | Long-term work required beyond a period of 5 years that will prevent deterioration of the fabric or services.                                                                                                             |

- 5.16 The figures below are based on the information held in the Construction and Maintenance Groups' property management system. They have been adjusted to exclude those works that are already budgeted for within existing 2014/15 schools and corporate planned maintenance programmes.

The priorities can be broken down as follows:

#### Maintenance Backlog

|                      |                  | £<br>(000)    | £<br>(000) |
|----------------------|------------------|---------------|------------|
| Schools              | Priority 1C & 1D | 2,204         |            |
|                      | Priority 2C & 2D | 2,276         |            |
|                      | Lower Priorities | 11,639        | 16,119     |
| Corporate Properties | Priority 1C & 1D | 1,235         |            |
|                      | Priority 2C & 2D | 2,497         |            |
|                      | Lower Priorities | 5,420         | 9,152      |
| Total                |                  | <u>25,271</u> |            |

- 5.17 The overall maintenance liability has reduced from £40.1m in 2011/12 to £25.3m and reflects the investment that the Council has made in its property asset base and a number of disposals.

#### Schools

- 5.18 Historically the Schools Maintenance Programme has been funded from the Capital Maintenance grant allocation from the Department for Education. The allocations from the DfE are expected on or after the publication of the Provisional Settlement and will be used to tackle the highest priority items identified in the condition surveys indicated above.

#### Non-schools

- 5.19 From an initial analysis of the work required it is clear that some works, whilst urgent, cannot be legitimately capitalised and must be met from a revenue budget. An allowance of £200,000 is available in the 2015/16 Revenue Budget proposals to meet these liabilities. In line with the policy adopted last year the Asset Management Group has considered only those works that fall within categories 1C and 1D. Given the financial constraints on both the revenue and capital budgets an allocation of £1.235m is recommended to address the most pressing 1C & 1D priorities.
- 5.20 The implications of failing to maintain Council buildings and to address the backlog will be a significant issue for the Council over the coming years and efforts will be focussed on ensuring that the highest priority items are tackled first, that efficiencies are maximised in the procurement of works and that maintenance which will result in energy efficiencies are undertaken through the invest-to-save programme.

#### Rolling programmes

- 5.21 These programmes cover more than one year and give a degree of certainty for forward planning schemes to improve service delivery. They make an important contribution towards the Council's Medium Term Objectives and established Asset Management Plans.

### **Other Desirable Schemes**

- 5.22 In addition to the schemes identified in the above categories, each service has requested funding for other high priority schemes that meet the needs and objectives of their service and the Council's Medium Term Objectives. The net cost of schemes which attract partial external funding are included in the schemes put forward.

### **Invest To Save Schemes**

- 5.23 These are schemes where the additional revenue income or savings arising from their implementation exceeds the internal borrowing costs. The Council's approach to Invest to Save schemes is included in its Capital Strategy and in accordance with the Capital Strategy it is proposed that a further £1m be included in the 2015/16 capital programme for potential Invest to Save schemes.

### **Capital Programme 2015/16 – 2017/18**

- 5.24 A detailed list of suggested schemes within the draft capital programme, together with a brief description of each project, for each service is included in Annexes B – F. For reasons of commercial confidentiality the proposed IT schemes are detailed in Annex H (Restricted). A summary of the cost of schemes proposed by Departments is set out in the table below and in Annex A. Total Council funding amounts to £16.818m. However excluding the funding for Binfield Learning Village at Blue Mountain, Coral Reef Transformation and the Town Centre Redevelopment the total Council funding requested is £8.312m in 2015/16 and this is in line with recent years programmes.

| <b>Capital Programme 2015/16-2017/18</b> |                                          |                         |                         |                         |
|------------------------------------------|------------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Annex</b>                             | <b>Service Area</b>                      | <b>2015/16<br/>£000</b> | <b>2016/17<br/>£000</b> | <b>2017/18<br/>£000</b> |
| B                                        | Adult Social Care, Health & Housing      | 2,383                   | 0                       | 0                       |
| C                                        | Children, Young People & Learning        | 10,930                  | 31,598                  | 14,221                  |
| D                                        | Corporate Services                       | 50                      | 0                       | 0                       |
| E                                        | Council Wide                             | 7,407                   | 5,580                   | 3,901                   |
| F                                        | Environment Culture & Communities        | 13,852                  | 15,036                  | 8,752                   |
|                                          | <b>Total Capital Programme</b>           | <b>34,622</b>           | <b>52,214</b>           | <b>26,874</b>           |
|                                          | <b>Externally Funded</b>                 | <b>17,804</b>           | <b>11,803</b>           | <b>8,876</b>            |
|                                          | <b>Total request for Council funding</b> | <b>16,818</b>           | <b>40,411</b>           | <b>17,998</b>           |

### **Externally Funded Schemes**

- 5.25 A number of external funding sources are also available to fund schemes within the capital programme. External support has been identified from three main sources:

### Government Grants

A number of capital schemes attract specific grants. It is proposed that all such schemes should be included in the capital programme at the level of external funding that is available.

A significant element of the grant-funded capital programme relates to the planned investment in Schools. The schools investment programme included in this report reflects the highest priority schemes identified by the Department. However it is not expected that the two main Department for Education grants (Basic Need and Schools Maintenance) will be sufficient to finance all these schemes. The final grant allocations are unknown at this stage; however the 2015/16 Basic Need block has been announced as part of a 2-year settlement in 2014/15 and is expected to be £3.477m. Historically the Schools Maintenance Grant has been approximately £1.8m. As such a total of £5.277m is anticipated at this stage. Excluding Binfield Learning Village at Blue Mountain, the total identified need for Schools is £7.43m, leaving a gap of approximately £2.2m. At this stage the Department will continue to review and reprioritise the schemes with the aim of bringing the total scheme costs in line with the anticipated external grant allocations.

A second key constituent of capital grant funding relates to the Highway Maintenance and Integrated Transport Block. Grant approvals of £2.37m are currently anticipated for 2015/16.

### Section 106 (£1.880m)

Each year the Council enters into a number of agreements under Section 106 of the Town & Country Planning Act 1990 by which developers make a contribution towards the cost of providing facilities and infrastructure that may be required as a result of their development. Usually the monies are given for work in a particular area and/or for specific projects. The total money available at present, which is not financially committed to specific projects, is £4.2m, although conditions restricting its use will apply to almost all of this.

Officers have identified a number of schemes that could be funded from Section 106 funds in 2015/16, where funding becomes available. These are summarised below

| <b>Department</b>  | <b>Schemes</b>             | <b>Budget</b> |
|--------------------|----------------------------|---------------|
|                    |                            | <i>£000</i>   |
| ASCHH              | Affordable Housing         | 777           |
| Corporate Services | Community Centre & Library | 393           |
| ECC                | Leisure & Culture          | 110           |
| ECC                | Local Transport Plan       | 600           |
|                    | <b>Total</b>               | 1,880         |

The level of new funding available through Section 106 is expected to reduce in the future following the introduction of the Community Infrastructure Levy (CIL). However the more flexible CIL funding should offset this reduction.

### Local Growth Fund (£5.6m in 15/16 and a further £1.4m in 2017/18)

Working with the Thames Valley Local Enterprise Partnership (LEP), the Council was successful in bidding to include various Infrastructure improvement schemes as part the Thames Valley Strategic Economic plan and was awarded £7m. This funding was awarded as part of the Local Growth Fund which is aimed creating economic growth such as unlocking housing and commercial development. The funding breakdown includes £2.1m for Coral Reef Junction (Anticipated spend 2015/16), £3.5m towards Warfield link road (Anticipated spend 2015/16), and £1.4m

towards improvements to Martins Heron Junction and London Rd (Anticipated spend 2017/18).

### **On-going Revenue Costs**

- 5.26 Schemes may have associated on-going revenue costs and tend to become payable in the year after implementation. As such will be included within the Council's Commitment Budget for 2016/17. These total £6,000 and relate to the Network Refresh programme.

### **Funding Options**

- 5.27 Following the transfer of the housing stock in 2008, the Council's capital receipts are limited to miscellaneous asset sales and the contribution from the VAT Shelter Scheme and Right-to-Buy claw back agreed as part of the transfer. As noted earlier in this report, these receipts are estimated to be in the region of £2.5m.
- 5.28 The proposed capital programme for 2015/16 has been developed, therefore, on the assumption that it will be funded by a combination of £2.5m of capital receipts, Government grants, other external contributions and some internal borrowing. The financing costs associated with the Capital Programme have been provided for in the Council's revenue budget plans.
- 5.29 Should any additional capital receipts be generated in 2015/16 the interest earned on these will be used to mitigate the revenue cost of the capital programme.
- 5.30 For 2015/16 it is unlikely that the Council will need to resort to external borrowing as it will be able to utilise resources held internally, however there remains the possibility given the substantial investment proposed in the Town Centre, Coral Reef and the Binfield Learning Village at Blue Mountain that short term borrowing for cash-flow purposes may be required in this year. Given the investment proposed in 2016/17 for these schemes it is inevitable that the Council will be required to borrow externally and may decide, from a treasury management standpoint, to borrow earlier in the cycle.
- 5.31 However the Capital Finance regulations require the General Fund to set aside an amount which would be broadly equivalent to the amount the Council would need to pay if it borrowed externally. If any amendments are made to the capital programme, the revenue consequences will need to be adjusted accordingly. Executive Members will therefore need to consider the impact of the capital programme as part of the final revenue budget decisions.
- 5.32 The reduction in available capital receipts has placed greater emphasis on the capital programme and its impact on the revenue budget. Following the introduction of the Prudential Borrowing regime local authorities are able to determine the level of their own capital expenditure with regard only to affordability on the revenue account. In practice this represents the amount of borrowing they can afford to finance, and will necessitate taking a medium-term view of revenue income streams and capital investment needs.
- 5.33 To achieve its aim of ensuring that capital investment plans are affordable, prudent and sustainable, the Local Government Act requires all local authorities to set and keep under review a series of prudential indicators included in the CIPFA Prudential Code for Capital Finance in Local Authorities. The Capital Programme recommended in this report can be sustained and is within the prudential guidelines. Full Council will need to agree the prudential indicators for 2015/16 to 2017/18 in February 2015, alongside its consideration of the specific budget proposals for 2015/16 and the Council's medium-term financial prospects.

- 5.34 Members will need to carefully balance the level of the Capital Programme in future years against other revenue budget pressures and a thorough review, including the prioritisation of those schemes planned for 2016/17 onwards, will need to be undertaken during next summer.

#### **Virements in 2014/15 CYPL Capital Programme**

- 5.35 To ensure that the Council is able to provide sufficient school places if required, advance design for new schemes is required now and approval is sought for a number of schemes, where further funding is requested in 2015/16, to be added to the 2014/15 Capital Programme. These virements amount to £190,000. In addition to this it has been deemed essential to undertake internal remodelling to Wooden Hill Primary School to alleviate unacceptable noise levels resulting from it being the last primary school in the Borough to have open plan classrooms. Taken together these virements exceed the delegated limit of £250,000, and as such require Council approval. More detail on each of the schemes is contained in Annex I

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

### Borough Solicitor

- 6.1 The authorisation for incurring capital expenditure by local authorities is contained in the legislation covering the service areas. Controls on capital expenditure are contained in the Local Government Act 2003 and regulations made thereunder.

### Borough Treasurer

- 6.2 The financial implications are contained within the report.

### Equalities Impact Assessment

- 6.3 The Council's final budget proposals will potentially impact on all areas of the community. A detailed consultation process is planned in order to provide individuals and groups with the opportunity to comment on the draft proposals. This will ensure that in making final recommendations, the Executive can be made aware of the views of a broad section of residents and service users. Where necessary, impact assessments on specific schemes within the capital programme will be undertaken before work commences.

### Strategic Risk Management Issues

- 6.4 The most significant risk facing the Council is the impact of the capital programme on the revenue budget. The scale of the Council's Capital Programme for 2015/16 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts or borrowing from internal resources. This effect is compounded by future year's capital programmes. As revenue resources are limited it is clear that a capital programme of this magnitude is not sustainable in the medium term without significant revenue economies. The generation of capital receipts in future years may mitigate the impact on the revenue budget, but as the timing and scale of these receipts is uncertain their impact is unlikely to be significant.
- 6.5 There are also a range of risks that are common to all capital projects which include:
- Tender prices exceeding the budget
  - Planning issues and potential delays
  - Uncertainty of external funding
  - Building delays due to unavailability of materials or inclement weather
  - Availability of staff with appropriate skills to implement schemes

6.6 These can be managed through the use of appropriate professional officers and following best practice in project management techniques. The report also identifies the risk associated with the shortfall in maintenance expenditure compared to that identified by the latest condition surveys. With only those highest priorities receiving funding in 2015/16, there will be a further build up in the maintenance backlog and a risk that the deterioration in Council assets will hamper the ability to deliver good services.

## 7 CONSULTATION

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

7.2 The timetable for the approval of the 2015/16 Budget is as follows

|                                                                 |                                       |
|-----------------------------------------------------------------|---------------------------------------|
| Executive agree proposals as basis for consultation             | 16 December 2014                      |
| Consultation period                                             | 17 December 2014 -<br>27 January 2015 |
| Executive considers representations made and recommends budget. | 10 February 2015                      |
| Council considers Executive budget proposals                    | 25 February 2015                      |

### Background Papers

None

### Contact for further information

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**CAPITAL PROGRAMME - BY CATEGORY**

|                                                   | <b>2015/16</b> | <b>2016/17</b> | <b>2017/18</b> | <b>TOTAL</b>   |
|---------------------------------------------------|----------------|----------------|----------------|----------------|
|                                                   | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    |
| <b>Committed</b>                                  | 2,119          | 853            | 853            | 3,825          |
| <b>Unavoidable</b>                                | 1,193          | 920            | 831            | 2,944          |
| <b>Town Centre Highway Works</b>                  | 2,000          | 2,000          | 2,000          | 6,000          |
| <b>Maintenance</b>                                | 1,740          | 1,670          | 1,740          | 5,150          |
| <b>Rolling Programme / Other Desirable</b>        | 1,260          | 10             | 0              | 1,270          |
| <b>Total Request for Council Funding</b>          | <b>8,312</b>   | <b>5,453</b>   | <b>5,424</b>   | <b>19,189</b>  |
| <b>Total External Funding</b>                     | <b>17,804</b>  | <b>11,803</b>  | <b>8,876</b>   | <b>38,483</b>  |
| <b>Major Capital Projects*</b>                    |                |                |                |                |
| <b>Binfield Learning Village at Blue Mountain</b> | 3,349          | 23,300         | 10,300         | 36,949         |
| <b>Town Centre Regeneration</b>                   | 3,600          | 3,300          | 1,700          | 8,600          |
| <b>Coral Reef Transformation</b>                  | 1,557          | 8,358          | 574            | 10,489         |
| <b>Total Capital Funding</b>                      | <b>34,622</b>  | <b>52,214</b>  | <b>26,874</b>  | <b>113,710</b> |

\* These projects extend over more than the three financial years included in the draft capital programme. The full cost of each is as follows

|                                                   | <b>£m</b> |
|---------------------------------------------------|-----------|
| <b>Binfield Learning Village at Blue Mountain</b> | 39.1      |
| <b>Town Centre Regeneration</b>                   | 12.4      |
| <b>Coral Reef Transformation</b>                  | 11.2      |

## CAPITAL PROGRAMME - ADULT SOCIAL CARE, HEALTH & HOUSING

|                                            | 2015/16<br>£000 | 2016/17<br>£000 | 2017/18<br>£000 |
|--------------------------------------------|-----------------|-----------------|-----------------|
| <b>Committed</b>                           |                 |                 |                 |
| Affordable Housing                         | 1,176           | tba             | tba             |
|                                            | <u>1,176</u>    | <u>0</u>        | <u>0</u>        |
| <b>Unavoidable</b>                         |                 |                 |                 |
| None                                       | 0               | 0               | 0               |
|                                            | <u>0</u>        | <u>0</u>        | <u>0</u>        |
| <b>Maintenance</b>                         |                 |                 |                 |
| See Council Wide                           | <u>0</u>        | <u>0</u>        | <u>0</u>        |
| <b>Rolling Programme / Other Desirable</b> |                 |                 |                 |
| Choice Based Letting System                | 30              | 0               | 0               |
| Older Person Accommodation Strategy        | 385             | 0               | 0               |
|                                            | <u>415</u>      | <u>0</u>        | <u>0</u>        |
| <b>TOTAL REQUEST FOR COUNCIL FUNDING</b>   | <u>1,591</u>    | <u>0</u>        | <u>0</u>        |
| <b>External Funding</b>                    |                 |                 |                 |
| Affordable Housing - s106                  | 777             | 0               | 0               |
| Older Person Accommodation Strategy        | 15              | 0               | 0               |
| Community Capacity Grant                   | tbc             | tbc             | tbc             |
| <b>TOTAL EXTERNAL FUNDING</b>              | <u>792</u>      | <u>0</u>        | <u>0</u>        |
| <b>TOTAL CAPITAL PROGRAMME</b>             | <u>2,383</u>    | <u>0</u>        | <u>0</u>        |

## Adult Social Care, Health & Housing Schemes

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <b>New Affordable Housing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Council Funding £1,176,000<br/>External Funding £777,000</b> |
| <p>Existing commitments for enabling more affordable housing and also new provision for programmes to support low cost home ownership. Schemes in 2015/16 will include;</p> <p>BFC My Homebuy – £120,000<br/>Cash Incentive Scheme £180,000<br/>Temporary to Permanent £876,000<br/>Temporary to Permanent – S106 £777,000</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                 |
| <b>Choice Based Letting System</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>£30,000</b>                                                  |
| <p>Upgrade of current hosted Abris choice based letting, housing advice and assistance and temporary accommodation management module. For the service, the upgrade provides new financial management capability such as separate tracking of arrears either tenant or HB, automatic national insurance checker to identify fraud, ability to provide tenancy management outside homeless module for properties owned by other parties, ability to record expenditure and orders on properties on the system and overall better reporting capability. In terms of the business case there is a non-cash quantifiable benefit to the customer in terms of a better experience in bidding for properties.</p>                                                                                                                  |                                                                 |
| <b>Older Person Accommodation Strategy</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Council Funding £385,000<br/>External Funding £15,000</b>    |
| <p>Following the opening of the new extra care scheme Clement House , BFH have the opportunity to decommission existing elderly persons accommodation. Subject to consultation an opportunity to re-provide a service is under review. The intention is to negotiate a swap of assets between the Council and BFH. However, the scheme will require capital works to be undertaken before it would be able to provide relocated services. At this stage the costs of the works plus fees and relocation of equipment is not expected to exceed £ 400,000. The business case of this level of investment is that at present estimated costs of repair liabilities for the existing site over the next three years is in the region of £700,000. At present there is £320,000 of category D maintenance works identified.</p> |                                                                 |
| <b>Community Capacity Grant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>£tbc</b>                                                     |
| <p>Various projects in Adult Social Care funded by the Community Capacity Grant, in line with the purposes of the grant which are:</p> <ol style="list-style-type: none"> <li>1. Innovative alternatives to residential care which can help people live in the most appropriate accommodation</li> <li>2. Alternatives to residential care via community based services investment – specifically capital investment in tele-care, simple aids to daily living &amp; re-ablement infrastructure. These underpin the aim to enable people to remain in their own homes for as long as possible.</li> </ol>                                                                                                                                                                                                                   |                                                                 |