

Notice of Meeting

Executive – Advisory Meeting

Councillor Bettison OBE (Chairman),
Councillor Dr Barnard (Vice-Chairman),
Councillors D Birch, Brunel-Walker, Harrison, Mrs Hayes MBE,
Heydon and Turrell

Tuesday 20 July 2021, 5.00 pm

Online Only - MST



Agenda

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

Item	Description	Page
1.	Apologies	
2.	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 meeting.</p>	
3.	Minutes	5 - 8
	To consider and approve the minutes of the meeting of the Executive held on 1 June 2021.	
4.	Urgent Items of Business	
	Any other items which, pursuant to Section 100B(4)(b) of the Local Government Act 1972, the Chairman decides are urgent.	

Executive Key Decisions

The items listed below all relate to Key Executive decisions, unless stated otherwise below.

5.	Capital Expenditure Outturn 2020/21	9 - 20
	To note the outturn position for the year and approve carry forward requests.	

EMERGENCY EVACUATION INSTRUCTIONS

If you hear the alarm, leave the building immediately. Follow the green signs. Use the stairs not the lifts. Do not re-enter the building until told to do so.

	Reporting: Stuart McKellar	
6.	Revenue Expenditure Outturn 2020/21	21 - 52
	To note the outturn position for the year and approve earmarked reserves. Reporting: Stuart McKellar	

Exclusion of the Public and Press

Agenda item 8 is supported by an annex containing exempt information as defined in Schedule 12A of the Local Government Act 1972. If the Committee wishes to discuss the content of this annex in detail, it may choose to move the following resolution:

That pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2012 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 8 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

- (3) *Information relating to the financial or business affairs of any particular person (including the authority holding that information).*

7.	Car Parking Infrastructure Switch Out Project - Multi Storey Car Parks Infrastructure	53 - 60
	To outline the proposal to replace the existing pay on foot (on exit) parking equipment in the three town centre multi storey car parks with pay by plate (on arrival) infrastructure. Reporting: Damian James	
8.	Exclusion of Public and Press	
	To consider the following motion: That pursuant to Regulation 4 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2012 and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of item 10 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972: (3) Information relating to the financial or business affairs of any particular person (including the authority holding that information). <i>NB: No representations were received in response to the 28 day notice of a private meeting.</i> Reporting:	
9.	Lateral Flow - Contract Matters	61 - 74
	To agree the proposed, spend for the continuation for the of the Lateral Flow	

EMERGENCY EVACUATION INSTRUCTIONS

If you hear the alarm, leave the building immediately. Follow the green signs. Use the stairs not the lifts. Do not re-enter the building until told to do so.

	Test project and if appropriate procurement of goods and services. Reporting: Lisa Jewell	
--	---	--

Sound recording, photographing, filming and use of social media is permitted. Please contact Hannah Harding, 01344 352308, hannah.harding@bracknell-forest.gov.uk, so that any special arrangements can be made.

Published: 12 July 2021

EMERGENCY EVACUATION INSTRUCTIONS

If you hear the alarm, leave the building immediately. Follow the green signs. Use the stairs not the lifts. Do not re-enter the building until told to do so.

This page is intentionally left blank



**EXECUTIVE – ADVISORY MEETING
1 JUNE 2021
5.00 - 6.00 PM**

Present:

Councillors Bettison OBE (Chairman), Dr Barnard (Vice-Chairman), D Birch, Brunel-Walker, Harrison, Mrs Hayes MBE, Heydon and Turrell

154. Declarations of Interest

There were no declarations of interest.

155. Minutes

RESOLVED that the minutes of the meeting of the Executive on 27 April 2021 together with the accompanying decision records be confirmed as a correct record and signed by the Leader.

Executive Decisions

The Executive discussed the following items which were now to be formally determined by the relevant executive member having regard to the recommendations of this meeting. The recommendations in respect of each item are set out below, with those contained in minutes 157 and 159 to be further recommended by the executive member to Council.

156. Support to enable the Recovery of Leisure Activities

RECOMMENDED that:

- 1 Consideration be given to further financial support for Everyone Active if required for the period from quarter 2 of 2021/22 dependant on usage and based on actuals through the quarter, with any decision to be taken at the end of the quarter.
- 2 This principle for support be applied to the rest of the financial year 21/22

157. Adoption of the International Holocaust Remembrance Alliance definition of Antisemitism

RECOMMENDED that the International Holocaust Remembrance Alliance working definition on antisemitism be recommended to Council for adoption.

158. Making (adoption) of the Crowthorne Neighbourhood Development Plan 2018-2036

RECOMMENDED that:

- 1 The formal “making” (keeping in legal force) of the Crowthorne Neighbourhood Development Plan to continue to form part of the statutory Bracknell Forest Development Plan pursuant to Section 38A(4) of the

Planning and Compulsory Purchase Act 2004 (as amended) be approved;
and,

- 2 The form, content and publication of the Decision Statement (set out in Appendix B of the Executive Director: Place, Planning & Regeneration's report) be approved pursuant to Regulation 19 of the Neighbourhood Planning (General) Regulations 2012 (as amended).

159. **Time Square Creating a new Collaboration/Community Hub**

RECOMMENDED that the Executive Member for Transformation and Finance recommend that Council agrees a supplementary capital approval of £604k to fund the costs for Option 1 (Phase 1) of the Time Square project in the 2021/2022 capital programme.

160. **South Hill Park Trust Ltd Pension Liabilities**

RECOMMENDED that the Executive Member confirms that the Council will not place public money at risk by agreeing to underwrite the South Hill Park Trust's pension arrangements as has been requested and that the Leader responds to the letter from the Trustees, indicating this.

161. **Redevelopment of Depot Site**

RECOMMENDED that the strategic procurement plan for the design development and construction works to create a new depot facility be approved.

162. **Exclusion of Public and Press**

RESOLVED that pursuant to Regulation 21 of the Local Authorities (Executive Arrangements) (Access to Information) Regulations 2000, members of the public and press be excluded from the meeting for the consideration of items 12 and 13 which involves the likely disclosure of exempt information under the following category of Schedule 12A of the Local Government Act 1972:

- (3) Information relating to the financial or business affairs of any particular person (including the authority).

163. **Spend S106 Commuted Sum Monies (Tenterden Lodge Modular Unit)**

RECOMMENDED that spend of up to £180,000 of Section 106 affordable housing commuted funds be approved to allow a one bed wheelchair accessible single storey modular building to be placed in the rear corner of Tenterden Lodge, Wokingham Road, Bracknell, to ensure the availability of suitable temporary emergency affordable housing for residents.

164. **Extension of the Children's Residential Care Consortia Framework 2021-2024**

RECOMMENDED that:

- 1 The Council's continued membership of the of the CRC Consortia Framework be endorsed during the permitted extension period of 3 years (September 2021 – September 2024) and participation in the extension process which will be led by Southampton City Council.

- 2 This includes the Council's commitment to an annual fee to Southampton City Council of £1,015.94 for each year of the extension, covering the procurement costs and provision for future call-offs made on the Framework by the Council which do not exceed £9,000,000 over the 3 years of the framework extension.

LEADER

This page is intentionally left blank

TO: EXECUTIVE

**Capital Programme 2020/21 Outturn
Director of Finance**

1 PURPOSE OF REPORT

1.1 At its meeting on 28th February 2020, the Council approved a capital programme for 2020/21-2022/23. This report updates the Executive on the capital outturn expenditure position for 2020/21 and requests approval for the carry forward of the remaining capital programme, the majority of which is committed but not yet spent. The report also sets out how the 2020/21 expenditure is to be financed.

2 RECOMMENDATIONS

2.1 **That the Executive:**

- a) **Notes the outturn capital expenditure as outlined in Table 1 and detailed in Annex A**
- b) **Approves the carry forward of £25.007m from the 2020/21 capital programme to 2021/22**
- c) **Notes the financing of capital expenditure as shown in Table 3.**

3 REASONS FOR RECOMMENDATIONS

3.1 The reasons for the recommendations are set out in section 5 below.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 Not Applicable

5 SUPPORTING INFORMATION

Outturn Capital Expenditure

5.1 The capital programme for 2020/21 consisted of £53.797m on projects and programmes. The projected outturn is £26.883m (50% of approved budget). These figures remain subject to change, pending external audit. However, no significant movement is anticipated.

5.2 Table 1 summarises the outturn position for schemes managed by Directorates based on latest information available.

Table 1: Capital outturn for each Directorate

	Budget	Expenditure	C/Fwd	Underspend
	£'000	£'000	£'000	£'000
Central Departments	23,459	12,842	8,845	-1,772
Delivery	5,335	4,097	1,103	-136
People	25,003	9,944	15,059	0
TOTAL	53,797	26,883	25,007	-1,908

5.3 According to Financial Regulations, departments are required to manage their budgets to ensure that the overall department capital programme is not exceeded. As can be seen above the overall capital programme is underspent against budget. However, there are a number of individual variances which are required to be drawn to the attention of Members (>£50,000). The most significant areas of underspends are;

- Vigar Way (£1.604m) –Scheme re-evaluated and funding received from LEP reduced.
- Capitalisation of Revenue (£0.135m) – Where projects make use of internal project management or professional fees a budget is approved to fund these internal costs. Given the impact of COVID on the capital programme the level of works undertaken were less than anticipated and as such an underspend has been reported on this area.

5.4 The total carry forwards requested by service departments amount to £25.007m. Many of the projects are either close to being completed or are contractually committed and underway.

5.5 The most significant carry-forwards that have been funded from Council resources (as compared with grant funding which is normally automatically carried forward) are as follows:

- Various IT Schemes (£0.6m) – Budgets have been largely pooled into three main areas – Desktop, Infrastructure and Transformation. The impact of COVID has had a significant impact on the way the Council works digitally – with home working becoming a norm over the last 18 months – this has led to a review of IT expenditure priorities and unspent budget will be used to focus on the new priorities.
- Town Centre Redevelopment (£3.9m) – The funding set aside for the redevelopment of the Town Centre through various schemes will be drawn down as the programme continues to roll out.
- Replacement LED Street Lights (£0.8m) – This is a continuing project and is expected to be completed in 2021/22
- Heathlands Re-development (£7.6m) – This project is expected to complete in 2021/22 and is a long term commitment of the Council

Use of capital resources

5.6 Capital expenditure can be financed from four main sources. These are Developers' Contributions (S106 monies and Community Infrastructure Levy), Grants, Capital Receipts and Borrowing. The table below highlights the most significant asset sales.

Table 2: Capital Receipts

Asset	£000
Unit C Waterside	950
Car Spaces – Wellington Business Park	120
Dilapidated Garages Gt Hollands Square	60

5.7 A total of £16.3274m of government grants and other external contributions have been used to finance capital projects in 2020/21. Table 3 below summarises how the capital expenditure for 2020/21 will be financed.

Table 3: Financing of Capital Expenditure

	£'000
Total capital expenditure	26,883
To be financed by:	
-Capital receipts (including CIL)	5,222
-Government Grants & Other Contributions	16,327
-Capital Financing Requirement	5,334

Capital Financing Requirement (CFR)

- 5.8 As a result of the capital expenditure in 2020/21 the Council now has an overall capital financing requirement of £214.6m as at the 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.
- 5.9 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 totalling net debt of £59.7m
- 5.10 Given that the level of capital expenditure incurred was less than budgeted 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, which is explained in more detail in the Revenue Budget Out-turn report elsewhere on the agenda.

6 Consultation and Other Considerations

Legal Advice

- 6.1 The authorisation for incurring capital expenditure by local authorities is contained in the legislation covering the service areas.

Financial Advice

- 6.2 The financial implications are contained within the report.

Other Consultation Responses

- 6.3 None

Equalities Impact Assessment

- 6.4 None

Strategic Risk Management Issues

- 6.5 The most significant risk facing the Council is the impact of the capital programme on the revenue budget. As the outturn is in line with that assumed in setting the 2019/20 budget the risk on the revenue budget has been minimised.

Contact for further information

Stuart McKellar – 01344 352180

Stuart.Mckellar@bracknell-forest.gov.uk

Calvin Orr– 01344 352125
Calvin.Orr@bracknell-forest.gov.uk

Doc. Ref
Capital Monitoring Report Outturn 20-21 - CMT-Exec.docx

CENTRAL DIRECTORATE PROVISIONAL OUT-TURN CAPITAL PROGRAMME

Costc	Costc(T)	Adjusted Budget £'000	Actuals £'000	Carry Forward £'000	Underspend £'000
YL011	Parks & Open Spaces S106 Budget Only	120	0	0	-120
YL265	SPA Mitigation Strategy (S106)	66	66	0	0
YL300	SANG Maintenance	50	25	25	0
YL301	SANG Enhancements	94	93	1	0
YM007	Capitalisation of Revenue (Highways)	640	373	267	0
YM243	Community Centres - S106	26	0	0	-26
YM345	Town Centre Redevelopment	3,962	19	3,942	0
YM387	Binfield Community Centre (S106)	270	212	58	0
YP003	Mobility/Access Improvement Schemes	476	266	210	0
YP006	Local Safety Schemes	212	212	0	0
YP007	Maintenance (Street Lighting)	18	18	-0	-0
YP113	Road Surface Treatments	1,622	1,344	278	0
YP162	Traffic Management Schemes	36	34	2	0
YP225	Traffic Modelling	80	0	80	0
YP269	Residential Street Parking	275	243	32	0
YP456	Update Traffic Signal Infrastructure	139	107	32	0
YP479	Replacement Led Street Lights	7	7	-0	-0
YP486	Trees Woodland Management	13	3	10	0
YP488	Martins Heron Roundabout	18	18	-0	-0
YP510	Management of Parks & Countryside Open Spaces	25	0	25	0
YP518	Westmorland Park Limes Path (S106)	9	0	0	-9
YP526	Urban Tree Project (S106)	11	4	7	0

CENTRAL DIRECTORATE PROVISIONAL OUT-TURN CAPITAL PROGRAMME

Costc	Costc(T)	Adjusted Budget £'000	Actuals £'000	Carry Forward £'000	Underspend £'000
YP529	Downshire Way Dualling	1,265	1,265	0	0
YP533	Town Centre Art	14	14	-0	-0
YP537	Look Out Parking Bay Programme	25	0	25	0
YP538	Look Out Play Area/Exhibit Upgrade	60	10	50	0
YP547	A3095 Improvement Scheme	8,724	6,631	2,093	0
YP560	South Hill Park - Path Networks	36	25	11	0
YP561	Mobile Wireless Security Cameras	6	0	6	0
YP564	Downshire Way Greening Works	176	19	157	0
YP568	London Road A329 Greening	184	80	104	0
YP569	Broad Lane Development Improvements	17	5	0	-13
YP570	Rights of Way (s106)	14	14	0	0
YP571	Biodiversity (S106)	13	5	8	0
YP572	Outdoor recreation at HorseshoeLake Country P (S106)	35	0	35	0
YP574	Crowthorne Road A3095 Greening	50	17	33	0
YP576	The Parks Sports Pitch Works	129	105	25	0
YP577	LED Improvement Works	1,826	1,004	822	0
YP581	Westmorland Park - Energy Saving Initiatives	13	13	-0	0
YP582	Vigar Way	2,000	92	303	-1,604
YP583	Highway Maintenance - Lamp Columns	400	237	163	0
YP584	Savernake Pond	92	90	2	0
YP589	Farley Wood Floodlighting (S106)	51	27	23	0

CENTRAL DIRECTORATE PROVISIONAL OUT-TURN CAPITAL PROGRAMME

Costc	Costc(T)	Adjusted Budget £'000	Actuals £'000	Carry Forward £'000	Underspend £'000
YP592	Binfield Football Club	30	28	2	0
YP593	York Road Play Area & Allotments	60	60	0	0
YP594	Blackmoor Playspace and Asher Recreation Ground (S106)	30	30	0	0
YP595	Lily Hill Park Access and Education project (S106)	35	27	8	0
YP601	The Greenway (S106)	5	0	5	0
	Total	23,459	12,843	8,845	-1,772

DELIVERY DIRECTORATE PROVISIONAL OUT-TURN CAPITAL PROGRAMME

Costc	Costc(T)	Adjusted Budget £'000	Actuals £'000	Carry Forward £'000	Underspend £'000
YM244	Improvements & Capitalised Repairs (Council Wide)	2,006	2,006	-0	0
YM214	EDRMS (Invest to Save)	10	10	0	0
YM323	Time Sq - Ehouse Network Link	13	0	13	0
YM365	ICT Destop and Mobile Infrastructure	384	296	89	0
YM366	EPC Regulations	9	0	9	0
YM374	ICT Infrastructure	392	70	322	0
YM376	ICT Digital Strategy	45	41	4	0
YM377	ICT Transformation Bids	298	167	131	0
YM391	Cyber Security	13	13	0	-0
YM181	Capitalisation of Revenue (Budget only)	200	65	0	-135
YM312	On-Line Booking Systems	6	0	6	0
YM315	Customer Relationship Management System	24	11	12	0
YM367	Civic Accomodation	42	34	8	0
YM378	Property Review Feasibility	69	8	60	0
YM385	TS Customer Reception	18	0	18	0
YM389	Secure Access System	2	2	0	0
YP535	Harmanswater Library	11	11	-0	0
YP349	Green & Blue Waste Bins	88	88	0	0
YP555	Waste Collection Vehicles	758	758	-0	0
YP451	Car Park Improvement/Refurbishment	8	8	0	0
YP553	BSLC ITS	320	320	-0	0
YP485	Bracknell Library - Introduction Self Service	24	21	3	0
YM390	Great Hollands CC Toilets	3	3	0	0
YM393	Depot Project	61	61	-0	0
YP558	DGC Equipment Replacement	38	38	0	0

DELIVERY DIRECTORATE PROVISIONAL OUT-TURN CAPITAL PROGRAMME

Costc	Costc(T)	Adjusted Budget £'000	Actuals £'000	Carry Forward £'000	Underspend £'000
YP588	Libraries - Replacement of Public PC's	55	49	6	0
YP585	Coral Reef & TLO Car Park Charging	48	0	48	0
YP579	Library Printers	30	0	30	0
YP590	Splash Pad (s106)	300	18	282	0
YP591	Memorial Area (ITS)	60	0	60	0
	Total	5,335	4,097	1,103	-136

PEOPLE - ASCHH DIRECTORATE PROVISIONAL OUT-TURN CAPITAL PROGRAMME

Costc	Costc(T)	Adjusted Budget £'000	Actuals £'000	Carry Forward £'000	Underspend £'000
YH016	Disabled Facilities Grant	1,360	534	825	0
YH020	Green Homes	632	632	0	0
YP261	Help to Buy a Home (Cash Incentive Scheme)	370	38	332	0
YS529	Community Capacity Grant	7	0	7	0
YS625	Heathlands Re-Development	10,714	3,075	7,638	0
		13,082	4,279	8,803	0

PEOPLE - EY & L DIRECTORATE PROVISIONAL OUT-TURN CAPITAL PROGRAMME

Programme and Cost Centre	Adjusted Budget £'000	Actuals £'000	Carry Forward £'000	Underspend £'000
Children's Centres	29	0	29	0
Rowans (Fox Hill) Childrens Centre	29	0	29	0
Devolved Capital	759	294	465	0
Early Years	717	45	672	0
Nursery Provision	699	45	653	0
Places for 2 year olds	11	0	11	0
Priestwood GC	7	0	7	0
Financing	527	275	252	0
Heath & Safety	63	18	45	0
Asbestos Management - Non Schools	5	0	5	0
Primary SEMH HUB	40	0	40	0
Wildridings Fire Safety	18	18	0	0
Major projects	2,941	848	2,093	0
Ascot Heath Schools Amalgamation	473	238	235	0
Basic Need Grant - HOLDING CODE	271	0	271	0
Binfield Learning Village	444	21	423	0
College Town Amalgamation	105	2	103	0
Easthampstead Park Block E main hall & dance studio lighting	10	0	10	0
Easthampstead Park Refurbishment	163	0	163	0
Easthampstead Park School Works	23	0	23	0
Great Hollands Surge & Expansion Phases 1A-3	24	24	0	0
Harmanswater School Improvement	365	19	346	0
Mendeleev ground utility routes	36	-1	38	0
Sandhurst - Kerith Church	1	0	1	0
Sandhurst Fencing & Gates	7	0	7	0
Sandhurst Redevelopment	6	4	2	0
Sandy Lane School Improvement	365	8	357	0
The Pines Primary	1	1	0	0
Warfield West Primary	120	5	115	0
Wooden Hill Classrooms	527	527	0	0

Programme and Cost Centre	Adjusted Budget £'000	Actuals £'000	Carry Forward £'000	Underspend £'000
Other (Education)	2,683	1,046	1,638	0
Planned Maintenance (Childrens)	425	373	53	0
Planned Maintenance (Primary)	2,286	1,185	1,102	0
Planned Maintenance (Secondary)	0	1,199	-1,199	0
Planned Maintenance (Special)	15	17	-2	0
Reduction of Class Sizes	77	29	49	0
Holly Spring Schools Amalgamation	77	29	49	0
School Improvements	624	335	291	0
Easthampstead Park	0	3	0	0
HPCF - Holly Spring Infant & Junior	2	0	2	0
HPCF - Kennel Lane School	6	4	2	0
King's Academy Oakwood	287	0	287	0
RCCO Related School Spending	329	329	0	0
Specialist Schools Capital	775	4	771	0
Sandhurst Secondary School - Decarbonisation Works	350	0	350	0
School Decarbonisation Works	425	4	421	0
Grand Total	11,921	5,665	6,259	0

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

This page is intentionally left blank

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.
--------------	--

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 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	214,578	211,589

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
<p>£'000</p> <p>-395</p> <p>-329</p> <p>724</p>	<p><u>Delivery</u></p> <p>Revenue contributions towards capital expenditure.</p> <p><u>People</u></p> <p>Revenue contributions towards capital expenditure.</p> <p><u>Non-Departmental / Council Wide</u></p> <p>Revenue contributions from Delivery and People for capital expenditure.</p>
0	Total Virements

To: EXECUTIVE
20 July 2021

**Scheidt & Bachmann (S&B) switch out project – multi storey car parks infrastructure
Executive Director of Delivery**

1 Purpose of Report

- 1.1 To outline the proposal to replace the existing pay on foot (on exit) S&B parking equipment in the three town centre multi storey car parks with pay by plate (on arrival) infrastructure provided by International Parking Systems (IPS).

2 Recommendation

- 2.1 **To agree the proposal to replace the existing payment infrastructure within the three Council managed town centre multi storey car parks (The Avenue, High Street and Braccan Walk). To replace existing Scheidt & Bachmann equipment with an alternative solution from International Parking Solutions.**

3 Reasons for Recommendation

- 3.1 To provide both an enhanced customer experience and a financial saving.

4 Alternative Options Considered

- 4.1 None, to retain existing infrastructure arrangements.

5 Supporting Information

- 5.1 NSL, the Council's parking management and enforcement contractor has proposed a switch out of the existing S&B pay on exit equipment to an alternative 'pay by plate' technology provided by IPS. This alternative solution is more akin to pay and display equipment, the customer would pay up front for their parking as opposed to when returning to their vehicle. However, the system would link to a virtual ticket, not a traditional physical ticket that would be displayed on the dashboard of a vehicle. The customer would purchase their virtual ticket at the payment machine before exiting the car park and would not be required to return to their vehicle to display anything. The virtual tickets would link to the existing enforcement software in operation via NSL.
- 5.2 The Council's existing S&B infrastructure was installed during 2017 in line with the opening of the Lexicon. At the same time the Lexicon also installed the same S&B equipment into Princess Square car park (which is not the Council's responsibility) so as to provide a 'seamless town centre parking offer'. In reality due to the large availability of parking spaces within the town centre most visitors stick with one car park rather than visit different ones.
- 5.3 The S&B equipment has a maintenance arrangement based on different call out levels across the 3 multi storey sites relative to risk and need) The current maintenance contract is on an annual arrangement July to July (to coincide with the commencement of the NSL contract). Depending on the outcome of this proposal the contract from July 2021 will not be renewed. The equipment is linked to an Automatic Number Plate Recognition (ANPR) system and barriers on entrance and exit system. On occasion when there have been issues with the equipment or a build-up of vehicles it is not a

smooth customer journey. At peak periods, particularly around Christmas, queues can build up at the barriers and back onto the ramps which can lead to customer dissatisfaction. At busy times the barriers have to be raised to allow the traffic to move freely. A move to a pay by plate system would remove the need for barriers at the entrance and exit.

- 5.4 The existing multi storey car parking payment app is 'piggy backed' onto the Lexicon app and linked directly to the S&B equipment. Its implementation was challenging as it required direct integration into the S&B system via a development team in Germany. Currently it has very limited uptake in our car parks, less than 5% of the total transactions, it is not a well known national brand and it can be difficult to find via the Lexicon app. It is prone to technical issues and is not a robust way of cashless payment. There are issues whereby the ANPR reads the number plate incorrectly and it does not link when the customer enters their vehicle registration. Removing the S&B equipment would mean the Lexicon app would no longer function for the Council's three car parks and the Lexicon would need to make arrangements directly if they wished to continue its use.
- 5.5 The proposal with a move to the new IPS infrastructure would be to switch to the national PaybyPhone app as the cashless parking solution. PaybyPhone was introduced via NSL as their provider of choice at our surface car parks in July 2020 (The Look out, Coral Reef, Albert Rd, Wick Hill, Weather Way and Behind the Banks). This service has had a very good uptake with on average 25% of transactions via PaybyPhone and the remainder credit card with a small percentage cash. Across these sites 28,000 transactions were via the PaybyPhone app compared to 86,000 credit card and cash transactions from July 20 to April 21. At the Look Out the uptake is 30%. We would expect to see similar levels at our multi storey car parks and will be promoting the convenience and flexibility (reminder of car parking running out and the ability to extend) of the app to customers. The system is already fully integrated and provides a very good service with very little issues. We would therefore look to expand this existing service to our multi storey sites and would not seek to introduce another national option. With Covid-19 and the move towards more cashless parking the Council knows this solution works well and is popular with parkers. The move to PaybyPhone would eliminate the risk and cost of the standalone Lexicon parking payment app.
- 5.6 Currently there are a number of season ticket options for both High Street and Braccan Walk car parks and these are administered via a manual paper-based process. Whilst purchase of season tickets has diminished significantly as a result of Covid-19 the intention has always been to automate them in line with options for the Council's other sites. To do this with the existing S&B equipment there needs to be some significant integration works undertaken between S&B and NSL Apply which is currently unbudgeted.
- 5.7 NSL Apply is the Council's online system for permits in the residents parking zone and season tickets within our surface car park sites. With the removal of S&B equipment the proposal would be to just extend NSL Apply as the solution for multi storey car park season tickets. This would negate the requirement for an interface between systems as there would be no need to consider ANPR and barrier integration. All permits and season tickets are administered via the individual themselves including their online payment arrangements.
- 5.8 With the switch of equipment to NSL Apply, it could be used for staff parking. It would allow staff parking season tickets to be purchased by the day (rather than the previous system which could only work on an annual basis). This is essential if staff are only

spending a day or two a week in the office as part of any new ways of working. The requirement would be for individual staff members to administer their own parking permits for High Street car park, similar as residents do within the Residents Parking Zone. This removes all the interface with HR and Payroll.

- 5.9 The proposed arrangement for staff permits could be expanded to any organisation that wishes to use some form of season tickets (other partners in Time Square for example).
- 5.10 NSL Apply links to the existing enforcement software and handheld devices used by the Civil Enforcement Officers (CEO), the intention being that the new IPS equipment would link in the same way. Once a customer has parked and entered their vehicle registration details and paid for their stay their parking effectively links to the handheld system. A CEO is able to patrol the car parks and scan their handheld across the numberplate of a vehicle as they are walking past. Any vehicle that hasn't paid will be flagged up. Currently with the system as it is a 'pay on exit' approach the CEOs can enforce against 'out of bay' and 'inappropriate use of a disabled bay'. With the move to pay by plate they will be able to enforce for non-payment of a ticket (albeit virtual). There will be a requirement to change the Traffic Regulation Order as such.
- 5.11 There is no evidence to suggest that making a payment in advance for a stay as opposed to on exit reduces the amount of time that people stay for. In the event that customers need to add 'extra' they can return to top up if needed or can add extra time remotely via the PaybyPhone app.
- 5.12 There are some challenges that would need to be worked through as part of the project implementation. Most notably with the management of customer expectations, the switch out process and the change of equipment and getting used to it will bring. Timing will be crucial to ensure that any installation is at a 'quieter' time of year and there is plenty of time to embed before any busier times or key event dates. The lead in time for the purchase of the equipment is around 2 months and installation time around 2 weeks. NSL will be able to support the Council with all these challenges. In reality and from a customer perspective they will notice very little difference as the Variable Messaging System, visible at entry points to the town, will remain with some adjustments to the data feed and software. Parking tariff payments through the Lexicon App would no longer function for Council sites, although the Lexicon may wish to continue with their app usage for Princes Square.
- 5.13 Smaller more operational matters need to be considered, we have two parking validator units in Fenwicks and Bracknell & Wokingham College which link to S&B and they would need to be replaced/exchanged.
- 5.14 There may be some sale value to the old S&B equipment which will be explored as part of the project.

6. Consultation and Other Considerations

Legal Advice

- 6.1 The proposal to replace existing Scheidt & Bachmann equipment with an alternative solution from International Parking Solutions through variation of the S&B parking centre equipment contract is considered to be compliant with the Public Contracts Regulations 2015.

This is because the increase in price of the contract (taking account of the existing

variation to procure town centre Covid marshals) would not exceed 50 per cent of the value of the original contract. There is also evidence that without varying the contract in this manner this would result in significant inconvenience and duplication of costs meaning that Regulation 72 (1) (b) of the PCR 2015 can be relied upon.

Financial Advice

- 6.2 Based on the information provided the scheme qualifies as an Invest-to-Save scheme and would represent the first call on the £1m 2021/22 budget that Council agreed in March 2021

Other Consultation Responses

- 6.3 A discussion on the proposal took place with the Lexicon partners on 08-06-21 and Scheidt & Bachmann on 09-06-21 and 17-06-21

Equalities Impact Assessment

- 6.4 This will improve the options available for residents and visitors through the use of a national parking payment app and enhanced permit options.

Strategic Risk Management Issues

- 6.5 As with any change there is a risk in relation to implementation. This project is seen as providing a smoother journey through the Council controlled town centre car parks with an enhanced system and a national parking payment application being introduced. NSL, who will be responsible for the implementation along with the Council's parking team have a record of excellent project delivery and as such the strategic risk is small.

Climate Change Implications

- 6.6 The recommendations in Section 2 above are expected to:

Reduce vehicle emissions due to the smoother flow of traffic through the car parks, particularly at the entrance / exit barriers where a reduction of vehicle idling time is expected. As such the project should reduce vehicle emissions. Additionally, the Civil Enforcement Officers will be less exposed to exhaust fumes than currently particularly as they often have to intervene at the barriers.

Background Papers

None.

Contact for further information

Damian James, Assistant Director: Contract Services, Delivery - 01344 351325
damian.james@bracknell-forest.gov.uk

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank