

Notice of Meeting

Council – Advisory Meeting

Councillor Ms Merry (Mayor)

Councillor Gbadebo (Deputy Mayor)

Councillors Allen, Angell, Atkinson, Bhandari, Dr Barnard, Bettison OBE, D Birch, Mrs Birch, Brossard, Brown, Brunel-Walker, Dudley, Finch, Ms Gaw, Mrs L Gibson, MJ Gibson, Green, Mrs Hamilton, Harrison, Mrs Hayes MBE, Ms Hayes, Heydon, Mrs Ingham, Kennedy, Kirke, Leake, Mrs McKenzie, Mrs McKenzie-Boyle, McLean, Mrs Mattick, Mossom, Neil, Parker, Porter, Skinner, Temperton, Tullett, Turrell, Virgo and Wade



Wednesday 15 September 2021, 7.30 - 9.00 pm

Online only

Timothy Wheadon
Chief Executive

Agenda

Recommendations arising from this meeting will be considered in accordance with the delegations approved by Council on 28 April 2021.

Item	Description	Page
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The meeting will be opened with prayers by the Mayor's Chaplain

1.	Apologies for Absence	
2.	Minutes of Previous Meeting	5 - 12
	To approve as a correct record the minutes of the meeting of the Council held on 14 July 2021.	
3.	Declarations of Interest	
	<p>Members are asked to declare any disclosable pecuniary or affected interests in respect of any matter to be considered at this meeting.</p> <p>Any Member with a Disclosable Pecuniary Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Disclosable Pecuniary Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.</p> <p>Any Member with an affected Interest in a matter must disclose the interest to the meeting. There is no requirement to withdraw from the meeting when the interest is only an affected interest, but the Monitoring Officer should be notified of the interest, if not previously notified of it, within 28 days of the</p>	

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	meeting.	
4.	Chief Constable's Presentation	
	Thames Valley Police Chief Constable, John Campbell will be attending the meeting with Police and Crime Commissioner, Matthew Barber to deliver a presentation on the work of Thames Valley Police over the last year.	
5.	Question submitted under Council Procedure Rule 9	
	In accordance with Council Procedure Rule 9 (Public Participation), a question has been submitted by Mr T Cox, resident of Central Sandhurst as set out below: “I would like to petition the council to do a proper review of 5G technology before proceeding with any more installations (e.g. Ringmead). There has been little to no real life testing done on 5G technology. There is no demand as far as I know from speaking to my friends and residents here in Bracknell Forest. Does the council have any evidence at all of the demand for a new and unsafe technology? This is a call for action as a matter of interest to the health and wellbeing of the community and would appreciate it being raised at the next meeting for action.”	
6.	Petition submitted under Council Procedure Rule 9	
	In accordance with Council Procedure Rule 9 (Public Participation), a petition has been submitted by Mr R Edwards, resident of Hanworth as set out below: “The residents of Hanworth and Great Hollands are affected by increased road noise on A3095 and Nine Mile Ride. We are asking the council to provide a solution to unacceptable levels of vehicular noise which is affecting the amenity, wellbeing and health of local residents. We urge the Council to work in partnership with the Police to find a solution, not limited to, but including reducing the speed to 40mph along Nine Mile Ride and having “Speed Average” cameras and other noise reducing measures and traffic calming on Nine Mile Ride and A3095”	
7.	Mayor's Announcements	
8.	Executive Report	13 - 50
	To receive the Leader’s report on the work of the Executive since the Council meeting held on 14 July 2021. Council is asked to resolve a recommendation in respect of: <ul style="list-style-type: none"> • Treasury Management performance 	
9.	Standards Annual Report	51 - 58
	To advise the Council of activity within its Standards framework from 1 April 2020 to 31 March 2021.	

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10.	Question Submitted Under Council Procedure Rule 10	
	<p><u>Councillor Temperton to Councillor Turrell, Executive Member for Planning and Transport</u></p> <p>Having seen the recent photos of flooding in London, is the Council confident that the surface drains throughout Bracknell Forest have both the capacity and adequate maintenance to deal with extreme rainfall?</p>	
11.	Motions Submitted Under Council Procedure Rule 11	
	<p><u>Motion 02/2021 moved by Councillor Turrell and seconded by Councillor Dudley</u></p> <p>This Council believes local input to planning decisions is valued by residents and is of the utmost importance, and will continue to uphold the right of residents to make such representations in respect of planning decisions.</p> <p><u>Motion 03/2021 moved by Councillor Temperton and seconded by Councillor Neil</u></p> <p>The Council asks the Executive to look to provide a Community Home within Bracknell Forest for some of our Bracknell Forest children who are awaiting foster parents, to avoid sending them to live outside the borough. This would provide a local home, enable continuity of schooling, retention of friendships and a better experience for the children.</p>	

Sound recording, photographing, filming and use of social media is permitted. Please contact Kirsty Hunt, 01344 353108, kirsty.hunt@bracknell-forest.gov.uk, so that any special arrangements can be made.

Published: 7 September 2021

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**COUNCIL – ADVISORY MEETING
14 JULY 2021
7.30 - 8.50 PM**

Present:

Councillors Ms Merry (Mayor), Gbadebo (Deputy Mayor), Allen, Angell, Bhandari, Dr Barnard, Bettison OBE, D Birch, Mrs Birch, Brossard, Brown, Dudley, Finch, Ms Gaw, Mrs L Gibson, MJ Gibson, Mrs Hamilton, Harrison, Heydon, Mrs Ingham, Kennedy, Kirke, Leake, Mrs McKenzie, McLean, Mrs Mattick, Mossom, Neil, Porter, Skinner, Temperton, Turrell and Wade

Apologies for absence were received from:

Councillors Atkinson, Brunel-Walker, Green, Mrs Hayes MBE, Ms Hayes, Mrs McKenzie-Boyle, Parker, Tullett and Virgo

7. Minutes of Previous Meeting

RESOLVED that the minutes of the Council meetings held on 21 and 28 April 2021 be approved, and signed by the Mayor as a correct record.

8. Declarations of Interest

There were no declarations of interest.

9. Question submitted under Council Procedure Rule 9

In accordance with Council Procedure Rule 9 (Public Participation), a question was submitted by Ms P Mitchener, resident of Binfield with Warfield as set out below:

“Can the recycling facility at Chiltern View be relocated to a more appropriate and non-residential area due to the issues that it causes with fly tipping and litter in the area?”

In speaking to the meeting Ms Mitchener shared photographs of the issues she was concerned about around the recycling facility site.

In response Councillor Turrell, Executive Member for Planning and Transport explained that the issues raised crossed a number of portfolios including his own. He advised that the need and location of the recycling facility at Chiltern View had been identified during the detailed planning process for the Amen Corner North housing development and had been put in place before any homes were purchased. He explained that the Council seeks to provide opportunities for recycling in convenient locations so that residents have easy access to recycle materials which are not collected as part of the kerb side waste collections. He added that sites were generally within walking distance from new homes and placed alongside other community-based facilities on the site, such as the school in this particular location. He asked that it was noted that in addition to recycling bins, the area served as a drop-off and pick-up point for the Oakwood Primary School opposite, and parking for the nearby green space at Piglittle Field and Keephatch Meadows.

He acknowledged that the Council had received a few complaints regarding excess waste around the site, most of which was clothing, during lockdown periods. The excess waste was cleared by the Council Grounds Maintenance team following each complaint. He advised that the Council had also taken action following a complaint about noise late at night in June 2020. Since that time, he had been advised that the Council had received no further complaints about the site.

He concluded that he was unable to support the request to relocate the facility as the provision and parking were well used in a number of ways, and the Council had been responsive to complaints raised regarding the site. He was receptive to introducing some management measures as and where practicable.

Ms Mitchener asked that given there were acknowledged ongoing issues would consideration ever be given for things to change. Councillor Turrell replied that action would be taken in terms of management of deposits of waste and occurrences of fly tipping. He was confident that Councillor Mrs Hayes MBE, Executive Member for the Environment and her team would be familiar with the measures required to resolve this. He confirmed that he had taken note of the points raised and would pass on the pictures that had been shared.

10. **Mayor's Announcements**

Heathlands Topping Out Ceremony

The Mayor was pleased to report that she had attended the topping out ceremony at Heathlands Integrated Health and Care Centre. Heathlands would provide a 66-bed specialist care facility for dementia patients or patients transitioning from hospital to home.

Councillor Birch, Executive Member for Adult Services, Health and Housing added that this was a unique project as it brought together NHS partners with the Council to deliver the facility for local residents. The facility would also provide re-ablement services to support people to get back into the community and he was looking forward to it opening early in 2022. He thanked everyone involved in getting the project to this point.

Visit to Foxhill Primary School

The Mayor visited Foxhill Primary School to meet pupils from the school council and was impressed by the thoughtful and inciteful questions about the Mayor's role in the community.

The Body Shop Refill Station

The Mayor had been pleased to attend the opening of the new refill station at the Lexicon Body Shop which allowed customers to restock a number of their favourite hair care, shower gel or hand wash products by refilling a re-usable aluminium container. This simple switch was another example of how to reduce plastic.

Armed Forces Week

The Mayor reported that Armed Forces Week had been celebrated by a Flag raising ceremony at Sandhurst Memorial Park on 24th June 2021. The socially distanced event was organised by Sandhurst Town Council and was attended by distinguished guests and armed forces personnel. Times Square was also lit up in red, white and blue.

Mayoral Charity events

The Mayor thanked everyone who participated and donated to her online auction in support of SSAFA Berkshire and the British Forces Foundation which raised over £2,000. Nearly £500 was raised at the SSAFA Berkshire stand in the foyer of Tesco Martins Heron. The Mayor thanked Councillors Bhandari, Gbadebo, Mrs Hayes MBE, Mrs Mattick and Turrell as well as the team at Tesco for their support.

Virtual events

The Mayor advised the meeting that she had attended the following events remotely: Keep Mobile; an Eid Celebration Party; Royal County of Surrey and Berkshire Armed Forces Briefing; Berkshire Archaeological Society 150 years Celebration Interfaith Forum as well as 22 Citizenship Ceremonies.

Councillor Bettison, OBE, Leader of the Council

The Leader thanked the many volunteers who had worked through the pandemic as well as those who had supported the surge testing in the south of the Borough. Volunteers manned the site, guided people and also assisted by going house to house to deliver leaflets. The Leader thanked the Council's partners at the Ark for co-ordinating covid volunteers. This is a real example of residents being generous people with their time and talent to achieve positive impact within the borough.

The meeting supported the Leader's formal vote of thanks to those that had volunteered.

Councillor Kirke, Ward member for Bullbrook

Councillor Kirke was pleased to report that he and Councillor Harrison had attended Lily Hill Park where a new picnic table had been constructed from a tree which had to be felled for safety reasons. The extraordinarily long picnic table was believed to be the longest in the United Kingdom and possibly Europe which would be affirmed by the Guinness book of records.

Councillor Allen, Ward member for College Town on behalf of Councillor Mrs Hayes MBE, Executive Member for the Environment

Councillor Allen advised the meeting that RE3 had just started a six month trial at their recycling centre to recycle rigid plastic items such as plastic bins, garden furniture, children's plastic toys and plant pots. 700 tonnes of such waste go to landfill sites each year. The rigid plastic collected would be converted to plastic pellets to be reused in products such as drain pipes and plastic railway sleepers.

11. **Executive Report**

The Leader of the Council, Councillor Bettison OBE, presented his report on the work of the Executive since that reported at the Council meeting on 21 April 2021. The Executive had met once on 1 June 2021.

The Leader highlighted the following matters that had been considered:

- Bracknell Forest Council equality, diversity strategy committed to eliminating discrimination and hatred to all communities. The International Holocaust

Remembrance Alliance – Definition of Antisemitism was recommended for adoption.

- Phase 1 works had been agreed to transform the ground floor of Time Square for the Collaboration Space/Community Hub. The changes would create a vibrant community hub which would be more accessible to public, including;
 - Ground floor café/collaboration space
 - New Ceremony Room
 - Re-imagined Reception/Customer meeting area
- Strategic procurement plan to re-develop Depot site had been agreed by Executive Member. This would deliver a new depot facility plus surplus land for disposal with works due to commence in April 2022.
- Leisure facilities' income had inevitably been hit by Covid restrictions. Financial support packages for Everyone Active, who operate the council's primary leisure facilities (BSLC, Downshire Golf Course, Coral Reef), had been agreed in April and July 2020 and March 2021. This would ensure that activities were able to re-open as the income generated underpinned the £1.3m management fee paid to the Council. Members agreed that the level of Quarter 2 support would be agreed when usage and income data became available.
- The request from South Hill Park to guarantee pension liability had been declined by Executive Members as there was no legal connection between Bracknell Forest Council and South Hill Park and there were concerns about equitable treatment of other charitable organisations. The ongoing £194K revenue support grant to South Hill Park was unaffected by this decision and there was no threat to the premises or grounds.
- £180k of S106 provision for affordable housing had been agreed for the provision of a wheelchair accessible modular building at Tenterden Lodge to offer temporary emergency affordable accommodation.
- Continued membership of Children's Residential Care Consortia Framework 2021 – 2024 had been endorsed.
- Crowthorne Neighbourhood Development Plan 2018 – 2036 had been endorsed by May referendum and supported by 85% of voters. The Plan had been formally 'made' so became part of Bracknell Forest Development Plan and 25% of relevant local CIL levy receipts were now payable to Crowthorne Parish Council.

The report contained matters for the Council to consider and recommend to the Chief Executive to resolve in respect of:

- adopting the working definition on antisemitism
- adding the costs for Phase 1 of the Time Square works to the 2021/2022 capital programme

Councillor Mrs Temperton reflected that the support provided to the private company Everyone Active exceeded that provided to the South Hill Park charity. Provision of grounds and premises did not equate to arts provision, another provider was unlikely to be found and that the emotional wellbeing of Bracknell Forest's residents was as important as their physical wellbeing.

In response the Leader stated that there was no comparison to be made between the two situations. He stated that the financial support to Everyone Active would protect the £1.3m income from management fees paid to the council and issues were as a direct result of the pandemic. The Council paid £194k to South Hill Park annually in grant funding plus the costs of maintenance of the site and the use of the building. He noted that the contributions required to Trust's pension fund had been accruing for many years.

On the proposition of Councillor Kirke, Chair of the Equalities Working Group, seconded by Councillor Mrs McKenzie it was

RECOMMENDED TO THE CHIEF EXECUTIVE that the International Holocaust Remembrance Alliance (IHRA) working definition on antisemitism be adopted.

On the proposition of Councillor Heydon, Executive Member for Transformation and Finance, seconded by Councillor Allen it was

RECOMMENDED TO THE CHIEF EXECUTIVE that a supplementary capital approval of £604k to fund the costs for Phase 1 of the Time Square works be added to the 2021/2022 capital programme.

12. **Revised proportionality calculations and membership**

Council considered the report which set out the position regarding the overall allocation of seats on committees following the reduction in the number of councillors in the Conservative Group by one and requested consideration of the consequential membership changes. Conservative Group nominations were tabled as Annex A to these minutes.

On the proposition of Councillor Bettison OBE, Leader of the Council, and seconded by Councillor Birch, it was

RECOMMENDED TO THE CHIEF EXECUTIVE that:

- i) the revised proportionality calculations be agreed;
- ii) changes to the membership of overview and scrutiny, committees and other groups tabled at the meeting were agreed, in accordance with political group wishes; and;
- iii) any changes to the Leader's appointments tabled at the meeting be noted.

13. **Questions Submitted Under Council Procedure Rule 10**

Councillor Temperton asked Councillor Dr Barnard, Executive Member for Children, Young People and Learning the following published question:

In the last two budgets, money has been allocated to develop a school of 50 places in Bracknell Forest to support our children with Social, Emotional and Mental Health issues. When will this project be realised and the school opened?

Councillor Dr Barnard replied that a feasibility study has been undertaken for the provision of a Social, Emotional and Mental Health (SEMH) hub that the council is seeking to put forward. The emerging evidence is that there is a need for both primary and secondary school provision. He advised that this changed the shape and

nature of the project to be taken forward. He confirmed the report containing all the options being considered would be shared with Councillor Mrs Temperton following the meeting.

Consultation work with schools would continue in the autumn term as part of the wider reshaping of the high need and SEND funding provision which would include all schools and College Hall, Kennel Lane School and Manor Green School as links closely with provision for Bracknell Forest residents. He added that the next stage of the process was to look at local provision and service level agreements, see what resources and facilities were available and bring forward capital proposals for 2022-23. He understood that the earliest date the facility could be open would be September 2023. Considerable work was ongoing with commissioning of SEND provision following the updating of SEND propels and plans. He acknowledged that this project was taking longer than expected but this was due to the changing requirements from 50 place primary provision to all through provision for 70 – 120 places. He concluded that this change had consequences on the building which could be used or converted to provide this.

Councillor Temperton thanked Councillor Dr Barnard for sharing the options report, noted the reasons for the delay but also that this proposal was necessary to reduce the high needs budget so it would be better for residents to have a local provision in place as soon as possible.

Councillor Dr Barnard agreed that this would be good for residents and that the Council would continue to support families to ensure that the best use of high needs block funding was made.

Councillor L Gibson asked Councillor Dr Barnard, Executive Member for Children, Young People and Learning the following published question:

What schemes does this council currently have in place to support levelling up the life chances of Children looked after, and Young carers registered with the borough?

Councillor Dr Barnard replied that young carers were not recognised in the same way that children looked after were but additional support was offered through schools to help with school / home life balance due to their caring responsibilities at home. He explained that youth work and youth clubs which were being built up again following the pandemic which aimed to help build resilience as well as signpost young carers to socially enriching activities.

Councillor Dr Barnard stated that in relation to Children Looked After the Council was committed to deliver the best outcomes it could with processes like 'team around a child' to look at education progress, life skills and life chances to focus on building resilience, understanding the consequences of neglect as investing early in children was evidenced to work well. He described the 'All about me' project in which social workers engaged with young people to update a record of what they had achieved and this was not just about school experiences. He added that as well as working with the Virtual school on education provision the Council worked with external providers such as Power of Parenting (POP) Charity pay for programme of tuition and catch up sessions and Champion Higher, a project working with those aspiring to go to university.

He concluded that it was about widening participation and raising aspirations for Bracknell Forest's Children Looked After to have the same opportunities and life

experiences of other young people and support the transition into adulthood. The Council works closely with its foster carers and adopters, residential and others that provide support to give them those opportunities.

Councillor L Gibson asked whether he would support the addition of a cycle scheme for our Children Looked After and Young Carers to support them to learn the basics of cycling so they can access BikeAbility training with their peers during Year 5 or catch up and do this training later if they are already past year 5 as well as provision of a bike bank for young carers and children looked after to borrow safe and correctly sized bicycles for as long as they need them and be taught how to repair and maintain the bicycles appropriate to their age.

Councillor Dr Barnard replied that he thought this was a good idea as children quickly outgrow bicycles and the skills learnt through BikeAbility would give children the skills to safely go out and meet up with their friends. He noted that in particular teenagers / young people make use of cycling as they transition into adulthood. He suggested that the Corporate Parenting Panel could take up this issue and, if supported, work with foster carers and other representatives to see what was possible to further support life chances. He concluded that he hoped it would be for a minority as his understanding was that this was already provided by foster carers but recognised that it was worth exploring the issue to ensure cycling was accessible for those that needed additional support.

14. Motion Submitted Under Council Procedure Rule 11

Motion 01/2021 was moved by Councillor Temperton and seconded by Councillor Brown as follows:

That this Council opposes any moves by the government to abolish the Frimley ICS.

On being put to the vote the motion was carried.

CHAIR

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To: Council
15 September 2021

Executive Report to Council The Leader

1 Purpose of Report

- 1.1 Since the Council meeting on 14 July 2021, the Executive has met twice, on the 20 July and 31 August 2021. The meetings were conducted remotely and as such were acting in an advisory capacity, making recommendations to the individual executive members who are empowered to make the formal decisions. This approach was in line with the decisions taken by Council on 28 April 2021 to reduce, as far as possible the need for face-to-face meetings whilst the risk of COVID-19 infection remains a threat to the lives of members and officers.
- 1.2 Updated Forward Plans are published every Friday and can be viewed 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 Recommendations

- 2.1 Council is asked to consider the recommendations set out at paragraph 5.5.5.

3 Reasons for Recommendation

- 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

Adult Services, Health & Housing

5.1 Lateral Flow Testing (LFT) Project – Extension of contract term and anticipated expenditure

- 5.1.1 The Executive has approved spend of £1.35 million (including a contingency of 20%) for the next phase of the Lateral Flow Test project. In view of the need to avoid delay in continuing the community testing programme from 1 July 2021 until 31 March 2022, a further Contract Standing Order waiver was also approved to enable the existing provider, Solutions 4 Health, to continue delivering the testing. The Government had recently indicated that local authorities would be expected to continue providing an LFT programme until March 2022. With ongoing uncertainty about the need for the service, the current contract terms were advantageous as they allowed the Council to terminate with one week's notice and no additional financial penalties. The Council had also established strong working relationships with the

provider and therefore it would be challenging at this stage to look to appoint a different provider and sustain the same level of service delivery.

- 5.1.2 The Government has indicated that funding for this next phase will be based on a more hybrid approach that will give local authorities more freedom and autonomy to decide how best to deliver community testing, as opposed to simply being based on a price per test. It is likely that reimbursement of any costs will be provided monthly in arrears based on actual costs incurred.
- 5.1.3 The initial contract was approved as an 'urgency matter' and therefore this approach could not be used again for this contract.

5.2 Commissioning of Home Care Framework: Adults

- 5.2.1 The Executive has approved the strategic procurement plan for procuring a home care service through a flexible framework to commence on 1 April 2022 for an initial 3-year term with the option to extend for an additional 3 years, or portion thereof, under the Light Touch Regime.
- 5.2.1 The Care Act 2014 placed duties on local authorities to influence the Home Care market to ensure a sustainable, diverse, efficient and effective service that delivered better, innovative and cost-effective outcomes that promote the wellbeing of people who need care and support. COVID-19 had increased demands on the service where the focus had been on home first and accelerated discharge strategies to alleviate pressures on the NHS. Analysis of the service also indicated a significant increase in demand for those suffering deficits in memory and cognition. This was supported by national trends in needs analysis and the increasing demands for dementia services. Support with memory and cognition was the most significant group after standard home care.
- 5.2.3 Analysis of alternative options had indicated that a flexible framework best met the needs of the Council. This has therefore been reflected in the procurement plan.

5.3 Section 75 Agreement – Arrangements for 2021/22 and onwards

- 5.3.1 The Executive has agreed that the Executive Director: People, on behalf of the Council, should agree and enter into an interim extension to the current Section 75 agreement with added service schedule information for 1 April 2021-31 March 2022. In addition, it has agreed that a renewed Section 75 agreement to supersede the 2021/22 interim agreement should be submitted for approval in early 2022, subject to Better Care Fund guidance being published, reflecting the ambition for partnership working in future years.
- 5.3.2 A Section 75 Partnership Agreement allows both parties to continue to remain legally accountable for its statutory functions but permits one party to delegate delivery of these functions to the other on a day-to-day basis with pooling of budgets.
- 5.3.3 The existing Section 75 agreement expired on 31 March 2021. Existing and new services that are jointly commissioned and or funded through a pooled budget need to be covered through a Section 75 agreement in order to be compliant with the NHS Act 2006 and have a clear partnership working protocol between the CCG and the Council. The Better Care Fund (BCF) will likely need to be covered by a Section 75 agreement to be compliant with the national BCF conditions (guidance on which is expected shortly). National conditions for 2020/21 stated: "Plans covering all

mandatory funding contributions have been agreed by HWB areas and minimum contributions are pooled in a section 75 agreement.”

- 5.3.4 Further service schedules will be developed, and more detailed information added as part of the agreement from 2022/23 to include all jointly commissioned services/pooled budgets between the CCG and the Council. It will also include a risk sharing schedule and an updated partnership framework reflecting the latest national and local developments for health and care integration.

Transformation & Finance

5.4 Capital Programme Outturn 2020/21

- 5.4.1 The Executive noted that the projected capital programme outturn for 2020/21 was £26.883m, 50% of the approved budget of £53.797m. Although this was subject to change pending external audit, no significant movement was anticipated. As a result of the underspends, carry forwards totalling £25.007m had been requested. Although a significant proportion of the programme, many of the projects were either close to being completed or were contractually committed and underway.
- 5.4.2 As a result of the capital expenditure in 2020/21, the Council had an overall capital financing requirement (CFR) of £214.6m as at 31 March 2021. The Council will provide for the repayment of this through the minimum revenue provision which will be re-calculated for these out-turn figures using the policy agreed by Council and reflected in the Council’s Budget. The CFR represents the underlying need to borrow to fund capital expenditure that cannot be financed from other income sources. However, the actual need to borrow at any particular time is determined by the Council’s overall cashflow requirements. The actual level of borrowing at the end of March 2021 was £80m with investments of £20.3m leaving a net debt of £59.7m
- 5.4.3 Given that the level of capital expenditure incurred was less than budgeted for and income from capital receipts greatly exceeded expectations, the Council’s long-term borrowings are much lower than predicted. This has contributed to an underspend in the capital financing revenue budget.

5.5 Revenue Expenditure Outturn 2020/21

- 5.5.1 The Executive noted that its outturn revenue expenditure for 2020/21, subject to audit, was £87.592m, which represented an under spend of £3.615m compared with the approved budget. The Council has therefore returned £3.236m to General Reserves rather than the budgeted withdrawal of £0.379m. The General Reserves balance at 31 March 2021 was £10.327m, with only £0.001m committed to funding the 2021/22 revenue budget. The minimum prudent level recommended by the s151 Officer is £4.5m, broadly equivalent to 5% of the Council’s net budget. In addition, it has approved budget carry forwards of £0.193m along with the earmarked reserves and virements relating to the 2020/21 budget. A number of other budget adjustments were made during the year to reflect transfers to or from reserves, the most significant being transfers to the Revenue Grants Unapplied Reserve (-£2.718m), Public Health Reserve (-£0.794m) and Better Care Fund Reserve (-£0.712m) and transfers from Schools Reserves (£1.186m).
- 5.5.2 The Corporate Management Team had agreed that the best way to reflect the additional COVID funding provided by the Government in the out-turn position, recognising that it was provided to support the additional spending pressures experienced by most service areas during the year, largely as a consequence of the

pandemic, would be to allocate it to mitigate against net pressures at an individual service level. This recognised the difficulty in determining whether pressures experienced in the year related solely or partly to COVID or to other factors. The consequence is that all directorates are showing no variance from budget in the out-turn position. A full analysis of the 2020/21 variances, identifying those already built into the 2021/22 base budget, one-off items and those of an ongoing nature was to be undertaken to inform the evolving 2022/23 budget proposals.

- 5.5.3 Cumulative deficits on the Schools Budget for the financial years 2020/21 to 2022/23 were now required to be charged to a new unusable reserve called the Dedicated Schools Grant Adjustment Account. As the Schools Budget was now in an overall deficit position, all earmarked reserve balances had been transferred to the new reserve with the resulting position being an overall deficit of £0.485m.
- 5.5.4 The Executive also received and noted the Council's treasury management performance during 2020/21. In accordance with the Prudential Code for Capital Finance, this was being recommended to Council.
- 5.5.5 It was therefore **RECOMMENDED** that Council note the Treasury Management performance in 202/21 as set out in Annexe B.

5.6 Regeneration and Redevelopment of an area of land at Coopers Hill, Bracknell

- 5.6.1 The Executive has confirmed the appropriation of land at Coopers Hill for planning purposes in accordance with Section 122 of the Local Government Act 1972, with the result that certain property rights and interests affecting the land such as easements and restrictive covenants will be overridden pursuant to Section 203 of the Housing and Planning Act 2016 once the planning permission (21/00233/FUL) approved by the Planning Committee on 19 August 2021 is implemented. Statutory compensation may be agreed with any affected parties and therefore the Borough Solicitor was delegated powers to address all matters arising from the decision. In addition, delegated authority was granted to the Assistant Director; Property Services in consultation with the Borough Solicitor and the Executive Director: Resources to agree the settlement and documentation of any statutory claims with owners and occupiers of neighbouring properties, together with any associated fees; to document any associated agreements, deeds of release etc that may be required. The cost of the proposed settlement of compensation payments and associated matters would be met by the Bracknell Forest Cambium Partnership, pursuant to the existing development agreements.
- 5.6.2 Without the exercise of the Council's appropriation powers, parties who are affected by the diminution of their rights to light or other easements would have the ability to bring injunction proceedings to prevent or delay the development of the land.
- 5.6.3 The development proposal is for 52 units comprising of houses and low-level flats.

6 Consultation and Other Considerations

Legal Advice

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

Financial Advice

- 6.2 The Director: Resources' 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/Executive Members.

Strategic Risk Management Issues

- 6.4 Any strategic risks have been identified in the reports to the Executive/executive members.

Climate Change Implications

- 6.5 This report summarises the decisions made by executive members on advice from the Executive as a whole. As such, this report will have no direct impact on emissions of CO₂. The potential impact of each decision was summarised in the individual reports.

Background Papers

Executive Agenda – 20 July & 31 August 2021

Contact for further information

Derek Morgan, Democratic Services - 01344 352044
derek.morgan@bracknell-forest.gov.uk

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TO: THE EXECUTIVE

DATE: 20 JULY 2021

REVENUE EXPENDITURE OUTTURN 2020/21
Executive Director: Resources

1 PURPOSE OF REPORT

- 1.1 The Council, at its meeting on 26 February 2020, approved a revenue budget for 2020/21 of £91.207m. This report informs Members of the outturn expenditure position, subject to audit, for the financial year 2020/21 highlighting that the Council is within budget for the twenty-second successive year and under spent by -£3.615m. The Council therefore returned £3.236m to General Reserves rather than the budgeted withdrawal of £0.379m.
- 1.2 The report sets out a positive picture of the Council's finances as at the end of March 2021. While this provides a strong financial platform for future years, the Council continues to face ongoing financial pressures and uncertainty due to the wide-ranging impacts of the Pandemic and delays in the introduction of a new funding system by Central Government.
- 1.3 The Accounts and Audit (Amendment) Regulations 2021 extended the statutory audit deadlines for 2020/21 and 2021/22 for all local authorities. The publication date for audited accounts has moved from 31 July to 30 September 2021 and the draft accounts now need to be published by 31 July 2021 at the latest. The draft accounts were signed and published on 28 May 2021 to meet the Council's own internal timetable.

2 RECOMMENDATIONS

That the Executive:

- 2.1 **Note the outturn expenditure for 2020/21, subject to audit, of £87.592m, which represents an under spend of -£3.615m compared with the approved budget.**
- 2.2 **Approve the budget carry forwards of £0.193m (see paragraph 5.8 and Annexe C).**
- 2.3 **Recommends that Council note the Treasury Management performance in 202/21 as set out in Annexe B.**
- 2.4 **Approve the earmarked reserves as set out in Annexe D.**
- 2.5 **Approve the virements relating to the 2020/21 budget (see Annexe E).**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The recommendations are intended to inform the Executive of financial performance against budget in the 2020/21 financial year.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The report sets out the Council's actual financial performance in 2020/21 and the consideration of options is not therefore appropriate.

5 SUPPORTING INFORMATION

General Fund Revenue Expenditure 2020/21

- 5.1 The Council approved a revenue budget of £91.207m for 2020/21. In addition, a number of transfers to and from earmarked reserves have been made during the course of the year. These are shown in Table 1 below and explanations for the use of the reserves are set out in the following paragraphs.

Table 1: Transfers To/From Earmarked Reserves

Directorate	Carry Forwards from 2019/20	Bus Contract (S106)	Other S106	Structural Changes	All Other Earmarked Reserves	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Central	54	96	492	118	-1,286	-526
Delivery	0	0	0	84	398	482
People	0	0	0	27	-2,941	-2,914
Non departmental budgets	-54	-96	-492	-229	3,829	2,958
Total	0	0	0	0	0	0

Carry Forwards from 2019/20

In accordance with the Council's constitution, budget under spends can be carried forward to the following year in exceptional circumstances.

Bus Contract from S106

The Wykery Copse bus contract was negotiated during the course of the year with the funding to be provided from S106 resources.

Other S106

Revenue funding for staff and a vehicle involved in the production, co-ordination and monitoring of the Suitable Alternative Natural Green Spaces (SANGS) plans and the maintenance and management of SANGS areas have also been provided from S106 resources, as have transformation savings relating to Special Protection Areas.

Structural Changes

One-off costs associated with restructuring and salary protections payments were met from the Structural Changes Reserve during the year.

Other Earmarked Reserves

Carry forwards to 2021/22 of -£0.193m are included within this figure and are covered in more detail in paragraph 5.7. A number of other budget adjustments were made during the year to reflect transfers to or from reserves, the most significant being transfers to the Revenue Grants Unapplied Reserve (-£2.718m), Public Health Reserve (-£0.794m) and Better Care Fund Reserve (-£0.712m) and transfers from Schools Reserves (£1.186m).

Provisional Outturn Position

- 5.2 Table 2 analyses by directorate the outturn compared with the original budget. These figures inevitably remain subject to change, pending external audit. However, no significant impact on the overall underspend is anticipated.
- 5.3 The Corporate Management Team has discussed how best to reflect the additional Covid funding in the out-turn position, recognising that it was provided to support the additional spending pressures experienced by most service areas during the year, largely as a consequence of the pandemic. It was felt that the most equitable approach is to allocate the Covid funding to mitigate against net pressures at an individual service level, recognising the difficulty in determining whether pressures experienced in the year relate solely / partly to Covid or to other factors. The consequence is that all directorates are showing no variance from budget in the out-turn position, as shown below.

Table 2 – Projected Outturn Expenditure

Directorate	Original Approved Budget	Carry Forwards & Virements	Current Approved Budget	Outturn	Variance
	£'000	£'000	£'000	£'000	£'000
Central	18,616	68	18,684	18,684	0
Delivery	13,862	499	14,361	14,361	0
People	78,848	-6,469	72,379	72,379	0
Non Departmental / Council Wide Budgets	-28,467	-10,388	-38,855	-42,714	-3,859
Transfers to/from Earmarked Reserves	8,348	16,290	24,638	24,882	244
Total	91,207	0	91,207	87,592	-3,615

- 5.4 The current approved budget takes into account virements actioned during the course of the year. The most significant being:
- Those included in paragraph 5.1 and Table 1
 - Reallocation of budgets to departments for Non Cash items to reflect actual costs (-£4.9m), namely:
 - changes to capital charges (£1.3m) and
 - pension adjustments (-£6.2m).
 - Adjustments relating to the accounting for the waste PFI (-£0.7m) and The Avenue Car Park finance lease (-£1.1m) and revenue contributions to capital (-£1.0m).

These reallocations have no overall effect on the amount raised from taxpayers as they are reversed out within the Non Departmental / Council Wide Budgets line.

- 5.5 While there are no variances overall at departmental levels, there was a number of variances within this, which are set out in Annexe A. The most significant variances are highlighted below:

Unrestricted

Central

- Additional consultancy costs associated with planning appeals (£0.156m).
- Loss of income within Traffic due to the pandemic, particularly from Street Works (£0.131m).
- Additional income for Suitable Alternative Natural Greenspaces (SANGS) capacity (-£0.129m)
- Loss of income from the closure of The Lookout due to the pandemic (£0.274m).
- Transfer of government grant into Central to cover Covid-19 costs (-£0.481m).

Delivery

- An overspend in ICT relating to the purchase of computer software and licences and revenue contributions to capital (£0.198m).
- Underspends on running costs in Office Accommodation (-£0.120m) and Registration of Electors / Elections (-£0.105m).
- An overspend within Waste Management primarily relating to the cost of waste disposal (£0.457m).
- An overspend on Car Parks due to the loss of income (£1.019m) partly offset by a reduction in running costs (-£0.353m).
- Financial support provided under the leisure contract because of the pandemic (£1.329m).
- A net overachievement of income at the Cemetery and Crematorium (-£0.230m).
- Transfer of government grant into Delivery to cover Covid-19 costs (-£2.084m).

People

- An overspend on Education and Learning (£0.335m) resulting from overspends on staffing (£0.371m) and unbudgeted costs for renting modular classrooms during emergency roof repair works (£0.251m), partly offset by a number of underspends in particular a significant variance at the Open Learning Centre (-£0.107m).
- A net underspend on Children's Social Care. The most significant variances included underspends on staffing (-£0.316m), care leavers support and maintenance costs (-£0.135m) and Childcare Solicitors (-£0.058m) partly offset by an overspend on care and accommodation costs (£0.243m).
- An overspend on care packages within adult social care, primarily due to an increase in the number and cost of learning disability clients (£0.856m). This was partly offset by underspends at Waymead, the in-house respite service, as it remained closed throughout the year (-£0.162m) and on staffing costs (-£0.250m).
- An overspend on externally provided social care primarily due to clients in the community requiring support with memory & cognition (£0.656m). An internal review of contracts within Forestcare helped achieve an underspend (-£0.184m).
- An underspend on Early Help and Communities (-£0.940m). The main elements were an underspend within Housing Welfare & Benefits (-£0.485m), largely caused by a reduction in the provision for bad debts, staff vacancies (-£0.425m) partly offset by an overspend on Housing Management and Property (£0.303m) in both running and staff costs.
- Transfer of government grant into People to cover Covid-19 costs (-£0.141m).

Non-Departmental / Council Wide

- A significant under spend on interest budgets (-£0.966m). Average cash balances have been substantially higher than those experienced in 2019/20, removing the need for any new borrowing in 2020/21. This has resulted from a combination of

Unrestricted

slippage on the capital programme, the underspend on the revenue budget and positive cashflows from grants being received pending their allocation.

- Higher than forecast capital receipts in 2019/20 and significant capital carry forwards into 2020/21 helped to create an under spend against the Minimum Revenue Provision (-£0.148m).
- An overspend relating to an additional payment to the Thames Valley Local Enterprise Partnership (£0.241m), increases in the levy payable to central government (£0.649m) and reductions in the section 31 grant receivable from central government (£0.326m) because of the actual, more positive outturn position on Business Rates income.
- The impact of the triennial pension revaluation on employers' pension contributions was less than expected (-£0.088m).
- Other under spends primarily relating to pension recharges and joint arrangements, and the provision for bad debts and write offs (-£0.133m).
- Not all the Covid-19 LA Support Grant received from the government to help meet pressures resulting from the pandemic was required by directorates (-£1.810m).
- Not all the Contingency Fund was required in 2020/21, resulting in an underspend (-£1.930m).

Earmarked Reserves

- Transfers into the ICT Transformation (£0.189m) and the School Masterplans and Feasibility Studies (£0.055m) Reserves.

- 5.6 A full analysis of the 2020/21 variances, identifying those already built into the 2021/22 base budget, one-off items and those of an ongoing nature will be undertaken to inform the evolving 2022/23 budget proposals.

Treasury Management

- 5.7 Annexe B contains a detailed analysis of the Council's treasury management performance during 2020/21. An annual report is required 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 will subsequently be presented to Council as required.

Budget Carry Forwards

- 5.8 In accordance with the Council's Constitution, some unspent budget provision is permitted to be carried forward to the following year in exceptional circumstances. This would include where expenditure was budgeted for and planned in a particular year, but due to unforeseen circumstances has had to be deferred to the following year. Table 3 summarises the carry forwards by directorate and a detailed breakdown is included in Annexe C. The Executive is asked to approve the carry forward reported.

Table 3 – Budget Carry Forwards

Directorate (Details in Annexe C)	Carry Forwards
	£'000
Central	115
People	78
Total	193

Balances (General Reserves)

- 5.9 As the actual outturn for 2020/21 was an under spend of -£3.615m, the Council returned £3.236m to General Reserves rather than the budgeted withdrawal of £0.379m. The General Reserves balance at 31st March 2021 was £10.327m, with only £0.001m committed to funding the 2021/22 revenue budget. The minimum prudent level recommended by the s151 officer is £4.5m, broadly equivalent to 5% of the Council's net budget. This level needs to have regard to a view of general financial risks, meaning that careful consideration needs to be given to the situation all councils are facing in the current financial year.
- 5.10 A detailed review of all existing reserves and provisions has been undertaken as part of the account's closedown process. The proposed changes to reserves and balances are included in Annexe D. Any cumulative deficits on the Schools Budget for the financial years 2020/21 to 2022/23 are now required to be charged to a new unusable reserve called the Dedicated Schools Grant Adjustment Account per the latest legislation. As the Schools Budget is now in an overall deficit position all earmarked reserve balances relating to the Schools Budget have been transferred to the new reserve with the resulting position being an overall deficit of £0.485m.

Virement requests

- 5.11 Financial Regulations require formal approval by the Executive of any virement between £0.050m and £0.100m and of virements between directorates of any amount. Full Council approval is required for virements over £0.100m. A number of virements have been made since the February Executive meeting which require the approval of the Executive. These have been previously reported to the Corporate Management Team which recommends them for approval. They have been included in the Quarterly Service Reports. Details of the virements are set out in Annexe E.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 There is nothing to add to the report.

Executive Director: Resources

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

Equalities Impact Assessment

- 6.3 None.

Strategic Risk Management Issues

- 6.4 The Council needs to maintain reserves to aid cash flow and to protect itself from fluctuations in actual expenditure and income. The review of reserves undertaken by the Borough Treasurer ensures that the Council has adequate and appropriate earmarked reserves to manage future risks.

7 CONSULTATION

Not applicable.

Background Papers
None.

Contact for further information

Stuart McKellar – 01344 352180
Stuart.mckellar@bracknell-forest.gov.uk

Arthur Parker – 01344 352158
Arthur.parker@bracknell-forest.gov.uk

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Central

Variance	Explanation
£'000	
93	<p>Head of Planning</p> <p>The Local Development Framework requires a large amount of specialist consultancy advice to provide information on the levels of need for housing, employment, leisure, retail and other forms of development. It was not be possible to complete some studies this financial year resulting in an underspend (-£0.064m).</p> <p>Whilst the government Sales Fees and Charges compensated Planning and Development control for the loss of some income due to Covid 19, the income generated was still insufficient to cover budgets and the additional consultancy costs associated with planning appeals resulting in an overspend of £0.156m.</p>
68	<p>Building Control & Land Charges</p> <p>Building Control income was impacted by COVID-19 and the final net position for the service was an overspend of £0.038m.</p> <p>Land Charges Whilst the income from the chargeable element of the property services account, exceeded both cash and non-cash expenditure, resulting in a surplus for the year, this surplus has to be transferred from the cash budget to reserves. The effect of this transfer is an overspend of £0.021m in the cash budget.</p> <p>In addition the income generated by the non-chargeable element of Land Charges was under budget by £0.009m.</p>
131	<p>Traffic</p> <p>Net losses in income due to COVID-19 lockdown, it wasn't possible for all works to be rescheduled in the year, the split of the overspend was:</p> <p>Rechargeable Street Works £0.018m Monitoring Street Works £0.080m Highways Network Enforcement (-£0.011m) Street Works – Permit Scheme £0.031m NRSWA S50 cash bonds (-£0.018m)</p> <p>In addition, winter maintenance contracted costs were overspent by £0.031m</p>
(103)	<p>Parks open Spaces & Countryside</p> <p>The income for Surrey Heath SANGs has exceeded budget (-£0.129m).</p> <p>The net costs of the tree service exceeded budget by £0.026m.</p>
274	<p>The Look Out</p> <p>The Look Out's budgets were impacted by closures due to COVID-19 restrictions. After taking account of the various expenditure underspends and the amount claimed under the Governments Sales Fees and Charges grant, the final net income loss for The Look Out was £0.274m.</p>

Variance	Explanation
£'000	
	<p>The Look Out Discovery Centre - overspend £0.160m The Look Out - Catering - overspend £0.139m The Look Out - Car Parking underspend -£0.025m</p>
59	<p>Community Engagement</p> <p>It was agreed to provide Involve with £0.035m to fund a bid writer with the funding to be offset by COVID-19 grants received.</p> <p>The Council chose to support Healthwatch, The Ark's community response support for those clinically extremely vulnerable people shielding and other vulnerable residents, through a grant of £0.031m the costs to be offset by funding received from COVID-19 grants.</p> <p>Income received from NHS Bracknell & Ascot CCG to support delivery of the community response service (-£0.009m) offset some of the overspend.</p> <p>There were various underspends on supplies and services budgets (-£0.012m) which offset some of the overspends, the most significant relating to Publicity and Marketing (-£0.009m).</p> <p>The Community Centre reactive maintenance budget was overspent by £0.014m</p>
(481)	<p>COVID-19 Funding</p> <p>Transfer of Government grant to cover COVID-19 costs.</p>

Delivery

Variance	Explanation
£'000	
198	ICT Additional expenditure on the purchase of computer software and licences (£0.153m - previously funded from capital) and a revenue contribution to capital for purchase of new screens at Times Square (£0.107m) have been partially offset by savings on mobile phones (-£0.038m), enterprise agreement (-£0.010m) and reduced travel (-£0.013m).
100	Operations Unit There was an overall pressure on 'Home to School Transport £0.063m and an underachievement of income of £0.054m; which has been partially offset by underspends on R-Bus (-£0.014m) and fuel for vehicles.
(62)	Libraries Due to the closure of the libraries there is a pressure of £0.070 from reduced income; which has been offset by underspends on audio visual materials (-£0.053m), publicity & marketing (-£0.024m), travel (-£0.013m) and general office expenditure (-£0.039m).
(120)	Office Accommodation There have been underspends on maintenance (-£0.018m), building running costs (-£0.039m), business rates (-£0.027m) and general office expenditure (-£0.038m).
(105)	Registration of Electors / Elections There have been underspends on the 'Neighbourhood Referendum' (-£0.060m) (which is now included in the commitment budget for 2021/22), and Electoral Registration (-£0.058m) in relation to Contracted Services.
457	Waste Management The overspend is as a result of a revenue contribution to capital of £0.068m in relation to the cost of food waste caddies and additional Waste PFI related costs of £0.379m.
(73)	Street Cleansing The underspend is as a result in savings on Contracted Services (-£0.061m) and equipment (£0.008m) and income received for Napier Road public conveniences (-£0.005m).
675	On / Off Street Parking As a result of COVID-19 this service has suffered a loss of income of £1.019m, but this has been partially offset by reduced expenditure on contracted services (-£0.213m), banking charges (-£0.060m) and maintenance (-£0.080m).
(40)	Other

Variance	Explanation
£'000	
	There have been underspends against the budgets of the Coroners Service (-£0.012m), travel, training and general office expenditure (-£0.027m).
1,329	<p>Leisure Contract</p> <p>As part of the financial package agreed with Everyone Active, the Council agreed a payment holiday for the management fee and financial support for operating costs as a result of reduced income. The cost of this support was partially met by support from central government. The overall impact of this arrangement on Contract Services was a pressure of £1.329m.</p>
(230)	<p>Cemetery & Crematorium</p> <p>The service generated an additional Income (-£0.277m), but this has been offset by additional expenditure for 'Temporary Place of Rest' (£0.048m).</p>
(2,084)	<p>COVID-19 Funding</p> <p>Transfer of Government grant to cover COVID-19 costs.</p>

People

Variance	Explanation
£'000	
335	Education & Learning Staffing costs were the most significant overspend (£0.371m) most notably in the SEN Team (£0.207m) and Education Psychology (£0.139m) in order to maintain support to schools in periods of staff turnover. There was also a £0.251m unbudgeted cost for renting modular classrooms during emergency roof repair works at Sandhurst Secondary School and a £0.113m net loss of income from the impact of COVID-19. These were partially offset by a range of under spends, most notably at the Open Learning Centre (-£0.107m) but also including performance data, staff training and recruitment, former teachers' pensions and a reduction in bad debt provision.
(216)	Children's Social Care Care and accommodation costs for children looked after overspent by £0.243m. Whilst numbers were in line with expectations, average costs were +6.4% higher than expected and reflected the unexpected costs arising from a secure placement. There was a £0.316m underspending on staffing, mainly as a result of obtaining £0.220m of external funding. Other significant budget variances include, care leavers support and maintenance costs (-£0.135m), court placements that are not CLA e.g. mother and baby (£0.101m), Childcare Solicitors (-£0.058m), Disability care needs (-£0.044m), and general assistance to families (£0.153m).
525	Adult Social Care Care packages overspent (£0.856m) mainly due to increases in Learning Disabilities packages. Equipment also overspent (£0.080m). These overspends were in part a result of the pandemic whereby group activities were suspended, requiring more 1-1 support, and priority was given to getting clients out of hospital. There was an underspend (-£0.162m) at Waymead, the in-house respite service, as it remained closed throughout the year. There was also an underspend on staffing costs (-£0.250m) mainly due to a large number of vacancies throughout the year.
494	Mental Health & Out of Hours Care packages overspent (£0.656m) mainly due to clients who needed support with memory and cognition. This was primarily in community packages. Whilst residential placements did increase in cost, this was offset by a reduction on the number of placements. Forestcare has continued with an internal review of contracts that has helped achieve an underspend (-£0.184m). The balance is made up of several smaller variances.
(940)	Early Help & Communities There was an underspend on the Housing Welfare & Benefits budget (-£0.485m) largely caused by a reduction in the requirement for a bad debt provision on overpayments. This is due to a much larger percentage of overpayment now being recovered from ongoing entitlement. Housing and Welfare operational costs underspent (-£0.425m) due to vacant staff posts. Housing management & property overspent (£0.303m) due to a combination of voids (exacerbated by the pandemic), repairs, and staff costs. Early Help experienced a £0.332m underspend on staffing.

(141)	COVID-19 Funding Transfer of Government grant to cover COVID-19 costs.
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Non Departmental Budgets/Earmarked Reserves

Variance	Explanation
£'000	
(966)	Interest Average cash balances have been substantially higher than those experienced in 2019/20 removing the need for any new borrowing in 2020/21. This has resulted from a combination of slippage on the capital programme, partly due to the pandemic, and the underspend on the revenue budget and positive cashflows from grants being received pending their allocation.
(148)	Minimum Revenue Provision (MRP) Higher than forecast capital receipts in 2019/20 and significant capital carry forwards into 2020/21 have created an under spend against the Minimum Revenue Provision.
(88)	Corporate Wide Items The impact of the triennial pension revaluation on employers' pension contributions was less than expected.
(1,810)	Covid-19 LA Support Grant Not all the grant received from the government to help meet pressures resulting from the pandemic was required by directorates.
1,216	Business Rates An overspend relating to an additional payment to the Thames Valley Local Enterprise Partnership (£0.241m), increases in the levy payable to central government (£0.649m) and reductions in the section 31 grant receivable from central government (£0.326m) because of the actual outturn position on Business Rates.
(133)	Other Under spends primarily relating to pension recharges and joint arrangements, and the provision for bad debts and write offs.
(1,930)	Contingency Not all the Contingency Fund was required in 2020/21 resulting in an underspend.
244	Other Earmarked Reserves Transfers into the ICT Transformation (£0.189m) and the School Masterplans and Feasibility Studies (£0.055m) Reserves.

TREASURY MANAGEMENT ANNUAL REPORT 2020/21

1 INTRODUCTION

- 1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 1.2 During 2020/21 the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year (Council Feb 2020)
 - a mid-year (minimum) treasury update report (Council Feb 2020)
 - an annual review following the end of the year describing the activity compared to the strategy (this report)

2 SUPPORTING INFORMATION

Current Treasury Position

- 2.1 At the beginning and the end of 2020/21 the Council's treasury position (excluding borrowing by PFI and finance leases) was as follows:

<i>Table 1 – Treasury Position 31/03/21</i>				
Treasury Position	At 31 March 2021		At 31 March 2020	
	Principal	Average Rate	Principal	Average Rate
Fixed Interest Borrowing				
Short Term Market Loans	£0.000m	0%	£15.000m	1.07%
Long-Term PWLB	£80.000m	2.30%	£80.000m	2.30%
Variable Interest Borrowing	-		-	
Total Borrowing	£80.000m		£95.000m	
Fixed Interest Investments	-		-	
Variable Interest Investments (MMF)	£20.244m	0.12%	£16.794m	0.75%
Total Investments	£20.244m		£16.794m	
Net borrowing position	£59.756m		£78.206m	

Capital Expenditure and Financing

- 2.2 The Council undertakes capital expenditure on long term assets. These activities may either be funded immediately through capital receipts or capital grants or contributions, or if insufficient financing is available financed through borrowing. The actual capital expenditure forms one of the required prudential indicators and the table below shows how this was financed in 2019/20. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources and is shown below in Table 2. The 2019/20 Capital Programme was able to be funded from capital receipts, government grants and other contributions, as such there was no increase in the Council CFR in 2019/20.

<i>Table 2 Financing of Capital Programme 2019/20 and 2020/21</i>		
	2020/21	2019/20
	£'000	£'000
Expenditure		
Capital Programme	26,883	21,250
Financed by		
Capital Receipts	5,222	5,251
Government Grants/Contributions	16,327	16,269
Change in Capital Financing Requirement	5,334	0
Total	26,883	21,250

The Strategy for 2020/21

Investment Strategy and control of interest rate risk

- 2.3 Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. Through the use of Money Market Funds the authority managed to avoid negative rates, however for many of these funds the interest rate returned was close to or at 0%.
- 2.4 The expectation for interest rates within the Treasury Management Strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75% before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.
- 2.5 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial

institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions. However this has limited the number of institutions the Council can lend to, and given the over-liquidity in the market the Council's Money Market Funds performed well, providing security, liquidity and in most cases a yield above the target benchmark

- 2.6 Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

Borrowing Strategy and control of interest rate risk

- 2.7 During 2020-21, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 2.8 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.
- 2.9 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 2.10 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy.

Investment Outturn

- 2.11 The Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).
- 2.12 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties. Given the net borrowing position of the Council investments are managed through the use of AAA Money Market Funds (MMF) offering immediate liquidity and the highest security whilst offering a yield equivalent to 7-day rates. The Council also invests in in MMF that offers a slightly higher return with the proviso that funds are available on a +1 day basis – i.e. funds withdrawn today will be received tomorrow – this has enabled the Council to increase its investment yield without adding any security or liquidity risk. The average rate on investments was 0.12% on an average balance of £28.8m, representing a 10 basis points out-performance on the 7-Day LIBID benchmark (0.02%).

Borrowing Outturn

- 2.13 No new loans were entered into during the financial year. All short-term debt was repaid and the Council held its long-term borrowing at the level of 2019/20.

Net Treasury Outturn

- 2.14 The Council budget for net borrowing costs of £1.9133m – reflects the borrowing costs for the Council's historical Commercial Property Investment Strategy and the impact of the significant Capital Programmes in past years alongside the 2020/21 Capital Programme and the use of reserves to balance the revenue budget. In order to minimise costs, internally generated cash flows were used before borrowing which resulted in lower borrowing costs than envisaged.
- 2.15 Furthermore higher than anticipated cash balances at the beginning of the year enabled the Council to pre-pay pension contributions enabling the Council to once again take benefit from the discount offered by the Pension Authority. This generated additional savings of £300k.
- 2.16 Largely as a result of a greater than anticipated delayed cash-outflow on the major capital schemes due to COVID and positive cash-flow from government support, the level of borrowing is below that estimated in the budget. The Council has benefited from inclusion in the Business Rates Pilot scheme in 2019/20 which bolstered the Council's reserves and the impact of COVID has seen both significant financial support from the Government (primarily in the timing of cash flows) and a pause in many of the Council's major capital schemes. Taken together with maximising the use of grants and other internal cash flow the actual level of borrowing costs in 2020/21 was £0.97m less than anticipated.
- 2.17 The key aim for the Council will to ensure it has sufficient liquidity to manage services and as such additional short-term borrowing may be required over and above that anticipated when the Council set its budget in February 2021 as the impact of the pandemic reduces and normal economic activity returns.

Compliance with Treasury Limits

- 2.18 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement.
- 2.19 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR) and is set out below. The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources This includes PFI and finance lease schemes on the balance sheet, which increases the Council's borrowing need however no borrowing is actually required against these schemes as a borrowing facility is included in the contract.

2.20

	2020/21	2019/20
	£'000	£'000
Opening Capital Financing Requirement	211,589	217,853
Capital Investment		
Gross Capital Expenditure	26,883	21,520
Sources of Finance		
Capital Receipts	-1,367	-5,251
Government Grants and Other Contributions	-20,193	-20,222
Waste PFI Donated Asset Account	-89	-89
MRP	-2,245	-2,222
	<u>-23,894</u>	<u>-27,784</u>
Closing Capital Financing Requirement	<u>214,578</u>	<u>211,589</u>

2.21 The outturn for the remaining Prudential Indicators are as follows

Authorised limit	2020/21 Estimate	2020/21 Out-turn
Borrowing	£230m	£230m
Other long term liabilities	£18m	£18m
Total	£248m	£248m

Operational Boundary	2020/21 Estimate	2020/21 Out-turn
Borrowing	£220m	£220m
Other long term liabilities	£18m	£18m
Total	£238m	£238m

The Council has complied with all the relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

CENTRAL DIRECTORATES
Carry Forwards to 2021/22

£'000	Explanation
	Community Engagement
20	It is proposed to undertake a Residents Survey specifically to assess the impacts of COVID and how the Council has responded. Due to work commitments this survey has been delayed until next financial year.
	Parks & Countryside
5	COVID has affected progress of maintenance works this year. Without a carry forward there will inevitably be an impact on the maintenance of the wider Rights of Way network in the following year, which could add to subsequent costs incurred.
	Communications
7	The March edition of Town & Country has been moved to April from March to allow for a readership survey to be included with 'freepost' replies. This will help gauge how well received the publication is. Lead in times for the Royal Mail freepost service meant the publication had to be pushed back by a month, meaning distribution will start on April 26
	Human Resources
20	Due to COVID restrictions it has not been possible to undertake all the training planned, and this has been rolled forward into 2021/22.
	Finance
40	Various system upgrades have been delayed due to staff dealing with COVID not having the capacity to progress them. The intention is to still move forward with these changes and therefore a carry forward of £0.040m is requested to allow these to be achieved in 2021/22.
	Finance
23	Delays in the audit plan, due in the main to COVID have resulted in an underspend of £0.023m (audits of 7 schools at a cost of £0.009m, General audit 36 days at £282 = £0.010m and 11 IT audit days at £350 = £0.004m). These audits will now need to be progressed next year.
115	Grand Total

PEOPLE DIRECTORATE
Carry Forwards to 2021/22

£'000	Explanation
3	<p>Children's Social Care: Bracknell Family Centre</p> <p>Covid has delayed some of the Health and Safety building maintenance works required as part of the move of Youth Offending Service. Still to complete is replacing fire doors and painting.</p>
21	<p>Children's Social Care: Public Law Order Assessments</p> <p>Some expert assessment of parents or children (for pre loading court work) identified in 2020/21 have been delayed as they need to be in person or because the expert has a backlog. Some will also need updating as they must be up to date at the point of court and there are delays in court.</p>
6	<p>Children's Social Care: Training</p> <p>Essential training of foster carers as part of the transformation programme and mandatory assessed need. Deferred Life Chances Conference which was booked but postponed due to Covid re arranged in agreement with the providers.</p>
4	<p>Children's Social Care: Peer review / inspection preparation</p> <p>There was a delay to the planned peer review (as part of the opportunities for change work) and inspection preparation work in the Youth Offending Service. This work was part of last year's business planning.</p>
7	<p>Commissioning: Children in Care</p> <p>During the past financial year we have been unable to undertake the usual group participation activities with our children in care. This has impacted on the lives of young people. In proposing to carry forward this funding it is our intention that we would increase our programme of participation and engagement that will help young people to return to social interaction as we emerge from lock-down. This would allow:</p> <ul style="list-style-type: none"> - increased frequency of group activities (currently monthly); - increased range of events that are open to all children looked after; and - increased budget available for celebration events during the year.
11	<p>Mental Health and Out of Hours: Drugs and Alcohol Team</p> <p>Two clients have not been able to be placed in residential rehab due to COVID-19. Neither of them will be placed until 5 April 2021 at the earliest. This will have a significant impact on the DAAT ability to fund placements during 2021/22 as the budget is £35,000 per annum.</p>
10	<p>Early Help: Family Hubs</p> <p>Two building works projects were delayed to due Covid 19; re the buggy park the planning application is currently with Development Control and we have sent site plans so the application can be assessed further. The Astra turf work has been delayed until week commencing April 19th. In addition Astra turf replacement at The Oaks family hub will commence soon following a site visit a couple of weeks ago, as will click share screen replacement and outside lights replacement.</p>
8	<p>Early Help: Young Carers</p> <p>During 2020/21 there has been a focus on the young carer cohort in terms of reviewing the YC register, improving the level of information retained, through regular contact with young carers and their families during the national lockdowns, identifying new young carers, and identifying where review assessments are required and caring needs have changed. One of the part time postholders who supports this work returned from maternity leave in November 2020 and so capacity has been limited; the funding carry forward will finance additional hours to enable the review assessments to be undertaken as quickly as possible, whilst continuing to develop our support offer for young carers.</p>
8	<p>Early Help: Youth Service</p> <p>The lockdown prevented annual activities with the Youth Council taking place, however the period also provided us with an opportunity to explore more broadly the Council's strategic approach to participation and engagement with young people. This carry forward will offer wider flexibility to broaden youth participation through a partnership scoping group with its inaugural meeting on 13 April 2021.</p>
78	Grand Total

Reserves & Balances Policy Statement

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

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

Reserves and Balances can be held for a number of purposes

General Balances

Balance	Purpose	Policy	Value
General Fund	Provides general contingency for unavoidable or unforeseen expenditure and to cushion against uneven cash flows and provides stability in longer term financial planning.	Policy based on a risk assessment of budget and medium term financial plans. Historically £4m has been considered to be the minimum prudent level, though this needs to be kept under review as risks change.	March 17 £11.071m March 18 £9.047m March 19 £9.060m March 20 £7.091m March 21 £10.327m

Earmarked Reserves

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

Reserve	Purpose	Policy	Value
Insurance and other Uninsured Claims	This provides cover for the excess payable on claims under the Council's insurance policies (self insurance). It also provides for any potential future claims not covered by existing policies, including contractual disputes and legal claims.	Needs to be at a level where the provision could sustain claims in excess of current claims history	March 17 £2.750m March 18 £2.843m March 19 £2.952m March 20 £3.059m March 21 £2.909m
Budget Carry Forward	Used to carry forward approved unspent monies to the following year.	Budget Carry Forwards are permitted only in accordance with the scheme set out in financial regulations.	March 17 £0.221m March 18 £0.084m March 19 £0.101m March 20 £0.054m March 21 £0.193m
Cost of Structural Change	The reserve gives an opportunity to fund the one-off additional costs arising from restructuring before the benefits are realised.	This reserve will be used to meet organisational wide and departmental restructures where there are demonstrable future benefits.	March 17 £1.852m March 18 £1.990m March 19 £2.290m March 20 £3.158m March 21 £2.929m
Schools' Balances	These funds are used to support future expenditure within the Dedicated Schools Block and include individual school balances.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 17 £1.695m March 18 £1.272m March 19 £1.558m March 20 £1.015m March 21 £0.000m
Discretionary School Carry Forwards	The statutory requirement to carry forward school balances has been extended to cover those held for Pupil Referral Units and the Schools Specific	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new	March 17 £0.052m March 18 £0.091m March 19 £0.051m March 20 £0.023m

Reserve	Purpose	Policy	Value
	Contingency as set out in the financial regulations.	unusable reserve, as required under the legislation.	March 21 £0.000m
Unused Schools Budget Balance	The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget and as such has no impact on the Council's overall level of balances.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 17 £1.778m March 18 £1.994m March 19 £1.577m March 20 -£0.141m March 21 £0.000m
SEN Resource Units	An earmarked reserve set up in 2012/13 from the under spend on the Schools Budget to fund building adaptations required to develop SEN (special education needs) resource units.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 17 £0.304m March 18 £0.337m March 19 £0.459m March 20 £0.459m March 21 £0.000m
School Meals Re-tender	An earmarked reserve set up in 2013/14 from the under spend on the Schools Budget to cover the costs of the re-tender exercise.	This reserve is no longer required as the Council does not manage the catering contract.	March 17 £0.040m March 18 £0.040m March 19 £0.040m March 20 £0.040m March 21 £0.000m
School Expansion Rates	An earmarked reserve set up in 2013/14 from the under spend on the Schools Budget to help finance the increase in Business Rates arising from school expansions. School budgets are normally set on a provisional figure and the reserve will absorb the differences between provisional and actual figures.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 17 £0.595m March 18 £0.841m March 19 £1.093m March 20 £0.364m March 21 £0.000m
School Diseconomy Costs	An earmarked reserve set up in 2016/17 from the under spend on the Schools Budget to help finance the medium term cost pressure that will arise from new schools being built. These will	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new	March 17 £0.300m March 18 £0.800m March 19 £1.000m March 20 £0.746m

Reserve	Purpose	Policy	Value
	generally open with relatively low pupil numbers and will therefore need additional financial support until pupil numbers reach a viable level.	unusable reserve, as required under the legislation.	March 21 £0.000m
SEN Strategy Reserve	An earmarked reserve set up in 2017/18 from the under spend on the Schools Budget to help finance the additional medium term costs arising from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children and to explore the potential for different models of alternative provision.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 18 £0.439m March 19 £0.439m March 20 £0.356m March 21 £0.000m
Repairs & Renewals	The Council has accumulated funding in an earmarked reserve from service charges paid by tenants at Longshot Lane, Forest Park and Liscombe.	The reserve is held in order to finance future improvement works thereby reducing pressure on maintenance budgets.	March 17 £0.009m March 18 £0.021m March 19 £0.033m March 20 £0.046m March 21 £0.046m
Building Regulation Chargeable Account	A statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose. The account is currently in deficit and therefore there is no balance on the reserve.	March 17 £0.000m March 18 £0.000m March 19 £0.000m March 20 £0.000m March 21 £0.000m
Commuted Maintenance of Land	Money is received and set aside for the ongoing maintenance of land transferred to the Council under Section 106 agreements.	The reserve will be used to cover the cost of maintaining land transferred to the Council under Section 106 agreements.	March 17 £1.375m March 18 £1.519m March 19 £1.688m March 20 £1.636m March 21 £1.636m
S106 and Travel Plan Monitoring	Money is received and set aside to cover the costs of monitoring developers' compliance with Section 106 agreements, including any travel plan requirements.	The reserve will be used to cover the cost of monitoring developers' compliance with Section 106 agreements, including any travel plan requirements.	March 17 £0.128m March 18 £0.145m March 19 £0.145m March 20 £0.145m

Reserve	Purpose	Policy	Value
			March 21 £0.145m
Property Searches Chargeable Account	A reserve created for a statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose.	March 17 £0.135m March 18 £0.092m March 19 £0.090m March 20 £0.090m March 21 £0.113m
Transformation	A reserve to support investment in service innovation and improvements.	The reserve will be used to meet the upfront costs of transformation.	March 17 £1.960m March 18 £2.882m March 19 £3.622m March 20 £3.179m March 21 £3.370m
Revenue Grants Unapplied	A reserve to hold unspent revenue grants and contributions where there are no outstanding conditions.	The reserve will be used to match the grant income to the associated expenditure.	March 17 £3.653m March 18 £2.899m March 19 £3.509m March 20 £10.781m March 21 £14.747m
School Masterplans and Feasibility Studies	A reserve to meet the cost of masterplans and feasibility studies for schools expansion.	Any upfront costs incurred prior to a decision being taken to construct an asset may need to be met from revenue.	March 17 £0.350m March 18 £0.341m March 19 £0.341m March 20 £0.373m March 21 £0.330m
Repairs and Maintenance	A reserve to address 1D priorities (urgent works required to assets which are life expired and/or in serious risk of imminent failure) which are revenue rather than capital in nature.	The reserve will be used for high priority revenue repairs and maintenance. The reserve is no longer required.	March 17 £0.039m March 18 £0.030m March 19 £0.030m March 20 £0.030m March 21 £0.030m

Reserve	Purpose	Policy	Value
Public Health	Under the conditions of the Public Health grant, any under spend of the ring fenced grant can be carried over via a reserve into the next financial year.	The reserve will be used to fund Public Health priorities and projects.	March 17 £0.539m March 18 £1.007m March 19 £1.560m March 20 £1.719m March 21 £2.513m
Better Care Fund	A reserve to help meet the cost of Better Care Fund priorities and projects.	The reserve will be used to fund Better Care Fund priorities and projects.	March 17 £0.617m March 18 £1.420m March 19 £2.092m March 20 £2.322m March 21 £3.034m
Regeneration of Bracknell Town Centre	A reserve to help meet the cost of Council funded Town Centre initiatives	The reserve will be used to fund Town Centre initiatives.	March 17 £0.250m March 18 £0.752m March 19 £1.792m March 20 £4.313m March 21 £6.038m
London Rd Feasibility	A reserve which will be used to meet professional fees regarding the London Road landfill site.	The reserve will be used to cover professional fees relating to the feasibility study. It now includes contributions from the other Berkshire Unitaries.	March 18 £0.125m March 19 £0.238m March 20 £0.212m March 21 £0.212m
Future Funding	A reserve which will be used to smooth the impact of changes in Business Rates income and central government funding decisions.	The reserve will help to balance the revenue budget over the medium term.	March 18 £8.608m March 19 £19.822m March 20 £18.146m March 21 £18.424m
Dilapidations	A reserve to hold funds from tenants for end-of-lease property repairs and reinstatements.	The reserve will be used to carry out repairs and reinstatements to commercial properties required before they can be re-let.	March 18 £0.045m March 19 £0.045m March 20 £0.045m March 21 £0.045m
Schools Support	A reserve to recognise the reduced scope within the dedicated schools grant to provide temporary loans to schools in financial difficulties	To ensure that government policy changes do not impact on the ability to provide temporary loans to schools	March 19 £0.350m March 20 £0.251m March 21 £0.251m

Reserve	Purpose	Policy	Value
Waste PFI Excess Profits	A new reserve to hold excess profits payments by the contractor under the Waste PFI scheme.	Excess profits payments are potentially repayable, depending on future performance, and have therefore been placed in a reserve.	March 19 £0.087m March 20 £0.124m March 21 £0.164m
Feasibility Studies	A reserve to provide revenue funding in the event that proposed capital schemes do not proceed beyond initial feasibility stage.	Any upfront costs incurred prior to a decision being taken to construct an asset may need to be met from revenue.	March 19 £0.500m March 20 £0.394m March 21 £0.394m
ICT Transformation	A reserve to support investment in ICT innovation and improvements.	The reserve will be used to meet the upfront costs of ICT transformation.	March 19 £1.000m March 20 £1.000m March 21 £1.000m
New Schools	A reserve to help support the additional cost arising from new schools over the next four years	The reserve will be used to help meet the cost of new schools in the short term whilst they become established.	March 20 £0.662m March 21 £0.409m
CIL Administrative Costs	Up to 5% of CIL income can be used to meet administrative costs. Income in excess of the budgeted administrative costs will be transferred into this reserve at year end to meet future costs of administering the scheme.	The reserve will be used to meet administrative costs of the scheme where insufficient CIL is received in year.	March 20 £0.298m March 21 £0.298m
Covid-19	A reserve to hold revenue funding provided by Central Government to support the Covid-19 Pandemic.	The reserve will be used to match the grant income to the associated expenditure.	March 20 £2.289m March 21 £2.289m
Business Rates Revaluations	A reserve to guard against the impact of in-year Business Rates valuation adjustments	The reserve will be used to meet the cost of any significant downward Business Rates valuations.	March 21 £7.500m
Business Rates Reliefs	A new reserve to reflect the timing difference between the receipt of S31 grant relating to new Business Rates reliefs and the funding of the resulting deficit on the Collection Fund.	The reserve will be used to meet any Collection Fund deficits relating to Business Rates reliefs agreed by the Government after the budget is set. Funding will be provided from S31 grant received in the previous year.	March 21 £13.047m

Unusable Revenue Reserves

Certain reserves are kept to manage the accounting processes and do not represent usable resources for the Council.

Balance	Purpose	Policy	Value
Collection Fund Adjustment Account	A reserve required to reflect Collection Fund changes included in the SORP 2009. The balance represents the difference between the Council Tax income included in the Income and Expenditure Account and the amount required by regulation to be credited to the General Fund.	This balance is held for specific accounting reasons.	March 17 £5.761m March 18 -£2.351m March 19 £4.140m March 20 £8.250m March 21 -£11.378m
Accumulated Absences Account	A reserve which absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year (e.g. annual leave and flexi-time entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.	This balance is held for specific accounting reasons.	March 17 -£5.328m March 18 -£5.685m March 19 -£4.520m March 20 -£5.177m March 21 -£6.182m
Pensions	Reflects the Council's share of the Royal County of Berkshire Pension Fund's assets and liabilities. Contributions will be adjusted to ensure any projected deficit is funded.	This balance is held for specific accounting reasons.	March 17 -£282.216m March 18 -£276.125m March 19 -£269.419m March 20 -£245.019m March 21 -£354.422m
Dedicated Schools Grant Adjustment Account	This is a new unusable reserve required under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020.	If the Schools Budget is in a deficit position for the financial years 2020/21 to 2022/23 the balance is held against this account per the new legislation	March 21 -£0.485m

Virements between Directorates

Total	Explanation
£'000 -395 -329 724	<p data-bbox="316 331 435 369"><u>Delivery</u></p> <p data-bbox="316 392 986 430">Revenue contributions towards capital expenditure.</p> <p data-bbox="316 465 416 504"><u>People</u></p> <p data-bbox="316 526 986 564">Revenue contributions towards capital expenditure.</p> <p data-bbox="316 600 788 638"><u>Non-Departmental / Council Wide</u></p> <p data-bbox="316 649 1257 687">Revenue contributions from Delivery and People for capital expenditure.</p>
0	Total Virements

To: Council
15 September 2021

Standards Annual Report Executive Director – Delivery: Legal Services

1 Purpose of Report

- 1.1 The attached report (**APPENDIX A**) advises Council of activity within its Standards framework from 1 April 2020 to 31 March 2021

2 Recommendation

- 2.1 **That the Standards outputs in 2020/21 as set out in (APPENDIX B) of this report be noted.**

3 Reasons for Recommendation

- 3.1 To keep Council apprised on an annual basis of activity relating to its Standards Regime

4 Alternative Options Considered

- 4.1 None.

5 Supporting Information

- 5.1 The Standards Framework comprises a number of elements including the code of conduct for Councillors, rules around disclosure of interests, procedure for dealing with complaints and sanctions for breach. Until its dissolution in November 2016 responsibility for oversight of the Standards Framework vested in the Standards Committee. Subsequently this has transferred to the Governance & Audit Committee.
- 5.2 The attached report appraises the Council of Standards related activity from 1 April 2020 to 31 March 2021.

6 Consultation and Other Considerations

Legal Advice

- 6.1 The Borough Solicitor is the author of this report.

Financial Advice

- 6.2 There are no financial implications arising from this report.

Equalities Impact Assessment

- 6.3 The potential for an equalities impact is considered throughout the process – it is weaved throughout the Code of Conduct and the process to respond to complaints

including consideration of how participants are involved in the investigation and hearings as appropriate.

Strategic Risk Management Issues

- 6.4 Complaints about elected representatives and dissatisfaction with how the Council manages the Standards Framework represents a potential reputational risk, not only for the individual concerned but for the Council. This risk is been mitigated by current process which is managed by the Borough Solicitor which provide a clear response to any concerns raised.

Climate Change Implications

- 6.5 The recommendations in Section 2 above are expected to have no impact on emissions of CO₂.

The reasons the Council believes that this will have no impact on emissions is that it relates to concluded standards activity and future investigations will be conducted remotely were appropriate.

Background Papers

None

Contact for further information

Sanjay Prashar, Borough Solicitor, Delivery – 01344 355679
Sanjay.Prashar@bracknell-forest.gov.uk

STANDARDS ANNUAL REPORT 2020/21

1. The Council's Standards Committee was dissolved in 2016 and its functions incorporated into the terms of reference of the Governance and Audit Committee.

Complaints

2. Under the current procedure for the handling of complaints alleging a breach of the Code of Conduct for Members, a complaint is first considered by the Monitoring Officer. The options available to the Monitoring Officer at that stage are:-
 - refer for investigation
 - refer for some other form of action ("other action")
 - determine that no further action is required. ("no action")
3. If a complaint is referred for investigation the ensuing report is considered by the statutory Independent Person and the Monitoring Officer. At that stage the options are:-
 - refer to a Code of Conduct Panel for consideration.
 - refer for resolution by some other form of action (e.g. if the investigation finds that there has been a breach and the Member agrees to apologise)
 - no further action required (investigation finds no breach which conclusion is agreed by the independent person and Monitoring Officer)
4. In the period between 1 April 2020 and 31 March 2021 the Monitoring Officer received **9** complaints alleging breaches of Codes of Conduct for Members. The grounds of each complaint and its outcome are set out in the table attached **(Appendix B)**
5. In each case where no action was taken this decision was preceded by consultation with the Independent Person (Dr Louis Lee) before being shared with the Complainant and subject member. In accordance with a protocol adopted in 2016, the Party whip was also notified. Whilst the table reflects the growing trend of relatively low level complaints it should be noted that unusually, three of the complaints were of sufficient seriousness to necessitate an investigation.
6. It should be further noted that one of the three complaints investigated, involving a Parish Councillor, resulted in a Code of Conduct Panel hearing following the outcome of an extensive investigation into alleged bullying behaviour towards an employee of the Parish Council. This is only the second occasion since the current Standards Framework was introduced in 2012 that a complaint has proceeded to a Panel Hearing. Moreover, it is the first that has resulted in an outcome of breach with the imposition of sanctions including censure as well as recommendation of code of conduct refresher training and removal from committee roles. The Councillor was subsequently the subject of a no confidence motion against him that was adopted by the Parish Council. He has subsequently been expelled from the Conservative Party and is serving as an Independent for the remainder of his term of office.

Previous years data

Year	No. of Complaints	Upheld
2008/09	0	0
2009/10	6	2
2010/11	1	0
2011/12	2	0
2012/13	4	0
2013/14	6	0
2014/15	5	0
2015/16	2	0
2016/17	7	0
2017/18	6	0
2018/19	8	1

6. Whilst the adequacy of sanctions within the Standards regime continues to attract debate nationally there are currently no proposals flowing from the Ministry of Housing, Communities and Local Government to introduce further legislation.
7. It will be noted that one of the recommendations flowing from a report of the Committee for Standards in Public Life (CSPL) published in January 2019 was for the Local Government Association *“to create an updated model code of conduct, in consultation with representative bodies of councillors and officers of all tiers of local government.”*
8. The LGA’s Code drafting timetable envisaged a draft Code being released for a 6 week consultation from 16 March 2020 with a final version being published at the launch of the LGA annual Conference in Harrogate on 30 June. However, this work was delayed due to the impact of Covid 19 and the draft was in fact issued for consultation in June. A final model Code was subsequently published by the LGA in late December 2020. It is for individual Authorities to determine whether to adopt it. Whilst the Governance & Audit Committee considered the Council’s existing Code in June 2019 pursuant to the recommendations of the CSPL and determined that no changes were necessary this determination will need be reviewed in the light of the publication of the Model Code. A Code of Conduct Panel will be convened for this purpose with its recommendations being referred to the Governance and Audit Committee within the next 6 months.

Councillors are reminded of their duties both in respect of the rules relating to the registration and disclosure of Interests set out in the Code of Conduct and their behavioural obligations under the Code.

Appendix B

	Date of Complaint	Status of Complainant	Borough or Parish Councillor	Grounds of Complaint	Outcome
1	2 April 2020	Resident	Borough	Failing to treat complainant with respect	Code breach- informal resolution (apology)
2	31 August 2020	Resident	Borough	Failing to make decision on merit Failing to declare DPI or AI Improperly using his position to secure an advantage for himself or others or to disadvantage another person	No further action as no evidence of breach
3	11 September 2020	Employee	Parish	Bringing the council or the office of councillor into disrepute Failing to treat complainant with respect Bullying complainant Discriminating against complainant on grounds of gender	Investigated and breach established by Code of Conduct Panel. Various sanctions imposed

4	28 September 2020	Parish Councillor	Parish	Improperly using Council resources Improperly using position to secure and advantage for themselves	Complaint investigated- No breach found. No further action
5	12 October 2020	Resident	Borough	Failing to treat complainant with respect,	Informal resolution to potential breach of Code
6	3 November 2020	Resident	Borough	Bringing the Council or office of Councillor into disrepute	No breach- No further action
7	26 January 2021	Resident	Borough	Bringing the Council or office of Councillor into disrepute	Not acting in official capacity. No further action
8.	12 March 2021	Resident	Borough	By discriminating against me and/or others By failing to make a decision on merit By improperly using their position to secure an advantage for themselves and/or others or to disadvantage another person	No breach found. No further action

9.	20 March 2021	Resident	Borough	<p>By bringing the council or the office of councillor into disrepute</p> <p>By compromising or acting in a way likely to compromise the impartiality of those working for or on behalf of the council</p>	No breach found. No further action
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