

Notice of Meeting

Overview and Scrutiny Commission

Councillor Pickering (Chair),
Councillor Welch (Vice-Chair),
Councillors Barnard, C Eberle, Egglestone, M Forster, Haffegge,
McKenzie-Boyle, McLean, C Thompson, Watts and Webb
Victoria Hill, Parent Governor Representative
One Vacancy, Parent Governor Representative
One Vacancy, Church Representative (Church of England)
One Vacancy, Church Representative (Roman Catholic)



Tuesday 21 November 2023, 6.30 - 7.30 pm
Council Chamber - Time Square, Market Street, Bracknell,
RG12 1JD

Agenda

*All councillors at this meeting have adopted the Mayor's Charter
which fosters constructive and respectful debate.*

Item	Description	Page
1.	Apologies for Absence	
	To receive apologies for absence and to note the attendance of any substitute Members.	
2.	Minutes of previous meeting	3 - 6
	To approve as a correct record the minutes of the meeting of the Overview and Scrutiny Commission held on 18 October 2023.	
3.	Declarations of Interest and Party Whip	
	<p>Members are asked to declare any disclosable pecuniary or affected interests and the nature of that interest, including the existence and nature of the party whip, 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>	

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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.	
5.	Public Participation	
	To receive submissions from members of the public which have been submitted in advance in accordance with the Council's Public Participation Scheme for Overview and Scrutiny.	
6.	Budget Update	7 - 52
	To provide an update on the current year's predicted spending against budget and an outline of future financial prospects. Reporting: Stuart McKellar, Executive Director:Resources	

Date of next meeting

The next Overview and Scrutiny Commission meeting is scheduled for 30 November 2023. At the next meeting Councillors will sit as the Police and Crime Commission.

Forward plan and decisions taken

Commission members are able to view upcoming decisions by looking at [Browse forward plans | Bracknell Forest Council \(bracknell-forest.gov.uk\)](#) and consider decisions taken since the last Commission meeting by using this link [What's newly published | Bracknell Forest Council \(bracknell-forest.gov.uk\)](#) and altering the date range.

Sound recording, photographing, filming and use of social media is permitted. Please contact Louise Connelly, 01344 354047, louise.connelly@bracknell-forest.gov.uk, so that any special arrangements can be made.

Published: 13 November 2023

EMERGENCY EVACUATION INSTRUCTIONS

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**OVERVIEW AND SCRUTINY COMMISSION
18 OCTOBER 2023
5.30PM – 6.16PM**



Present:

Councillors Welch (Vice-Chair), Barnard, C Eberle, Egglestone, Haffegge, McKenzie-Boyle, McLean, C Thompson and Webb

Present Virtually:

Councillor Watts
Victoria Hill, Parent Governor Representative

Also Present:

Councillors Cochrane, Penfold and Hayes
Andrew Hunter, Executive Director: Place, Planning and Regeneration

Also Present Virtually:

Katie Flint, Policy and Performance Lead

Apologies for absence were received from:

Councillors Pickering and M Forster

22. Minutes of previous meeting

RESOLVED that the minutes of the meeting of the Commission held on 31 August 2023 be approved as a correct record, and signed by the Chair.

Responses to all of the queries and requests for information raised in the meeting had been received or formed part of the agenda.

23. Declarations of Interest and Party Whip

Councillor Christoph Eberle declared a personal interest in Thames Water as the company he worked for meant he carried out projects for Thames Water occasionally.

There were no indications that councillors would be participating while under the party whip.

24. Urgent Items of Business

There were no items of urgent business.

25. Public Participation

No submissions had been made by members of the public under the Council's Public Participation Scheme for Overview and Scrutiny.

26. **Draft Council Plan 2023-2027**

Andrew Hunter, Executive Director: Place, Planning and Regeneration provided a brief introduction to the Council Plan. It was noted that the Council Plan was essential to the policy framework and outlined the Council priorities for the four years up to 2027. The development of the plan had incorporated significant engagement and feedback to ensure correct structure and wording. It was noted that the content of the plan has been tested to ensure its relevance within the period of the plan but has also remained ambitious, deliverable and was set in the context of the Council's available budget.

Katie Flint, Policy and Performance Lead provided a short presentation on the Draft Council Plan. It was acknowledged that the plan forms the underpinning of the development of the Overview and Scrutiny work programme and hence feedback from the commission was welcomed. The following points were shared:

- The plan was set around a structure of three borough priorities and an internally focussed theme.
- It was ambitious and set goals and objectives that required close working with partners. This point recognised that to obtain the best results for residents the whole system would need to work together. The plan provided a framework that would enable the development of these conversations.
- The plan set the strategic goals and key results for the four-year period, 2023-2027. It was noted that each of the directorate service plans would provide more detail on specific activities, development of these would take place once the Council Plan was finalised.
- Feedback gathered from this commission meeting would be provided to the Executive for consideration of inclusion in the final plan.

The following points were made and questions asked:

- It was acknowledged that climate change and the commitment to reach net zero through reducing emissions was covered but a query was raised regarding the lack of content around renewables. In response it was noted that there were a number of options of modifications that could be made. It was suggested that this recommendation could be put forward to suggest an additional metric was added to the green and sustainable environment regarding energy usage and renewable energy on the Council estate.
- On page 15 of the plan, a question was asked about the point 'children have quality education and opportunities to fulfil their potential'. Why was there no mention of the Ofsted rating for schools being seen as good or outstanding? It was suggested that this would provide a broader definition of attainment targets and would provide a key auditable benchmark. In response it was noted that this highlighted a minor error, and the wording would be corrected to include this. A further query was raised regarding whether there could be reference to Bracknell Forests current school improvement plan, which was wider than Ofsted. This would pick up on emotional wellbeing and mental health and would therefore provide improved preparation for future external audit and scrutiny.
- A query was raised that on page 19 there was no metric linked to resilience which was seen as an important aspect of the response to the climate emergency. It was acknowledged that this was looked at by the climate change team. It was however difficult to identify which metrics and measures could be linked to resilience. A proposal was made that this could be looked at in more detail in the service plans. Further comment on this suggested that resilience measures could be related to sewage discharges, it was felt this should be proposed as something that needed to be looked at in more detail.

Further clarification was sought on this point with the issue being raised that if the council has no direct influence over a target than it should not be included in the Council Plan.

Clarification was provided that these points are very detailed and would be picked up in service plans.

- With reference to the point 'Residents can access appropriate care, suitable for a changing population'.
 - Is there going to be an additional metric to look at the issue of how quickly patients are discharged from hospital once they have been told they can go? Further conversations have taken place around this and questions were raised around the sample size and frequency of data. It was suggested to change this to a measure of satisfaction around social care support. This would be measured through the adult social care framework.
 - Clarification was sought around what was covered by the point increasing long term support being delivered at home. It was explained that this would be a specific metric around the percentage of long-term support of residents not in residential or nursing care. This is a performance metric within service plans. Further detail could be provided on this.
 - Reference the point increasing care placements made to good or outstanding providers a question was asked regarding what data would be used and how would this be measured. The metric was based on the percentage of care placements that have been commissioned as part of services provided. A setting was deemed good or outstanding based on CQC ratings. More detail could be provided by the service areas to respond.
- To measure the success of meeting the ambitious targets and ensure residents can see outcomes have been achieved within the plan it was requested that the Council Plan was brought back to the Overview and Scrutiny Commission in four years so that they could look comprehensively at the performance. It was agreed that information on outcomes would be seen as part of the CPOR that would be presented at the Overview and Scrutiny commission every quarter. Nothing has been agreed regarding to date for a bigger review of the plan but this could be explored further.
- Reference page 17 and the point about 'increasing the attractiveness (cleanliness) of neighbourhood centres'. It was asked why there weren't plans in place to acknowledge and maintain the ageing infrastructure of neighbourhoods within a new town which would develop understanding of areas that required investment. It was explained that maintenance budgets are in place to manage ageing infrastructure. It was noted that the point in the plan was specifically regarding neighbourhood centres but the point about managing infrastructure was noted as something to be considered and proposed as a recommendation to vote on.
- Reference page 19 and the point 'Increasing delivery of infrastructure through the Community Infrastructure Levy (CIL)' A question was asked whether CIL could be used to invest in updates of drainage systems. In response it was acknowledged that CIL was used as capital investment into new infrastructure. Maintenance budgets would be used to address the points raised in the question and picked up in service plans regarding management and maintenance of the highway network.
- A comment was made in support of sustainable travel plans. It was asked if there could be target in the plan to reduce incidents of 'rowdiness' through better road design and identification of hotspot areas.
- Reference item KR341 on page 27 it was asked if this point could be amended from noting the TVB network to include all existing and emerging networks. It was noted that this could be put forward as a recommendation to vote on.

A debate of the recommendations took place. The following points were raised:

- On page 27 of the plan it was proposed that a new metric was added to increase the amount of renewable energy generated on the councillor estate.
- It was suggested that the council plan would be brought back to the Overview and Scrutiny Commission at the end of the four years so that they could look comprehensively at the performance and outcomes of the plan.
- On page 17 it was requested that further consideration would be given to maintaining improving infrastructure resilience by developing suitable performance metrics.
- Reference the ambition on page 19 that 'Local transport networks provide choice in travel' it was suggested that the word 'safe' be inserted so that it reads 'safe choice in travel'.
- Reference item KR341 on page 27 it was proposed that this point could be amended to include all existing and emerging networks after TVB network.
- It was suggested that there was a recommendation to ensure that the school Ofsted measurements includes reference to the school improvement standards to meet the broader needs of students.
- It was noted that there should be recognition that within a new town work may be required to the infrastructure that goes beyond routine maintenance. Examples of this included landscaping that was now not as biodiverse as it could be, ageing street furniture or road surfaces. It was suggested that updates to these could be linked to other aspects of design, for example improved road design which could consider the increased need for electric vehicle charging spaces.

The following recommendations to the Executive were proposed and received a unanimous vote:

- On page 27 of the plan, a new metric to be added to increase the amount of renewable energy generated on the councillor estate.
- Retain all schools and early years settings to be good and outstanding in line with the Bracknell Forest standard as set out in the improvement strategy.
- To include climate change resilience within the plan.
- To improve and replace ageing infrastructure that goes beyond routine maintenance.
- That at the end of the four year cycle the plan is brought back to the Commission with a summary report.
- Request an amendment that local transport networks provide 'safe' choice and travel.
- That KR341 be amended to include 'other operators' after TVB.

CHAIR

TO: THE EXECUTIVE
DATE: 17 OCTOBER 2023

**Budget Update
(Executive Director: Resources)**

1 PURPOSE OF REPORT

- 1.1 Recognising the scale of the financial pressures the Council is currently facing due to inflation and service demand, this report provides an update to the Executive on the Council's financial situation in the current year and a forward look to the potential financial position in future years.

2 RECOMMENDATIONS

That the Executive:

- 2.1 **Notes the Council's predicted current year financial position summarised in Table 1 and detailed in Annex A;**
- 2.2 **Endorses the actions agreed by the Corporate Management Team to help contain expenditure in the current year as set out under paragraph 5.4;**
- 2.3 **Notes the Council's predicted medium-term financial prospects based on the assumptions detailed in paragraphs 5.9 to 5.16 and summarised in Table 2, which is subject to development of detailed draft budget proposals for 2024/25 and future years and to confirmation of the local government finance settlement in December;**
- 2.4 **Note that the Executive will be asked at its November meeting to recommend to Full Council a Flexible Use of Capital Receipts Strategy, that will provide funding from capital resources to secure additional capacity needed to drive transformation change to help secure a sustainable future financial position;**
- 2.5 **Agrees the proposed use of the Council's funding to support delivery of affordable housing as set out in paragraphs 5.20 to 5.22.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The recommendations are intended to ensure that the Executive is aware of the Council's current and predicted future financial position.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Executive could choose not to support expenditure on the proposed priority areas. This is not recommended as the measures proposed are viewed as preventing more significant cost increases in the period ahead.

5 SUPPORTING INFORMATION

Current Year Financial Position

Unrestricted

- 5.1 The Council approved the current year's budget and council tax at its in-person meeting on 22 February 2023. Consideration at the time was given to the outlook for the economy as a whole, the impact of demographic changes and the resulting pressures on services and other risks contained within the proposed budget. The impact of high inflation dominated our financial planning. The Council typically allocates around £2m - £3m each year to cover the cost of inflation, which represents the extra we need to spend just to maintain current service levels. For 2023/24, we had to set aside just under £10m. The Contingency was increased to £2.75m in the final budget proposals, a higher level than in any previous year, reflecting the scale of the identified financial risks. While the budget including service pressures of more than £6m, the agreed 2023/24 budget was felt to be realistic and manageable.
- 5.2 The first budget monitoring report of the year indicated a potential problem. Based on actuals to the end of May, an overall overspend of between £0.7m and £1.2m was predicted by the year end. The first figure represented the sum of all Directorates' projected outturn estimates at that point, while the latter included "emerging issues", which had been identified as additional risks.
- 5.3 By the next monitoring return, based on actual expenditure and income to the end of June, the position had deteriorated significantly to an overspend of between £2.3m and £4.2m (including Emerging Issues). This position was highlighted to the Overview and Scrutiny Commission on 31 August by the Executive Director: Resources in his introduction to the quarterly Corporate Performance Overview Report (CPOR) and represented an unprecedented position for the Council.
- 5.4 Having considered this position, the Corporate Management Team at its meeting on 16 August agreed the following actions to help ensure a balanced position by the end of the year:
- The Executive Director : Resources to write to all staff, explaining the current budget position, and instructing that the measures below should be followed with immediate effect;
 - a. All new expenditure not essential to the delivery of front-line services should be avoided;
 - b. Opportunities to make savings in non-staffing budgets should be actively investigated;
 - c. Any proposed new staffing recruitment (either permanent or temporary) must have Departmental Management Team approval;
 - d. CMT will receive weekly updates on the most significant pressures being experienced in each Directorate, to ensure there is a clear focus on understanding and responding as quickly as possible to issues being faced.
 - The Executive Director: Resources was also asked to explore changes to the Council's financial systems that could help automatically enforce tighter spending controls.
- 5.5 The most recent budget monitoring information presented to CMT on 21 September is summarised in Table 1 below and shows a slight improvement on predicted variances (-£0.259m) and a material improvement to the position including Emerging Issues (-£1.144m), where mitigating savings plans are being developed to support Adult Social Care pressures. Despite the improvement, the projected overspend is still up to a potential £3.0m and is of significant concern. It should be noted that this position excludes the impact of the national pay award, which has not yet been agreed but is expected to exceed the budgeted amount.

Unrestricted

Table 1: Latest Predicted 2023/24 Budget Out-turn

	Current Approved Budget £000	Predicted Variance £000	Variance Including Emerging Issues £000
Central Directorates	18,357	694	1,226
Delivery Directorate	21,013	652	812
People Directorate	65,847	3,215	3,373
Non-Departmental	-14,974	-285	-125
Sub-Total	90,243	4,276	5,286
Contingency	2,321	-2,261	-2,261
Overall Position	92,564	2,015	3,025

- 5.6 The table shows that just over £0.4m has already been allocated from the original £2.75m in the corporate contingency, most notably £0.35m to support additional staffing in the Special Educational Needs and Disability (SEND) service. Information about all the variances being reported against approved budgets is included in the detailed budget monitoring report attached as Annex A to this report. This includes a pressure on the schools budget of over £7m, which will be subject to intense scrutiny through the Department for Education's Safety Valve programme, which Bracknell Forest has been invited to participate in. The expected outcome of this programme is to agree a robust plan to return to a balanced in-year position over a time period of around five years, which will require savings of over £7m to be identified and delivered.
- 5.7 The Council's in-year financial position will be kept under tight review by CMT in the weeks and months ahead. Should the predicted overspend not show a clear downward trajectory, further actions will be initiated. The Executive is asked to endorse the actions being taken and to note that it cannot currently be ruled out that an in-year emergency budget will be required.

Medium-Term Prospects

- 5.8 Although the current year's financial position is particularly challenging, Bracknell Forest Council currently enjoys a strong financial position relative to most similar local authorities. This is illustrated in benchmarking data published by the newly-created Office for Local Government, set out in Annex B to this report. The Council's reserve levels are comparatively high as is our spending on social care services, while our overall spending, borrowing and Council Tax levels are below average.
- 5.9 In looking to future years, the starting point is to consider the level of resources that will likely be available to support spending. For several years this has been a difficult task, since the Government has provided only one year's worth of grant settlements at a time. Alongside publishing the provisional 2023/24 local government finance settlement in December 2022, the Government issued a policy statement covering its expected approach for some of the most significant factors in the 2024/25 settlement, which is expected to be published in mid-December 2023. [Local government finance policy statement 2023-24 to 2024-25 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/local-government-finance-policy-statement-2023-24-to-2024-25). This brought some more certainty to planning for 2024/25. The key factors in estimating the Council's future resources are as follows.

Core Settlement (Guaranteed Business Rates and Revenue Support Grant)

- 5.9.1 In 2023/24 the Council received a core grant settlement of £19.610m (comprising £17.462m from Business Rates and £2.148m from Revenue Support Grant), a 5% increase over the previous year. With the policy statement confirming that the core settlement will be broadly unchanged in 2024/25, a small increase (3%) in the Council's allocation is being assumed.

Specific Grants

- 5.9.2 The Autumn statement on 17th November 2022 introduced a number of changes to the Spending Review 2021 funding levels, the most significant being:
- £1 billion of new grant funding in 2023/24 for social care, increasing to £1.7 billion from 2024/25, allocated to support system capacity and hospital discharges;
 - Delaying the planned Adult Social Care charging reforms from October 2023 to October 2025, but allowing funding intended for implementation to be retained in council budgets to help meet current pressures (£1.3billion in 2023/24 rising to £1.9billion in 2024/25);
 - The core schools budget will receive £2.3 billion of additional funding in 2023/24 with a further £2.3 billion in 2024/25.
- 5.9.3 Allocations of these additional grants in 2024/25 have not been published at an individual authority level, so we have assumed the same proportion is received of the overall figure as in 2023/24.
- 5.9.4 The same approach has been taken to estimating funding from the New Homes Bonus (NHB) grant, despite no confirmation having been received that it will continue into 2024/25. With the future of NHB having been uncertain for many years and the Government not yet having published a response to its consultation in early 2021 regarding the grant's continuation, it is assumed that there is insufficient time to amend the grant without creating financial instability for many district councils who rely on it.

Business Rates Retention System

- 5.9.5 In parallel with the 2023 business rates revaluation exercise, the Government moved a number of large hereditaments ("properties") from local business rates lists onto its Central list. This included the network for a multi-national telecommunications company which had been on Bracknell Forest's local list since 2014. A technical adjustment, supported by the Council during the Government's consultation on how best to deal with such transfers, helped ensure that our position was broadly protected during this exercise.
- 5.9.6 Under the Business Rates Retention System, local authorities are able to retain a proportion (typically 25% - 35%) of growth in their collectable business rates to incentivise investment in economic development. With the central list transfer having removed a significant level of uncertainty from Bracknell Forest's retained income and up to date ratings valuations having been determined from April 2023, it was expected that the Council's income from the business rates retention system would be protected in future years. Indeed, it was initially estimated that the Council's retained income would rise slightly from the current budgeted income of £10.6m in the years ahead.

- 5.9.7 The amount of business rates collectible is determined by the Valuation Office Agency (VOA), which sets rateable values (RVs) for all business premises. Outside of the periodic national revaluations that affect all business premises, the VOA continuously re-assesses premises in response to valuation appeals submitted by occupying businesses and their ratings agents and to changes in use or occupier. Local authorities are usually unaware of any revaluations until the VOA issues updates to its ratings list, typically on a weekly basis. When this happens, the local authority needs to adjust its business rates system to reflect the revised valuation and backdate this to the effective date determined by the VOA. This is typically to the start of the current valuation list (i.e. the 2023 list) but can be backdated to the previous list (in this instance 2017). The local authority then issues a revised bill and either seeks to collect the increased sum due or, more typically, makes a refund for sums paid in excess of the (downwards) revised bill(s).
- 5.9.8 The Council has recently noticed an emerging pattern of large-scale RV reductions being notified for many premises in The Lexicon. This was unexpected, given the recently published 2023 valuation list and its effect is exacerbated by the effective dates for the RV reductions being set generally back to the opening of The Lexicon, in 2017. While just over 20 properties have appeared to date on the VOA updates, these include the largest units who have on average seen reductions in rateable value of 33% from the 2023 list and 50% from the latest 2017 listings. While the Council includes annual provisions for potential RV reductions when it calculates business rates income receivable, those provisions are not on anything like this scale.
- 5.9.9 As a consequence, the Council will face a material shortfall in its budgeted income in the current year, that will manifest in a large deficit on the 2023/24 Collection Fund at the end of the year. It is impossible to accurately determine the value of this until figures for more properties are known, however it is likely to be in the order of several £s million. The Council will also face a large reduction in future income retained through the Business Rates Retention System. Again, it is impossible to accurately predict the impact with only partial information, however a loss of around £1m per year (roughly 10% of the current retained business rates income) is feasible and will be used at this stage in projecting future resource levels.
- 5.9.10 With any deficit on the Collection Fund needing to be recovered in the next year's budget, this will need to be met either by reducing spending by an equal sum in 2024/25 or from the Council's reserves, which include a sum of £6.26m for Business Rates Revaluations.

Council Tax

- 5.9.11 With the exception of the Dedicated Schools Grant, which is largely passported through to schools, Council Tax represents by far the most important income source to the Council. The budgeted income from Council Tax in the current year is £75.053m.
- 5.9.12 The permitted level of increase in Council Tax each year is determined by the Government. For 2024/25, the policy statement confirmed that the general increase permitted for all authorities would be up to 3%, with additional flexibility for social care authorities to increase by a further 2%. Applying the maximum permitted increase would raise a further £3.75m, with growth in the taxbase from new property completions adding potentially around £0.7m.

5.9.12 Income from Council Tax is paid into the Collection Fund as it is received and the budgeted amount transferred to support General Fund services. There will always be a surplus or deficit on the Collection Fund at the end of the year, reflecting the difference between the actual versus budgeted income. The surplus or deficit in 2023/24 will need to be estimated by the mid-January 2023. A surplus can be used to help the 2024/25 budget, while a deficit needs to be recovered in that year. There is no indication at this time that the income being collected is materially different from what was expected.

5.9.13 The Executive at its meeting in February 2024 will recommend to Council the level of Council Tax considering the Local Government Finance Settlement, the results of the consultation and the final budget proposals. For planning purposes, it is assumed at this stage that the maximum permitted increase will be applied.

Reserves

5.9.14 The Council has deliberately set aside funding into reserves in recent years to help protect against both immediate and future risks and to support delivery of its priorities. In terms of budget setting, the most significant reserves are the Future Funding reserve (£16.3m available after using £3.6m to support the current year's budget) and General Reserves (£6.6m available - £11.1m less a £4.5m minimum recommended level). This funding can be used to ensure a balanced budget is achieved in future years, however reserves can only be used once and their use does not help secure an on-going sustainable financial position. With £3.6m of reserves having been used in the current year, drawing a higher sum in 2024/25 would be affordable but would not represent a step towards achieving medium-term financial sustainability.

5.9.15 It should be noted that the Government will expect the Council to use its reserves to support a Safety Valve deal (See paragraph x.x below), meaning that the current earmarking of reserves for particular purposes will need to be fundamentally reviewed in coming months.

5.10 Having assessed the level of resources potentially available, it is important to review the Council's future spending needs and compare the two. At this relatively early stage in the budget preparation process there is not a fully developed list of service pressures and potential mitigating savings. Work on these will continue over the Autumn, in preparation for draft budget proposals being published for consultation in December. An initial calculation of likely inflationary pressures can, however, be undertaken.

5.11 The starting point for future years' budgets is the Council's Commitment Budget, which represents a rolling base budget including unavoidable future spending commitments. Most notably, these are contributions to the Berkshire Pension Fund, which increase each year to help ensure the pension scheme is fully funded over time and borrowing costs arising from the Council's approved capital programme. The Commitment Budget is expected to increase by £1.0m in 2024/25 and by much lesser sums in subsequent years. A detailed review of the Commitment Budget will be undertaken in parallel with development of the draft budget proposals for 2024/25.

Inflation, Revenue Pressures and Savings

5.11.1 The budget preparations for 2024/25 are being undertaken against the backdrop of stubbornly high inflation rates. While the headline level is lower than twelve months ago and energy prices seem to have passed their peak,

we are still a long way from the Bank of England's target 2.5%. This inevitably affects the budget provision we will need to make for price increases, some of which are contractually set, and drives the Council to consider high increases in its own fees and charges, to cover rising costs.

- 5.11.2 Starting with pay inflation, the national employers' body has once again this year offered a flat rate £1,925 increase for most local government workers. While this has not yet been agreed by Trades Unions, who are pressing for a significantly more generous offer, it is broadly equivalent to the 4% provision for pay inflation included in the Council's approved budget. Looking ahead to 2024/25, it is inevitable that Trades Unions will continue to demand pay increases for their members that secure parity against private sector pay rises. The national pay negotiating body representing local authorities will counter this with an argument that local government's financial position makes this unaffordable. At this stage, recognising that a balance will need to be struck and that inflation is likely to fall in the coming months, a provision for a 3.5% pay award (at a cost of £3.1m) has been included for planning purposes in 2024/25, falling to 3% and 2% in subsequent years.
- 5.11.3 Energy prices increased significantly faster than the headline inflation rate in 2022 and the early part of 2023 but are now falling. The Council has arrangements in place to forward purchase these commodities, which provides some protection against the extreme fluctuations that the market has seen. Despite this, the Council suffered average energy increases of 92%. Early indications for 2024/25 are that energy prices will fall by around 25%, which is the current budget assumption (a budget reduction of £0.7m), with further (albeit smaller) reductions in subsequent years.
- 5.11.4 The most significant inflationary costs arise from non-pay budgets (excluding for energy). Should the headline inflation rate in Autumn 2023 be around 6.5% - 7% (which looks likely), this will add around £6.3m to the current cost of service delivery. This figure is included for planning purposes in the future financial projections, however attention is being given to how contractual inflation can be absorbed or managed as the detailed budget proposals are progressed. Any potential impact on service levels arising from this exercise will need to be highlighted for Members' consideration. It is assumed that inflation will fall back towards the Bank of England's target over the next three years.
- 5.11.5 Recognising the impact of these inflationary increases on the Council's costs, it is proposed that our fees and charges also work towards average increases of 5%, which would generate additional income of around £1.7m, with future increases mirroring pay award assumptions (3% and 2%). As always, there will be some service areas where charges are market driven and this level of increase is not sustainable. Individual service areas will need to make this assessment in calculating fees and charges for Members to consider as part of developing the Council's draft budget proposals that will be published in December.
- 5.12 In addition to additional inflationary costs, the Council's budget is affected each year by other cost pressures, notably relating to increased demand for services. As has been stated above, it is too early at this stage of the budget process to accurately predict the scale of these for 2024/25. However, Members are advised that pressures approved in the last two budgets totalled £13m, while savings totalled £10m and included £3.5m in 2023/24 related to the business rates revaluation that

cannot be repeated. In an average year, pressures identified would generally be expected to be double the level of savings.

5.13 For illustrative purposes only, it is assumed in this report that revenue pressures in each of the coming years will be identified totalling around £5m while savings will be around £2.5m. All potential budget proposals identified will need to be considered against the following emerging Council Plan priority themes before being included in the draft 2024/25 budget, to ensure they are aligned with agreed priorities:

- Engaged and Healthy Communities
- Thriving and Connected Economy
- Green and Sustainable Environment

5.14 Given the paucity of funding and the wide range of pressures on the Council's budget, careful consideration will need to be given to the introduction of major new initiatives to pursue those priorities at pace.

Capital Programme Proposals

5.15 As is the case with revenue budget pressures and savings, it is too early in the budget process to provide an indication of the nature and scale of proposals that will be brought forward for consideration. Any agreed proposals that exceed funding available from capital grants, asset disposals or meet the criteria for invest to save schemes will need to be funded from borrowing, with an associated impact on the revenue budget to fund debt interest and provision for principal repayment.

5.16 For illustrative purposes, an allowance has been made in the medium-term projects for new capital programme proposals totalling £5m and assumed capital income of £2m, reflecting the Council's typical experience in previous years. Allowance has therefore been made in the medium-term revenue budget projection for debt charges on a net additional £3m of borrowing, which typically impacts the year after the capital schemes are first approved and will cost around £0.25m.

5.17 Table 2 below draws together the planning assumptions in paragraphs 5.9 to 5.16 together to give an indication of the Council's potential future financial prospects. It is particularly important to emphasise that the level of pressures and savings is included simply for illustrative purposes, informed by figures in previous years' budgets. Actual proposals for 2024/25 will be considered by Members in the Autumn before being agreed and published as part of the Council's draft budget in December.

Table 2 – Illustrative Medium Term Financial Prospects

	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m
Base Revenue Budget (adjusted for one-offs)	88.64	97.35	107.62	113.97
Commitments	1.11	1.00	0.05	0.18
Inflation (pay, non-pay and fees and charges)	9.76	7.01	3.56	2.56
Contingency (£2.75m in 23/24, may change)	2.75	0.00	0.00	0.00
Identified Savings (illustrative only)	-7.53	-2.50	-2.50	-2.50
Identified Pressures (illustrative only, incl. for Capital Prog)	5.49	5.00	5.25	5.25
Estimated Change in Business Rates growth retained	-2.19	1.00		
Specific grant changes	-0.27	-1.24		
Use of Specific Reserves for One-Off Pressures	-0.41	-		
Expenditure	97.35	107.62	113.97	119.46
RSG and Business Rates Baseline	-19.61	-20.20	-20.70	-21.10
Council Tax (+ 4.99%)	-74.30	-78.79	-83.46	-88.25
Collection Fund Deficit (Council Tax & NNDR)	0.90	-	-	-
Use of General / Future Funding Reserves	-3.59	-	-	-
Council Taxbase Growth (estimate)	-0.75	-0.70	-0.60	-0.50
Resources	-97.35	-99.69	-104.76	-109.85
Cumulative Gap (Before Use of General Reserves)	0.00	7.93	9.21	9.62
Annual Gap (Before Use of General Reserves)	0.00	7.93	1.28	0.41

- 5.18 In summary, this shows that the Council will need to either reduce pressures or identify further savings to bridge an identified gap of around £9.5m over the next three years to 2026/27. The gap is currently significantly front loaded, due to the current high level of inflation, that is expected to reduce over time. The Council is able to use its available reserves to smooth the phasing over time, although drawing from reserves in any one year adds future risk as it increases the cumulative gap to be bridged in the period.
- 5.19 Delivering this level of savings, particularly in such a short time period, represents a huge challenge for an organisation of the Council's scale, with over £100m having been saved since the Council was created in 1998. While all parts of the Council will be expected to make a contribution, efficiencies alone will not bridge this scale of gap. Transformational change will be required and the Business Change programme that is being developed alongside the Council Plan will bring a focus to this. Additional capacity will be required to drive change at pace, the scale and nature of which is currently being assessed. In order to avoid placing further pressure on existing revenue budgets, the Executive and Full Council will be asked in November to adopt a Flexible Use of Capital Receipts Strategy, that will enable eligible transformation costs to be capitalised and funded from asset sale(s), as permitted by Government.

Proposed Release of Funding to Support Affordable Housing

- 5.20 The Executive has previously confirmed its support for the Market Street development being taken forward by the Bracknell Forest Cambium Partnership, most recently at its meeting in July 2023. At that time offers from registered social landlords to purchase the 48% affordable units in the scheme were being assessed and it was recognised that a further financial contribution from the money the Council secures from developers to deliver affordable housing may be required. Authority was delegated to the Executive Member for Social Care, Health and Housing to approve an additional contribution of £0.5m.

- 5.21 In the event, the impact of continuing high inflation and rising borrowing costs has added more pressure to the scheme's finances. There is a residual funding gap of £1.5m, that cannot be bridged and which the Council's previously approved additional contribution of £0.5m is insufficient to cover. In order to secure the scheme's delivery, which includes a significant number of affordable units, the Council is being asked to input a total of £2m of its s106 funding received to deliver affordable housing, representing £1m more than has previously been approved. While this late development is not welcome news the Council's funding, which can only be used for the purpose of supporting affordable housing delivery, will secure delivery of the scheme.
- 5.22 At this time, there is insufficient funding available to support the proposal in full, with the Council currently holding £1.2m of affordable housing funding, including £0.5m already committed to Market Street. However, an agreement is in the process of being finalised with a developer that will secure a sum of almost £2.7m by May 2024 at the latest and a further sum of this level by no later than December 2024. The Council will not be required to contribute this funding before it is received, hence there will be no adverse cashflow impact.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The Council is required to make arrangements for the proper administration of its financial affairs. As part of those arrangements, it is under a duty to monitor its budgets throughout the financial year and to take appropriate action to deal with any deterioration in the financial position revealed by the regular monitoring.

Financial Advice

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

Equalities Impact Assessment

- 6.3 The Council's budget proposals impact on a wide range of services. Detailed consultation is undertaken on the draft budget proposals when they are published in December each year to provide individuals and groups the opportunity to provide comments.

Strategic Risk Management Issues

- 6.4 The Council's strategic risk register contains a specific risk highlighting "significant pressures on the Council's ability to balance its finances whilst maintaining satisfactory service standards". While this is a long-standing issue, the situation in the current year and future year prospects mean that the risk is particularly difficult to manage at the current time. This paper has been brought to the Executive at this time to ensure there is a shared understanding of the situation and to agree an outline approach to achieving financial sustainability over the medium-term, to help focus more detailed work on specific options over the coming months.

Climate Change Implications

6.5 There are no direct implications arising from this report which sets the context for the Council's budget considerations. An assessment will be undertaken of the revenue and capital budget proposals as they are developed for Members' consideration against the Council Plan priorities, which include supporting a clean and sustainable environment.

7 CONSULTATION

7.1 A detailed consultation will be undertaken on the Councils draft budget proposals for 2023/24 after they are published in December 2022.

Contacts for further information

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Unrestricted

Budget Monitoring
2023/24 End of Year Projections
From July 2023 Actuals

It is recommended that CMT:

1

Note that the variances reported by directorates indicate expenditure above the approved budget (£2.015m), after taking into account the balance on the Corporate Contingency (£2.261m). Once Emerging Issues are included the overspend increases to a potential £3.025m. This is an improvement of £0.259m on reported variances and £1.144m including Emerging Issues since last month;

2

Review measures currently put in place to a) limit non-essential expenditure and b) to implement in year savings for both the Council and Schools Budgets;

3

Note the virements being proposed by directorates;

20

4

Note the balances remaining on major earmarked reserves;

5

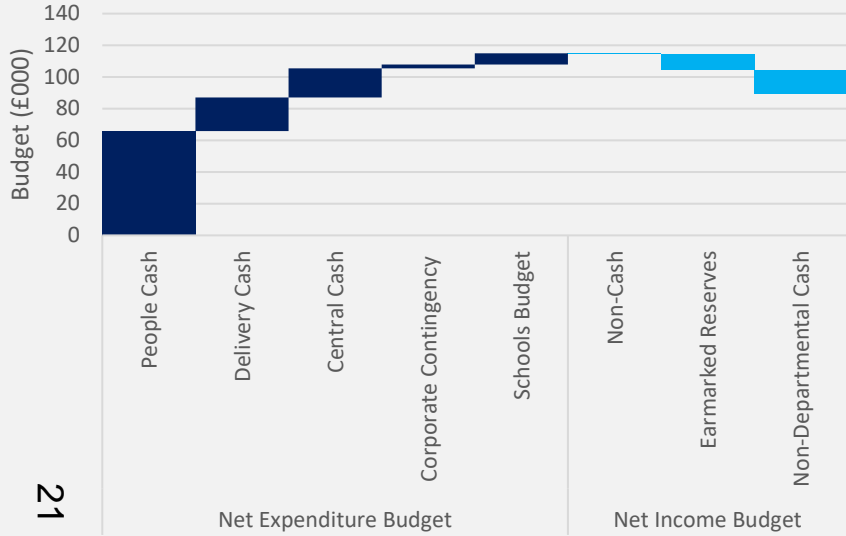
Note that work is on-going to validate data underpinning variances on the High Needs Block of the Schools Budget. At this stage the variance reported is a £7.166m overspend anticipated in the original budget and a £0.150m indicative overspend at College Hall Pupil Referral Unit, mainly for additional management support;

6

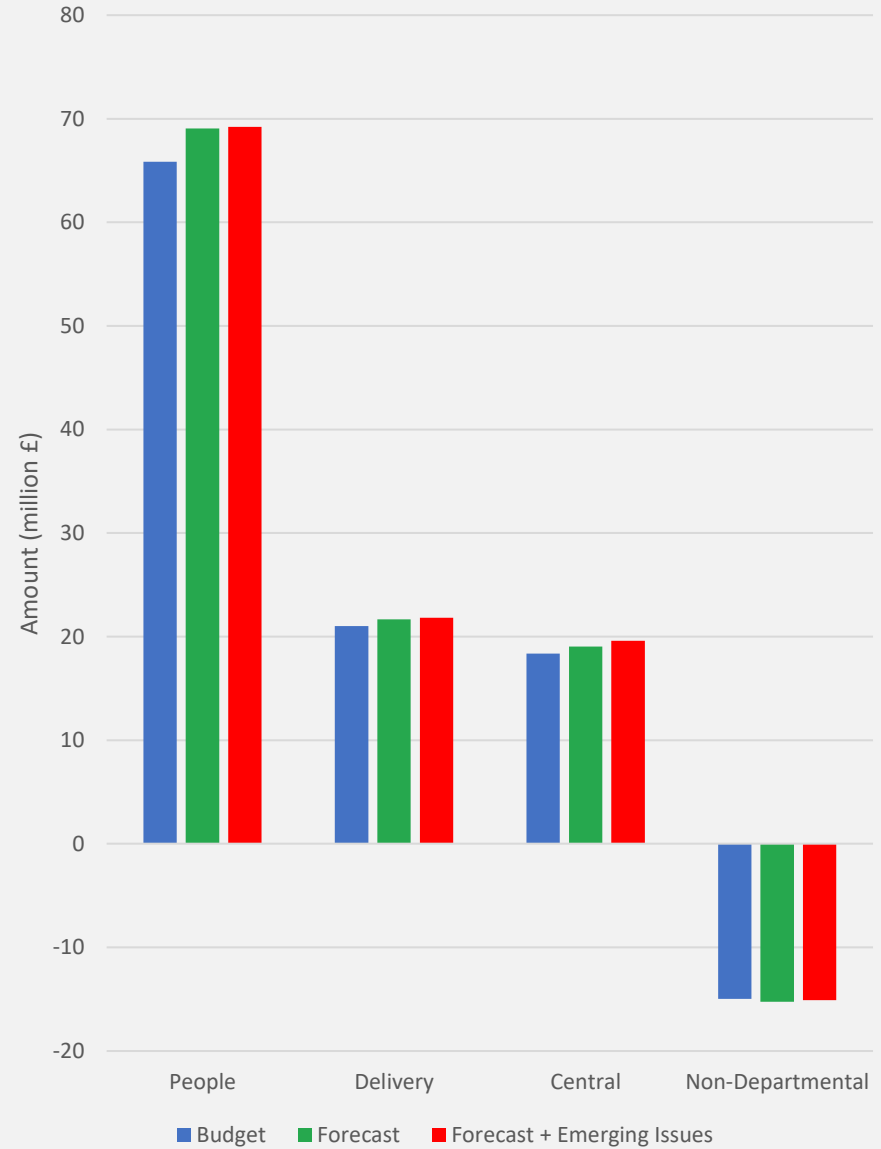
Note the projected outturn for the Business Rates Scheme and Council Tax.

Overall Summary

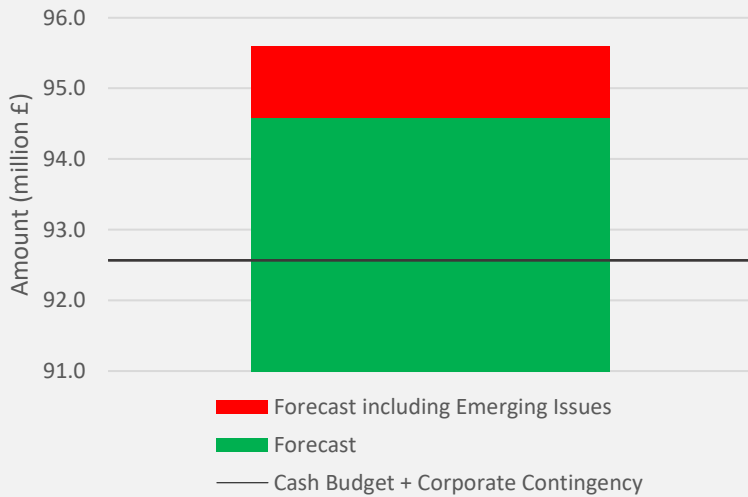
Budget Breakdown



Cash Budgets and Forecasts



Council Forecast Outturn and Budget



Virements

DESCRIPTION	Central (£'000)	Delivery (£'000)	People (£'000)	Non-Departmental (£'000)	Corporate Contingency (£'000)	Contribution to/(from) Earmarked Reserves (£'000)
Previously Reported	1,314	520	510	-450	-429	-1,465
Section 106 SPA funding to support the delivery of the Parks & Countryside service. £278K previously drawn down rather than £228k in error.	-50					50
Binfield Health & Community Centre - rental income covers MRP and Interest charges		-191		191		
TOTAL	1,264	329	510	-259	-429	-1,415

Summary – Assistant Director Level

	Original Cash Budget (£'000)	Virements & Budget C/Fwds (£'000)	Current Approved Cash Budget (£'000)	Variance (£'000)		Variance + Emerging issues (£'000)	
				Last Month	This Month	Last Month	This Month
Director: Place, Planning & Regeneration	8,626	1,105	9,731	647	657	1,107	1,183
Director: Resources	6,515	71	6,586	182	52	182	52
Chief Executive's Office	1,952	88	2,040	-15	-15	-15	-9
CENTRAL	17,093	1,264	18,357	814	694	1,274	1,226
Executive Director of Delivery	230	-4	226	0	0	0	0
Assistant Director: Customer Services & ICT	12,308	-211	12,097	56	-68	56	-68
Assistant Director: Property Services	-4,774	184	-4,590	185	185	195	195
23 Borough Solicitor	699	8	707	50	50	100	100
Head of Democratic & Registration Services	1,976	94	2,070	0	0	0	0
Assistant Director: Contract Services	10,245	258	10,503	578	485	749	585
DELIVERY	20,684	329	21,013	869	652	1,100	812
Executive Director of People	1,681	11	1,692	12	83	12	83
Education and Learning	2,542	369	2,911	463	467	463	467
Children's Social Care	19,927	86	20,013	816	832	816	832
Contribution to Costs from Schools Budget	-468	0	-468	-7	-7	-7	-7
Commissioning	2,957	-16	2,941	-142	-90	-142	-90
Adult Social Care	20,818	63	20,881	996	1,216	2,190	1,374
Mental Health & Out of Hours	13,097	109	13,206	120	345	120	345
Early Help & Communities	4,783	-112	4,671	668	369	668	369
PEOPLE	65,337	510	65,847	2,926	3,215	4,120	3,373

Summary – Assistant Director Level

	Original Cash Budget (£'000)	Virements & Budget C/Fwds (£'000)	Current Approved Cash Budget (£'000)	Variance (£'000)		Variance + Emerging issues (£'000)	
				Last Month	This Month	Last Month	This Month
Interest and Investment Income	1,804	130	1,934	0	-150	-150	-150
Minimum & Voluntary Revenue Provisions	2,465	61	2,526	-179	-240	-179	-240
Council Wide Items	70	-450	-380	105	105	265	265
New Homes Bonus Grant	-786	0	-786	0	0	0	0
Services Grant	-681	0	-681	0	0	0	0
Business Rates Income Growth & Grants	-10,561	0	-10,561	0	0	0	0
Transfers (to)/from DSG Adjustment Account	-7,166	0	-7,166	0	0	0	0
Other	140	0	140	0	0	0	0
NON-DEPARTMENTAL	-14,715	-259	-14,974	-74	-285	-64	-125
TOTAL	88,399	1,844	90,243	4,535	4,276	6,430	5,286

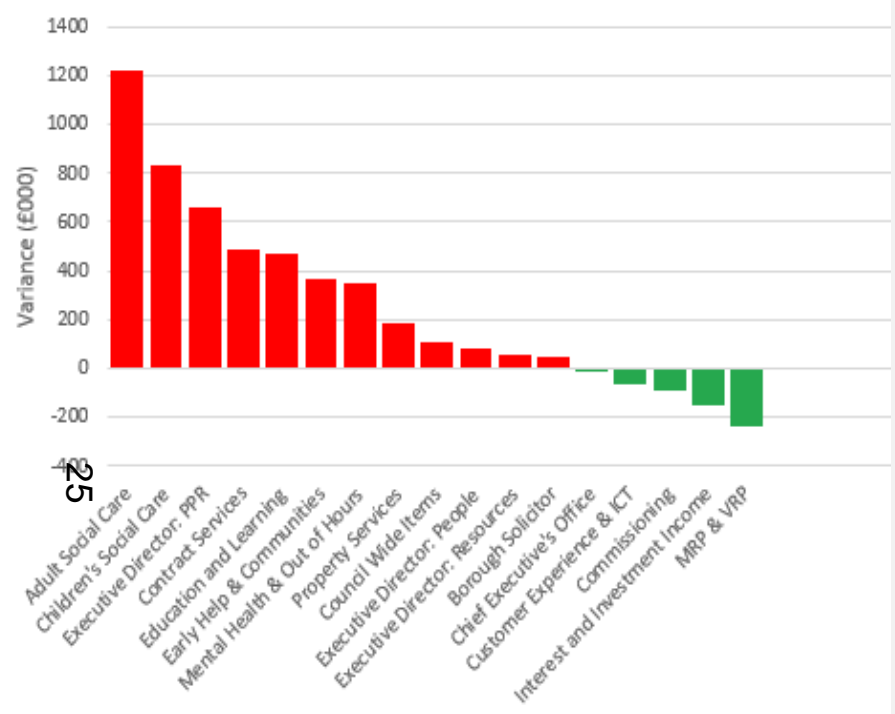
CORPORATE CONTINGENCY	2,750	-429	2,321	-2,261	-2,261	-2,261	-2,261
TOTAL	91,149	1,415	92,564	2,274	2,015	4,169	3,025

EARMARKED RESERVES	-8,482	-1,415	-9,897	0	0	0	0
OVERALL TOTAL	82,667	0	82,667	2,274	2,015	4,169	3,025

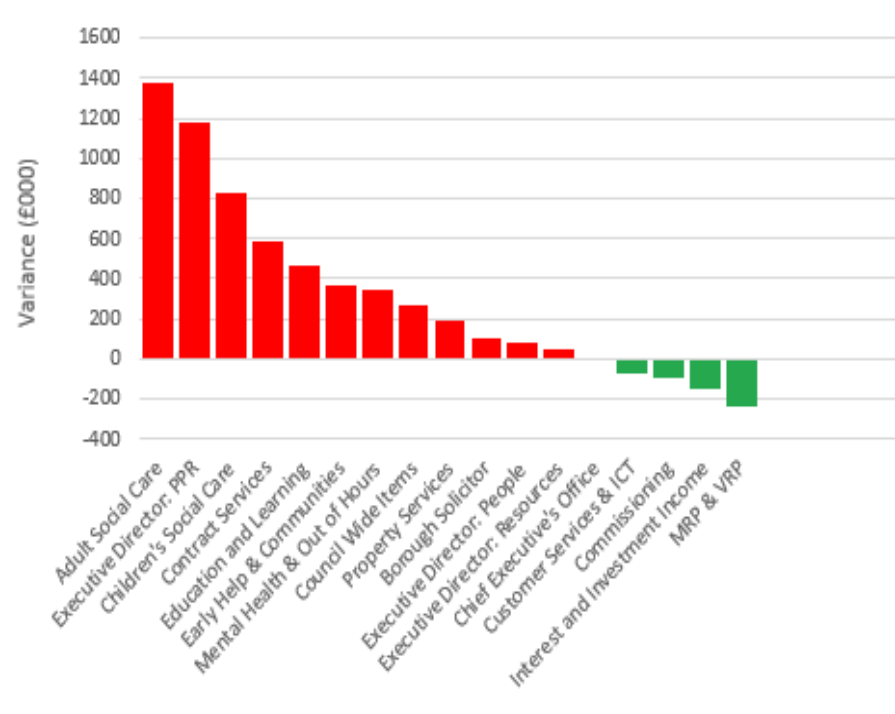
NON-CASH BUDGETS	-546	0	-546	0	0	0	0
SCHOOL BUDGET	7,166	0	7,166				
OVERALL TOTAL	89,287	0	89,287				

Cash Budget Summary

Variances



Variances including Emerging Issues



Cash Budget Summary – New Variances and Emerging Issues

The variances reported by directorates indicate expenditure above the approved budget (£2015m), after taking into account the balance on the Corporate Contingency (£2.261m). Once Emerging Issues are included the potential overspend increases to £3.025m. This is an improvement of £0.259m on reported variances and £1.144m including Emerging Issues since last month.

CENTRAL

Significant Variances

Place, Planning and Regeneration

- Within Reactive Maintenance, the previously reported additional drawdown from reserves to support budgets of £0.140m upon review has been revised downwards to £0.085m, which will leave a pressure on road markings (£0.055m). In addition, consultants are being used to manage the SUDS workload due to staff vacancies at a cost of £0.010m and the previously reported pressure on contract costs has increased by £0.015m to £0.115m.
- A budget of £0.100m was provided to support Town Centre Events during the year. An amount of £0.020m was set aside for the Coronation, however this event was managed by Delivery and contingency funding was provided to support costs. In addition an amount of £0.010m was requested for a contribution towards Xmas lights but this can be met from the services base budget (-£0.030m).
- Based on figures for the first quarter, the income position at the Look Out has improved (-£0.030m).

Resources

- The previously reported under-recovery of income, from Council Tax and Business Rates recovered through court judgements, will now be met from a one-off contribution from reserves (-£0.100m).
- In response to Departmental budget pressures, in-year savings have been identified on the OD training budget by limiting non-essential training (-£0.030m).

Significant Emerging Issues

Place, Planning and Regeneration

- Parks and Countryside - Surrey Heath purchase SANG capacity from Bracknell Forest for the completion of dwellings. It is unclear at present if there will be sufficient housing development in Surrey Heath to meet the income target for this financial year (£0.060m).

DELIVERY

Significant Variances

- The Valuation Office has applied a 20% reduction in Rateable Value to the Borough libraries for the 2017 Business Rates list. This was agreed on 9th July 23 and the refund has been backdated to 1st April 2017 (-£0.124m).
- Waste Collection/Recycling - due to additional bin collections, new properties/flats requiring additional bins and collections, and an increase in special collection income, there is an underspend to be reported (-£0.093m).

Cash Budget Summary – New Variances and Emerging Issues

The variances reported by directorates indicate expenditure above the approved budget (£2015m), after taking into account the balance on the Corporate Contingency (£2.261m). Once Emerging Issues are included the potential overspend increases to £3.025m. This is an improvement of £0.259m on reported variances and £1.144m including Emerging Issues since last month.

DELIVERY continued

Significant Emerging issues

- West Berkshire Council have indicated that the previously reported pressure for the Public Protection Partnership budget can be reduced by £0.071m to £0.100m. They will continue to look at ways of making efficiencies in year and update us accordingly.

PEOPLE

Significant Variances

- Additional costs associated with support for the Education and Learning AD in respect of SEND and the recruitment of a new AD (£0.071m).
- Adult Social Care - within the Community Team for People with Learning Disabilities a further adverse movement of £0.149m due to increased costs in supported living (£0.192m), direct payments (£0.024m) and short-term Support (£0.064m) partly offset by a favourable variance from increased income in supported accommodation (-£0.130m). Plus, an increase in the adverse variance on ASC Client Costs (£0.077m).
- Mental Health - within CMHTOA client costs an increase in the adverse variance (£0.336m) primarily relating to Nursing over 65s (£0.188m), Homecare (£0.100m), direct payments (£0.043m) and other short-term support (£0.068m) partly offset by a decrease in Residential (£0.075m). There are favourable movements on CMHT Client Costs (-£0.035m), and Care management (-£0.056m), with the latter primarily due to a Better Care Fund allocation of £0.073m.
- Within Housing options, a reduction in the adverse variance relating to emergency accommodation (£0.345m), due to a decrease in B&B nightly lets (-£0.056m) and the assumption that a significant number of people/families will have moved to Amber House and Silva homes by the end of September (-£0.284m). Partly offset by additional repairs and maintenance costs within Housing Management and Property (£0.042m).

Cash Budget Summary – New Variances and Emerging Issues

The variances reported by directorates indicate expenditure above the approved budget (£2015m), after taking into account the balance on the Corporate Contingency (£2.261m). Once Emerging Issues are included the potential overspend increases to £3.025m. This is an improvement of £0.259m on reported variances and £1.144m including Emerging Issues since last month.

PEOPLE continued

Significant Emerging issues

- There are several potential sources of funding being explored and at this stage it has been assumed that two thirds of the potential funding will be available to meet pressures (-£1.036m):
 - Last year £0.500m was provided from the Better Care Fund to help meet the additional costs of early discharges but a case has still to be made for this year;
 - Based on the three areas of priority / conditions, it is believed that the additional Market Sustainability & Improvement – Workforce Fund grant received this year (-£0.550m) can be applied against key budgets in adults and older adults to offset existing overspends, rather than specific new schemes;
 - As the increase in cost appearing in budgets relates to both increase in demand, complexity / need and increase in unit lost by some providers, it is legitimate to apply some of the remaining inflation uplift funding (-£0.500m) to increases in provider costs in packages of care which relate to increased unit cost.

NON DEPARTMENTAL

Significant Variances

- There will be increased income from investments due to higher interest rates (-£0.150m). This was previously reported as an Emerging Issue.
- Minimum Revenue Provision - additional budget allocation relating to capital expenditure at Binfield Health & Community Centre following the signing of the rental agreement. This will not be required until next year and therefore increases the underspend (-£0.061m).

Significant Emerging Issues

- The increased income from investments has now been moved to the reported variances section (£0.150m).

CONTINGENCY

Significant Variances

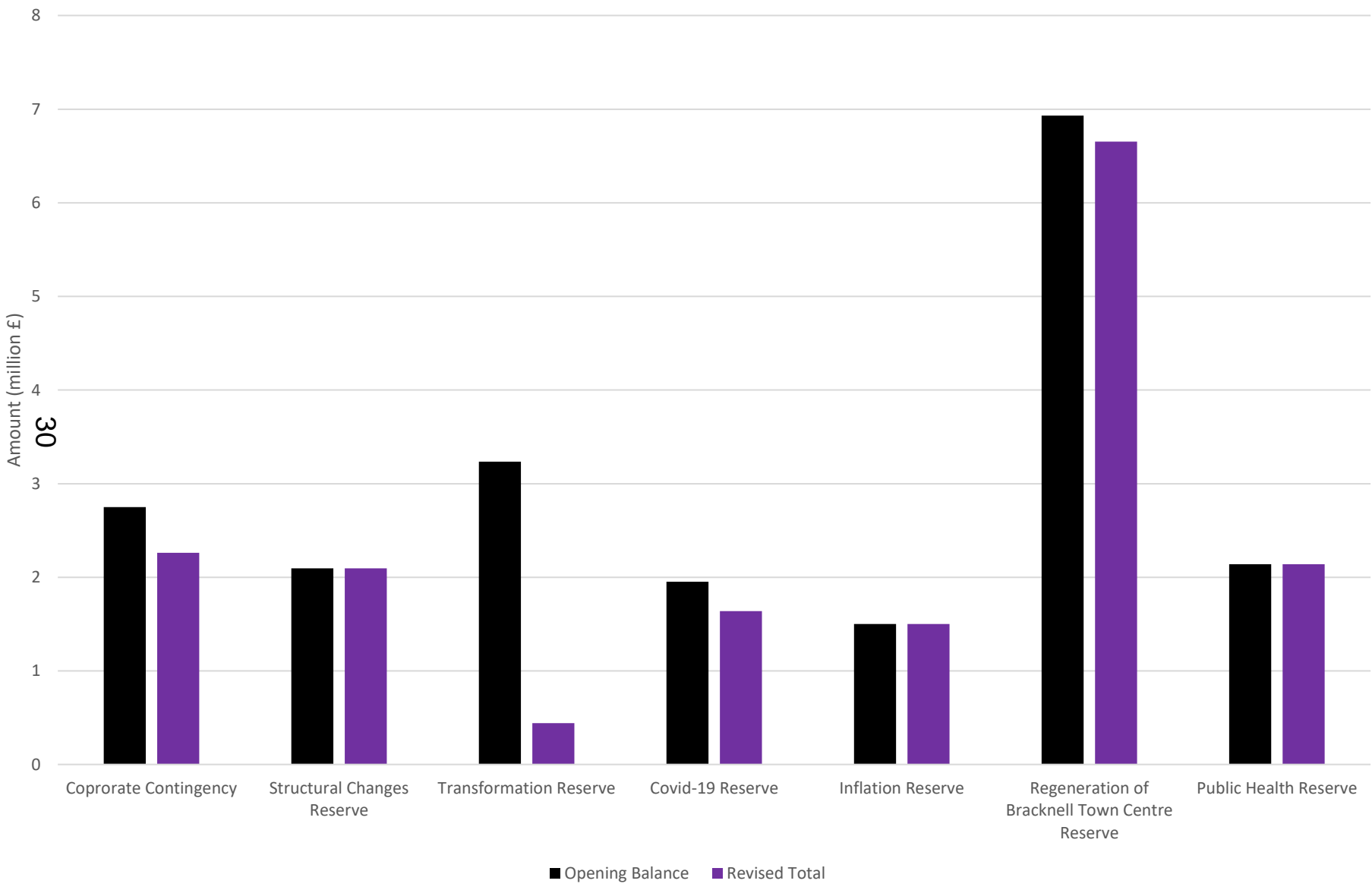
- No new variances to report.

Earmarked Reserves

DESCRIPTION	Corporate Contingency (£'000)	Structural Changes Reserve (£'000)	Transformation Reserve (£'000)	Covid-19 Reserve (£'000)	Inflation Reserve (£'000)	Regeneration of Bracknell Town Centre Reserve (£'000)	Public Health Reserve (£'000)
OPENING BALANCE	2,750	2,096	3,234	1,952	1,500	6,931	2,139
Budgeted Increase / (Decrease)				-313		-100	
Projects to be funded from the Public Health Reserve							Figure TBC
Business Change Team			-669				
CSC - SEN Improvement Plan			-85				
Childrens Social Care - Market Development			-60				
Adult Social Care - Finance Reform			-54				
Chief Executive - Assistant Director: Strategic Projects Post (£125K 2024/25)			-245				
Development of Leisure Strategy			-50				
Initial works related to the replacement of Bracknell Leisure Centre			-50				
Arts & Culture Strategy Development			-40				
Property - Asset Review (£22k 2024/25)			-85				
Joint Venture Business Partner						-78	
29 Restructure of ICT team			-200				
ICT - Technology to support hybrid meetings			-60				
Social Care - Customer Journey and Social Care Business Systems			-526				
Adult Social Care - Embedding Strength Based Practice			-89				
Co-production Framework and Toolkit Development			-29				
Dedicated Counter Fraud Resources			-40				
Climate Change - Business Analyst			-63				
Business Change Programme Development			-10				
Buckler's Park Community Hub			-75				
Strategic Procurement Plan (IDOX Replacement)			-195				
Two interim business analyst roles (for six months) to support Children's and Adults system reconfiguration work			-62				
To secure car parking infrastructure						-100	
Programme management support relating to the Berkshire Deal - contribution from each Unitary	-27						
To support grant writing services provided by Involve	-5						
A new post within Democratic & Registration Services to support the Opposition Groups	-17						
Town Centre events for the Coronation of King Charles III	-30						
Support for SEND services	-350						
New member training	-60						
Blue Badge Digital System			-4				
Safety Valve Consultant- from September for one year			-100				
REVISED TOTAL	2,261	2,096	443	1,639	1,500	6,653	2,139

Earmarked Reserves

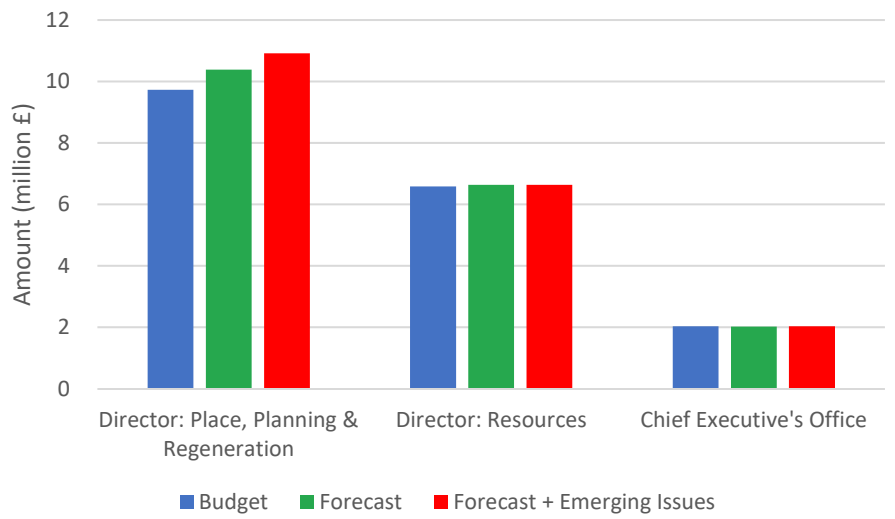
Movement of Major Reserves



Central Directorates

Central Directorate Summary

Central Directorate Budgets and Forecasts

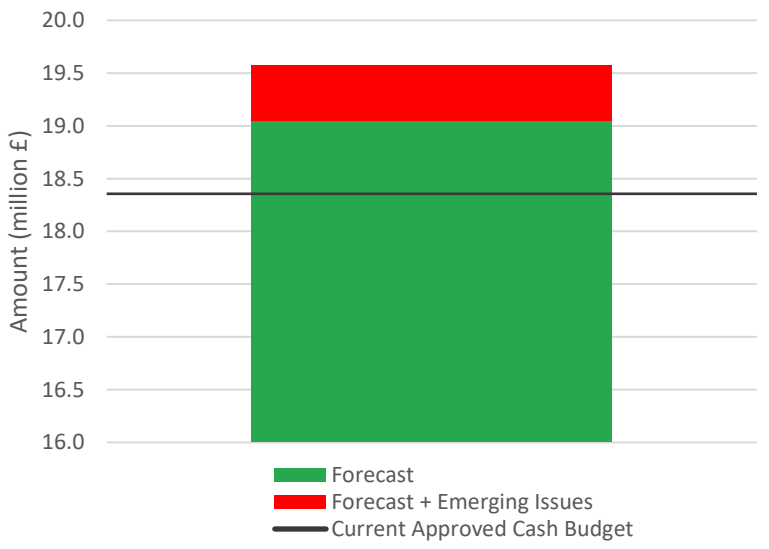


Central Directorate Variances



32

Central Directorate Forecast Outturn and Budget



Summary and Significant Cumulative Variances

A forecast variance of £0.694m rising to £1.226m including Emerging Issues. This is an improvement of £0.120m / £0.048m including Emerging Issues compared to last month.

The most significant cumulative variances are:

- An ongoing shortfall in Development Management Income (£0.250m) which could increase to £0.710m once Emerging Issues are considered. Overspends are also occurring on Supplies and Services budgets (£0.080m).
- The Building Regulations service will not generate sufficient income to meet costs (£0.150m).
- Income targets at the Look Out will not be achieved (£0.135m).
- An underspend on Concessionary Fares (-£0.075m).
- An overspend on patching road markings, minor works and other contract costs within Reactive Maintenance (£0.100m).
- A shortfall in income from Monitoring Street Works (£0.102m) partly offset by additional income from Rechargeable Street Works (-£0.070m)

Central Directorate Significant Movements this Month

Department	Description	£'000
CENTRAL	Variences Previously Reported	814
PPR: Reactive Maintenance	The previously reported additional drawdown from reserves to support budgets of £0.140m has been revised downwards to the agreed £0.085m, which will leave a pressure of £0.055m on road markings. In addition consultants are being used to manage the SUDS workload due to staff vacancies at a cost of £0.010m and the previously reported pressure on contract costs has increased by £0.015m to £0.115m.	80
PPR: Regeneration and Economic Development	A budget of £0.100m was provided to support Town Centre Events during the year. An amount of £0.020m was set aside for the Coronation, however this event was managed by Delivery and contingency funding was provided to support costs. In addition an amount of £0.010m was requested for a contribution towards Xmas lights, however this budget forms part of the services base budget and is therefore not required.	-30
PPR: The Look Out	Based on the income received Apr-Jul, there has been an improving position on admissions for the Discovery Centre. The overall variance of £0.135m now reflects the Catering function.	-40
3 RESOURCES Revenue Services	As previously reported income from Council Tax and Business Rates recovered through court judgements remains significantly below pre-Covid levels. Should income targets not be achieved reserves are held that could be used to support the budget as a one-off in 2023-24. The pressure has therefore been removed. The final figure forms part of year end Collection Fund calculations so will not be known until the end of financial year.	-100
RESOURCES Organisational Development	In response to Departmental budget pressures, in-year savings have been identified on the OD training budget by limiting non-essential training.	-30
CENTRAL	Final Variences	694
CENTRAL	Emerging Issues Previously Reported	460
PPR: Parks and Countryside	Surrey Heath purchase SANG capacity from Bracknell Forest for the completion of dwellings. It is unclear at present if there will be sufficient housing development in Surrey Heath to allow a drawdown from reserves to meet the income target for this financial year.	66
ChEx OFFICE Policy and Performance	One-off In-Phase development costs have exceeded the budget but we are still awaiting confirmation of final costs and timings	6
CENTRAL	Final Emerging Issues	532
CENTRAL	Variences + Emerging Issues	1,226

Central Directorate Savings RAG ratings

CENTRAL - CHIEF EXECUTIVE'S OFFICE

Description Impact	2023/24 £'000	Delivered On Track Not Delivered	Notes
Communications and Marketing Reduction in various supplies & services budgets	-5		
CENTRAL - CHIEF EXECUTIVE'S OFFICE TOTAL	-5		0

CENTRAL – RESOURCES

Description Impact	2023/24 £'000	Delivered On Track Not Delivered	Notes
Finance Reduction in various supplies & services budgets	-5		
Organisational Development Reduction in overall training budget through a review of essential and mandatory training offered	-25		
Insurance & Risk Management Reduction in budgeted resources for cyber security costs following the receipt of Government funding and a re-assessment of how the identified support will be procured.	-50		
CENTRAL – RESOURCES TOTAL	-80		

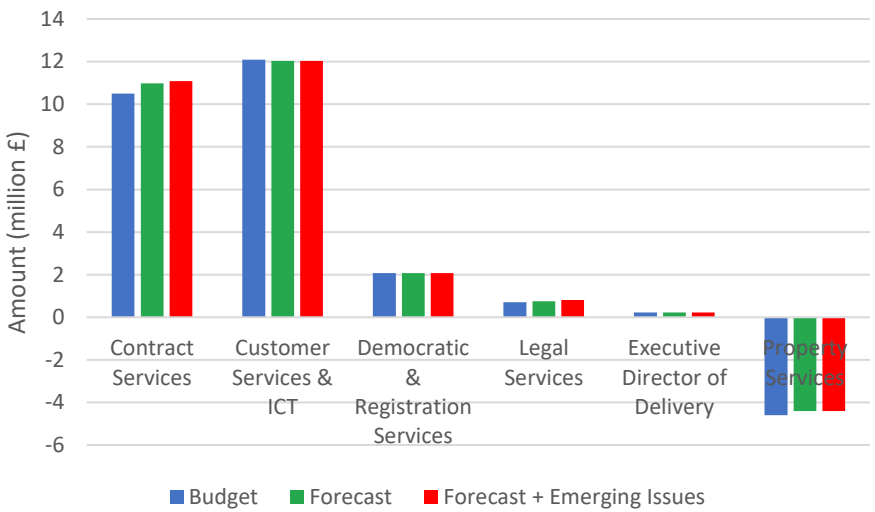
CENTRAL – PLACE, PLANNING & REGENERATION

Description Impact	2023/24 £'000	Delivered On Track Not Delivered	Notes
Director PPR Reduction in various supplies & services budgets	-10		
Planning Increase in Community Infrastructure Levy Administration income	-50		
Transport Strategy Reduction in road safety expenditure in line with the level of expenditure in prior years	-30		
Highway Engineering Administration fees generated from the construction of vehicle access crossings	-20		
Traffic Reduction in winter maintenance contract to reflect milder winters in recent years	-20		
Traffic Increase in income from Street Works	-20		
Parks & Countryside Increase in income from Surrey Heath Suitable Alternative Non-Green Spaces (SANGS)	-50		
Parks & Countryside Increased use of commuted sums for open space maintenance	-25		
Regeneration & Economic Development Reduction in various supplies & services budgets	-10		
Traffic Reduction in software budget to reflect prior year's expenditure	-10		
Commuted Sums/S278/S38 Increase in draw down from reserves - with development growth continuing balances should be maintained.	-100		
Planning Increase amount dawn from SANGS to support the budget	-50		
Travel Planning Income from developers buying into a Travel Plan service offered by the Council, rather than the individual occupiers/site developers having to run their bespoke travel plan.	-25		
CENTRAL – PLACE, PLANNING & REGENERATION TOTAL	-420		

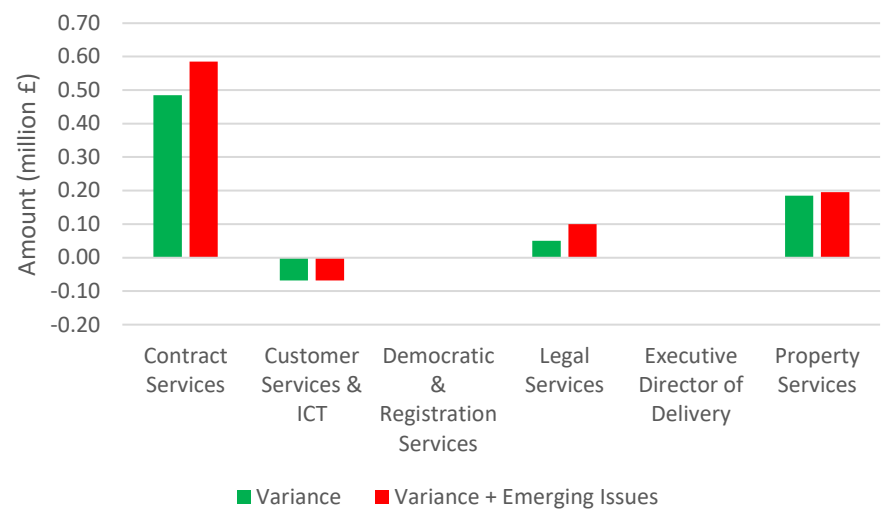
Delivery Directorate

Delivery Directorate Summary

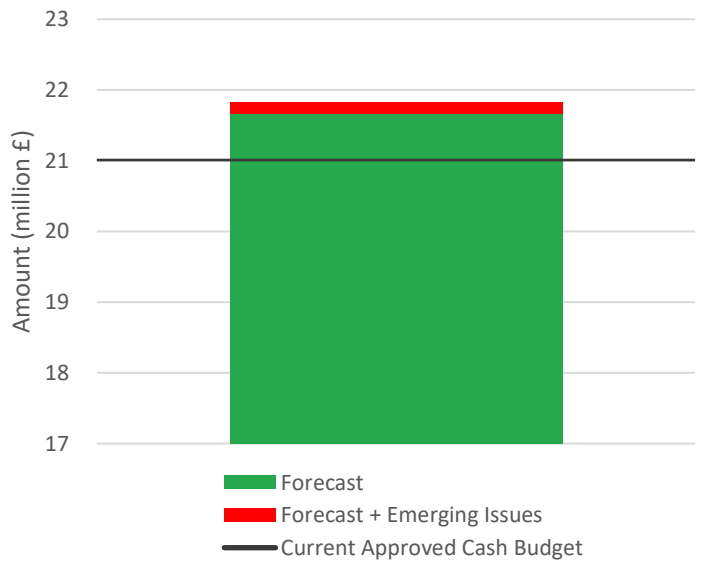
Delivery Directorate Budgets and Forecasts



Delivery Directorate Variances



36 Delivery Directorate Forecast Outturn and Budget



Summary and Significant Cumulative Variances

A forecast variance of £0.652m rising to £0.812m once Emerging Issues are taken into account. This is an improvement of £0.217m / £0.288m including Emerging Issues compared to last month.

- The most significant cumulative variances are:
- The purchase of a piece of land at Easthampstead Park school to be funded from Property Services as a Revenue Contribution to Capital (£0.085m).
 - The £0.100m saving relating to the letting out of Time Square will not be achieved as the NHS will no longer be renting any of the space.
 - The Waste PFI contract is expected to overspend by £0.613m. This reflects the latest tonnages, the haulage contract renewal and the removal of charging for DIY waste
 - A budget pressure within Legal Services relating to the cost of supporting the SEN Service (£0.050m) which due to uncertainty around the expected end date could potentially rise to £0.100m.
 - West Berkshire Council have indicated that there is a pressure on the Public Protection Partnership budget (£0.100m). Further efficiencies are being examined so the variance remains an Emerging Issue.

Delivery Directorate Significant Movements

Department	Description	£'000
DELIVERY	Variations Previously Reported	869
DIGITAL, CUSTOMER FOCUS & ICT Libraries	The Valuation Office has applied a 20% reduction in Rateable Value to the Borough libraries for the 2017 Business Rates list. This was agreed on 9th July 23 and the refund has been backdated to 1st April 2017, as such we have received a credit of £0.124m.	-124
CONTRACT SERVICES Waste Management	Waste Collection/Recycling - due to additional bin collections, new properties/flats requiring additional bins and collections, and an increase in special collection income, there is an underspend of £0.093m to be reported.	-93
DELIVERY	Final Variations	652
37 DELIVERY	Emerging Issues Previously Reported	231
CONTRACT SERVICES Regulatory Services	West Berkshire Council have indicated that the previously reported emerging issue for the Public Protection Partnership budget can be reduced by £0.071m. They will continue to look at ways of making efficiencies in year and update us accordingly.	-71
DELIVERY	Final Emerging Issues	160
DELIVERY	Final Variations + Emerging Issues	812

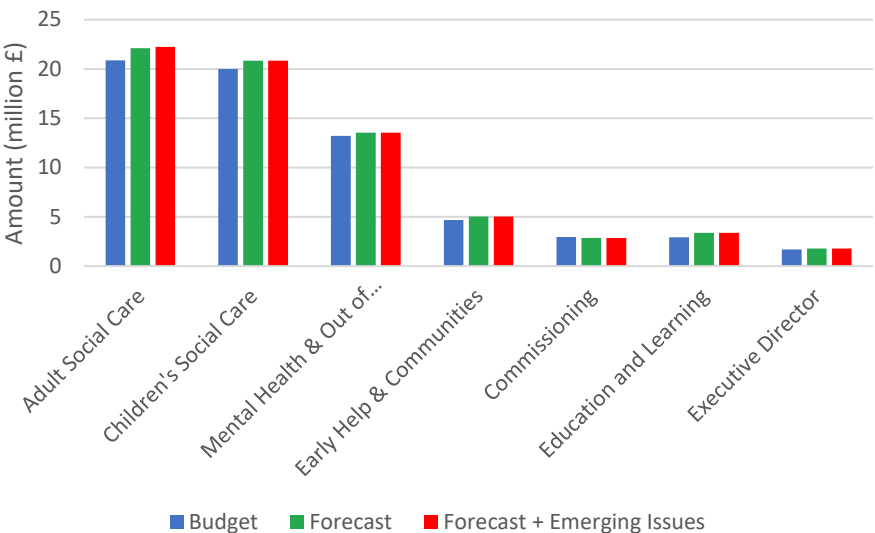
Delivery Directorate Savings RAG ratings

Description Impact	2023/24 £'000	Delivered On Track Not Delivered	Notes
On / Off Street Parking Procurement of a new contracted services provider resulted in a budget saving.	(130)		
On / Off Street Parking Procurement of a new banking charges contract resulted in a budget saving.	(50)		
On / Off Street Parking Selling overnight/weekend space at Time Square & High Street.	(20)		Position regarding High Street has moved on since this saving was agreed. Saving will not be achieved.
Cemetery & Crematorium Additional income based on previous overachievement of income target.	(50)		Too early in the year to determine if this will be achieved. GJ to monitor.
Contract Services – Departmental Management Ongoing underspends on printing and other smaller supplies and services.	(7)		
Waste Disposal Anticipated contract efficiencies and lower tonnages.	(350)		Too early in the year to determine if this will be achieved. To be monitored closely with Reading.
Democratic & Registration Services Ongoing underspends on small supplies and services.	(9)		
Community Hub/Facilities Coffee charge increase per cup and PAT testing being brought in-house.	(5)		Time needed to see the impact of the price increase on usage.
Legal Ongoing underspend on seminar costs.	(1)		
Print Room Closure of the print room resulted in a redundancy, therefore a saving within the DSB.	(38)		
Grounds Maintenance General budget reduction.	(15)		
Leisure Additional Management Fee income from EA for the new Splash pad.	(10)		
Office Accommodation Letting out space in TS.	(50)		Bracknell Primary Care and the Clinical Education team are no longer in discussions to take on this lease.
DELIVERY TOTAL	(735)		

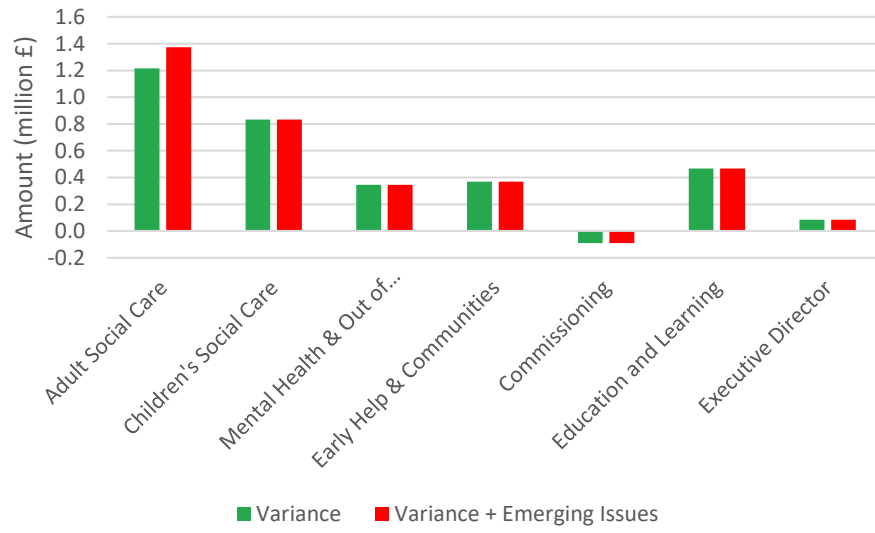
People Directorate

People Directorate Summary

People Directorate Budgets and Forecasts

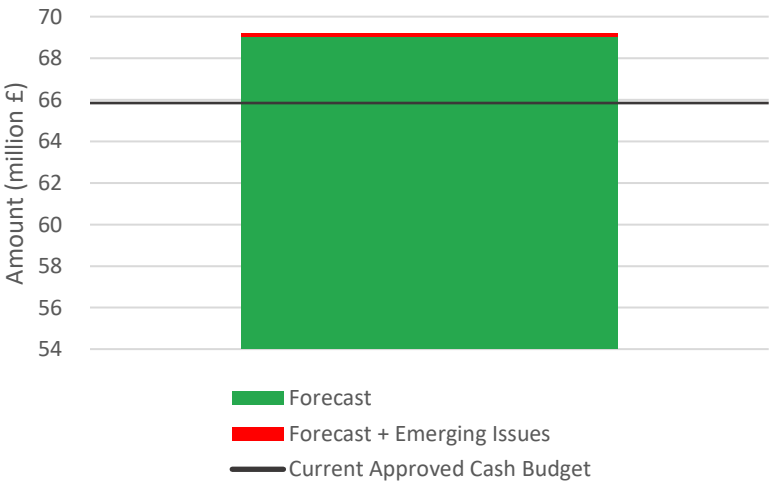


People Directorate Variances



40

People Directorate Forecast Outturn and Budget



Summary and Significant Cumulative Variances

A forecast variance £3.215m rising to £3.373m once Emerging Issues are taken into account. This is a deterioration of £0.289m / improvement of £0.747m including Emerging Issues compared to last month.

The most significant cumulative variances are:

- Education and Learning (£0.467m) - Pressures on the Devolved Staffing Budget in particular the SEN Team (£0.316m), SEN pupil transport costs (£0.060m) and loss of income from the Education Psychology Service (£0.040m).
- Children's Social Care (£0.832m) – an overspend on residential placements (£0.598m) and an increase in spend to support CLA aimed at preventing higher, long-term costs (£0.585m), partly offset by underspends on support to Unaccompanied Asylum Seeker Children (-£0.142m), Childcare Solicitors (-£0.090m) and the DSB (-£0.141m).
- Adult Social Care (£1.216m/£1.374m) –An overspend on care costs (£1.554m) partly offset by underspends on care management costs (-£0.109m), Intermediate Care (-£0.085m) and Assistant Director budgets (-£0.065m). Emerging issues primarily relate to loss of Health income relating to s117 discharges and Continuing Health Care (£1.194m) partly offset by potential additional income from the BCF, Market Sustainability & Improvement – Workforce Fund and unallocated inflation funding (-£1.036m).
- Early Help and Communities (£0.369m) – Overspends on Housing options (£0.057m), relating to emergency accommodation, Welfare and Benefits (£0.218m) and Housing Management (£0.119m).

People Directorate Significant Movements

Department	Description	£'000
PEOPLE	Variations Previously Reported	2,926
EXECUTIVE DIRECTOR	Additional costs associated with support for the Education and Learning AD in respect of SEND and transition to recruitment of a new AD.	71
EDUCATION & LEARNING	No significant changes in variances to report	4
CHILDREN'S SOCIAL CARE	The forecast over spending on CLA placement costs (excluding care leavers and asylum seekers) is forecast to increase by £0.057m to £0.598m with no significant changes from last month. There are a number of relatively small forecast cost reductions across a range of budgets including Childcare Solicitors, Special Guardianship Orders and the recharge from the Emergency Duty Team.	16
CONTRIBUTION TO COSTS FROM SCHOOLS BUDGET	No significant changes in variances to report	0
COMMISSIONING	The adverse movement primarily relates to the vacancy factor not being achieved an additional agency costs within Quality Assurance.	52
ADULT SOCIAL CARE	Within the Community Team for People with Learning Disabilities a further adverse movement of £0.149m due to increased costs in supported living (£0.192m), direct payments (£0.024m) and short term Support (£0.064m) partly offset by a favourable variance of increased income in supported accommodation (-£0.130m). Plus an increase in the adverse variance on ASC Client Costs (£0.077m).	220
MENTAL HEALTH & OUT OF HOURS	Within CMHTOA client costs an increase in the adverse variance of £0.336m primarily relating to Nursing over 65 (£0.188m), Homecare (£0.100m), direct payments (£0.043m) and other short term support (£0.068m) partly offset by a decrease in Residential (£0.075m). There are favourable movements on CMHT Client Costs (-£0.035m), and Care management (-£0.056m), primarily due to a BCF allocation of £0.073m.	225
EARLY HELP & COMMUNITIES	Within Housing options a reduction in the adverse variance relating to emergency accommodation (£0.345m), due to a decrease in B&B nightly lets (-£0.056m) and the assumption that a significant number of people/families will have moved to Amber House and Silva homes by the end of September (-£0.284m). Partly offset by additional repairs and maintenance costs within Housing Management and Property (£0.042m).	-299
PEOPLE	Final Variations	3,215
PEOPLE	Emerging Issues Previously Reported	1194
ADULT SOCIAL CARE	There are several potential sources of funding being explored and at this stage it has been assumed that two thirds of the potential funding will be available to meet pressures: <ul style="list-style-type: none"> • Last year £0.500m was provided from the Better Care Fund to help meet the additional costs of early discharges but a case has still to be made for this year. • Based on the three areas of priority / conditions, it is believed that the additional Market Sustainability & Improvement – Workforce Fund grant received this year (-£0.550m) can be applied against key budgets in adults and older adults to offset existing overspends, rather than specific new schemes. • As the increase in cost appearing in budgets relates to both increase in demand, complexity / need and increase in unit lost by some providers, it is legitimate to apply some of the remaining inflation uplift funding (-£0.500m) to increases in provider costs in packages of care which relate to increased unit cost. 	-1,036
PEOPLE	Final Emerging Issues	158
PEOPLE	Variations + Emerging Issues	3,373

People Directorate Savings RAG Ratings

Description Impact	2023/24 £'000	Delivered On Track At risk	AD Comment
Adult Social Care Outcome focussed reviews for all client groups- CTPLD and Act	-200		First cohort achieved savings second cohort has yielded some savings so far. Still 2 months on the project. £111K saved so far
Outcome focussed reviews for all client groups- CMHT	-250		£96K achieved so far with some clients still to review
Early Help and Communities Service efficiency and historic underspending:			
<ul style="list-style-type: none"> End of lease on a property 	-27		Budget removed and no costs incurred
<ul style="list-style-type: none"> Underspend on Early Help grants budget 	-28		We underspend 28k of the grant in prior years. We are still underspending on the budget. 28k on track
<ul style="list-style-type: none"> Review of all Budget headings and historic underspends 	-24		Budget removed and <u>spend</u> on target in these headings
Welfare Benefits – Review of all Budget headings and historic underspends	-76		Budget removed but this service is showing an overspend
Grant funding is received in respect of the Supporting Families Programme that duplicates activities funded by the council. Greater use of grant will be used to deliver the programme	-100		This saving originated from the SF spend plan. This covers the FSA shortfall income from schools (as we can no longer charge schools), CAF co-ordinator can no longer be funded from <u>schools</u> grant, and community safety post no longer grant funded. Again, to keep the post we had to find alternative funding.

Description Impact	2023/24 £'000	Delivered On Track At risk	AD Comment
Education and Learning: Service efficiencies and historic overspendings:			
<ul style="list-style-type: none"> Underspend on commissioned service relating to support for young people Not in Education, Employment or Training 	-25		Budget reduced and <u>spend</u> on target
<ul style="list-style-type: none"> Underspend on former <u>teachers</u> pension 	-50		Budget reduced, underspend anticipated.
Children's Social Care The Asylum Seekers National Transfer Scheme provides grant funding at a daily rate which has exceeded local care costs by £0.100m in each of the last 2 years. As numbers transferred increase, additional staffing is required to manage caseloads and a net saving of £0.050m is proposed	-50		Budget reduced, underspend anticipated
Anticipated Underspend in Leaving Care	-109		Budget reduced; current forecast is for a £0.023m overspending.
Practice continues to see the number of Children Looked After reducing. Average for the last 2 years has reduced to 118 placements compared to 127 over the last 4 years. Current data – which is high cost, volatile and subject to change at short notice – projects a net saving against accommodation and care provision, plus a range of related support services.	-1,589		Budget reduced; current forecast is for a £0.598m overspending. Forecast placement numbers remain in line with those anticipated in the budget, although more higher cost care packages have been required resulting in a 9% increase in average costs after allowing for 2023-24 price uplifts.
Delete Early Help Development Worker as more use made of online portal for referrals	-22		Post deleted. No spend
PEOPLE TOTAL	2,550		

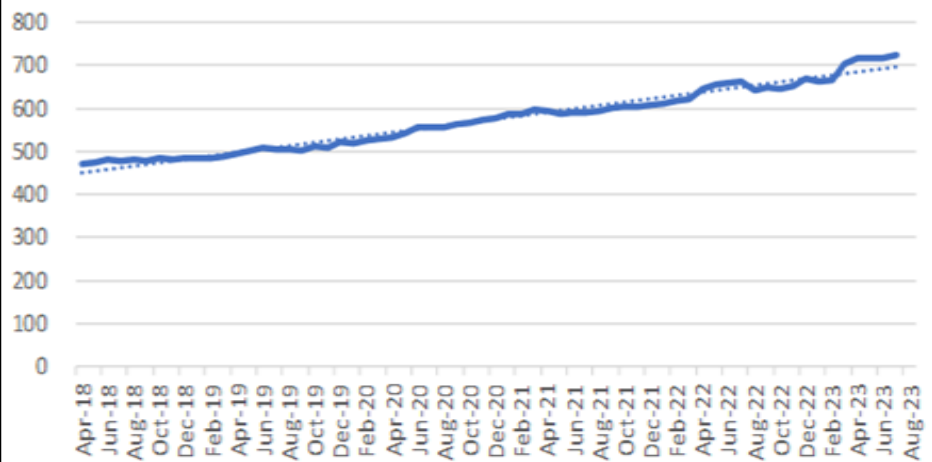
Adult Social Care

All Clients

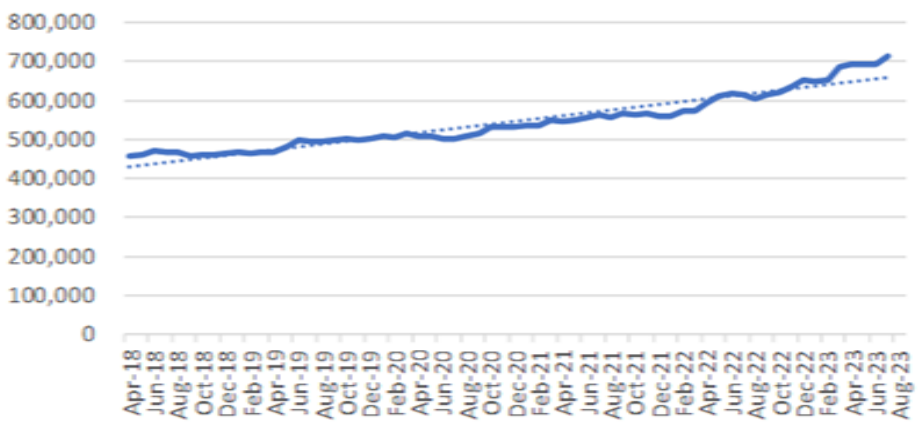
No. of clients



Average weekly cost (i.e. unit cost - £)

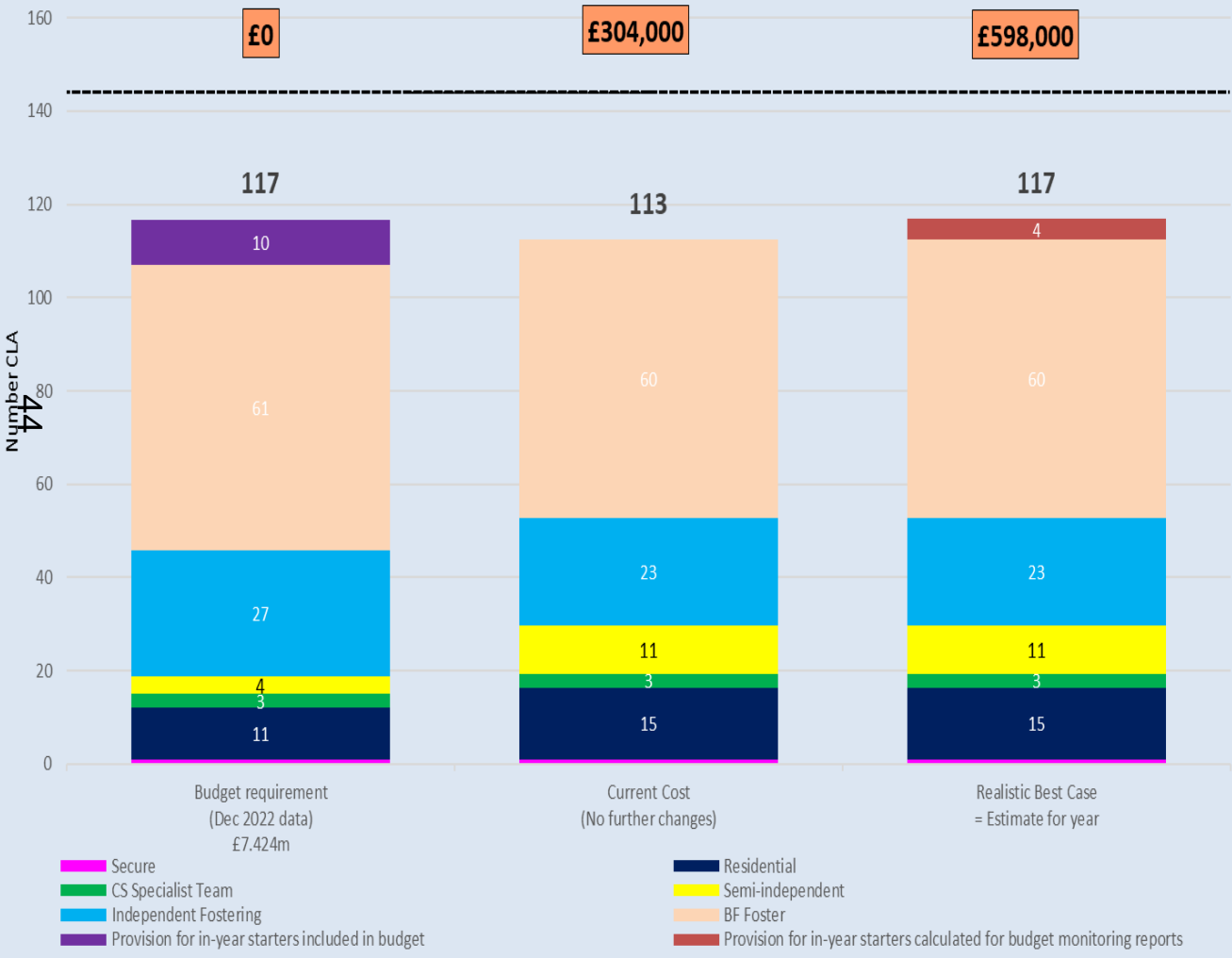


Total Net Weekly cost (£)



Children’s Social Care

End of month CLA Numbers (expected average FTE for year - NOT current headcount) and forecast budget variances (EXCLUDES Care Leavers and Asylum Seekers)



COMMENTS

- Original budget requirement of 117 FTE placements set at 31 December 2022 commitments, with expected 2023-24 leavers removed, plus estimate for new starters based on recent 2-year average
- 31 July actual predicts average 112 FTE for year (was 109 Last month), excluding any further new starters with £0.304m forecast overspend
- Realistic forecast adds the 2-year average new starter numbers for year-end estimate of 117 FTE (was 114 FTE) with £0.598m forecast overspend
- Main explanation for variances are:
 - Increase in residential placements of 3.6 FTE to 15.4 FTE (+40%)
 - Average cost of placement after allowing for 7.5% inflation provision is +8.8%, most significantly as a result of +22% increase in average cost of residential placement to £0.241m per annum
 - Income from Health has increased by £0.380m to reflect the changing profile

Schools Budget

SCHOOLS BUDGET	Budget	Variance (£'000)		Variance + Emerging Issues (£'000)	
		Last Month	This Month	Last Month	This Month
Schools Block	91,840	-90	-90	-90	-90
High Needs Block	30,906	7,316	7,316	7,316	7,316
Early Years Block	8,690	0	0	0	0
Contribution from BFC	0	0	0	0	0
45 Dedicated Schools Grant	-124,270	0	0	0	0
DSG Reserve - New Schools (to be applied)	0	0	0	0	0
TOTAL	7,166	7,226	7,226	7,226	7,226

Schools Budget

THE SCHOOLS BUDGET

The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant (DSG). There are financial concerns regarding the size of the deficit forecast for the High Needs Block and the available options. This is a national issue, recognised by the DfE through the introduction of legislation confirming any accrued debt rests with the DfE and not LAs. From 1 April 2026, liability is expected to revert back to LAs at which point the £42.6m forecast deficit will present a significant financial challenge.

Current forecast:

- Pressures on the High Needs Block (HNB) element of the Schools Budget continue. There is insufficient data at this stage of the year to present forecast variances in the budget monitoring report, although work has commenced, additional staff recruited and progress is being made on a substantial data cleansing exercise which is expected to significantly improve data quality. There has been no material update from SEN Team to produce revised forecasts from last month although progress has been made on reconciling actual payments made to forecasts from pupil lists. The following provides a high level position summary:
 - Kenel Lane Special School:** Good level of information provided. Indicates £0.021m budget under allocation. Can expect further allocations during the year with no significant budget variance anticipated at this stage, with a small under spending considered the most likely outcome.
 - Mainstream – BF schools including SRPs.** Good level of information provided on mainstream schools. £3.424m funds allocated to schools, up £0.120m from last month. Leaves £0.603m budget to allocate. Average monthly allocation is £0.082m which indicates no significant variance at this stage. A number of long standing queries remain outstanding (see table below right) and could impact on the forecast. SRP forecasts remain volatile and subject to outcomes of on-going conversations with schools, in particular additional places at KGA and Owlsmoor, and core top up payments to Meadow Vale and the Pines.
 - Mainstream schools – other LAs.** Limited information update e.g. only notified of 1 September 2023 starter which indicates data is incomplete.
 - NMSS and FE.** Pre-16 data for current placements considered reliable and includes 4 new starters at September 2023. Summer term actual payments made generally reconcile to pupil listing from SEN Team. FE placements generally dependent on providers supplying information.
 - College Hall PRU - +£0.150m forecast over spending.** Agency headteacher recruited to cover substantive headteacher who remains on long term sickness absence at an estimated cost of £0.093m has resigned and new arrangements will need to be put into place, most likely to a higher figure. In addition, existing interim head to be retained for a day a week. Current budget is over allocated by £0.082m.
 - Other AP placements.** Data seems incomplete e.g. only 3 new starters this financial year.
 - Budgeted deficit anticipated when setting the 2023-24 HNB budget.** There was an estimated over spending of £7.166m at the time of approving the budget.
- Budget variance forecasts for the Schools Block and Early Years Block will be reported as key data emerges e.g. school and EY census data, during the course of the year to inform updates. At this stage, only the £0.090m planned under spend on the Schools Budget is being reported.

Progress against resolving historic school funding queries::

Budget monitoring forecasts will also be impacted as a number of the historic school funding queries remain unresolved.

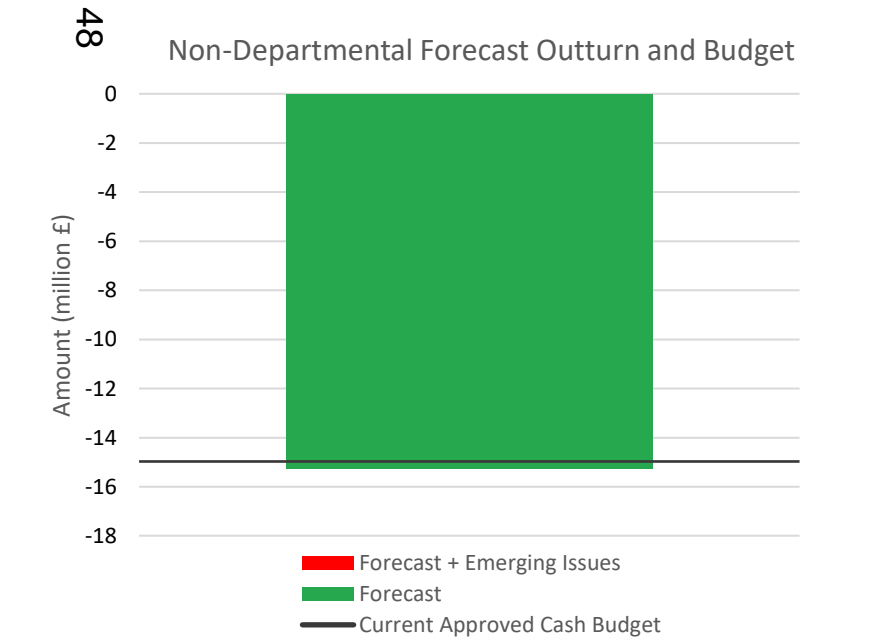
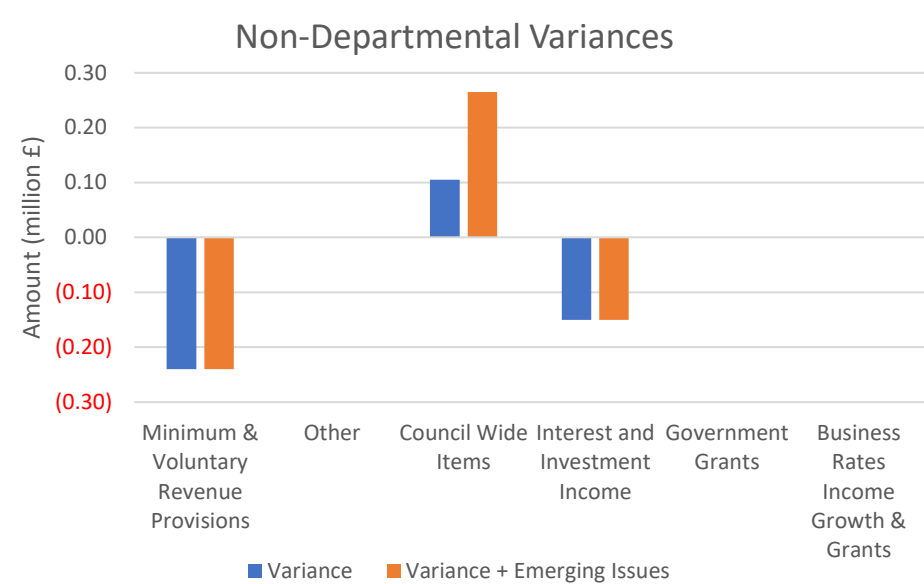
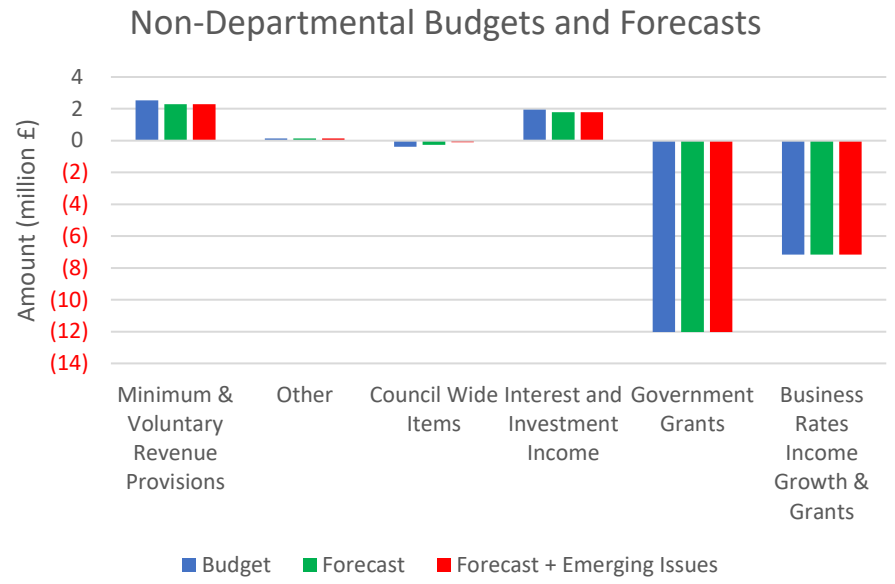
The adjacent table sets out monthly progress with a target for completion deadline of 31 August.

There remains a risk that the target will not be met.

School Funding queries from February / March 2023	Capita ONE changes				
	March	April	May	June	July
	Agresso report updated				
	March / Apr	May	June	July	August
No. school funding queries	239	239	239	239	239
No. registered COMPLETE	107	125	129	133	139
No. resolved in month	107	18	4	4	6
Outstanding queries	132	114	110	106	100
% complete cumulative	45%	52%	54%	56%	58%

Non-Departmental

Non-Departmental Summary



Summary and Significant Cumulative Variances

The Collection Fund shows the transactions of the Council in relation to Business Rates and Council Tax.

- Any Collection Fund variances will impact on the 2024/25 budget.
- Current projections suggest that the Local Council Tax Benefit Support Scheme could underspend (-£0.310m). This excludes the additional relief provided to Council Taxpayers on low incomes or experiencing financial hardship (£0.340m) which will be transferred to the General Fund at the year-end and where a budget of £0.399m is available to meet the additional costs.
- At this early stage Business Rates income appears to be materially lower than budgeted. Further work is being carried out.

On General Fund budgets there is a variance of -£0.285m reducing to -£0.125m when Emerging Issues are included. An improvement of £0.211/£0.061m including Emerging Issues compared to last month. The most significant cumulative variances are:

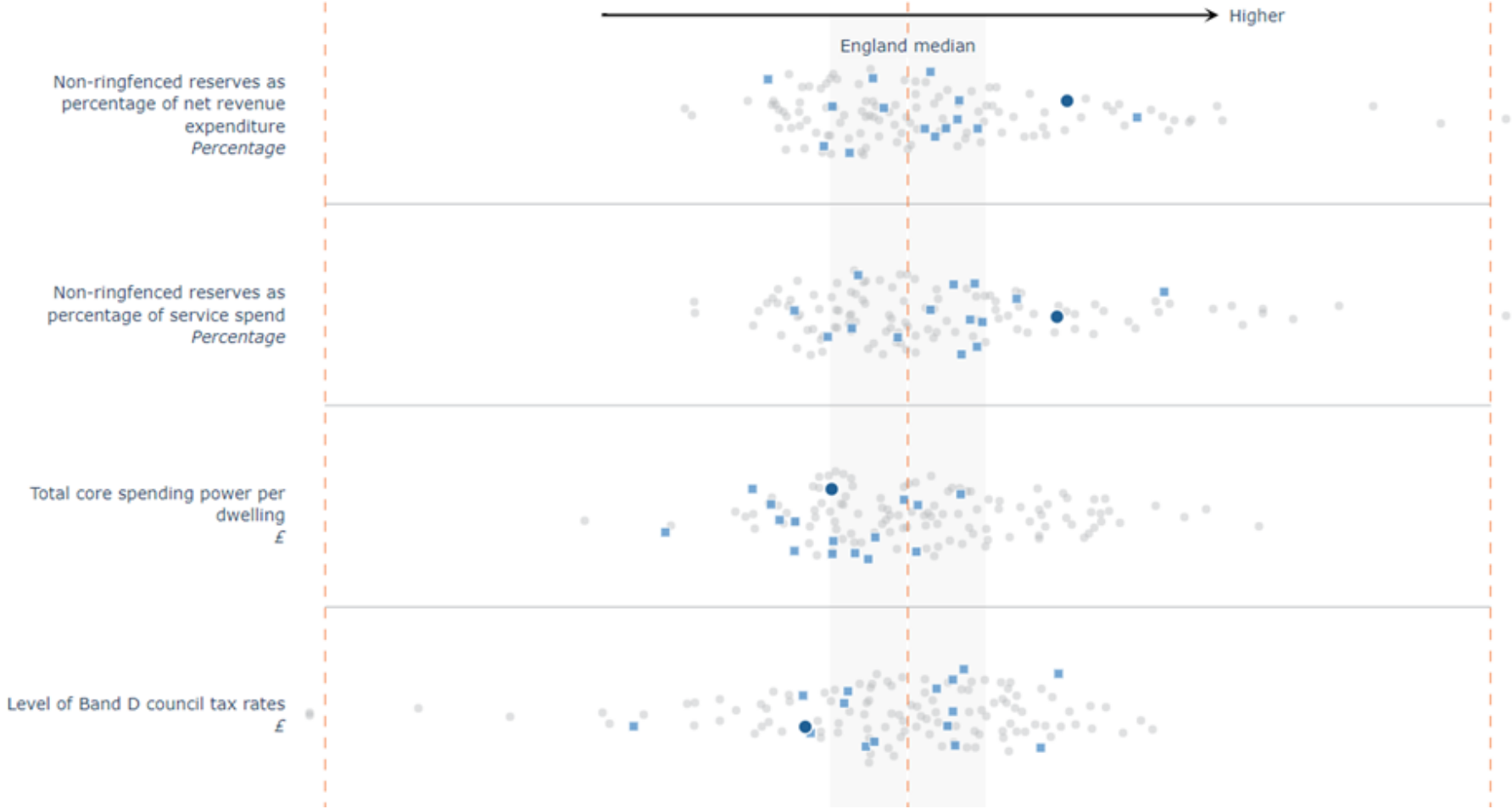
- An underspend on the Minimum Revenue Provision primarily due to significant capital carry forwards into 2023/24 (-£0.240m).
- A pressure on Employers pension deficit contributions due to the impact of academisations (£0.105m).
- Additional investment income resulting from higher interest rates (-£0.150m).
- An Emerging Issue relating to a delay in closing Downshire Homes Ltd which reduces the level of savings achievable (£0.140m).

Non-Departmental Variances

Department	Description	(£'000)
NON-DEPARTMENTAL	Variances Previously Reported	-74
INTEREST & INVESTMENT INCOME	Increased income from investments due to higher interest rates - previously reported under Emerging Issues	-150
MINIMUM REVENUE PROVISION	Additional budget allocation relating to capital expenditure at Binfield Health & Community Centre following the signing of the rental agreement. This will not be required until next year and therefore increases the underspend.	-61
NON-DEPARTMENTAL	Final Variances	-285
NON-DEPARTMENTAL	Emerging Issues Previously Reported	10
INTEREST & INVESTMENT INCOME	Increased income from investments has now been moved to the reported variances section	150
NON-DEPARTMENTAL	Final Emerging Issues	160
NON-DEPARTMENTAL	Final Variances + Emerging Issues	-125

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- Unitary Authorities**
 - Bracknell Forest
- Similar authorities**
 - Some data unavailable*
 - Bracknell Forest's CIPFA Nearest Neighbours
- England**
 - Other English local authorities with responsibility for this area

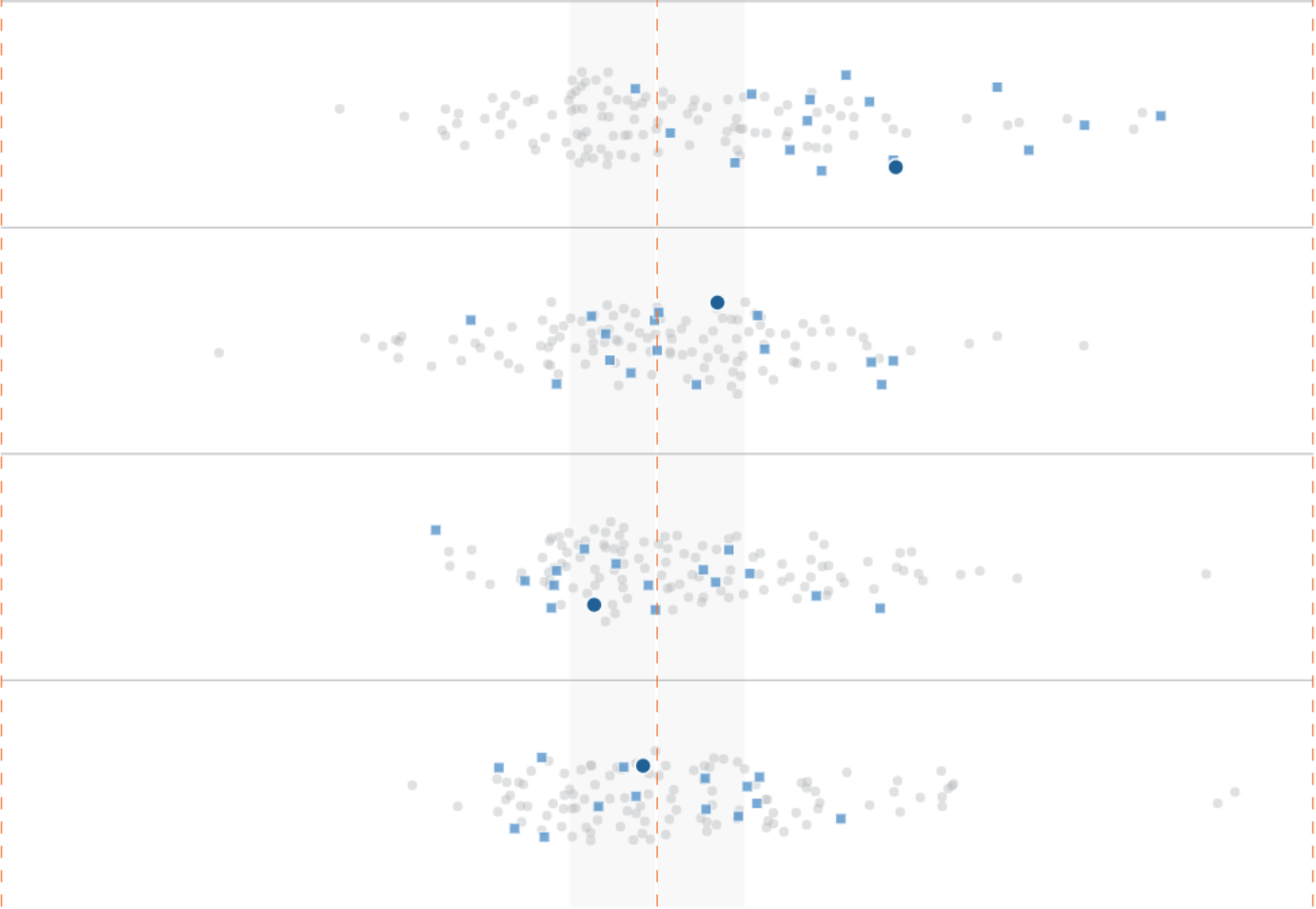


Council tax revenue per dwelling
£

Social care spend as percentage of
core spending power
Percentage

Debt servicing as percentage of
core spending power
Percentage

Total debt as percentage of core
spending power
Percentage



Median range