

To: COUNCIL
14 SEPTEMBER 2016

EXECUTIVE REPORT TO COUNCIL
The Leader

1 PURPOSE OF REPORT

- 1.1 Since the Council meeting on 13 July 2016, the Executive has met once on 18 July 2016. This report summarises decisions taken at that meeting by reference to the relevant portfolio within which they fall.
- 1.2 Updated Forward Plans are published every Friday and are available for public inspection at Easthampstead House in the usual way and online at www.bracknell-forest.gov.uk. Full details on the decisions taken by individual portfolio holders can also be accessed online through the Council's website.

2 RECOMMENDATION

- 2.1 **Council is asked to consider the recommendations set out at paragraphs 5.1.3, 5.3.2, 5.3.3 and 8.1.3.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The reasons for recommendations are set out in the supporting information and in the reports considered by the Executive.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Alternative options are discussed in the relevant individual reports considered by the Executive

5 SUPPORTING INFORMATION

Transformation and Finance

5.1 Medium Term Financial Strategy

- 5.1.1 The Executive has considered the Council's Medium Term Financial Strategy and the significant issues that are likely to impact upon the Council's budget in future years. In so doing, it has approved the Commitment Budget for the period 2017/18 to 2019/20 and is recommending that the Government's offer of a four year funding settlement be accepted, subject to the agreement of the efficiency plan (Agenda Item 7 of Council agenda). In addition, it has approved the proposed budget process and timetable for 2017/18 which represents the next step towards setting a budget for the 2017/18 financial year and beyond.

5.1.2 The Final Local Government Finance Settlement for the period 2016/17 to 2019/20, whilst imposing significant reductions in government support to local authorities, also offered all Councils the opportunity to take up a four year funding settlement to 2019/20. The Government has committed to provide a minimum allocation of Revenue Support Grant and Transitional Grant for each year of the Spending Review period, should councils wish to accept the offer and publish an efficiency plan. For Bracknell Forest the offer comprises:

	Revenue Support Grant £000	Transitional Grant £000
2016/17	11,283	934
2017/18	7,081	914
2018/19	4,445	0
2019/20	1,743	0

5.1.3 Whilst the offer represents an almost complete withdrawal of Revenue Support Grant over the four year period, the alternative is to accept an annual settlement and the inherent uncertainty around medium term financial planning that this brings. In addition to this, there is clearly the underlying risk that future settlements could result in the withdrawal of Revenue Support Grant at a faster rate than that contained in the Government's offer. Therefore, on balance, it is **RECOMMENDED that the Council should accept the Government's offer of a four year settlement.**

5.1.4 Whilst accepting the offer will give a degree of certainty, there remain other significant longer term uncertainties particularly what is meant by the Government's plan to move towards 100% business rates retention by the end of this Parliament. Furthermore, a business rates revaluation in 2017 with uncertainties linked to potential appeals, all represent a considerable risk to the Council's future business rate income. For the purposes of the Medium Term Financial Strategy, however, income is forecast to grow in line with the Government's baseline assumptions. More positively, the Council can also expect to see a growth in business rate income once the new town centre opens.

5.1.5 Over the next three years a cumulative funding gap of £23.492m is predicted with the gap in 2017/18 being £10.143m. Whilst the Council has a track record of delivering efficiency savings and reducing back office costs in order to protect front line services it is simply not possible to achieve similar types of savings year-on-year. The transformation programme that is currently underway will therefore be critical to the achievement of balanced budgets in the future. It will be necessary to take a firm line to limit future year's pressures, continue to deliver efficiency savings and reduce back office costs, whilst increasing the council tax and utilising the available balances as savings arising from the transformation programme are implemented. Work will continue over the coming months so that the Executive will be in a position to agree on a full range of budget proposals on which to consult at its meeting in December 2016.

5.2 Capital Expenditure Outturn 2015/16

5.2.1 The Executive has noted that the Capital Outturn for 2015/16 was £45.089m. This represents 98% of the cash budget (£45.177m).

5.2.2 The Executive also approved the carry forward of £20.967m from the 2015/16 capital programme to 2016/17, including £0.339m relating to projects approved in 2014/15.

In addition, it has noted the financing of capital expenditure and approved the additions and virements to the 2016/17 Capital Programme.

5.3 Revenue Expenditure Outturn 2015/16

- 5.3.1 The Executive has considered the revenue expenditure outturn for 2015/16, noting that, subject to audit, total spend was £76.477m resulting in an underspend of £2.702m compared with the approved budget. This is the eighteenth successive year that the Council has been within budget. As a result, the Council has returned £1.770m to General Balances as opposed to a budgeted withdrawal of £0.932m. The General Fund balance at 31 March 2016 was therefore £10.961m. Of this, £0.932m will be used to finance the 2016/17 budget.
- 5.3.2 Budget carry-forwards have been approved totalling £0.315m, along with the earmarked reserves. The Executive also approved a number of virements relating to the 2015/16 budget between £0.050m and £0.100m. Those in excess of £0.100m, whilst endorsed by the Executive, require the approval of Council and it is therefore **RECOMMENDED that the virements over £100k (Annexe E of Appendix A) be approved.**
- 5.3.3 The Council is required to approve an annual report on treasury management performance to comply with the Prudential Code for Capital Finance as performance in this area can have a significant impact on the Council's overall financial position and balances. The report for 2015/16 was endorsed by the Executive which has **RECOMMENDED that the Treasury Management Annual Report 2015/16 (Annexe B of Appendix A) be approved.**

Culture, Corporate Services & Public Protection

6.1 Community Access at Edgbarrow & Sandhurst Sports Centres

- 6.1.1 The Executive has approved a public consultation exercise on the future of public access to the Edgbarrow and Sandhurst Sports Centres. The need to review existing arrangements had arisen from increasing pressure on school places that had meant community access to the sport facilities at Edgbarrow had been reducing for some years and would no longer be available prior to 5.30 pm during term time from September 2016. There were no changes to the existing arrangements at Sandhurst Secondary School. It was stressed, however, that these changes would bring Edgbarrow into line with the community access arrangements at Sandhurst and the majority of other schools across the borough and the country.
- 6.1.2 Views are to be sought on two options. The first would see Leisure Services continue to staff and deliver community access at both centres, providing community access on weekday evenings (term-time), weekends and during school holidays. From the users' perspective there would be little change in terms of access although charges may well have to increase significantly to ensure at the very least no additional financial support is required to continue the operation. The second option would see the schools manage community access. In practice this would mean the removal of fully staffed leisure facilities and a move towards groups hiring facilities for their own purposes via a direct booking arrangement with either school. This would mean the end to all "pay-as-you-go" access and there would be an end to leisure memberships.
- 6.1.3 Whilst option one is potentially the least disruptive, it would also be subject to decisions by this Council and both Crowthorne Parish Council and Sandhurst Town

Council as to whether they would be willing to continue their financial support to the respective facilities. Option two would deliver singular on-site management as the overall responsibility for the maintenance and operation of the sports facilities would pass to the schools.

- 6.1.5 The consultation exercise will run throughout August and September with a view to the Executive making a final decision on the future of the centres at its meeting on 15 November 2016.

Environment

7.1 re3 Waste Strategy

- 7.1.1 The Executive has endorsed the draft re3 Waste Strategy. The Strategy has been developed by the Joint Waste Disposal Board which manages the re3 contract on behalf of Bracknell Forest, Reading and Wokingham Borough Councils. All three Councils are being asked to endorse the Strategy. Any comments from the authorities will be considered by the Board which will ultimately approve the Strategy. Its aim is to maximise the potential of the partnership to reach its own targets and help the councils achieve theirs. The PFI Contract binds the re3 partnership to achieving a 50% overall recycling rate for the facilities by the end of its term, 31 October 2031. The Strategy seeks to help ensure that this target is met.

Children, Young People & Learning

8.1 Binfield Learning Village at Blue Mountain - Award of Works Contracts

- 8.1.1 The Executive has agreed to award contracts for the enabling works and main works for the development of the Binfield Learning Village and refurbishment of the associated community facilities using the IESE framework. In addition, it has recommended to Council a supplementary capital approval of £3.3m to cover the cost of inflation since the original funding was approved at 2014 prices. The learning village is due to open in September 2018 and will be a STEM school catering for children of all ages with a capacity of 1851 pupils, consisting of a nursery to provide for up to 52 children, primary provision for up to 420 children with 2 Forms of Entry (FE), secondary provision for up to 1,050 pupils, 7FE, post-16 provision for up to 315 students, and an integrated SEN provision for up to 40 primary and secondary pupils.
- 8.1.2 When funding for the project was originally agreed in 2014, it was expected, based on Building Cost Information Service (BCIS) data, that construction inflation would rise by 8.07% (£3.3m) by Q1 January 2016. Whilst the actual rise is likely to be 10.12% (£4.3m), which is 2.05% higher than previously anticipated, by maintaining a robust governance structure, it has been possible to maintain the project cost within the overall budget albeit that several risks and external dependencies remain for which a contingency is required.
- 8.1.3 It is therefore **RECOMMENDED that a supplementary capital approval of £3.3m be approved in relation to the delivery of the Binfield Learning Village (Appendix B).**

8.2 Youth Offending Service Inspection

- 8.2.1 The Executive has noted the outcome of the recent Inspection (short quality screening) carried out by Her Majesty's Inspectorate of Probation (HMIP) which

found the quality of work in Bracknell Forest to be excellent, and has also endorsed the action plan arising from the inspection.

8.2.2 This was the first Bracknell Forest Youth Offending Service Inspection to take place since 2011. The Lead Inspector summarised the findings as follows:

“Overall, we found the quality of the work at Bracknell Forest YOS to be excellent. Staff were enthusiastic and committed. They worked hard to analyse the needs, vulnerabilities, risk of harm and reoffending of those sentenced by the courts, in order to plan the required work. There was a real understanding of how different aspects of the child or young person’s life interacted with each other. We saw effective support provided alongside enforcement of necessary boundaries”.

8.2.3 Key Strengths identified were:

- Good quality reports provided the court with relevant information to assist sentencing.
- The risk of harm to victims was effectively managed.
- Comprehensive and accurate assessments that inform effective plans.
- Good attention was paid to engagement with children and young people and their parents/carers, resulting in more effective interactions.
- Healthy relationships with children and young people supported case managers’ ability to achieve the delicate balance between supporting compliance and enforcement.

8.2.4 An action plan was produced to address areas identified as requiring improvement and all actions have been completed.

Adult Services, Health & Housing

9.1 Proposed Changes to the Commissioning & Delivery of Drug & Alcohol Services

9.1.1 The Executive has agreed changes to the future commissioning and delivery of substance misuse services in Bracknell Forest. The chosen approach will result in the commissioned provider being responsible for managing all of the services and taking over the management of the New Hope building. The DAAT will retain a small residential detoxification and rehabilitation budget and the costs for the Dual diagnosis post. This approach will achieve cost efficiencies of approximately 15% (circ. £92k).

9.1.2 The decision was taken following a Berkshire wide review of DAAT services to identify any potential savings to be made by collaborative commissioning. Whilst there could be some savings made by commissioning collaboratively there was no evidence that these savings would be significant or sustainable and there was a danger of losing the local focus that is currently in place. There does however remain a possibility of one of the other five Berkshire authorities jointly procuring services with Bracknell Forest which could lead to some savings due to shared management and on costs and could result in more interest from providers due to the higher contract value.

9.1.3 The new contract will commence on 1 April 2017.

9.2 Contract Award for Health Visiting Services

- 9.2.1 The Executive has awarded a contract for Health Visiting Services from 1 January 2017. Responsibility for commissioning health visitor services passed to local authorities in October 2015, with the current contract due to expire on 31 December 2016. The new contract will provide continuity of care and an opportunity to evaluate options for the future provision of Children's Public Health programmes as a whole. An initial 15 month contract (with a 9 month extension) has been approved so as to coincide with the end of the period of currently guaranteed Public Health Grant funding. It was noted that if a new contract had not been awarded, there was a likelihood that health outcomes in both young children and parents would be significantly adversely affected and represent a false economy with the resulting demand for other services.
- 9.2.2 Although health visiting services may include a Family Nurse Partnership (FNP) element to provide high intensity support for young mothers, recent research had indicated that this service was not cost effective, nor added significant benefits to the main health visitor programme. Therefore, a separate FNP service did not form part of the procurement process. Work was under way to ensure continuity of support for women on the FNP programme within the main Health Visiting Service.

Planning & Transport

10.1 Award of Framework Agreement for Supported Bus Passenger Transport Services

- 10.1.1 The Executive has approved the award of a new Framework Agreement for Supported Bus Passenger Transport Services to a number of bus operators. The new framework agreement will provide the structure to procure supported bus services, and the call off contracts under the framework will then procure those services. The selected operators have met the minimum thresholds set for quality which allows them to be invited to tender for routes without further qualification.
- 10.1.2 The new framework agreement is very similar to the existing framework and will be in place for a maximum of 4 years (3 +1). However individual call-off contracts may be let for up to 3, 5 or 8 years depending on demand and affordability with potential expenditure against the framework of between £2m and £7m over the period of the agreement.

Council Strategy & Community Cohesion

11.1 Arrangements for the National and Regional Dispersal Scheme for Unaccompanied Asylum Seeking Children and Refugee Children

- 11.1.1 The Executive has agreed that the Council will be part of the national and regional dispersal scheme for unaccompanied asylum seeking children (UASC) and refugee children, accepting up to 0.07% of our general child population over time. To support this decision, it agreed that Council Services should make the necessary plans to receive children from the regional dispersal scheme on the basis of one or two a month as that is considered to be manageable for dispersal and coordination arrangements. It further agreed that funding to support UASC in excess of the Government grant, should be met from the contingency in the current year and that relevant partners should be included in the planning process, especially health services as there is expected to be additional health service needs associated with this vulnerable group.

11.1.2 The Executive considered an urgent report on the Government proposals for the dispersal and allocation of Unaccompanied Asylum Seeking Children (UASC) and refugee children across Councils in England. The reason for urgency was that the Government's proposals were due to be implemented from July 2016, whilst the Scheme had been sent to the Council at very short notice. The next Executive meeting in September would be too late to respond to the Secretary of State. The vast majority of UASC/refugee children are 16-17 year olds (67%), male (90%) and the largest groups currently are from Eritrea, Afghanistan and Albania and more recently Iran and Iraq. The Government has confirmed that additional grant funding will be available to support these new UASC but this will be insufficient to cover the costs of education, care and accommodation particularly for care leavers. The minister responsible for UASC has also made it clear that he will require Council's to co-operate in the scheme if they do not do so voluntarily. Council's are expected to meet the additional costs from their own budgets.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 The Borough Solicitor's comments have been addressed in the reports to the Executive.

Borough Treasurer

6.2 The Borough Treasurer's comments have been addressed in the reports to the Executive.

Equalities Impact Assessment

6.3 Equalities issues, where appropriate, have been addressed in the reports to the Executive.

Strategic Risk Management Issues

6.4 Any strategic risks have been identified in the reports to the Executive.

Background Papers

Executive Agenda – 13 July 2016

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