



NOTICE OF MEETING

The Executive

Tuesday 13 February 2018, 5.00 pm

Council Chamber, Fourth Floor, Easthampstead House, Town Square, Bracknell - Easthampstead House, Town Square, Bracknell, RG12 1AQ

To: The Executive

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

ALISON SANDERS
Director of Resources

EMERGENCY EVACUATION INSTRUCTIONS

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

If you require further information, please contact: Hannah Stevenson
Telephone: 01344 352308
Email: hannah.stevenson@bracknell-forest.gov.uk
Published: 5 February 2018



The Executive

Tuesday 13 February 2018, 5.00 pm

Council Chamber, Fourth Floor, Easthampstead House, Town Square, Bracknell - Easthampstead House, Town Square, Bracknell, RG12 1AQ

Sound recording, photographing, filming and use of social media at meetings which are held in public are permitted. Those wishing to record proceedings at a meeting are however advised to contact the Democratic Services Officer named as the contact for further information on the front of this agenda as early as possible before the start of the meeting so that any special arrangements can be made.

AGENDA

Page No

1. **Apologies**

2. **Declarations of Interest**

Members are asked to declare any Disclosable Pecuniary or Affected Interests in respect of any matter to be considered at this meeting.

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.

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.

3. **Minutes**

To consider and approve the minutes of the meeting of the Executive held on 23 January 2018.

5 - 18

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 Programme 2018/19-2020/21**

To recommend the Capital Programme 2018/19 – 2020/21 to Council. 19 - 34

6. **General Fund Revenue Budget 2018/19**

To recommend the General Fund Revenue Budget 2018/19 to Council. 35 - 132

This page is intentionally left blank



EXECUTIVE
23 JANUARY 2018
5.00 - 6.17 PM

Present:

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

52. Declarations of Interest

There were no declarations of interest.

53. Minutes

RESOLVED that the minutes of the meeting of the Executive on 19 December 2017 together with the accompanying decision records be confirmed as a correct record and signed by the Leader.

Executive Decisions and Decision Records:

The Executive considered the following items. The decisions are recorded in the decision sheets attached to these minutes and summarised below.

54. Bracknell Forest Local Plan - Consultation on Draft Local Plan

RECOMMENDED that:

1. Council agree the draft Local Plan (Appendix A) and Consultation Strategy (Appendix B) of the Director of Environment, Culture and Communities report.
2. Council agree to the Local Development Scheme being updated and published to reflect the timescales set out in the Director of Environment, Culture and Communities report.

RESOLVED that:

1. subject to agreement of the recommendation set out at 2.1 of the Director of Environment, Culture and Communities report, the draft Local Plan (Appendix A) of the Director of Environment, Culture and Communities report and other supporting consultation material be published for a period of public consultation starting on Thursday 8 February and ending on Monday 26 March 2018.
2. minor changes to the draft Local Plan and other supporting material produced prior to the consultation be agreed with the Executive Member for Planning and Transport in consultation with the Chief Officer: Planning, Transport and Countryside.

55. School Places Plan and Capital Strategy

RESOLVED that:

1. the School Places Plan 2018-23 attached as Appendix A of the Director of Children, Young People and Learnings report be approved.
2. the School Capacity Strategy 2018-23 set out in the Director of Children, Young People and Learnings report be approved.
3. the potential impact on school place requirements arising from the proposed level of housing growth set out in the Draft Local Plan covering the period up to 2034 is noted.

56. Bracknell Forest Lottery

RESOLVED that:

1. the creation of a local lottery for Bracknell Forest is supported, with the core purpose of raising funds for local charities, voluntary organisations and good causes in the Borough, independently of the Council's support for the third sector;
2. that the initial set up costs of just under £4k are approved and funded from the current year's remaining Corporate Contingency and that the on-going £698 annual license fees are assigned from on-going lottery income streams;
3. a Working Group is established, chaired by the Chairman of Overview and Scrutiny and involving the Executive Member for Transformation and finance and three other Members nominated by the Leader, to engage with Gatherwell, the external lottery management company behind many local authority supported lotteries, including Aylesbury Vale and Portsmouth and with local voluntary sector organisations on arrangements for their involvement in the lottery;
4. a launch event is hosted at a cost of up to £2,000 (funded from the current year's contingency) to promote the lottery and help secure additional first draw prizes and to market the lottery using existing Council communication channels including Forest Views to ensure on-going awareness and promotion to drive ticket sales and to promote the lottery amongst good causes;
5. two council officers (the Borough Treasurer and Head of Performance and Partnerships) are nominated to be the license holders for the lottery should this be required;
6. a further report is received prior to the lottery going live that will propose a policy and process for agreeing which types of voluntary groups can put themselves forward for lottery support and for the allocation of the good causes central pot, following consultation with voluntary groups, based on findings of the Working Group.

57. Management Arrangements for Public Health

RESOLVED that:

1. a new post of Director of Public Health reporting to the Director, Adult Social Care, Health & Housing is created.
2. participation in key elements of the Berkshire Shared Public Health Team on a reduced basis to reflect the appointment of a local Director of Public Health is continued.
3. The Council continue to act as host for the Berkshire Shared Public Health Team, reimbursed by the other five Berkshire Councils.

58. **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 item 10 of the agenda (item 59 in the minutes) 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).

59. **Internal Audit Procurement Plan**

RESOLVED that:

1. the Procurement Plan at Annex 1 of the Borough Treasurers report for internal audit services is approved.
2. the delegation of the award of the contract to Director of Resources is approved.

CHAIRMAN

This page is intentionally left blank

**Bracknell Forest Council
Record of Decision**

Work Programme Reference	I073962
---------------------------------	----------------

1. **TITLE:** Bracknell Forest Local Plan - Consultation on Draft Local Plan

2. **SERVICE AREA:** Environment, Culture and Communities

3. **PURPOSE OF DECISION**

The draft Local Plan (LP) will set out a planning framework for the Borough, including new planning policies and the allocation of sites for the period to 2034. This report seeks approval of the draft LP (see Appendix A to this report) and the Consultation Strategy (Appendix B) to go to Full Council for ratification and subsequent publication for a period of public consultation between Thursday 8 February and Monday 26 March 2018. Approval for the Local Development Scheme (LDS) to be updated and published is also sought.

4. **IS KEY DECISION** No

5. **DECISION MADE BY:** Executive

6. **DECISION:**

RECOMMENDED that:

1. Council agree the draft Local Plan (Appendix A) and Consultation Strategy (Appendix B) of the Director of Environment, Culture and Communities report.
2. Council agree to the Local Development Scheme being updated and published to reflect the timescales set out in the Director of Environment, Culture and Communities report.

RESOLVED that:

1. subject to agreement of the recommendation set out at 2.1 of the Director of Environment, Culture and Communities report, the draft Local Plan (Appendix A) of the Director of Environment, Culture and Communities report and other supporting consultation material be published for a period of public consultation starting on Thursday 8 February and ending on Monday 26 March 2018.
2. minor changes to the draft Local Plan and other supporting material produced prior to the consultation be agreed with the Executive Member for Planning and Transport in consultation with the Chief Officer: Planning, Transport and Countryside.

7. **REASON FOR DECISION**

1. It is important that the Council has an up-to-date and robust planning framework to guide development which reflects current national policy and guidance. Production of the draft LP supports the Council's desire of having a plan-led approach to development rather than reacting to developers' proposals. The Government is clear that local authorities should have up-to-date plans and should seek to review plans

every five years, or risk Government intervention. The preparation of the LP will support the priorities set out in the Council Plan 2015 – 2019, in particular; ‘A strong and resilient economy’ and ‘A clean, green, growing and sustainable place’.

2. The Regulations¹ require that the LP is prepared in consultation with the local community and other stakeholders. The proposed consultation will allow continued engagement and comments received will help inform the content of the final Plan to be submitted to the Government.
3. Local planning authorities are required to publicise their intended timetables for producing a local plan in their Local Development Scheme, which must be published on the website and kept up-to-date².

8. **ALTERNATIVE OPTIONS CONSIDERED**

1. The option of not preparing the LP would leave the Council vulnerable to a pattern of development in the Borough being led by developers and landowners through planning applications and potential appeals as policies and allocations would not be up-to-date. It could also ultimately lead to government intervention.
2. It is a statutory requirement under the planning regulations

9. **PRINCIPAL GROUPS CONSULTED:** As detailed in the report of the Director of Environment, Culture & Communities

10. **DOCUMENT CONSIDERED:** Report of the Director of Environment, Culture & Communities

11. **DECLARED CONFLICTS OF INTEREST:** None

Date Decision Made	Final Day of Call-in Period
23 January 2018	30 January 2018

**Bracknell Forest Council
Record of Decision**

Work Programme Reference	I073963
---------------------------------	----------------

1. **TITLE:** School Places Plan and Capital Strategy
2. **SERVICE AREA:** Children, Young People and Learning
3. **PURPOSE OF DECISION**
 1. To approve the updated School Places Plan 2018 – 2023 (SPP) and the updated School Capacity Strategy 2018 – 2023 (SCS), that set out where and when additional school places are required to be provided across Bracknell Forest.
 2. To update the Executive on the potential requirements for new school places arising out of the proposed housing up to 2034 from the emerging Local Plan.
4. **IS KEY DECISION** No
5. **DECISION MADE BY:** Executive
6. **DECISION:**

RESOLVED that:

1. the School Places Plan 2018-23 attached as Appendix A of the Director of Children, Young People and Learnings report be approved.
2. the School Capacity Strategy 2018-23 set out in the Director of Children, Young People and Learnings report be approved.
3. the potential impact on school place requirements arising from the proposed level of housing growth set out in the Draft Local Plan covering the period up to 2034 is noted.
7. **REASON FOR DECISION**
 1. The Council has the statutory duty to provide sufficient school places.
 2. The SPP and SCS are the essential tools employed by the Council to meet this duty. These were last approved by the Executive in January 2017, and have been updated again to reflect the current revised potential requirements for new school places to 2023.
 3. Demand for pupil places arising from the proposed housing growth levels set out in the emerging Local Plan up to 2034 will further increase the need for new school places.
8. **ALTERNATIVE OPTIONS CONSIDERED**
 1. It is business critical to undertake pupil forecasting to ensure the Council meets its statutory duty to provide sufficient school places. The SPP provides the vehicle to

communicate these forecasts and the SCS the strategy of where and when to deliver the new school places required. New school places are delivered through the education capital programme by construction of new schools and school expansion projects, or can be directly funded through the DfE Free Schools Programme.

2. Options for delivery of the School Capacity Strategy are set out in the body of the Director of Children, Young People and Learnings report.
9. **PRINCIPAL GROUPS CONSULTED:** The Pupil Place Planning (PPP) Board – the Council decision-making body composed of key senior officers, consultants and the Executive Member for CYPL - have been consulted about the contents of the SPP.
10. **DOCUMENT CONSIDERED:** Report of the Director of Children, Young People & Learning.
11. **DECLARED CONFLICTS OF INTEREST:** None

Date Decision Made	Final Day of Call-in Period
23 January 2018	30 January 2018

**Bracknell Forest Council
Record of Decision**

Work Programme Reference	I073964
---------------------------------	----------------

1. **TITLE:** Bracknell Forest Lottery

2. **SERVICE AREA:** Resources

3. **PURPOSE OF DECISION**

To consider the principle and practicalities of introduction of a local lottery for Bracknell Forest, which would be aimed at providing funding to support local voluntary organisations.

4. **IS KEY DECISION** No

5. **DECISION MADE BY:** Executive

6. **DECISION:**

RESOLVED that:

1. the creation of a local lottery for Bracknell Forest is supported, with the core purpose of raising funds for local charities, voluntary organisations and good causes in the Borough, independently of the Council's support for the third sector;
2. that the initial set up costs of just under £4k are approved and funded from the current year's remaining Corporate Contingency and that the on-going £698 annual license fees are assigned from on-going lottery income streams;
3. a Working Group is established, chaired by the Chairman of Overview and Scrutiny and involving the Executive Member for Transformation and finance and three other Members nominated by the Leader, to engage with Gatherwell, the external lottery management company behind many local authority supported lotteries, including Aylesbury Vale and Portsmouth and with local voluntary sector organisations on arrangements for their involvement in the lottery;
4. a launch event is hosted at a cost of up to £2,000 (funded from the current year's contingency) to promote the lottery and help secure additional first draw prizes and to market the lottery using existing Council communication channels including Forest Views to ensure on-going awareness and promotion to drive ticket sales and to promote the lottery amongst good causes;
5. two council officers (the Borough Treasurer and Head of Performance and Partnerships) are nominated to be the license holders for the lottery should this be required;
6. a further report is received prior to the lottery going live that will propose a policy and process for agreeing which types of voluntary groups can put themselves forward for lottery support and for the allocation of the good causes central pot, following consultation with voluntary groups, based on findings of the Working Group.

7. REASON FOR DECISION

The Council acknowledges the positive impact that voluntary sector organisations can make in improving the lives of local people, but for financial reasons has had to gradually withdraw its financial support to such groups in recent years. Establishing and promoting a local lottery that can secure funding for such organisations will allow the Council to continue to support them in a sustainable way.

8. ALTERNATIVE OPTIONS CONSIDERED

1. The Executive could decide not to support a local lottery.
2. An alternative delivery mechanism could be used for a local lottery. The council itself does not possess the necessary expertise nor software systems needed to operate a lottery. Some councils have gone through a detailed and costly competitive process to seek an external lottery manager. Given that the small scale of the council's financial commitment to a lottery does not require a formal tender and the strong market dominance of Gatherwell in running local authority supported lotteries, it is felt that working with this organisation is the most efficient and cost effective approach.

9. **PRINCIPAL GROUPS CONSULTED:** It is intended that local voluntary sector organisation will be consulted on the arrangements for involving them in the lottery.

10. **DOCUMENT CONSIDERED:** Report of the Director of Resources

11. **DECLARED CONFLICTS OF INTEREST:** None

Date Decision Made	Final Day of Call-in Period
23 January 2018	30 January 2018

**Bracknell Forest Council
Record of Decision**

Work Programme Reference	I074020
---------------------------------	----------------

1. **TITLE:** Management Arrangements for Public Health

2. **SERVICE AREA:** Chief Executive

3. **PURPOSE OF DECISION**

To propose changes to the relationship between the Council and the Berkshire Shared Public Health Team and to establish a dedicated Director of Public Health post for Bracknell Forest.

4. **IS KEY DECISION** No

5. **DECISION MADE BY:** Executive

6. **DECISION:**

RESOLVED that:

1. a new post of Director of Public Health reporting to the Director, Adult Social Care, Health & Housing is created.
2. participation in key elements of the Berkshire Shared Public Health Team on a reduced basis to reflect the appointment of a local Director of Public Health is continued.
3. The Council continue to act as host for the Berkshire Shared Public Health Team, reimbursed by the other five Berkshire Councils.

7. **REASON FOR DECISION**

1. The Berkshire Shared Public Health Agreement created a Strategic Director of Public Health covering all six unitary authorities supported by a shared core team in order to ensure a 'safe landing' for each of the Council's new Public Health responsibilities when they were transferred to local government in 2013.

The pan Berkshire Director of Public Health and shared team have been hosted by Bracknell Forest since 2013. The original plan was to also establish a local team within each Council, led by a Consultant in Public Health who would report to a local Director and to the Strategic Director of Public Health as appropriate. In the case of Bracknell Forest the local direct reporting for the Consultant has been to the Director, Adult Social Care, Health & Housing

2. The original arrangements worked well initially and delivered a safe and smooth transition when public health became a local authority responsibility. However, increasingly, individual local authorities have pulled back from the areas of shared responsibility as budgets have come under pressure. This has highlighted a risk and challenge inherent in hosting the statutory function and being the employer of the shared Director of Public Health when we have no influence on other authorities'

priorities, strategies and actions.

3. On this basis, a number of changes are proposed to the Council's Public Health arrangements to reflect local need.

8. **ALTERNATIVE OPTIONS CONSIDERED**

1. Continuing to invest in the full range of services offered by the Berkshire Shared Team: This would incur recurrent costs to the Council that could otherwise be reinvested into Public Health services to residents.
2. Complete withdrawal from the Berkshire Shared Public Health Agreement: This would present a risk in relation to the ability of the Council to meet its statutory Public Health responsibilities, particularly in relation to health protection.

9. **PRINCIPAL GROUPS CONSULTED:** As detailed in the report of the Chief Executive

10. **DOCUMENT CONSIDERED:** Report of the Chief Executive

11. **DECLARED CONFLICTS OF INTEREST:** None

Date Decision Made	Final Day of Call-in Period
23 January 2018	30 January 2018

**Bracknell Forest Council
Record of Decision**

Work Programme Reference	I072747
---------------------------------	----------------

1. **TITLE:** Internal Audit Procurement Plan

2. **SERVICE AREA:** Resources

3. **PURPOSE OF DECISION**

To seek approval to the internal audit procurement plan.

4. **IS KEY DECISION** Yes

5. **DECISION MADE BY:** Executive

6. **DECISION:**

RESOLVED that:

1. the Procurement Plan at Annex 1 of the Borough Treasurers report for internal audit services is approved.
2. the delegation of the award of the contract to Director of Resources is approved.

7. **REASON FOR DECISION**

1. To enable the Council to procure new general internal audit services under a framework agreement.
2. To enable a more streamlined procurement process.

8. **ALTERNATIVE OPTIONS CONSIDERED**

The tender award process could follow current Contract Standing Orders, however, this would be less efficient as it would require review and approval to the award at the end of the process for a service that the Council is required to have.

9. **PRINCIPAL GROUPS CONSULTED:** None.

10. **DOCUMENT CONSIDERED:** Report of the Director of Resources

11. **DECLARED CONFLICTS OF INTEREST:** None

Date Decision Made	Final Day of Call-in Period
23 January 2018	30 January 2018

This page is intentionally left blank

**TO: THE EXECUTIVE
13 FEBRUARY 2018**

**CAPITAL PROGRAMME 2018/2019 - 2020/2021
(Borough Treasurer/Chief Executive)**

1 PURPOSE OF DECISION

- 1.1 As part of the Council's financial and policy planning process, the Executive issued draft Capital Programme proposals for 2018/19 - 2020/21 for consultation on 19 December 2017. The main focus was inevitably departmental spending needs for 2018/19, although future year's schemes do also form an important part of the programme. This report sets out the proposed capital programme, following the consultation exercise, for consideration by the Executive prior to submission to the Council on 28th February 2018.
- 1.2 The revenue implications of the recommendations in this report are reflected in the subsequent report on the Council's revenue budget proposals. Any revisions to the proposals put forward for each service would also need to be reflected in the revenue budget report.

2 RECOMMENDATIONS

That the Executive:

2.1 Recommends to the Council

- a) **General Fund capital funding of £58.221m for 2018/19 in respect of those schemes listed in Annexes A – E, including £30m previously approved by Council on 29 November 2017 for commercial property investments to be made available in the current financial year.**
- b) **The inclusion of an additional budget of £1m for Invest to Save schemes.**
- c) **The inclusion of £3.480m of expenditure to be funded from S106 as outlined in paragraph 5.23.**
- d) **That those schemes that attract external grant funding are included within the Capital Programme at the level of funding received.**

2.2 Agrees that capital schemes that require external funding can only proceed once the Council is certain of receiving the grant.

2.3 Agrees that the decision to award the construction contract for the care home at Heathlands be delegated to the Director of Adult Social Care, Health and Housing in consultation with the Executive Member for Adults Services, Health and Housing is in order to be able to move quickly to commence the contract in view of the need to deliver the savings in care costs as quickly as possible as set out in paragraphs 5.17 to 5.20.

3 REASONS FOR RECOMMENDATIONS

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

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 The alternative options are considered in the report.

5 SUPPORTING INFORMATION

Capital Resources

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

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

5.2 The proposed capital programme for 2018/19 has been developed, therefore, on the assumption that it will be funded by a combination of Government grants, other external contributions and borrowing in addition to capital receipts. Historically capital receipts have averaged around £5m per annum – however this has largely been made up of the VAT and Right-to-Buy sharing agreement contributions from Bracknell Forest Homes – these schemes have now ended. However receipts from two large sites and CIL contributions should enable £8m of the capital programme to be funded from receipts. Internal resources will be used in the first instance and borrowing from external sources (e.g. the PWLB) will be used when necessary. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans which also appear on tonight's agenda.

New Schemes

5.3 Within the general financial framework outlined above, Service Departments have considered new schemes for inclusion within the Council's Capital Programme for 2018/19 – 2020/21. Given that both capital and revenue resources are under pressure, each Department has evaluated and prioritised proposed schemes into broad categories in line with the Council's Asset Management Plan. Having done this, only the very highest priority schemes and programmes are being recommended for inclusion in the Capital Programme.

Other Unavoidable & Committed schemes

5.4 This category covers schemes which must proceed to ensure that the Council is not left open to legal sanction and includes items relating to health and safety issues, new legislation etc. Committed schemes also include those that have been started as part of the 2017/18 Capital Programme. Also included within this category are those schemes that were previously funded from the General Fund Revenue Account, but which by their nature could be legitimately capitalised, thereby reducing pressure on the revenue budget. Schemes in this category form the first call on the available capital resources.

Maintenance (Improvements and capitalised repairs)

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

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

- 5.6 The figures below are based on the information held in the Construction and Maintenance Groups' property management system. They have been adjusted to exclude those works that are already budgeted for within existing 2018/19 schools and corporate planned maintenance programmes.

The priorities can be broken down as follows:

Maintenance Backlog

		£ (000)	£ (000)
Schools	Priority 1C & 1D	2,245	
	Priority 2C & 2D	8,028	
	Lower Priorities	24,478	34,751
Corporate Properties	Priority 1C & 1D	1,640	
	Priority 2C & 2D	2,107	
	Lower Priorities	11,894	15,641
Total			50,392

- 5.7 The overall maintenance liability has reduced from £54.6m in 2017/18 to £50.4m. The last couple of years have seen large increases in building costs however this has been offset by previous maintenance programmes and particularly the on-going rationalisation of council properties.

Schools

- 5.8 Historically the Schools Maintenance Programme has been funded from the Capital Maintenance grant allocation from the Department for Education (DfE). The indicative allocation from the DfE for 2018/19 of £1.912m will be used to tackle the highest priority items identified in the condition surveys indicated above.

Non-schools

- 5.9 From an initial analysis of the work required it is clear that some works, whilst urgent, cannot be legitimately capitalised and must be met from a revenue budget. An allowance of £200,000 is available in the 2018/19 Revenue Budget proposals to meet these liabilities.
- 5.10 In line with the policy adopted last year the Asset Management Group has considered only those works that fall within categories 1C and 1D. Given the financial constraints on both the revenue and capital budgets an allocation of £1.125m is recommended to address the most pressing 1C & 1D priorities.
- 5.11 The implications of failing to maintain Council buildings and to address the backlog will be a significant issue for the Council over the coming years and efforts will be focussed on ensuring that the highest priority items are tackled first, that efficiencies are maximised in the procurement of works and that maintenance which will result in energy efficiencies are undertaken through the invest-to-save programme.

Rolling programmes

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

Other Desirable Schemes

- 5.13 In addition to the schemes identified in the above categories, each service has requested funding for other high priority schemes that meet the needs and objectives of their service.

Invest-To-Save Schemes

- 5.14 These are schemes where the additional revenue income or savings arising from their implementation exceeds the Council's borrowing costs. In the past the Council has allocated £1m per annum to fund potential Invest-to-Save (ITS) schemes that may present themselves during the year, this is recommended to continue.

Changes since Consultation

Other Changes

- 5.15 During the consultation period further work has been undertaken on evaluating two of the schools improvement schemes – namely College Town Amalgamation and Wooden Hill. Scope and costs have been revised at Wooden Hill resulting in a reduction in the funding request. However the latest feasibility for College Town Amalgamation has shown that the total cost of all potential works would be in the order of £750k. Within this, the highest priority items are refurbishment and creation of a single shared staff room and admin offices as well as a single formal entrance and public reception area and the amalgamation of ICT across the school site. These works would improve the day to day management of staff and realise value for money on running costs going forwards.
- 5.16 It is proposed that the draft budget allocation for the College Town Amalgamation of £300k is supplemented by the addition of £150k of funding that is available from the current year's Basic Needs grant to enable the highest priority works to go ahead from the feasibility report and that further engagement is undertaken with the Headteacher on the detailed works to be undertaken with this level of funding.
- 5.17 Previously the Executive approved plans for the joint commissioning of Elderly Mentally Infirm (EMI) care home beds in Bracknell Forest. Specifically, the

Executive agreed to enter into a funding agreement with NHS and Local Authority partners to finance the development of a Full Business Case in respect of developing a new care home on part of the Heathlands site. The Executive approved a provisional allocation of £7m of Council funding (matched by £3m of funding from NHS England) which was ratified by Council in November 2017. After allowing for the cost of capital (both principal repayment and interest costs) the Council will save approximately £200k per year in reduced costs of care. It is also expected that the facility will help keep other care prices in the area in check and thereby realise additional savings.

5.18 Further work has been carried out on the detailed costings for the care home and these have shown costs to have increased by approximately £500k. It is therefore proposed to increase the budget previously approved by this sum.

5.19 The procurement plan (extract below) agreed by the Executive Member and Director indicates that contract award is expected to be made in August 2018 in order to have the site handover and operational by September 2019. The tender evaluation will be on the basis of Quality (40%)/Cost (60%).

Tenders received	March 2018
Tenders evaluated, preferred bidder identified	April 2018
Executive member/ Director approves award of works contract	July 2018
Letter of intent for mobilisation and site set up	August 2018
Contract award	August 2018
Construction starts	September 2018
Construction completion	September 2019

5.20 To facilitate this it is requested that Executive approves that the tender acceptance for the Heathlands contract be delegated to the Executive Member and the Director for ASCHH, subject to it being within the capital estimates agreed in this report. With the timeline above this delegation will enable the project to be implemented 2 - 3 months earlier than would otherwise be the case, maximising the saving to the Council.

5.21 The table below identifies the funding impact of the above proposals.

Total Pre Dec £000	Total Post Dec £000	Scheme	2018/19 £000	2019/20 £000
		Schemes Revised		
300	450	CYPL - College Town Amalgamation	+150	0
875	470	CYPL - Wooden Hill Classrooms	-305	-100
		Total	-155	-100
		Schemes Added		
7,000	7,500	ASCHH – Heathlands	500	0
		Change in Council Funding	-345	-100

Capital Programme 2018/19 – 2020/21

- 5.22 A summary of the cost of schemes proposed by Departments is set out in the table below. A list of schemes within the capital programme for each service is included in Annexes A – E. Total Council funding amounts to £40.741m.

Capital Programme 2018/19-2020/21				
Annex	Service Area	2018/19 £000	2019/20 £000	2020/21 £000
A	Adult Social Care, Health & Housing	8,973	10,000	0
B	Children, Young People & Learning	8,134	750	250
C	Resources	2,135	70	0
D	Council Wide	32,313	363	388
E	Environment Culture & Communities	6,666	6,465	1,960
	Total Capital Programme	58,221	17,648	2,598
	Externally Funded	17,480	8,685	1,475
	Total request for Council funding	40,741	8,963	1,123

It should be noted that the largest single item in the programme is £30m in support of delivering the Commercial Property Investment Strategy, which has previously been approved by Council on 29 November 2017 to be available in the current year and is shown above for completeness only.

Externally Funded Schemes

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

Government Grants

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

A significant element of the grant-funded capital programme relates to the planned investment in Schools. The schools investment programme included in this report reflects the highest priority schemes identified by the Department and the Education Capital Programme Board. However as a result in a change to the capital funding formula and the perceived relative need for school places in Bracknell compared to other areas of the country, the Council will receive no Basic Needs Grant in 2018/19. This is the first year this has happened.

However the Council has clear need for investment in school places in the Borough and have identified two schemes that require funding in the coming years and are set out in Annex B. In addition to this Council funding a total of £2.178m will be invested in various schools across the Borough from specific capital grants

A second key constituent of capital grant funding relates to the Highway Maintenance and the Integrated Transport Block totalling £2.089m for 2018/19. A matched funding bid has also been accepted for the work on Downshire Way – this will attract grant of £3.29m to be matched with £1.4m of Council funding and developer contributions.

Section 106 (£3.480m)

Each year the Council enters into a number of agreements under Section 106 of the Town & Country Planning Act 1990 by which developers make a contribution towards the cost of providing facilities and infrastructure that may be required as a result of their development. Usually the monies are given for work in a particular area and/or for specific projects

Officers have identified a number of schemes that could be funded from Section 106 funds in 2018/19, where funding becomes available. These are summarised below

Department	Schemes	Budget
		<i>£000</i>
ASCHH	Edenfield-Stonewater	233
CYPL	Various School Schemes	2,236
ECC	Leisure & Culture	511
ECC	Local Transport Plan	350
ECC	SANGS	150
	Total	3,480

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

On-going Revenue Costs

- 5.24 Schemes may have associated on-going revenue costs and tend to become payable in the year after implementation. As such will be included within the Council's Commitment Budget for 2018/19. These total £39,000 and relate to the licence and maintenance contracts associated with the new IT hardware investment.

Funding Options

- 5.25 The proposed capital programme for 2018/19 has been developed on the assumption that it will be funded by a combination of approximately £9.8m of capital receipts (including £3m of CIL), Government grants, other external contributions and borrowing. The financing costs associated with the Capital Programme have been provided for in the Council's revenue budget plans.
- 5.26 Following the introduction of the Prudential Borrowing regime local authorities are able to determine the level of their own capital expenditure with regard only to affordability on the revenue account. In practice this represents the amount of borrowing they can afford to finance, and will necessitate taking a medium-term view of revenue income streams and capital investment needs.
- 5.27 To achieve its aim of ensuring that capital investment plans are affordable, prudent and sustainable, the Local Government Act requires all local authorities to set and keep under review a series of prudential indicators included in the CIPFA Prudential Code for Capital Finance in Local Authorities. The Capital Programme recommended in this report can be sustained and is within the prudential guidelines. Full Council will need to agree the prudential indicators for 2018/19 to 2020/21 in March 2018, alongside its consideration of the specific budget proposals for 2018/19 and the Council's medium-term financial prospects.
- 5.28 Members will need to carefully balance the level of the Capital Programme in future years against other revenue budget pressures and a thorough review, including the prioritisation of those schemes planned for 2019/20 onwards, will need to be undertaken during next summer.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

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

Borough Treasurer

- 6.2 The financial implications are contained within the report.

Equalities Impact Assessment

- 6.3 The Council's budget proposals impact on a wide range of services. A detailed consultation was undertaken on the draft budget proposals published in December to provide individuals and groups the opportunity to provide comments. Where necessary, impact assessments on specific schemes within the capital programme will be undertaken before work commences.

Strategic Risk Management Issues

- 6.4 The scale of the Council's Capital Programme for 2018/19 will impact upon the revenue budget. All new investment on services will need to be funded from new capital receipts or borrowing. This effect is compounded by future year's capital programmes. The generation of capital receipts in future years may mitigate the impact on the revenue budget, but as the timing and scale of these receipts is uncertain their impact is unlikely to be material.
- 6.5 There are also a range of risks that are common to all capital projects which include:
- Tender prices exceeding the budget
 - Planning issues and potential delays
 - Uncertainty of external funding
 - Building delays due to unavailability of materials or inclement weather

- Availability of staff with appropriate skills to implement schemes

6.6 These can be managed through the use of appropriate professional officers and following best practice in project management techniques. The report also identifies the risk associated with the shortfall in maintenance expenditure compared to that identified by the latest condition surveys. With only those highest priorities receiving funding in 2018/19, there will be a further build up in the maintenance backlog and a risk that the deterioration in Council assets will hamper the ability to deliver good services.

7 CONSULTATION

7.1 See the General Fund Revenue Budget 2018/19 report on tonight's agenda outlining the results of the budget consultation

Background Papers

None

Contact for further information

Stuart McKellar -01344 352180

stuart.mckellar@bracknell-forest.gov.uk

Calvin Orr – 01344 352125

calvin.orr@bracknell-forest.gov.uk

This page is intentionally left blank

CAPITAL PROGRAMME - ADULT SOCIAL CARE, HEALTH & HOUSING

	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Committed				
No Schemes	-	-	-	-
Unavoidable				
No Schemes	-	-	-	-
Maintenance				
See Council Wide	-	-	-	-
Rolling Programme / Other Desirable				
Cash Incentive Scheme	240	-	-	240
Heathlands Redevelopment	500	7,000	-	7,500
	740	7,000	-	7,740
TOTAL REQUEST FOR COUNCIL FUNDING	740	7,000	-	7,740
External Funding				
Downshire Homes (Self Funding)	8,000	-	-	-
Heathlands Redevelopment - External Funding		3,000		
Edenfield-Stonewater Housing Development (S106)	233			
TOTAL EXTERNAL FUNDING	8,233	3,000	-	-
TOTAL CAPITAL PROGRAMME	8,973	10,000	-	7,740

CAPITAL PROGRAMME - CHILDREN YOUNG PEOPLE & LEARNING

	2018/19	2019/20	2020/21	TOTAL
	£000	£000	£000	£000
Committed				
Binfield Learning Village	3,000	-	-	3,000
	3,000	-	-	3,000
Unavoidable	-	-	-	-
Maintenance				
Schools Maintenance externally funded	-	-	-	-
Rolling Programme / Other Desirable				
College Town Amalgamation	300	-	-	300
Sandhurst School Nursery Relocation	250	50	-	300
Wooden Hill Classrooms (School Bid)	20	450	-	470
Total	570	500	-	1,070
TOTAL REQUEST FOR COUNCIL FUNDING	3,570	500	-	4,070
External Funding - DfE Basic Need Grant				
College Town Amalgamation (unspent 2017/18 Grant)	150	-	-	150
No Grant in 2018/19	-	-	-	-
	150	-	-	150
External Funding - Other				
Schools Capital Maintenance Grant	1,912	-	-	1,912
Section 106 - Small Schemes	250	250	250	750
Section 106 - Binfield Learning Village	1,986	-	-	1,986
Devolved Formula Capital (estimate)	266	-	-	266
	4,414	250	250	4,914
TOTAL EXTERNAL FUNDING	4,564	250	250	5,064
TOTAL CAPITAL PROGRAMME	8,134	750	250	9,134

CAPITAL PROGRAMME - RESOURCES

	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Committed				
Civic Accommodation	2,135	70	0	2,205
	<u>2,135</u>	<u>70</u>	<u>0</u>	<u>2,205</u>
Unavoidable				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Maintenance				
See Council Wide	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Rolling Programme / Other Desirable				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REQUEST FOR COUNCIL FUNDING	<u>2,135</u>	<u>70</u>	<u>0</u>	<u>2,205</u>
External Funding				
TOTAL EXTERNAL FUNDING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CAPITAL PROGRAMME	<u>2,135</u>	<u>70</u>	<u>0</u>	<u>2,205</u>

CAPITAL PROGRAMME - COUNCIL WIDE

	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Committed				
Commerical Property Investment Strategy	30,000	0	0	30000
Capitalisation of Project Management costs	300	300	300	900
	30,300	300	300	30,900
Unavoidable	-	-	-	-
Maintenance				
Buildings Planned Maintenance	1,125	n/a	n/a	1,125
	1,125	-	-	1,125
Rolling Programme / Other Desirable				
Property Review Feasibility	100	-	-	100
IT Schemes (made up of)	788	63	88	939
-----IT Infrastructure	175	15	40	230
-----Members IT Refresh	36	-	-	36
-----Time2Change	-	-	-	-
-----ICT Digital Strategy	537	48	48	633
-----CWSS / Self Service	40	-	-	40
	888	63	88	1,039
TOTAL REQUEST FOR COUNCIL FUNDING	32,313	363	388	33,064
External Funding				
TOTAL EXTERNAL FUNDING	-	-	-	-
TOTAL CAPITAL PROGRAMME	32,313	363	388	33,064

CAPITAL PROGRAMME - ENVIRONMENT CULTURE AND COMMUNITIES

	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Committed				
Self Service Technology Assisted Opening In Libraries	355	0	0	355
Roads & Footway Resurfacing #	200	200	200	600
Equipment Replacement Downshire Golf Complex #	35	35	35	105
Matched Funding for LEP Funding (A329)	450	0	0	450
A322 Downshire Way (Matched Funding DfT Grant)	200	200	200	600
	1,240	435	435	2,110
Unavoidable				
	0	0	0	0
Maintenance				
	0	0	0	0
Rolling Programme / Other Desirable				
Off-Street Car Parking	100	100	0	200
Land Drainage Schemes	80	100	100	280
Improvement and Maintenance of Play Areas	70	70	0	140
Traffic Modelling	125	125	0	250
Update Traffic Signal Infrastructure	0	200	200	400
The Look Out Play Area/Exhibits Upgrade	30	0	0	30
The Look Out Parking Bay Programme (self-funding)	40	0	0	40
Harmanswater Library	298	0	0	298
	743	595	300	1,638
TOTAL REQUEST FOR COUNCIL FUNDING	1,983	1,030	735	3,748
External Funding				
Highways Maintenance	1,369	1,200	0	2,569
Integrated Transport & Maintenance	720	720	0	1,440
A322 Downshire Way (Matched Funding DfT Grant)	1,000	2,290	0	3,290
Section 106 Schemes (LTP)	350	500	500	1,350
Disabled Facilities Grants	450	450	450	1,350
Self Service Technology Assisted Opening In Libraries (S106)	22	0	0	22
Harmanswater Library (Invest-to-Save)	133	0	0	133
Harmanswater Library (S106)	364	0	0	364
Sustainable Alternative Natural Green Space	150	150	150	450
Section 106 Leisure & Culture (small schemes)	125	125	125	375
	4,683	5,435	1,225	11,343
TOTAL EXTERNAL FUNDING	4,683	5,435	1,225	11,343
TOTAL CAPITAL PROGRAMME	6,666	6,465	1,960	15,091

Part Capitalisation of Revenue

This page is intentionally left blank

TO: THE EXECUTIVE
DATE: 13 FEBRUARY 2018

GENERAL FUND REVENUE BUDGET 2018/19
(Chief Executive/Borough Treasurer)

1 PURPOSE OF REPORT

- 1.1 As part of the Council's financial and policy planning process, the Executive agreed draft revenue budget proposals for 2018/19 as the basis for consultation on 19 December 2017.
- 1.2 Over the course of the last two months a number of issues have also become clearer, in particular the details of the Provisional Local Government Financial Settlement and the implications of the Council's successful bid to be involved in a Berkshire-wide Business Rates Pool approved alongside the Settlement. This report therefore builds on the draft budget proposals agreed by the Executive in December, in the light of the consultations and the details of the Settlement itself, to set out the basis of the Executive's final budget proposals for 2018/19. Once determined, these will be submitted to the Council for consideration on 28 February 2018.
- 1.3 The recommendations of this report are, in part, dependent upon proposals to be considered elsewhere on this agenda in respect of the Capital Programme 2018/19 - 2020/21. Changes to the proposals included within that report may therefore necessitate revisions to the 2018/19 General Fund revenue budget proposals set out below. Should this happen a short adjournment of the meeting might be required.

2 RECOMMENDATIONS

That the Executive, in recommending to Council a budget and Council Tax level for 2018/19:

- 2.1 **Confirms the original budget proposals, subject to the revisions in section 8.3 and those decisions to be taken elsewhere on this agenda on the capital programme;**
- 2.2 **Agrees the provision for inflation of £2.422m (section 8.2);**
- 2.3 **Agrees the additional budget proposals as set out in Annexe A and Annexe D and in sections 6.2, 6.3, 6.5 and 7.3;**
- 2.4 **Agrees that the Council should fund the Schools budgets at the level set out in section 9.1 subject to any minor amendments made by the Executive Member for Children, Young People and Learning following the receipt of definitive funding allocations for Early Years and High Needs pupils;**
- 2.5 **Includes a contingency of £2.500m (section 10.7), use of which is to be authorised by the Chief Executive in consultation with the Borough Treasurer in accordance with the delegations included in the Council's constitution;**
- 2.6 **Subject to the above recommendations, confirms the draft budget proposals;**

- 2.7 Approves the Net Revenue Budget before allowance for additional interest from any use of balances as set out in Annexe G;**
- 2.8 Agrees the contribution of £>.>>m to be made from revenue balances (before additional interest from the use of balances) to support revenue expenditure;**
- 2.9 Recommends a >.>>% increase in the Council Tax fo the Council’s services and that the Council Tax requirement, excluding Parish and Town Council precepts, be set as £>>.>>m;**
- 2.10 Recommends that the Council Tax for the Council’s services and that each Valuation Band is set as follows:**

Band	Tax Level Relative to Band D	£
A	6/9	>>>>.>>
B	7/9	>>>>.>>
C	8/9	>>>>.>>
D	9/9	>>>>.>>
E	11/9	>>>>.>>
F	13/9	>>>>.>>
G	15/9	>>>>.>>
H	18/9	>>>>.>>

- 2.11 Recommends that the Council approves the following indicators, limits, strategies and policies included in Annexe E:**
- **The Prudential Indicators and Limits for 2018/19 to 2020/21 contained within Annexe E(i);**
 - **The Minimum Revenue Provision (MRP) Policy contained within Annexe E(ii);**
 - **The Treasury Management Strategy Statement, and the Treasury Prudential Indicators contained in Annexe E(iii);**
 - **The Authorised Limit Prudential Indicator in Annexe E(iii);**
 - **The Investment Strategy 2018/19 to 2020/21 and Treasury Management Limits on Activity contained in Annexe E(iv);**
- 2.12 Approves the virements relating to the 2017/18 budget as set out in Annexe H.**

3 REASONS FOR RECOMMENDATIONS

- 3.1** The recommendations are designed to enable the Executive to propose a revenue budget and Council Tax level for approval by Council on 28 February.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1** Background information relating to the options considered is included in the report.

SUPPORTING INFORMATION

5 Basis of Draft Budget Proposals

- 5.1 At its meeting on 19 December 2017, the Executive considered the overall position facing the Council in setting a budget for 2018/19. At the time the Executive agenda was published, the Provisional Local Government Financial Settlement had not been announced. Since the Council had signed up to the Government's offer of a Four Year Settlement, the report was based on an assumption that there would be no significant changes to government funding.
- 5.2 In this broad context, the Executive published its draft budget proposals and these have been consulted on with the public, the Council's Overview & Scrutiny Commission and Scrutiny Panels, with town and parish councils, business ratepayers, the Schools Forum and voluntary organisations.
- 5.3 In the face of significant reductions in public expenditure in general and in grants to Local Government in particular, the scope to invest in new service provision is severely restricted. Many of the pressures accommodated in the budget package are simply unavoidable as they relate to current levels of demand or legislation changes.
- 5.4 As in previous years, economies have focused as far as possible on increasing efficiency, income generation and reducing central and departmental support rather than on front line services. However, since it became a Unitary Authority in 1998 the Council has successfully delivered savings of around £80m in total. As a result it is almost inevitable that further savings will have some impact on services, although the transformation programme put in place by the Council is seeking to minimise this.
- 5.5 The draft budget proposals, which reflect the priorities in the Council Plan and included a suggested approach for inflation, are summarised in Table 1.

Table 1: Draft Budget Proposals

Department	Commitment Budget (CB) Excl. Transformation	CB Transformation	Capital programme	Inflation	Service Pressures / Economies	Change in Contingency	New Homes Bonus & Improved Better Care Fund	Business Rates Reserve	Draft Budget 2018/19
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care, Health and Housing	35,547	-1,800	0	0	1,873	0	-62	0	35,558
Children, Young People and Learning	28,012	-1,165	0	0	936	0	0	0	27,783
Environment, Culture & Communities	35,187	-1,812	0	0	-554	0	0	0	32,821
Resources / Chief Executive's	4,984	-611	0	0	125	0	0	0	4,498
Non Departmental / Council Wide	-14,160	-1,029	40	1,500	18	500	932	-8,863	-21,062
Total	89,570	-6,417	40	1,500	2,398	500	870	-8,863	79,598

6 Local Government Finance Settlement

6.1 Overview

6.1.1 The Council's budget is set within the context of a 4-year Local Government Funding Settlement (LGFS) published following the General Election in May 2015. As such, 2018/19 will be the third year of this agreement. The paragraphs below set out the key issues included in the Provisional Settlement for 2018/19 and this is followed by a section that draws together the likely implications for the Council's medium term funding position.

6.1.2 The Provisional Settlement was published on 19 December 2017. The overall quantum of funding provided in government grant remained largely as expected and proposed further changes to the New Home Bonus regime were withdrawn. As part of the settlement the Government announced that the Berkshire bid to be a pilot area for 100% retention of Business Rates in 2018/19, led by Bracknell Forest, had been accepted. This will provide additional one-off resources to the county as a whole and to the individual Unitary Authorities – work is being undertaken to move forward with this Pilot in the most advantageous way for all parties.

6.1.3 Looking ahead, the Provisional Settlement confirmed that the Government is intending to implement a revised business rates retention scheme in 2020/21. This will now be based on 75% rates retention rather than 100%, which was the stated intention before the impact of the Brexit negotiations on the Parliamentary timetable. Both the pilot and the revised scheme are covered in more detail in section 6.3.

6.1.4 A further consultation document on the fair funding review of relative needs and resources has also been published. This review will calculate the new baseline funding levels for individual local authorities based on an up-to-date assessment of their assessed relative needs and resources. The aim is to have a revised funding system in place in 2020/21 to coincide with the introduction of the new Business

Rates retention scheme. Core funding from business rates will be redistributed according to the outcome of the new assessment, which will have a significant long-term impact on the funding of the Council.

- 6.1.5 The Council will respond to ensure the issues faced by Bracknell Forest are clearly understood by the Government as part of this review.
- 6.1.6 The Government also announced changes to the Council Tax referendum principles for 2018/19 and 2019/20. It has acknowledged that increasing demand for social care services to vulnerable children is placing significant pressure on local authority finances across the country. However, rather than announcing additional central funding to address these pressures the Government's response is to permit local authorities to meet pressures where appropriate through local taxation. In recognition of this, as well as higher than expected inflation levels, the Government has chosen to set the core referendum principles in line with inflation at 3% - compared to 2% in previous years.
- 6.1.7 We do not yet know when the final settlement will be published by the Department for Communities and Local Government. As such the budget has been constructed on the assumption that there will no material changes from the Provisional Settlement published in December.
- 6.2 Specific Grants
- 6.2.1 From 2013/14 almost all Specific Grants have been rolled into the Baseline Funding that councils receive with only a minority administered outside of the formula mechanism.
- 6.2.2 In 2015/16 the Government consulted on a number of possible reforms to the New Homes Bonus to sharpen the incentive for housebuilding and provide £800m for Adult Social Care. The outcome of the consultation was announced alongside the Provisional Settlement for 2017/18. The Government decided to:
- reduce the number of years for which legacy payments are made from 6 years to 5 years in 2017/18 and then to 4 years from 2018/19 and
 - set a national baseline for housing growth to sharpen the incentive for councils to deliver more new homes. The Government chose to set the initial baseline in 2017/18 at 0.4% below which the Bonus will not be paid but retained the option of making adjustments to the baseline in 2018/19 and future years in the event of significant and unexpected housing growth.
- 6.2.3 The Government consulted over the Summer on further changes to the scheme. The proposal to link New Homes Bonus payments to the number of successful planning appeals has not been implemented in the Provisional Settlement and the national baseline for growth has been maintained at 0.4%. However, NHB will still be £0.079m less than included in the December proposals, based on final figures and the overall sum available for distribution, bringing the total receivable to -£1.767m for 2018/19 (-£2.796m for 2017/18).
- 6.2.4 Two of the largest Specific Grants received by the Council are the ring-fenced Public Health Grant and the NHS funding to support social care and benefit health. The Public Health Grant for 2018/19 has been confirmed at £4.050m, a reduction of £0.107m (2.6%) compared to 2017/18. Indicative figures show a further reduction of £0.107m to £3.943m in 2019/20. With regards to NHS funding, it has been assumed that the pooling of health and social care services budgets under the Better Care Fund will have a neutral impact on the Council's revenue budget.

6.2.5 Information on a number of smaller Specific Grants is still awaited. The only significant allocations that has been confirmed relates to Housing Benefit Administration Subsidy grant which has been reduced by £0.036m to -£0.283m, and Local Council Tax Administration Subsidy Grant which remains unchanged at -£0.090m in 2018/19.

6.3 Business Rates

6.3.1 A third important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), the impact of appeals and local growth or decline as local businesses and economic conditions expand or contract. The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government.

6.3.2 Currently the Council collects significantly more Business Rates than it is allowed to keep and only receives approximately a quarter of any Business Rates growth. As indicated above, the Government has announced that it still intends to introduce a new system by 2020/21 based on a 75% retention of local growth in Business Rates by local government. Under the new system existing grants including Revenue Support Grant and the Public Health Grant will be incorporated into the baseline and more responsibilities are likely to be transferred to Local Government.

6.3.3 Bracknell Forest is in a virtually unique position in terms of its current business rates income. The transfer of a large multi-national company on to the Council's valuation list in 2013/14 significantly increased the level of Business Rates collected locally. This transfer represented a significant windfall for the Council, creating both a significant opportunity and risk at the time and has been a key factor in providing resources to balance the Council's budget since then.

6.3.4 Around half of the additional income was used to support the base budget with the remainder set aside in a Business Rates Equalisation reserve to mitigate against the risk of the additional income reducing or being withdrawn. This prudent approach meant that the Council was not immediately impacted by a successful appeal by the company against the rateable value, which resulted in it being reduced by 28% in 2016/17. A further appeal was lodged last year, which is still outstanding, and the company has also applied to join the Central Rating List, which would mean the income transferring away from Bracknell Forest.

6.3.5 As the timing and outcome of these events are uncertain, broad assumptions have had to be made in calculating future income levels. An unavoidable consequence of this has been significant volatility in the Collection Fund balance each year. This continues to represent a considerable risk to the Council's current and future Business Rates income.

6.3.6 The Borough Treasurer has received verbal confirmation from a senior official at the MHCLG that they are not proposing to take a decision about a possible transfer to the central list until the new funding system is introduced in 2020/21. While there can be no certainty, the working assumption is that at that point the case to move the company to the Central List will be accepted and Bracknell Forest will lose overnight the significant amount of additional income that is being received, part of which is being used to support the base revenue budget.

- 6.3.7 In addition to this specific issue, the move to the new funding system in 2020/21 will be accompanied by a re-set of the current 50% business rates retention arrangement. This will most likely mean that all or a large part of the additional business rates that the Council has secured through the company referred to above and from the town centre opening in 2017 will no longer directly benefit Bracknell Forest. This is a consequence of Bracknell Forest having for many years been able to generate income significantly in excess of its assessed funding needs, which are unlikely to change relative to other authorities under a new funding system.
- 6.3.8 In terms of the Council's budget plans, Business Rates income for 2018/19 has been forecast to grow in line with the Government's baseline assumptions plus additional growth resulting from the opening of the regenerated Town Centre. The 2017/18 budget assumed an additional -£0.750m of Business Rates from the Town Centre and the Commitment Budget currently assumes a further -£0.750m of income in 2018/19. Actual income will depend on the rateable values agreed for the let units and how quickly the few remaining units are let. At this stage only a small number of valuations have been confirmed by the Valuation Office. However, these give no cause to believe that the Council's assumptions will be widely adrift of the actual position.
- 6.3.9 In the meantime, the projected surplus on the Business Rates element of the Collection Fund for 2017/18 is -£3.045m, largely due to the impact of the single multi-national company. This one-off surplus will be available in 2018/19, but recognising the high probability that it is a time limited benefit, it is proposed that this be transferred to the Business Rates Equalisation Reserve and remain available to guard against medium-term risk.
- 6.4 Medium Term Financial Situation
- 6.4.1 The current four year settlement, despite some changes introduced last year, has provided a degree of certainty in terms of Government funding that has facilitated planning for the 2018/19 and 2019/20 budgets. However, as indicated in the sections above, there is significant uncertainty for the period from 2020/21 due to the potential impact of the following issues in particular;
- Fair Funding review
 - Business Rates system re-set
 - Treatment of multi-national company
- 6.4.2 Given the relative prosperity of Bracknell Forest, it would be imprudent to expect that the impact of these changes, all of which are more likely to mean a re-distribution of resources from wealthier to more deprived areas, will be anything other than detrimental to our local resources, at least in the immediate aftermath of their introduction in 2020/21.
- 6.4.3 Members are also reminded that the predicted level of new savings from the Council's successful Transformation Programme is inevitably expected to fall by 2020, recognising that most services will have been subjected to fundamental reviews by that time. The most likely consequence of all of these factors combining is an additional recurring budget gap of around £7m in 2020/21.
- 6.4.4 The impact of these factors combining at that time will be a greater reliance on Council Tax income as an on-going source of funding to support essential front-line services. The current level of Council Tax in Bracknell Forest is the second lowest of any Unitary Authority in England. While a high level of increase in any year is unlikely to be universally welcomed by residents, Members are advised that

Bracknell Forest is still likely to retain this position even if the maximum level of increase permitted is proposed and that this would provide the greatest level of protection possible for essential services in the period from 2020/21.

6.5 Business Rate Pilot

- 6.5.1 As part of the Provisional Settlement the government announced that another ten areas had been selected to take part in 100% rates retention pilots in 2018/19, including Berkshire. As a result, no Revenue Support Grant (RSG) will be received in 2018/19 as this has been incorporated into the calculation of the Council's Business Rates baseline funding level. The baseline funding level has been set at -£20.636m which is £0.033m less than the combined figure for RSG and baseline funding assumed in the December report. However, no levy will be charged on any growth achieved above this level in 2018/19 enabling 100% to be retained locally. There is also a possibility that will not be confirmed until later in the year that the pilot could be extended to a second year, either as a 100% or 75% pilot, with the revised permanent scheme then coming into effect in 2020/21.
- 6.5.2 Based on Business Rates projections for all the Unitaries within Berkshire at the time the proposal was submitted, it was estimated that the pilot will enable around £35m of additional funding to be secured for the area. Under the joint proposal £25m of this would be provided to the LEP to undertake improvements in transport infrastructure that would help secure further economic and housing growth to benefit the County. The remainder would be allocated across the individual authorities in proportion to their actual growth in business rates income. No authority would be worse off financially than they would have been under the current funding arrangements. The actual benefits will depend on the level of business rates collected during 2018/19.
- 6.5.3 The additional benefit for Bracknell Forest is currently estimated to be £6.9m. While some of the Berkshire authorities are proposing to use their gain to support their 2018/19 budgets, they are in a different starting position to Bracknell Forest. This Council was already planning to use £4m of additional business rates growth to support its budget, from the growth in the Town Centre and the multi-national business referred to above. Any increase in this sum would simply create the potential for a greater "cliff edge" in 2020/21, when a new funding system is to be introduced that will remove or significantly reduce this gain.
- 6.5.4 In order to help ensure that the Council does not face an unmanageable position from 2020/21, it is proposed that the one-off gain from the Business Rate pilot is transferred to the Business Rate Equalisation Reserve and earmarked for one-off uses, including to support the revenue budget from 2020/21 onwards. In recognition of this additional financial flexibility, the transfer of an additional £0.250m into the Business Rates Equalisation Reserve included as part of the December budget proposals has been reversed.
- 6.5.5 The Council will also receive Section 31 grant to cover the loss of income resulting from capping the Business Rates increase to 2% in 2014/15 and 2015/16 and CPI in 2018/19, and a number of Business Rate Reliefs (-£2.178m). Although this is a significant increase over current levels (-£1.253m), as 80% of the increase has resulted from the rates pilot which is a one-off gain it is again proposed that this additional income is not used to support the 2018/19 budget.
- 6.5.6 The net effect of all these changes is that no additional growth or section 31 income is proposed to be used to support the budget compared to the December proposals and an additional £8.2m will be transferred into the Business Rates Equalisation

Reserve. It is estimated that there will be a balance of £6m available on the reserve at the end of 2017/18 and £17m at the end of 2018/19, of which £3m is the current year's Collection Fund surplus. This sum is available to provide protection against the significant funding changes expected from 2020/21, at which point the level of General Reserves is expected to be close to the minimum prudent level..

7 Council Tax and Collection Fund

- 7.1 The Council Tax Base for 2018/19 has been calculated as 45,298 (Band D equivalents) which at current levels would generate total income of -£54.103m in 2018/19.
- 7.2 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases equal to or in excess of a threshold percentage which is normally included in the Local Government Financial Settlement. As stated above, the threshold percentage has been increased to 3% for 2018/19. As a council with social care responsibilities, it will now also be possible for Council Tax to be raised by a further 3% to support social care pressures providing certain criteria are met. The Government's financial modelling assumes that all Councils with adult social care responsibilities will raise a 6% precept over two or three years. Every 1% increase in Council Tax in Bracknell Forest would generate approximately -£0.541m of additional income.
- 7.3 A surplus will be generated on the Council Tax element of the Collection Fund in the current year, primarily due to a lower than expected take up of the Local Council Tax Benefit Support Scheme. The Council's share of this surplus which can be used to support the 2018/19 budget is -£0.115m.

8 Developments since the Executive Meeting on 19 December 2017

8.1 Consultation

- 8.1.1 The Executive's draft budget proposals have been subject to a process of public consultation since their publication in December. During the consultation period, the draft proposals have also been scrutinised by the Council's Overview & Scrutiny Commission and Scrutiny Panels. Extracts from the minutes of these meetings are attached as Annexe B and show the Commission broadly supported the draft proposals presented.
- 8.1.2 The draft fees and charges for 2018/19 have also been considered by the Overview and Scrutiny Commission and Scrutiny Panels, which highlighted a small number of issues for further consideration, which has happened.
- 8.1.3 The Schools' Forum considered the Executive's proposals relating to the Children, Young People and Learning department at its meeting on 18 January and, again, no significant issues were raised.
- 8.1.4 Only two responses were received to the public consultation including a detailed response from the Labour Party. The Labour response is included at Annexe C, the second respondent strongly agreed with the Council's proposals.
- 8.1.5 Alongside the final budget proposals being published on the Council's web site, at which time the impact of the Business Rates pilot arrangements were better understood, representatives of business ratepayers were contacted drawing their attention to the consultation. Any responses received will be highlighted to Members as they arrive.

8.2 Inflation

8.2.1 The Executive established a framework for calculating an appropriate inflation provision at its December meeting. Inflation allowances have been reviewed further by the Borough Treasurer and the Corporate Management Team within this framework. As a consequence, the inflation provision has been increased to £2.422m, recognising the impact of the current inflation indices on prices for goods and services. The Departmental analysis is shown in Table 2.

Table 2: Inflation Allocations

Department	2018/19 £'000
Adult Social Care, Health and Housing	801
Children, Young People and Learning (excluding schools)	451
Resources / Chief Executive's Office	655
Environment, Culture and Communities	390
Non Departmental / Council Wide	125
Total	2,422

8.2.2 This is an additional cost of £0.922m compared to the draft budget proposals. The original allocation assumed pay awards of 1%. National Employers made an offer to the unions on pay on 5 December. The proposal is for the majority of staff to receive a 2% pay rise from April 2018 and a further 2% rise in April 2019. To accommodate the introduction of the National Living Wage, the proposal also includes higher increases for staff on scale point 19 or below. The revised allocation for pay is based on this offer (+£0.5m). An additional allocation of £0.125m is also being held at Council Wide level to cover any in-year issues, given that inflation is currently running significantly above the national target level. If unchanged, this has the potential to impact on contracts and other non-pay items and is the main reason for the rest of the increase.

8.2.3 Inflation on schools' expenditure is provided for within the Dedicated Schools Budget expenditure, which is funded by the Dedicated Schools Grant.

8.3 Other Revisions to the Draft Budget Proposals

8.3.1 As outlined above, in the two months since the Executive published the draft budget proposals more information has inevitably become available. Details of the suggested amendments to the draft budget proposals are set out in paragraphs a) to k) below with the net impact being an increase in the net revenue budget for 2018/19 of £0.175m. These changes have been reflected in the full budget proposals set out in Annexe D and the Commitment Budget (Annexe A).

- a) Adult, Social Care, Health and Housing - Adult, Social Care
There has been an improvement in the budgetary position since the December report, as the transformation programme begins to have an effect. The pressure arising from care packages has been reduced by £0.564m to £1.645m as a consequence.
- b) Children, Young People and Learning – Transformation
After reviewing the savings projections, the figure included in the Commitment Budget for 2018/19 has been increased by £0.015m to -£1.180m.

Unrestricted

- c) Children, Young People and Learning – Looked After Children
Due to an increase in the number and cost of placements since the December report, this pressure has increased by £0.460m to £1.698m. Should any additional placement costs be incurred during 2018/19 that cannot be accommodated within the approved budget, a request will be made for support from the contingency.
- d) Environment Culture and Communities – Street Lighting LED Invest to Save Scheme
The projected electricity savings resulting from the replacement of conventional street lights with LEDs have been reviewed to reflect the latest information on electricity usage and re-profiled to take into account progress on the capital scheme. As a result a pressure has been included in 2018/19 (£0.261m) and the saving in the Commitment Budget (£0.041m) reviewed and slipped to 2019/20.
- e) Environment Culture and Communities – Waste Management
Savings arising from re3 local initiatives at recycling centres have been reviewed to reflect the latest information. The savings has been reduced by £0.073m but still stands at -£0.627m.
- f) Environment Culture and Communities – car parking income
Net income from the Avenue car park and the latest demand data has now been incorporated into the savings projection (-£0.075m).
- g) Environment Culture and Communities – South Hill Park
The -£0.100m grant reduction has now been phased over two years with £0.075m having been moved to 2019/20, following a revised proposal being submitted by the Trustees.
- h) Environment Culture and Communities – Easthampstead Park Conference Centre
The saving has now been reviewed and phased over two years. The saving achievable in 2018/19 has been reduced by £0.119m to -£0.131m.
- i) Environment Culture and Communities – Library Review
Due to delays in implementing the self service ICT equipment, £0.030m of the saving assumed for 2018/19 has slipped into 2019/20.
- j) Resources – replacement of Huddle
The projected saving from the replacement of Huddle with Microsoft Share Point has been transferred into Resources and reduced by £0.013m to -£0.002m following a review of budgets.
- k) Non Departmental / Council Wide - 2018/19 Capital Programme
For consistency, the impact of the 2018/19 Capital Programme on interest has now been reflected in the Commitment Budget. The Minimum Revenue Provision figure included in the Commitment Budget has also been reviewed using the latest capital projections and has been reduced by £0.243m.
- l) All Departments – Council Wide Support Services and Chief Executive Department restructures
The Commitment Budget now reflects the movement of budgets between departments following the implementation of these reviews. This has no impact on the overall budget.

8.3.2 The Executive are asked to confirm that there are no further budget proposals that they wish to change following the consultation period.

9 Other Budget Issues

9.1 Schools Budget

9.1.1 Whilst spending on the Schools Budget is generally funded by the ring fenced Dedicated Schools Grant (DSG), and therefore outside of the Council's funding responsibilities, councils retain a legal duty to set the overall level of the Schools Budget. In deciding the relevant amount, councils must plan to spend at least to the level of estimated DSG. The policy of the Council is to fund the Schools Budget up to the level of grant income plus any accumulated balances, with the Executive Member for Children, Young People and Learning responsible for agreeing individual service budgets.

9.1.2 As reported in December, following the latest national funding reforms, the DSG now comprises 4 funding Blocks (was 3), each with a separate and new calculation of funding; the Schools Block (SB); the Central School Services Block (CSSB, and the new funding block); the High Needs Block (HNB); and the Early Years Block (EYB). The SB and CSSB directly support mainstream schools and are generally delegated to governors. The HNB and EYB are centrally managed by LAs. The HNB supports pupils whose educational needs are above £10,000 with the EYB mainly funding the cost of the 30 hours a week free entitlement to childcare and early years education for working families.

9.1.3 To date, the DfE has confirmed SB funding at £67.494m with the CSSB at £1.041m. There is no update to the provisional estimates for the HNB at £14.70m and the EYB at £7.05m. Therefore, at this stage, total DSG income for 2018/19 is estimated at £90.285m.

9.1.4 In recommending the budget requirement next year for the SB, the Schools Forum has considered the best approach to take to fund the additional costs arising from supporting new schools as these are not recognised in the DfE funding settlement and would ordinarily need to be funded from a 'top slice' to the budgets of existing schools. As this pressure has been expected, an earmarked reserve has been created in the SB. In order to fully protect budgets for existing schools, the forum is recommending drawing down £0.394m from the New School Reserve. This will be actioned at the start of the year.

9.1.5 Setting the overall level of the Schools Budget and the operation of the funding formula that distributes the money to schools is a statutory council function. Agreeing how much is centrally managed is a decision for the Schools Forum. To meet these deadlines, council statutory decisions around the Schools Budget are delegated by the Full Executive to the Executive Member for Children, Young People and Learning. Recommendation 2.4 sets the parameters for the formal decision to be made that the Schools Budget is set at the level of grant received plus any accumulated balances, which ensures that there can be no impact on Council Taxpayers. The Executive Member also endorses the decisions of the Schools Forum when these are undertaken in its statutory decision making role.

9.2 Pensions

- 9.2.1 Accounting standards on the treatment of pension costs (IAS19) require the inclusion within the total cost of services of a charge that represents the economic benefits of pensions accrued by employees. To simplify the presentation of the budget proposals the IAS19 adjustment has not been incorporated at this stage, although it will be included in the supporting information to the Council meeting on 1 March. This will not impact upon the Council's net overall budget or the level of Council Tax.

9.3 Investments

- 9.3.1 Now that the Council is no longer debt-free and is reliant on external borrowing to fund its capital investments, returns on surplus cash are likely to remain relatively low during 2018/19 and beyond. As such, the impact of interest rates on borrowing rates are of greater significance to the Council. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. In its November 2017 meeting, the Monetary Policy Committee (MPC) raised rates for the first time in 10-years – by 0.25%, in effect reversing the stimulus rate-cut introduced following the Brexit vote.
- 9.3.3 The MPC in its latest Inflation Report made some obvious comments around the fact that the UK is going through a period of heightened uncertainty due, particularly, to the unknowns around how the Brexit negotiations will proceed and the likely effect on households and companies. As such there is a wide spread of potential outcomes during the next 18-24 months. There is, therefore, a likelihood of heightened volatility as events actually unfold.
- 9.3.4 The Council's own forecasts are cautious and in line with a subdued path for increases in Bank Rate; we do not currently see inflation posing a significant threat over the next three years. Our assumptions are based on a 0.25% increase in November 2018 to 0.75%, 1.0% in November 2019 and 1.25% in August 2020. This is much in line with market expectations. Long-term interest rates are at historical lows with 10-year and 25-year Public Works Loan Board rates in the region of 2.2% to 2.7%. Short-term maturities are in the region of 1.5% offering a much smaller cost of carry (this being the difference between the cost of borrowing and the potential re-investment rates). Given a mix of borrowing maturities, the average interest rate on borrowing assumed in the Council's 2018/19 revenue budget is 2.5%.
- 9.3.5 The 2018/19 Treasury Management Report attached as Annexe E re-affirms the strategy adopted by the Executive in December 2016 that governs the amount, duration and credit worthiness of institutions that the authority will place investments with during 2018/19. As such the Council will only place deposits with the most highly rated UK Banks and Building Societies, alongside the part-nationalised UK Banks, up to a limit of £7m and for a maximum period of 364 days (for part-nationalised UK Banks). Additionally the Council will be able to invest up to £7m with AAA Money Market Funds and other UK Local Authorities and an unlimited amount through the Government Debt Office Management Deposit Facility. The Annual Investment Strategy is shown in part (iv) of Annex E. Following the review by the Governance and Audit Committee on the 31 January 2018, the Treasury Management Strategy remains unchanged from that consulted on in December.
- 9.3.6 The Local Government Act 2003 introduced a revised framework for capital expenditure and financing, underpinned by CIPFA's Prudential Code for Capital Finance in Local Authorities. The Code requires the Council to set a number of prudential indicators and limits relating to affordability, capital investment and treasury management. These take account of the Commercial Property Investment Strategy agreed by the Executive on 15 November 2016 and additional funding

approved by Council on 29 November 2017. They are included at Annexe E (i) and within the Treasury Management Strategy Statement at Annexe E (iii).

- 9.3.7 The capital programme is being considered separately on tonight's agenda and proposes Council funded capital expenditure of £40.741m (including £30m already approved for commercial property purchases) and an externally funded programme of £17.330m in 2018/19. After allowing for projected receipts of approximately £9.8m in 2018/19 and carry forwards, the additional revenue costs will be £0.040m in 2018/19 (as per the draft proposals) and £0.291m in 2019/20. These figures include on-going costs associated with the maintenance and support of IT capital purchases. Costs will need to be revised at the meeting if the Executive decides on a different level of capital spending.
- 9.3.8 The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision or MRP), although it is also allowed to undertake additional voluntary payments. The regulations issued by the Department for Communities and Local Government (DHCLG) require full Council to approve an MRP Policy in advance of each year. The Council is therefore recommended to approve the MRP Policy set out in Annexe E (ii) to the Treasury Management Strategy. The MRP policy has been drawn up to ensure the Council makes prudent provision for the repayment of borrowings (in accordance with the Regulations) and at the same time minimises the impact on the Council's revenue budget. The annuity method is used to calculate the annual charge where this is based on the life of the asset. The MRP policy is unchanged from that adopted last year, was reviewed by the Governance and Audit Committee at its meeting on 31 January 2018 and no further changes were proposed.
- 9.3.9 As capital expenditure is incurred which cannot be immediately financed through capital receipts or grant, the Council's borrowing need (its Capital Financing Requirement) and its MRP will increase. The Council also needs to make a charge to revenue for "internal borrowing".
- 9.3.10 The draft budget proposals included an estimate of £2.059m for the Minimum Revenue Provision required to be made in 2018/19. This figure has been reviewed based on the latest capital projections and has been reduced by £0.243m to £1.816m. The actual charge made in 2018/19 will be based on applying the approved MRP policy to the 2017/18 actual capital expenditure and funding decisions.
- 9.4 Capital Charges
- 9.4.1 Capital charges are made to service departments in respect of the assets used in providing services and are equivalent to a charge for depreciation. The depreciation charges are included in the base budget figures and are important as they represent the opportunity cost to the Council of owning non-current assets. They must therefore be considered as part of the overall cost of service delivery, particularly when comparisons are made with other organisations. It is also important that these costs should be recognised when setting the level of fees and charges.
- 9.4.2 Capital charges do, however, represent accounting entries and not cash expenditure. The Council is therefore able to reverse the impact of these charges "below the line", i.e. outside service department costs, thereby reducing the net revenue budget whilst not directly affecting the overall cost of each individual service. This means that the charges do not affect the level of Council Tax. The capital charges in 2018/19 total £14.560m which is a decrease of £4.393m compared to the current year. Last year's budget assumed infrastructure assets would move to being valued on a depreciated

replacement cost basis rather than a depreciated historic cost basis which significantly increased the depreciation figures. This change in valuation basis has been postponed indefinitely and is the primary reason for the decrease in 2018/19. There will be no impact on the charge to the General Fund which is based on the MRP not depreciation.

- 9.4.3 Changes to capital charges do affect internal services recharges (see below). Changes to these have not been incorporated into the budget proposals in this report at this stage, although they will be included in the supporting information to the Council meeting on 28 February.

9.5 Internal Services Recharges

- 9.5.1 Members' decisions on the capital programme may affect capital charges and this will determine the overall cost of services in 2018/19. Due to their corporate nature, some services do not relate to a single service department, e.g. finance, IT, building surveyors, health and safety advisers etc. The budgets for these services are changed only by the specific proposals impacting on the departments responsible for providing them (mainly Resources). However, all such costs must be charged to the services that receive support from them.

- 9.5.2 The impact of changes in recharges for internal services is entirely neutral across the Council as a whole, since the associated budgets are also transferred to the services receiving them. The overall level of recharges is dependent upon the Executive's budget proposals being approved.

10 Statement by the Borough Treasurer

- 10.1 Under the Local Government Act 2003, the Borough Treasurer (as the Council's Section 151 Officer) must report to Members each year at the time they are considering the budget and Council Tax on:

- a) The robustness of estimates; and
- b) The adequacy of reserves.

In addition, CIPFA guidance on Local Authority Reserves and Balances states that a statement reporting on the annual review of earmarked reserves should be made to Council at the same time as the budget. The statement should list the various earmarked reserves, the purpose for which they are held and provide advice on the appropriate level.

Robustness of estimates

- 10.2 The annual statement on the robustness of the estimates formalises the detailed risk assessments that are undertaken throughout the year and which are a standard part of the budget preparations and are included in the Council's Strategic Risk Register.

This identifies a number of key risk areas including:

- financial and economic factors, in particular the need to maintain services whilst achieving significant savings including those from the transformation programme;
- staffing and the need to recruit, train and retain staff with the relevant skills and expertise;

- the impact of the national and global economy on economic activity in the Borough including potential for businesses to relocate following Brexit and other international decisions;
- providing local school places for local children and the consequences if provision is not correct;
- the impact of demand led services and the need to plan for and respond to future changes;
- sustaining adult social care services as external providers withdraw from the market;
- effective safeguarding of children and vulnerable adults;
- IT infrastructure availability and suitability, compliance, information accuracy and the threat of cyber attacks;
- potential for personal sensitive data to be misused or stolen in particular as a result of changing IT controls to meet business needs;
- the need to monitor and control the implementation of the Binfield Learning Village project to ensure delivery on time and within budget.

The budget includes resources sufficient to enable the Council to monitor these key risks and where possible to minimise their effects on services in accordance with the strategic risk action plans. Specific risk reduction measures that are in place include the following:

- **Budget Setting Process**
 - Production and regular monitoring of a robust medium-term financial strategy.
 - Regular analysis of budgets to identify legislative, demographic, essential and desirable service pressures / enhancements.
 - Detailed consideration of budgets by officers and Members to identify potential budget proposals.
 - Robust scrutiny of budget proposals prior to final agreement.
 - Ensuring adequacy and appropriateness of earmarked reserves.
- **Budget Monitoring**
 - Robust system of budgetary control with regular reporting to the Corporate Management Team (CMT) and through the Quarterly Service Reports (QSRs) to Members.
 - Exception reports to the Executive.
 - Regular review of the Councils' budget monitoring arrangements by both internal and external audit to ensure they remain fit for purpose.
 - Taking corrective action where necessary during the year to ensure the budget is delivered.
 - Specific regular review by Business Partners of particularly volatile budget areas.

10.3 The Borough Treasurer receives regular updates from Business Partners on the largest and most volatile budget areas which could place the overall budget most at risk and makes arrangements to report these through the regular monthly budget monitoring process. The most significant risks in the 2018/19 budget have been identified as the following:

- **Demographics** – the number of “demand” led adult and child client placements, the rising cost and numbers of looked after children, increasing support pressures resulting from people living longer, the impact of new housing developments and changing service provision of social care encouraging people to seek support;

- **Income** - specifically in Planning and Building Control Fees, Car Parks, Commercial Property, Land Charges and Continuing Health Care funding. Significant income streams are reliant on customer demand and physical infrastructure remaining operational, placing a heavy reliance on planned and reactive maintenance being adequate;
- **Major schemes / initiatives** – progress with the Town Centre redevelopment, Waste Management PFI, major school redevelopment proposals (Binfield Learning Village in particular) and the implementation of savings proposals in particular the significant savings arising from the Transformation Programme;
- **Inflation** – the provision is based on estimates of inflationary pressures at the current time;
- **Treasury Management** – return on investments is affected by cash flow and the level of the Bank rate. There is also a high degree of uncertainty around the timing at which the Council will commence borrowing;
- **Uninsured losses** – the Council's insurances cover foreseeable risks. However, some risks are uninsurable, including former County Council self-insured liabilities and mandatory excesses;
- **Contractual Issues** – disputes, contract inflation (in particular rates for care providers which are increasing due to rising demand and reducing supply) and renewal of major contracts:
- **Legislative Changes** – for example, the transference of risks resulting from the retention of Business Rates by councils and the localisation of Council Tax support, the introduction of the Better Care Fund and its impact on funding and the way services will be delivered in the future, the implementation of responsibilities under the Care Act 2014 and Children and Families Act 2014, and the transition to universal credit;
- **Independent external providers** – changes in provision by independent service providers may result in increased costs to the Council;
- **Service interdependencies** – the potential impact of service reductions in one area on the demand for other services provided by the Council;
- **External inspections** – improvements identified through external inspection;
- **Safeguarding** – failure to adequately safeguard vulnerable people could result in cost pressures.
- **Schools Budget** – the impact of schools becoming academies on school support services, income generated from selling services and grant income that is calculated on the basis of the number of maintained schools and pupils within.

10.4 The probability of some of the above risks occurring is high. However it is unlikely that all will occur at the same time, with the exception of demand pressures in Children's and Adults' Social Care services which are increasing both locally and nationally. The measures in place, set out in paragraph 10.2, lead the Borough Treasurer and CMT to conclude that the budget proposals have been developed in a sound framework and are therefore robust. However, it needs to be recognised that not all adverse financial issues can be foreseen looking almost fifteen months ahead, e.g. the impact of changes in demand led services or severe weather conditions. It is therefore prudent to include, as in previous years, a contingency sum within the budget proposals.

Contingency

10.5 In setting the budget for 2017/18, the level of general contingency was increased to £2.000m. Within the draft budget proposals for 2018/19 the Contingency was increased to £2.500m, although it was recognised that this would need to be reviewed.

Unrestricted

- 10.6 The Borough Treasurer, Chief Executive and CMT have reflected upon 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. In this respect, while the Transformation Programme is currently broadly on track, it is not possible to state with absolute confidence at this time that the full level of target savings will be achieved through these complex reviews, in the timescales originally envisaged.
- 10.7 Given the overall level of risk from both spending pressures and significant savings, a one-off increase in the contingency to £2.500m is felt to be appropriate for 2018/19. This figure includes an earmarked sum of £0.700m to cover a specific known risk in Adult Social Care, over which clarity is expected to be received during the year.

Earmarked Reserves

- 10.8 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 had £19.095m in Earmarked Reserves at the start of 2017/18 which were approved by the Governance and Audit Committee in July 2017. The Borough Treasurer has undertaken a review of existing earmarked reserves and Annexe F sets out each reserve considered. The Borough Treasurer will review again the earmarked reserves in light of the changing risks facing the Council as part of the 2017/18 closedown process and any changes will be presented to the Executive and the Governance and Audit Committee as part of the closure of the accounts.

11 Net Revenue Budget

- 11.1 Table 3 summarises the budget changes for each Department, assuming that all items outlined above and detailed in Annexes A to F are agreed, but before changes to capital charges, pension costs and internal services recharges are incorporated within service department budgets.

Table 3: summary of budget changes

	Inflation (Section 8.2)	Revisions to draft budget proposals (Sections 6.3 and 8.3)	Changes to Specific Grants (Section 6.2)	Total Changes Identified
	£'000	£'000	£'000	£'000
Adult Social Care, Health and Housing	801	-1,212	36	-375
Children, Young People and Learning (excluding schools)	451	-249	0	202
Environment, Culture & Communities	655	-235	0	420
Resources / Chief Executive's	390	2,099	0	2,489
Non Departmental / Council Wide	-1,375	2,568	97	1,290
TOTAL	922	2,971	133	4,026

These figures are added to the draft proposals to produce a final budget proposal for each department. This is summarised in Table 4.

Table 4: Draft Budget Proposal 2018/19

Department	2018/19 Draft Proposals (Table 1)	Changes Identified (Table 3)	Revised Budget Proposals
	£'000	£'000	£'000
Adult Social Care, Health and Housing	35,558	-375	35,183
Children, Young People and Learning (excluding schools)	27,783	202	27,985
Environment, Culture & Communities	32,821	420	33,241
Resources / Chief Executive's	4,498	2,489	6,987
Non Departmental / Council Wide	-21,062	1,290	-19,772
Total	79,598	4,026	83,624

11.2 The Net Revenue Budget in 2018/19 if the Executive agreed all of these proposals would be £83.624m before allowing for additional interest resulting from the use of balances. This compares with income of -£77.899m from Business Rates baseline funding (-£20.636m), the Collection Fund – Council Tax surplus (-£0.115m), the Collection Fund – Business Rates surplus (-£3.045m) and Council Tax at the 2017/18 level (-£54.103m). The Net Revenue Budget is therefore £5.725m above the level of income for 2018/19.

12 Funding the Budget Proposals

12.1 Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:

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

12.2 Council Tax Increase

12.2.1 Each 1% increase in Council Tax in 2018/19 will generate approximately -£0.541m of additional revenue towards the budget gap. The maximum amount the Council could increase Council Tax by is 5.99%; a general increase of 2.99% plus a further 3% increase to support Social Care pressures.

12.3 Use of Balances

12.3.1 The Council needs to maintain reserves to aid cash flow and to protect itself from fluctuations in actual expenditure and income. An allowance for cash flow is reasonably easy to calculate. However, an allowance for variations against planned expenditure is more difficult.

12.3.2 In deciding the level of any contribution from balances, the Executive will wish to have regard to the level of balances available. The Council's General Fund balance at the start of 2018/19 is expected to be £8.5m. This is made up as follows:

Table 5: General Balances as at 31 March 2018

General Fund as at 01 April 2017	£m 11.1
Planned use in 2017/18	(2.6)
TOTAL Estimated General Balances	<u>8.5</u>

12.3.3 The Council has for many years planned on maintaining a minimum prudential balance of £4m, which indicates that a sum of up to £4.5m is potentially available for use. However, given that these resources are one-off, it is important when considering the use of reserves to not only consider the current year's budget but also future years' pressures.

13 Preceptors' Requirements

13.1 On the 2 February 2018 the Thames Valley Police and Crime Panel met to determine the 2018/19 budget for the Thames Valley Police and Crime Commissioner (TVPCC). The tax for a Band D property for the TVPCC will increase by 7.0% to £182.28 in 2018/19. The Royal Berkshire Fire Authority (RBFA) will not determine its budget and precept for 2018/19 until 27 February. The tax for a Band D property for RBFA in 2017/18 was £62.49. The Parish Councils have yet to set their precepts for 2018/19. These totalled £3.157m in 2017/18 with an average tax of £70.83 for a Band D property. The Parish Council, Police and RBFA precepts will be reported to the Council meeting on 28 February 2018.

14 Summary of Matters for Decision

14.1 Annexe G outlines the Council's Council Tax Requirement based on the draft budget proposals. The outcome of the Executive's deliberations will be recommended to the Council meeting on 28 February regarding the budget and Council Tax level for 2018/19. These will be incorporated in the formal Council Tax resolution required by the Local Government Finance Act 1992 as amended. However, the following matters need to be determined at this stage in order to allow the Executive to recommend a budget to the Council for 2018/19:

- (a) confirmation of the draft budget proposals, taking account of issues raised during the consultation period and revisions identified to reflect current information (sections 6.2, 6.3, 6.5, 8.2 and 8.3), set out in detail in Annexes A and D;
- (b) confirmation of the impact of changes in investment rates on the budget (section 9.3);
- (c) the level of the corporate contingency (section 10.7);
- (d) the level of Council Tax increase (section 12.2);
- (e) subject to (a) to (d) above and decisions considered elsewhere on the agenda, to determine the appropriate level of revenue reserves to be retained and the consequent use of balances to support the budget in 2018/19 (section 12.3).

14.2 As outlined above, dependent upon the decisions made by the Executive concerning these issues, it may be necessary to adjourn the meeting to enable officers to calculate the appropriate figures to include in the recommendations.

- 14.3 A detailed budget book will be prepared during March exemplifying the budget at the level of detail required to support the scheme of virement. This will be made available to all members.

15 Budget Monitoring - Virement requests

- 15.1 A virement is the transfer of resources between two budgets but it does not increase the overall budget approved by the Council. Financial Regulations require formal approval by the Executive of any virement between £0.050m and £0.100m and of virements between departments of any amount. Full Council approval is required for virements over £0.100m. A number of virements have been made since the December Executive meeting which require the approval of the Executive. These have been previously reported to the Corporate Management Team who recommends them to the Executive and the Council for approval. They have been included in the Quarterly Service Reports. Details of the virements are set out in Annexe H.

16 **ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

- 16.1 In carrying out all of its functions, including the setting of the budget, the Council must comply with the Public Sector Equality Duty set out in the Equality Act 2010. That duty requires the Council to have due regard to the need to:-
- a) eliminate discrimination , harassment, victimisation and any other conduct that is prohibited by the Act;
 - b) advance equality of opportunity between persons who share a "relevant protected characteristic" and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

"Relevant protected characteristics" are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation. As to (b) above due regard has to be had in particular to the need to:-

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The Equality Impact Assessments annexed to this report have been prepared in order to assist the Council to meet the Equality Duty in considering the budget.

Borough Treasurer

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

Equalities Impact Assessment

- 16.3 The Council's budget proposals impact on a wide range of services. A detailed consultation was undertaken on the draft budget proposals published in December to provide individuals and groups the opportunity to provide comments.
- 16.4 Equality impact assessments are attached at Annexe I.

Strategic Risk Management Issues

- 16.5 The Borough Treasurer's Statement in Section 10 sets out the key risks facing the Council's budget and the arrangements in place to manage these risks, including maintaining an appropriate level of reserves and contingency.

17 CONSULTATION

- 17.1 Details of the consultation process and responses received are included in section 8.1.

Contacts for further information

Timothy Wheadon – 01344 355609
timothy.wheadon@bracknell-forest.gov.uk

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

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

Commitment Budget excluding Transformation Savings 2018/19 to 2020/21

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Adult Social Care, Health and Housing				
Approved Budget	31,673	31,380	30,697	31,212
Support to former Independent Living Fund recipients			8	
Review of Personal Assistants		-30		
Adult Social Care Support Grant		363		
Additional funding for Adult Social Care		-1,016	507	509
Net Inter Departmental Virements	-293			
Adult Social Care and Health Adjusted Budget	31,380	30,697	31,212	31,721
Children, Young People and Learning				
Approved Budget	17,723	16,600	16,938	16,998
Suitability surveys		20	-20	
Schools Music Festival		-10	10	-10
Education Services Grant (ESG)		401		
Capital Invest to Save 2017/18 - Supported Housing (Holly House)		-43		
School Improvement Service			70	
Review of Personal Assistants		-30		
Net Inter Departmental Virements	-1,123			
Children, Young People and Learning Adjusted Budget	16,600	16,938	16,998	16,988
Environment, Culture and Communities				
Approved Budget	21,032	20,291	19,673	19,526
Waste Disposal PFI		45	16	10
Capital Invest to Save 2006/07 - Easthampstead Park		-1		
Car Parking income		-35		
Capital Invest to Save 2015/16 - Street Lighting LED			-98	
Capital Invest to Save 2016/17 - Additional Chapel at Easthampstead Cemetery and Crematorium		-17	-65	
Town Centre infrastructure maintenance		27		
Savings approved by Council on 13 July 2016		90		
Coral Reef - additional income		-600		
Street Cleansing		20		
Review of Personal Assistants		-30		
Waste Recycling		-117		
Net Inter Departmental Virements	-741			
Environment, Culture and Communities Adjusted Budget	20,291	19,673	19,526	19,536
Resources				
Approved Budget	13,554	13,471	13,491	13,585
Borough Elections			123	
Residents Survey		29	-29	
Revenue impact of 2017/18 Capital Programme - ICT costs		69		
Review of Personal Assistants		-78		
Net Inter Departmental Virements	-83			
Resources Adjusted Budget	13,471	13,491	13,585	13,585
Total Service Departments	81,742	80,799	81,321	81,830
Non Departmental / Council Wide				
Approved Budget	4,359	6,599	8,609	9,289
Minimum Revenue Provision		266	275	129
Increase in employers Pension Fund contributions		330	330	330
Interest on External Borrowing		779	12	
Transition Grant		914		
Town Centre Business Rates Growth		-750		
2017/18 Capital Programme (Full Year Effect) - Interest		405		
2017/18 Use of Balances (Full Year Effect) - Interest		26		
2018/19 Capital Programme - Interest		40	24	
Revenue impact of 2018/19 Capital Programme - ICT costs			39	
Net Inter Departmental Virements	2,240			
Non Departmental / Council Wide Adjusted Budget	6,599	8,609	9,289	9,748
TOTAL BUDGET	88,341	89,408	90,610	91,578
Change in commitment budget		1,067	1,202	968

Commitment Budget - Transformation Savings 2018/19 to 2020/21

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Adult Social Care, Health and Housing*				
Transformation		-1,800	-1,700	TBA
Adult Social Care and Health Total	0	-1,800	-1,700	0
Children, Young People and Learning				
Transformation		-1,180	-640	TBA
Children, Young People and Learning Total	0	-1,180	-640	0
Environment, Culture and Communities				
South Hill Park	-100	-25	-75	
Library review	-250	-120	-30	
Leisure Services Review	-300	-600		
Car Parking income	-225	-387	-162	
Easthampstead Park Conference Centre		-131	-44	
Public Transport Subsidy			-200	-400
Planning and Development Control		-200		
Parks and Open Spaces		-200	-200	
Environment, Culture and Communities Total	-875	-1,663	-711	-400
Resources				
Council Wide Support Services	-500	-311		
Easthampstead House		-300	-100	
Resources Total	-500	-611	-100	0
Non Departmental / Council Wide				
Commercial Property Investment Strategy	-1,000	-1,000	-1,000	
Council Wide Support Services - Business Intelligence		-29	-18	
Non Departmental / Council Wide Total	-1,000	-1,029	-1,018	0
TOTAL TRANSFORMATION PROGRAMME SAVINGS	-2,375	-6,283	-4,169	-400
Overall Change in Commitment Budget		-5,216	-2,967	568
Total Budget including Transformation Savings		83,125	80,158	80,726

* previous savings have been negated by the significant pressure built into 2018/19

For management purposes budgets are controlled on a cash basis. The following figures which are used for public reports represent the cost of services including recharges and capital charges:

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Adult Social Care and Health	35,582	33,099	31,914	32,423
Children, Young People and Learning	26,981	26,139	25,559	25,549
Environment, Culture & Communities	35,087	32,806	31,948	31,558
Resources	7,063	6,472	6,466	6,466
Non Departmental/Council Wide	-16,372	-15,391	-15,729	-15,270
	88,341	83,125	80,158	80,726

- Inter committee

Movements

Adult Social Care, Health and Housing	-2,483	-1,185	509
Children, Young People and Learning	-842	-580	-10
Environment, Culture & Communities	-2,281	-858	-390
Resources	-591	-6	0
Non Departmental/Council Wide	981	-338	459
	-5,216	-2,967	568

**MINUTE EXTRACTS OF OVERVIEW AND SCRUTINY COMMISSION AND PANELS
CONCERNING THE 2018/19 BUDGET CONSULTATION**

**Environment, Culture and Communities Overview and Scrutiny Panel meeting held on
9 January 2018**

183. 2018/19 Draft Budget Proposals

The Panel was invited to consider its response to the Executive's draft budget proposals for 2018/19. It was being consulted as part of the statutory consultation process which would conclude on 30 January 2018, after which it would consider the outcome of the consultation exercise at its meeting on 13 February 2018, before recommending the budget to Council.

Arising from questions and discussion the following points were made:

- Percentage increases were based on market pricing whilst ensuring residents could access services. As a guide most services were raised in line with RPI.
- Concerns were raised about a particularly high increase in the cost of applying for a Street Café and it was noted that prices had been suppressed whilst the Lexicon was being built to encourage new traders and prices now reflected the more prosperous town centre
- Increase in Sports Hire were a reflection of other local authorities cost for similar facilities and followed the councils policy to view competitor's pricing.
- For buildings with a size of over 100,000sqm, it was confirmed that the cost package would be bespoke.
- The affects of China no longer taking aluminium and plastics would have a minimal effect on addressing waste and recycling in the Borough.
- Traffic Survey data was being sold to third party consultants for commercial use and it was questioned whether the price could be increased.
- A range of feedback had been received from members of the public regarding the new LED lights and it was confirmed there would be enough budget to look at individual areas and make adjustments where necessary.
- Steve Loudoun would report back on the costs and capital gains as a result of the new LED lighting installed.
- The delivery of housing by Surrey Heath had been slower than anticipated which meant their requirement for SANG was also reduced. It was confirmed that the land could be returned to BFC for SANG use but was currently not needed.
- Steve Loudoun would report back on why there was 64.4% increase in cost to use the memorial chapel at the Crematorium
- The events charging policy at local libraries was as per council policy so a surplus would be made to cover both the speaker and additional money towards running costs.
- Concerns were raised about the increase in cost for the residents parking scheme as some residents struggled to afford the cost of the permits and consequently were parking just outside the permit zone. It was noted the full cost of the scheme was currently not being covered. Steve Loudoun would confirm what the cost would be to make it cost neutral.
- Concerns were raised about whether the cost savings proposed in the budget would impact services provided by the Council and it was confirmed that the savings were believed to be genuine efficiencies which may increase some risks but would not impact services.

Children, Young People and Learning Overview and Scrutiny Panel meeting held on 10 January 2018

88. 2018/19 Draft Budget Proposals

The Director of Children, Young People and Learning presented the Draft Budget Proposals for 2018/19 for Children, Young People and Learning.

It was noted that any specific financial questions from Members would be directed to the Finance Business Partner for Children, Young People and Learning.

Arising from discussion, the following points were noted:

- It was clarified that provision for inflation and pay awards would come out of the schools budget.
- Clarity was requested around paragraph 8.13 and 8.14 in the report regarding reduction in schools budget. The Director commented that no school in Bracknell Forest was in a detrimental budget situation, rather there were some schools which would gain more than others. The central government agreed national funding formula for schools put a cap on the amount to be passed to schools over a 2 year implementation period. Members requested that this message be clarified before being publicised to schools and through the budget.
- The revenue funding values from Pupil Premium and Free School Meals grants was not yet known for 2018/19. It was anticipated that other demands on school budgets such as pay awards to teaching staff may not be included in the grant allocation.
- Members recognised the potential impact of having a change of Minister for Education in central government.
- It was clarified that the Local Authority would be supporting all schools to ensure their budget was used to best effect.
- Following the withdrawal of the Educational Services grant, the Schools Forum had agreed to contribute £20 per child to fund Educational Services going forward.
- Although the timescale to respond to the settlement seemed short to Members, the Director gave reassurance that Governing Bodies had seen the information in draft form before the settlement was formally released on 16 December 2017.
- The outcomes for other Local Authorities were not known, however it was understood that the London boroughs and large County Councils had not benefitted from the new formula.
- Members were reassured that the Elevate programme would remain in Bracknell Forest, however the mechanics of delivery would change to meet the demand of online services rather than a shop front in Princess Square.
- Statutory education psychology on the recommendation of a school would continue to be funded by the Local Authority, but parents who requested an education psychologist assessment would now be charged.
- It was clarified that if CAMHS or another Health service referred a child to Education Services, they should describe the necessary outcome rather than prescribing a service such as Education Psychology.
- It was requested that Members' concern be noted regarding the figures in the Capital Programme bids, as it was felt that these were too costly.

Health Overview and Scrutiny Panel meeting held on 11 January 2018

31. 2018/19 Draft Budget Proposals

The Panel noted that the Executive had agreed the Council's draft budget proposals for 2018/19 as the basis for consultation with the O&S Commission, O&S Panels and other interested parties. The detailed figures were of little relevance to the Panel as the Public Health grant was almost entirely funded from ring-fenced specific grant.

The Borough Treasurer's report indicated that the Public Health Grant in 2017/18 was £4,157,000 and the Panel was informed that although the allocation for 2018/19 was likely to be around 2.5% lower, it would be possible for the Council to work within a slightly lower Public Health budget. The Panel noted the report and reserved comment in the absence of any further detail on the 2018/19 budget.

Adult Social Care and Housing Overview and Scrutiny Panel meeting held on 16 January 2018

78. 2018/19 Draft Budget Proposals

The Panel noted that the Executive had agreed the Council's draft budget proposals for 2018/19 as the basis for consultation with the O&S Commission, O&S Panels and other interested parties. Extracts from the 2018/19 Revenue Budget and Capital Programme reports of relevance to the Panel had been circulated to assist members to frame questions and any comments on the draft budget proposals.

The Panel noted the Service Pressures/Development for Adult Social Care, Health and Housing totalling £2,633k arising mainly from current levels of demand and legislation changes. However, there were also a number of offsetting savings that had been identified, which together with the substantial Transformation Programme savings shown in the commitment budget, would enable the Council to set a manageable budget for the year ahead.

Arising from comments and questions the Panel noted:

- There was a risk that now that the Government had placed the responsibility for social care with the Secretary of State for Health, changes could follow which would adversely affect the Better Care Fund Allocation.
- The new conversations model for care assessors together with other initiatives, including a greater involvement with the voluntary sector, had enabled substantial transformation savings to be built into the commitment budget in both 2018/19 and 2019/20 which were considered to be sustainable.
- The pressure arising from the high cost of the transfer of care packages from Children's to Adult was due to high cost family expectations, particularly around the education element of the package. In the longer term the Transformation Programme was due to look at ways the cost of these packages could be managed more effectively.
- The saving of £27k in rent for the Waymead premises since this would no longer be used. Alternative more suitable premises would be found to continue to provide respite care.
- A small increase in the fee for making arrangements to find an alternative placement for people (funding their own care) whose care provider had failed. The cost of the care remained with the individual.
- The Capital Programme contained provision to increase the loan to Downshire Homes Ltd (DHL) to purchase 25 properties for homeless households and 5 properties for households with learning disabilities. A review of the governance arrangements for DHL was due to take place.

The Director was asked to circulate to members further information /explanation on the following:

- The provision of £8k in the commitment budget for 2019/20 for support to former Independent Living Fund recipients.
- Clarification about the Council owned properties in Reading, Blackwater Valley and East Thames Valley used for homeless families.

Overview and Scrutiny Commission – 25 January 2018

42. The Council's Budget Consultation

Councillor Virgo had declared an affected interest in the item as he was an independent board member of South Hill Park Trust.

The Commission considered a report that set out draft budget proposals for 2018/19. It was reported that the Executive would be considering all representations made at its meeting on 13 February 2018, before recommending the budget to Council.

The Borough Treasurer updated the Commission and made the following points:

- The draft budget proposals for 2018/19 had been agreed by the Executive at its meeting on the 19 December 2017, before the Government had released details on the provisional settlement. The Secretary of State had listened to local government concerns about Children's Services pressures and had given flexibility for local Council's to increase Council Tax by an additional 1% above the 3% general increase and 2% increase for Adult Social Care pressures. This meant a possible 6% increase.
- Overview and Scrutiny's contribution to the consultation process was a key element in the budget setting process.
- No changes had been announced to the New Homes Bonus.
- The Berkshire bid to participate in a business rates pilot has been accepted with Bracknell Forest acting as the lead Council. This was good news as additional funding would be available.
- In order to respond to the pressures in Children, Young People and Learning and Adult Social Care there was a reliance on the delivery of transformation projects.
- In 2018/19 there was a modest capital budget under £9million and there would be no need for additional borrowing and no new capital demands.

The Director of Corporate Services reported that within her directorate there were pressures which underpinned the ability to transform and to keep up with legislative changes. The proposed savings were genuine efficiency savings generated by shifts in operations such as savings related to working in the Microsoft environment.

The Members noted the supplementary report which included the relevant budget minute extract from each Panel meeting.

Concerns were raised about the implementation of the £35k saving proposal to provide all agendas electronically. The Commission queried the details of when the decision was made, who by, together with what consultation had taken place with Members. The Director of Resources explained that this proposal was in response to the Council's difficult financial situation and reflected the whole Council's approach to reducing paper. It was explained that relevant IT kit, support and training would be provided so that Members could use the Mod.Gov application to access information and ensure that all Members were confident in using electronic screens. It was confirmed that adaptations would be made to respond to individual's needs. The Director stated that it had been recognised that some reports would require printing and examples were discussed such as the Local Plan, site visits, budget papers. It was confirmed that some paper copies would be available for public meetings however these would be the rarity. In response to concerns around difficulties using the software it was acknowledged that it would take time to learn this new skill and Members would have the option to print their own copy at their own cost as required. It was suggested that this would restrict the number of people who would stand as candidates but surveys had

shown that the local population as a whole were more digitally enabled and the Residents Survey had indicated a growing request for more digitised communication by Bracknell Forest residents. Residents expected their council to be as cost effective as it could. It was suggested that the structure of reports should be reviewed as it was challenging to find vital information in the existing report format. The Vice Chairman asked for clarity on the statutory requirements on the Council for supporting members in this respect. The Chairman concluded that there was deep unease about the implementation of this proposal and concerns would be raised outside of the meeting.

In response to the Members' questions, the following points were made:

- In relation to investments and borrowing the Council would take a mix of borrowing maturities as the best value was being offered on long-term borrowing maturities of 40 to 50 years but needed to create a balanced portfolio to be able to respond to changing markets.
- The additional 1% pressure in relation to the pay award for staff was due to the offer made to Unions being 1% above the assumed 1%.
- The Schools section of the budget paper had been rewritten in response to comments at the CYPLO&S Panel meeting as members had found the wording very confusing.

The Chairman revisited the concerns raised at the ECC O&S Panel about the increases to fees and charges in some areas but a lack of increase in others. The hourly rate of £55 for professional planning fees was highlighted as a concern as this was considered to be too low for a commercial charge and there was a risk that the Council was subsidising third parties who would pass this on as a recharge. It was explained that the cost of services would be covered and that legally the Council could not deliberately raise charges to make a profit. However the Borough Treasurer agreed to look at this again and report back on how the rate was assessed and what factors were taken into account.

It was raised that there had been a significant number of queries at each of the Panel meetings, there had been no budget papers relating to Health and Members were disappointed that officers attending the meetings had been unable to answer the detailed questions.

Councillor Virgo sought clarification on the length of the grant settlement to be offered to South Hill Park as the Activist report had recommended a three year agreement. The Borough Treasurer advised that South Hill Park Trust had indicated that they would not be able to deliver the grant reduction target and they would be working towards a two year agreement.

In relation to the proposed fees and charges for the Appeals Service offered by Democratic Services it was queried whether the fees covered the cost of delivering the service. It was explained that these fees were introduced to respond to Academy and Voluntary Aided Schools requesting this service and had been calculated based on recent experience. It was queried whether higher charges would prohibit the appeals process. The Chairman requested further information on how the Appeals Service charging was assessed.

The £7k proposed saving on staff benefits related to the ceasing of free Sports Centre membership which was taken up by 200 members of staff, 100 of which are in schools, but would be money leaving the organisation once the Sports Centre was outsourced.

The Chairman reiterated concerns regarding the performance targets being reached in relation to transformation savings for both Children, Young People and Learning and Adult

Social Care, Health and Housing but the Borough Treasurer reassured Members present that close monitoring was in place to ensure that this would be delivered.

The Commission endorsed the comments made in the minute extracts from Overview & Scrutiny Panels and would incorporate these into the overall feedback.

Response to Budget Consultation from Mary Temperton on behalf of the Labour Party

As in the past few years, the budget is dominated by the complete withdrawal of the Revenue Support grant by 2020, resulting in an 80% reduction in Government funding for Bracknell Forest.

£20m needs to be saved over the next two years despite £80m having already been saved by this Council to date. Obviously, as with every other Council, these huge sums can no longer be found by efficiency savings. I acknowledge that every department has been reviewed to find alternative ways of working and this essential 'transformation programme' is saving money-reflected in the £6.417m reduction in the Council's commitment budget.

The actual settlement figure is not included in the consultation papers but I understand this was as expected from the 'four year Financial Settlement' signed in 2015 – an expected reduction of £2.6m for 2018/19. The fact that fewer houses than predicted have been completed in Bracknell Forest must also affect the New Homes bonus. A reduction of £1.9m has been predicted, but the latest figure is again not included in the budget papers.

It is difficult to make an informed response to this consultation without all the actual figures. Inclusion of the value of additional grants received and all those withdrawn do enable this response to be made, however.

Capital Programme:

I support all schemes that result in more 'affordable' homes being made available. The cash Incentive Scheme seems to do this, but by an unusual route. The £8m for Downshire Homes for 25 properties for homeless households and 5 for households with learning difficulties to add to its existing 22 is welcomed. The papers do suggest a trading surplus should now be shown, as two years has passed. Where is this shown? If this is not the case, why is this information given? More information should have been given to explain the £233K needed to bail out Stonewater to enable the provision of 36 'affordable' units to be secured; although I appreciate that this is at no cost to Bracknell Forest residents.

The Council received £9m in the Basic Needs grant from central government to support the Schools investment programme last year, and £6m the year before. The total withdrawal of this grant must affect investment in our schools and only three are benefitting substantially. Another specific grant supports the Binfield learning village. Easthampstead Park Community School is one school I would have urged needs some investment.

The £100K allocated for Off Street Parking is welcomed but will never be enough to satisfy the needs of the residents. Parking on most of the estate roads is now chock-a-block, with residents being unable to leave their homes in the evenings because they have no-where to park on their return. Many park on the grass verges and these are being churned and destroyed. As the Council will not take action against such parking, I suggest that this money be used to put meshing down on the grass verges across the borough; enabling parking but preventing our estates becoming 'Somme-like'.

All the Parish and Town councils have been invited to consider taking over responsibility for Play areas in their localities. I know that the response from Bracknell Town Council was positive. Since the discussion, nothing has been progressed. I suggest this be acted on.

I fully support the £30K Upgrade in Play Area and Exhibits at the Look Out. This is an excellent provision and the update is needed to ensure it retains the interest of all its regular users.

Parking here is always difficult and the suggestion to increase provision and protect the area is welcomed. The suggested fees of £4.10 will not be popular, not because of its price hike, but because finding the odd 10p will be a pain (this applies to the other odd bits too). In contrast, the 0-4 hours fee has been kept at a sensible £2.00.

The provision of a new Harmanswater Library is greatly welcomed. £298k is included as extra funding from the council, but with Invest to save and S106 funding, the cost for this totals £795K. This seems an excessive amount to build three walls and fit out!! Surely, the whole Community Centre should be refurbished for this or at least a lift put in to enable access to it. This would be a very good use of S106 money.

Revenue Budget:

The papers state that the revenue from Commercial Property Investment Strategy is £1m. I questioned this figure at full Council and do so again. In the minutes of the December Council meeting, it states that this strategy is 'delivering £2m' - so why is that figure not included here - as was stated at the January Council meeting - I had found another £1m. Does this mean the transformation saving should be corrected to £7.417m? In the Annex A, Commercial Property Investment Strategy, is only showing a return of £1m. Was it the minutes of the Dec Council that were wrong?

I congratulate the officers for leading and securing the Berkshire Unitaries bid to pilot 100% business rates retention in 2018/19. This is said to bring £35m to the area – 70% for infrastructure projects and the resulting 30% allocated in proportion to the individual authorities according to their growth in business rate income. This must be very good news for Bracknell Forest with the development of the new town centre.

I totally support the committed funding in response to the pressures on the adult services and children's services.

I denounce the Government's withdrawal of the Education Services Grant that supported the statutory and regulatory services the Council has to provide. This money will now have to come from the Dedicated Schools' Grant meaning less can be spent on our children. The explanations describing the changes and outcomes for the schools' budgets following the Government's introduction of the Schools National Funding Formula (SNFF) are very confusing. Some schools were to have reductions, some increases. The SNFF has not been funded sufficiently to enable the changes promised. Because of the pressure resulting from the general election, £1.3bn extra funding is now available nationally, and every school will have now an increase. The increase cannot be as big as promised, because no school will get a reduction - so all schools in Bracknell Forest will get an increase. But then paragraph 8.14 says: - 'despite there being an additional £1.3bn of investment in core school budgets, there is no noticeable increase in funding allocated to Bracknell Forest schools compared to the December 2016 amount. Whilst there is an increase of £0.263m of funding in 2018/19 this is offset by a similar amount of reduction in 2019/20' - ??? I understand that this whole section has now been rewritten, but I am responding to the papers published for Public

Consultation. I had to attend The 'Schools Forum' to understand all this. I would be surprised if the 'broad section of resident and service users' responding to the consultation did not have the same difficulties.

The funding for opening the Binfield Learning Village is again taking money from the existing schools in the borough- £0.555m for 2018/19 and an estimated £0.479m in 2019/20. Surely this funding should come from central government? A new school is needed because of additional children. The existing children should not suffer reduced funding because of this. Has an appeal been made to the Government to honour their commitment to provide school places?

All schools will receive an increase but the proposal for staff wage increases is 2%, inflation is at 3% and there is the Local Government pension deficit to pay. This increase will be wiped out.

I oppose the further reduction in grant of £100K to South Hill Park. I understand that this was proposed in last year's budget, on the understanding that building changes to enable weddings and other large receptions to be held there would result in increased revenue. These changes have not been possible because contractors could not guarantee their work would enable a theatre and a reception to take place in adjacent settings with no interruption from noise. Alternative building changes have now been proposed. The new management of South Hill Park is making a very positive impact and the Arts Centre, greatly loved by Bracknell Forest residents, is doing well. I ask that this reduction is not made but the grant is awarded to enable the centre to complete the building work, resource its increased revenue and prove this is sufficient to support the Centre for the future.

I fully appreciate and support all the funding for the pressures being experienced by Adult Social Care and Children, Young People and Learning departments.

The £14k cost to cut the grass in the central reservation in Millennium Way and on station roundabout seems excessive. It is stated that this has to be done out of hours. I suggest, one lane is blocked and the work done during the off peak periods. Bracknell Forest residents are very accustomed to road closures and would welcome the saving of £14k.

I fully support the proposal to employ two trainees under the National Graduate Development Programme and the eight Apprentices across the Council. This is an example of the Council Leading the way and in some way justifies the apprenticeship levy paid by all schools. I would ask if our Children Looked After Leavers could be considered for the apprenticeships, an example of the Council extending its care.

I am concerned that the Council seems to be withdrawing from supporting the voluntary sector (£75K) at the same time as the success of many of the transformation projects rely on it. Each organisation will have to devote more time to fund raising at the very same time it is relied upon to increase its community involvement.

The reduction in the take up of apprenticeships is very concerning. Relevant information and support for our young people is essential. This is especially true for youngsters vulnerable to becoming 'NEET'. I have been told that by combining with the regional consortium, the reduction to Elevate which supports such young people will not affect service delivery. I would hope it could be improved and will monitor this carefully.

In the Local Children's Safeguarding Board's report, much was made of the success and importance of advocacy and independent representation, enabling young people to have their voice heard. This was said to be especially important for the Children Looked After. I am very concerned at the reduction of £19k to support this service when it has proven to be so successful with such positive outcomes.

The support of the Education Psychology Service to schools is greatly valued. Their expertise helps teachers provide strategies and support for their students experiencing problems. When successful, this prevents the need for further testing and assessments. The statement in the papers seems to imply the schools would now have to pay for this service. Schools have very tight budgets and I would hate advice not to be sought and preventative measures not introduced because of this increased cost to the school. This would be a very short term saving, leading to increased costs.

I fully support the move to a Paperless council but reading 'The local Plan' on my iPad caused problems. However, printing these 1200 pages for all councillors seems a terrible waste of precious resources as well as a large cost. I am delighted that the Members' Allowances budget has been underspent. I know £2k of this comes from me, but I am glad others are contributing too- the 'Transformation' of Members?

I am concerned at the proposal to reduce the face to face contact in the Welfare and Housing department. The preventative advice and support given by this workforce saves the Council money. People in crisis need to talk to someone, not send messages on a machine. In response to my question at full Council Jan. 17, on the extension of Universal credit to Bracknell in May, I was assured that the Council would support and help claimants. This recommendation seems to make that less likely.

The Adult and Community learning has just received an excellent Ofsted report. To celebrate this, the proposal is to increase the cost of each course by 66.67%!! Surely part of the success was that all residents could access the courses at a reasonable rate. The courses were inclusive, not just good value for those on benefits with reduced fees. The income generated in 2017/18 was £10K the expected income generated in 2018/19 is also £10K. Does this reflect expected reduced uptake?

Residents are struggling to pay the cost of the Parking Permits now. Increasing the cost for the first permit by 8%, the second by 5% but then not charging any more to the residents who are taking up more spaces than an average household, seems unjust. I suggest households should be encouraged to reduce their number of vehicles needing to be parked in residential areas. Higher fees for the greater number of permits may act as a deterrent.

The Central Government's withdrawal of funds has resulted in a complete rethink of the way the Council operates. I have participated in all workshops discussing 'Transformation' and appreciate all that has been achieved. The changes have affected every employee.

The savings are given as £6.417m (£7.417m if the £1m is found from Commercial Property investment) - a huge savings.

The Council Tax is said to generate £54.118m from all properties

Business rates are given as £20.669m which now includes the reduced Revenue Support Grant as a result of the arrangements for the Business Rates Pool.

Although the cost of a 1% increase in pay is shown as £0.5m, these budget papers assume a pay increase of no more than 1%, negotiating contracts on minimum inflation and inflation only on Council charges and fees.

Pay negotiations are ongoing for a 2% rise and inflation is at 3%

So the gap is likely to be larger than stated.

To close the given gap in funding of £4.811m, the Council has the choice to use balances, raise Council taxes, or make further cuts.

I favour a mixture of the first two.

The Government agreed last year that the adult Social Care precept could be raised by a total of 6% before 2020. A 3% increase was used last year and it was proposed that an increase of 3% would again be included this year- allowing for no such increase in 2019.

I understand the Council can now raise the Taxes by 5.99% without having to organise a referendum. If every 1% increase in council tax gives about £0.54m revenue increase, then even this would not be enough to close the gap (£3.2m) I think most residents would accept an increase of about £1 a week to maintain services but there will also be another increase for the police.

I support an increase of 4.99% (£2.7m) This is far more than pay increases in the last year but I trust the Council Tax Discount Package will be well publicised to help those eligible.

This increase will also improve the base revenue to help safeguard services for the future.

After all the grants are considered, I would support the balance being taken from the General reserves of £8.5m

Mary Temperton

ADULT SOCIAL CARE, HEALTH AND HOUSING

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
Assistive equipment and technology Additional funding identified from the Better Care Fund.	-250		
Out of hours restructure Restructure of the out of hours service to a Multi-Agency Safeguarding Hub (MASH) is expected to yield savings through less use of agency and relief staff. The out of hours service is pan-Berkshire and the saving reflects the Bracknell element.	-18		
Waymead respite care Budget for rent of premises that is no longer required.	-27		
Local Healthwatch and Carers contract The Local Healthwatch and Carers services, which were previously provided separately, have been re-tendered. This has resulted in a reduction in costs for the Healthwatch element of the contract.	-45		
Grants As the Council seeks to transform the way in which social care is provided, grants to the voluntary sector are expected to reduce.	-75		
Property With the closure of Bridgewell intermediate care facility in the Winter 2017, it is anticipated that property repairs and maintenance costs will reduce.	-20		
Appointeeship income Additional income is being generated from an increase in clients for whom the Council manages their financial affairs.	-20		
Homelessness The creation of the Council-owned housing company, Downshire Homes, is helping to manage Bed and Breakfast costs, though they do still remain volatile. There are also two homeless properties which generate rental income for the Council for which an income budget needs to be created (Tenterden and York Town Road).	-45		

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Housing Benefit overpayments</p> <p>Saving based on the forecast identification of Housing Benefit overpayments, for which the Council receives £0.40 subsidy for each £1 identified. Overpayments are variable and so some caution needs to be exercised, particularly with the move to universal credit, but there is scope to reduce the budget on the assumption that overpayments will continue to be identified.</p>	-50		
<p>Housing Benefits processing</p> <p>Due to electronic processing of housing benefits claims there will be reductions in processing, printing and postage costs. Two posts that are currently vacant will not be recruited to.</p>	-40		
<p>Forestcare income</p> <p>Additional income is being generated by Forestcare. This in part relates to the provision of care cover at Clement House, a Council-owned supported accommodation facility for older people.</p>	-60		
<p>Supporting people contract</p> <p>Full year-effect of saving on the supporting people contract re-tendered in the previous year.</p>	-30		
<p>My Homebuy</p> <p>Income in excess of budget in respect of tenants renting a proportion of their property from the Council under the My Homebuy scheme. Income is likely to reduce slightly over coming years as tenants' buy-out the remaining Council-owned portion of their property. It is difficult to forecast at what rate this will happen but the saving offered is considered a prudent estimate.</p>	-20		
<p>Public Health</p> <p>Public Health, which is funded by government grant, will be recharged for the cost of Council support services, including finance, HR and property. This is allowable under the conditions of the grant and ensures the full cost of the service is funded from grant.</p>	-60		
<p>Adult Social Care residential pressures¹</p> <p>Costs of care packages have continued to increase, in particularly due to the increasing cost of nursing care for older people and clients with dementia. Providers have increased their prices, driven by higher inflation and demand (the latter being</p>	1,645		

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>exacerbated by the closure of care homes in recent months).</p> <p>The solution to this problem is long term, and includes the redevelopment of the Heathlands site. Block contracts have been established with some care home providers as a short term measure to mitigate the pressure.</p> <p>These factors have combined to result in a cost base for residential Adult Social Care that is significantly in excess of the base budget.</p>			
<p>High cost care package transfers</p> <p>Transfers of care packages from Children's are often at high cost and difficult to reduce due to client and family expectations. Actions have been taken to mitigate the pressure, including the development of an integrated Children's / Adults team with dedicated transition workers.</p> <p>Longer term, the transformation programme is looking at development at local education programmes with colleges that will enable the cost of such packages to be managed more effectively.</p>	174		
<p>National minimum wage and carers providing a sleep-in</p> <p>A court ruling has indicated that carers providing sleep-in cover should be paid the national minimum wage for the period of that cover. This is significantly different to current practice whereby a flat rate is paid which often equates to less than minimum wage. It is likely that care providers will pass costs onto the Council.</p>	250		
ADULT SOCIAL CARE, HEALTH AND HOUSING TOTAL	1,309	0	0

¹ The pressure has reduced by £0.564m compared to the budget consultation papers

CHILDREN, YOUNG PEOPLE AND LEARNING

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Reductions on discretionary services</p> <p>A number of services have been reviewed to identify areas of discretionary elements that can be reduced or over time removed.</p> <ul style="list-style-type: none"> • By combining with the Elevate regional consortium, there can be a reduction in the funding provided to 16-18 year olds who are not in education, employment or training without affecting service delivery (£49,000); • Removing non-statutory functions in the Capital and Property Team (£31,000); • Removing non-statutory aspects of the advocacy and independent representation of children and young people involved in social care services (£19,000); • A planned reduction in the development of one-off strategic initiatives (£13,000). 	-112		
<p>Revised delivery of services and support arrangements</p> <p>As part of the on-going process to improve efficiency, the Department continues to review services to consider alternative ways for their delivery or opportunities for cost reductions through reduced take up or general efficiencies.</p> <p>The main changes proposed this year relating to lower demand are:</p> <ul style="list-style-type: none"> • Reflecting current demand from looked after children for financial support from the Council to support their on-going education once they reach 18 years of age (£11,000); • Reduced use of general office resources and specialist advice services (£32,000). <p>Other changes in response to service review, new ways of working and general efficiencies are:</p> <ul style="list-style-type: none"> • Over 2 years, transferring the delivery of the Duke of Edinburgh Awards Scheme to the national body that already provides the service in most other areas (£14,000 in 2018/19 and the remaining £12,000 in 2019/20); • Making greater use of the Berkshire Information Advice Service that supports parents with special educational needs children (£19,000); • Use of new technologies to allow managers to better deliver their work reducing the need for administrative support staff (£31,000) as well as directly producing policy developments rather than using a dedicated staffing 	-43		
	-266	-12	

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>resource (£28,000);</p> <ul style="list-style-type: none"> • Incorporating the key aspects of the After School Development Worker into other posts (£33,000); • Transferring aspects of the Education Psychology Service that helps children experiencing problems that hinder their successful learning (£33,000) and aspects of the Early Years support service that relate to supporting providers, in particular Development Workers (£68,000), to the Schools Budget; • Savings are also continuing to be achieved through commissioning where a rigorous and challenging approach continues to result in savings against original quotes (£40,000). 			
<p>Special Educational Needs</p> <p>The SEN team are responsible for the statutory assessment and review of children and young people aged between 0 and 25 years who have severe, complex and long term special educational needs. The new requirement to deliver Education Health Care Plans has been process driven to meet timescale deadlines and the focus now needs to be on the correct outcomes for children and securing value for money through strategic planning. A new post of SEN Manager would deliver the improvements being sought.</p>	65		
<p>Performance Management and Governance</p> <p>The Team holds responsibility for the statutory duties relating to the Local Authority Designated Officer (LADO) role for managing allegations against people who work with children who are paid, unpaid, volunteers, casual, agency or anyone self employed and managing children's services complaints. There has been a significant increase in volume of work in these areas and there is no longer sufficient capacity to deliver the LADO and complaints roles and additional 0.5 Full Time equivalent (FTE) and 0.6 FTE posts are proposed.</p>	54		
<p>Looked After Children¹</p> <p>Based on the current schedule of known placements, a pressure has been identified to ensure the fulfilment of statutory duties for children and young people in care. This reflects the known number of children being looked after next year. There is significant turnover in the looked after population with varying placements costs depending on the age of child and type of placement needed. A small number of placements are at a very high cost. The pressure also includes an increase in the number of care leavers being supported and a new member of staff for the</p>	1,698		

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
Family Placement Team to help manage a significant increase in the number of Special Guardianship assessments required by the courts that would otherwise need to be undertaken by more expensive independent social workers. There is also pressure arising from an increase in the number of cases coming to court which reflects the national trend.			
CHILDREN, YOUNG PEOPLE AND LEARNING TOTAL	1,396	-12	0

¹ The pressure has increased by £0.460m compared to the budget consultation papers

ENVIRONMENT, CULTURE AND COMMUNITIES

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Waste Management¹</p> <p>Savings arising from re3 local initiatives at recycling centres. Increased levels of recycling result in more tonnage being diverted from landfill. Prices of materials can fluctuate and a small change could result in savings not being achieved.</p>	-627		
<p>E+ Card</p> <p>Deletion of the part time post of Smartcard Development Manager.</p> <p>The deletion of this post leaves only 1 FTE in the e+ team. This could have an impact on the future delivery of projects outside of the BFC scheme.</p>	-33		
<p>E+ Card</p> <p>Reduction in the Smartcard supplies and services budgets</p>	-10		
<p>Transport Policy, Planning & Strategy</p> <p>Reduction in usage of consultants.</p>	-35		
<p>Road Safety</p> <p>Following the removal of the Road Safety Officer post, publicity for the service has reduced.</p>	-10		
<p>Transport Policy, Planning & Strategy</p> <p>A proportion of associated staff costs are off-set by highway adoption fee income and the town centre S278 fee has generated a one-off surplus. This surplus should be sufficient to support 4 posts for 3 years.</p>	-157		
<p>Transport Policy, Planning & Strategy</p> <p>The annual report for the Transport Development – Street Works Permit Scheme shows under-recovery of the full operational overheads compared to the original financial model. Whilst basic staff costs have been met, the annual deficit in broader operational costs could be recovered through a revised scheme where permit charges are applied to all categories of street, not just categories 1 and 2. Charges will therefore be increased accordingly.</p>	-55		
<p>Transport Policy, Planning & Strategy</p> <p>As a result of additional monitoring it has been possible to</p>	-20		

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
identify more infringements, which has led to an increase in New Roads and Street Works Act (NRSWA) penalties.			
<p>Transport Policy, Planning & Strategy</p> <p>As a result of additional monitoring it has been possible to identify more infringements, which has led to an increase in street works monitoring fines.</p>	-25		
<p>Sports Development</p> <p>Removal of Leisure Development Manager post with effect from the 1st August 2018. Young People in Sport and Half Marathon to be delivered by different mechanisms than currently.</p>	-30	-14	
<p>Town Centre Maintenance</p> <p>The new town centre necessitates higher additional cleansing and landscaping maintenance. The majority of the additional costs relate to street cleansing needs.</p>	69		
<p>Environmental Services</p> <p>Whilst the surface area of the grass in the central reservation in Millenium Way has been reduced as part of the scheme there are additional contract costs for grass cutting here and on station roundabout.</p> <p>In order to reduce road closure costs and disruption to traffic, this work will be done out of hours, but the costs are £13,500 and therefore a pressure on the budget.</p>	14		
<p>Parks Open Space & Countryside</p> <p>Based on a projection of house building within the borough of Surrey Heath, particularly Camberley, it is unlikely that the income received from Surrey Heath for SANGS capacity at Shepherds Meadow will achieve the current income target of £0.213m.</p> <p>The council is working with Surrey Heath to review the profile of house building and therefore future receipts for the coming year.</p>	200		
<p>Local Development Framework</p> <p>The Framework comprises a set of Local Plans containing policies to guide the future development of the Borough including where new development should go and policies to protect valuable and sensitive areas.</p> <p>In prior years the budget has been consistently reduced and the programme has continued to be delivered by the carry forward of</p>	68		

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
prior years budgets. However from 2018/19 this will no longer be possible and a base budget must be established.			
Transport Policy, Planning & Strategy Bracknell Forest forms part of the Berkshire Local Transport Board which is now a member of the Transport for the South East (TfSE) A budget is required to support operational costs, including staff, strategy development and communications activity. This cost is split between the six Berkshire authorities.	10		
Off Street Parking The removal of salary sacrifice arrangements for staff parking will mean that these charges will be subject to Income Tax and NI. Income will reduce as charges are adjusted to ensure that staff do not pay more for car parking.	20		
Highway Maintenance Weed killing re-introduced for some highways and footpaths. It's necessary to maintain some highways and footpaths to limit the future year costs of dealing with issues created by weeds.	40		
Non Cash Budgets A reduced capital programme has resulted in less Engineering Fees being charged to capital schemes; in order to reflect this, the non cash budget which transfers costs between revenue and capital must be reduced.	100		
ADDITIONAL PROPOSALS SINCE DECEMBER			
Highways The projected electricity savings resulting from the replacement of conventional street lights with LEDs have been reviewed to reflect the latest information on electricity usage and re-profiled to take into account slippage on the capital scheme.	261		
ENVIRONMENT, CULTURE AND COMMUNITIES TOTAL	-220	-14	0

¹ The saving has reduced by £0.073m compared to the budget consultation papers

RESOURCES

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Members Services & Mayoral Services</p> <p>Providing all agenda papers electronically.</p> <p>The Member Allowances budget as been previously underspent.</p> <p>Pattern for use of the Mayoral car has been consistent for the last two years with two busy Mayors, resulting in an under spend against the budget.</p>	-50		
<p>HR</p> <p>Removal of Sports Centre membership for staff.</p>	-7		
<p>Committee Services & School Appeals</p> <p>A reduction in supplies and services areas where there have been previous underspends. (Print Room Reprographics and Photocopying within Committee Services and Mileage and Refreshments within School Appeals).</p>	-8		
<p>Records and Storage</p> <p>A credit has been received for each of the last two years in relation to the previous year for the Archives Joint Arrangement.</p>	-5		
<p>Electoral Services</p> <p>Reduced requirement for canvassers</p>	-1		
<p>Legal</p> <p>A reduction in Reference Books and Publications budget to reflect previous underspends.</p>	-5		
<p>Finance – Audit</p> <p>A reduction in the number of internal audit days delivered by the Council's external providers (-£10,000).</p> <p>External audit fees continue to reduce in line with the tendering process undertaken previously (-£10,000).</p>	-20		
<p>Operations Unit</p> <p>Due to the re-tender of the Home to School Transport contracts, which came into effect last financial year, a reduction in costs</p>	-185		

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>have been achieved. Alongside this, parents are now asked to contribute towards their child's Post 16 transport. There have also been savings identified with regard to some more expensive routes out of the Borough no longer being required due to pupils moving schools.</p> <p>In addition, income from the hire of vehicles has increased.</p>			
<p>ICT</p> <p>The Cisco Jabber softphone solution will be replaced by Skype for business as part of the Enterprise Agreement (-£20,000).</p> <p>Vasco tokens will now only be required for suppliers as staff are provided with a different solution or 2-factor authentication (-£6,000).</p> <p>Core Client Access Licenses have been terminated as these are no longer required under the Enterprise Agreement (-£40,000).</p> <p>ENGL toolkit replaced by System Centre Configuration Manager, Bcrypt to be replaced by Bitlocker for encryption and Webex no longer required for video conferencing. These are replaced by products under the Enterprise Agreement (-£13,000).</p> <p>McAfee Antivirus replaced by Microsoft Endpoint protection as part of the Enterprise Agreement (-£11,000).</p>	-90		
<p>Assistant Chief Executive</p> <p>A savings following the departure of the Assistant Chief Executive.</p>	-30		
<p>CCC Review – Digital Post Room</p> <p>This saving will be realised by staffing reductions in the post team, and a reduction in the volume of outgoing post as a result of the move to email mailings, using GovDelivery and Gov.UK Notify.</p>	-76		
<p>Member Services</p> <p>The Information Commissioner's Office requires all members to be registered as a data controller.</p>	1		
<p>ICT</p> <p>Annual subscription for Microsoft software licencing's set out in the 3-year Microsoft Enterprise Agreement (£365,000).</p>			

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>The Council's internet capacity needs expanding to allow for the use of cloud products (£15,000).</p> <p>The ICT Help Desk system is being replaced to allow for more flexibility and self-service. The new system will be purchased as Software as a Service (SaaS) on a subscription basis (£25,000).</p> <p>Increased cost of support contracts to cover maintenance of network equipment (£6,000).</p> <p>Additional licences need to be bought for load balancers for moving AD/Exchange into the cloud (£8,000).</p>	419		
<p>HR</p> <p>There has been an increase in the cost of the new Occupational Health contract which came into effect in July 2017 (£15,000).</p> <p>Due to increased staff turnover across the Council, but particularly in Children's and Adult's Social Care there is a pressure on the budget for DBS checks. Whilst we will be reviewing the requirement of which posts are to be checked, there is no expectation that turnover levels will reduce in the short term (£10,000).</p> <p>We have a number of posts that are hard to recruit to. Advertising on LinkedIn is a cheaper alternative to agency and head-hunters. This cost covers 3 licences for a year (£2,000).</p>	27		
<p>HR & Payroll</p> <p>The cost of the different licences for iTrent (£51,000) is split evenly between HR and Payroll. This pressure is in addition to the current licence costs (£13,000).</p> <p>The cost of the Northgate licence is required to cover a read only version of the previous payroll system to look up information on previous posts and staff. The total cost is split equally between the HR and Payroll teams (£8,000).</p>	21		
<p>Digital Services</p> <p>Annual licensing costs for Invotra, a Cloud hosted managed intranet replacement.</p>	8		
<p>Customer Services (Facilities Management)</p> <p>The Secure Waste contract budget was not increased when it was centralised, and has overspent by £10,000 each year. Similar volumes are anticipated in the future.</p>	10		

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Customer Services</p> <p>Council Wide license allowing roll out of Booking Bug to unlimited services across the Council (£18,000).</p> <p>Annual licensing costs for MusterPoint the social media management platform (£9,000).</p> <p>Annual licence for Lean Process Modeller Software (£9,000).</p> <p>Council Wide annual licensing costs for the GovDelivery digital communications platform and for the GovDelivery/Firmstep integration (£20,000).</p>	56		
<p>Revenue Services</p> <p>Estimated cost of surcharging on credit card payments which will have to be met by the Council from 1 January 2018.</p>	60		
<p>ICT¹</p> <p>Replacement of Huddle with Microsoft Share Point which is part of the Enterprise Agreement. Significant configuration is required and work is dependant on progress of other Microsoft products as part of the role out of the Enterprise Agreement.</p>	-2		
RESOURCES TOTAL	123	0	0

¹ The saving has reduced by £0.013m compared to the budget consultation papers and was previously shown under Council Wide.

COUNCIL WIDE

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Citizen & Customer Contact (CCC) Review – Face to Face</p> <p>Changing the way we deal with residents face to face would generate a saving of 1 Full Time Equivalent from Welfare and Housing and Customer Services. However any decision on whether cost saving can be realised could be impacted upon by workload increases due to the implementation of the telephony strategy and service redesign.</p>	-29		
<p>CCC Review – Income Collection</p> <p>New approach to income collection - removal of cash and cheques, and move to automatic set-up of direct debits.</p>	-20		
<p>CCC Review – GovDelivery</p> <p>GovDelivery will replace current posted bulk mailings, brochures and flyers. Examples include:</p> <ul style="list-style-type: none"> • Waste & Recycling annual renewal notices • Libraries "What's On • Community Learning course brochure and newsletters • Fostering and adoption leaflets • Children's Centres communications 	-18		
<p>Training Budgets</p> <p>Reducing existing training budgets by 25% and replacing with training credits through the Apprenticeship Levy. This will help ensure the Council makes best use of the training credits available and frees up funding to recruit apprentices and trainee posts (see corresponding pressure).</p>	-120		
<p>Capitalisation of Expenditure</p> <p>With the reduction in expenditure in a number of areas, in particular Highways Maintenance and the outsourcing of a number of leisure sites, identification of expenditure coded to revenue that can legitimately be capitalised is becoming increasingly difficult. The budget target has therefore been reduced.</p>	100		
<p>Apprenticeships and Graduate Trainees</p> <p>The Council is able to access training credits of almost £0.5m each year through the Apprenticeship Levy but needs to fund the salary costs of the individuals being trained. Using some of these training credits to replace 25% of the Council's existing training budgets would free up sufficient funding to employ two</p>	120		

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
trainees under the National Graduate Development Programme, to be based in the Transformation Team, and a further eight Apprentices across the Council (see corresponding saving).			
COUNCIL WIDE TOTAL	33		

TREASURY MANAGEMENT REPORT

- 1.1 The Local Government Act 2003 requires the Council to “have regard to” the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.
- 1.2 This report outlines the Council’s prudential indicators for 2018/19 – 2020/21 and sets out the expected treasury operations for this period. It fulfils four key legislative requirements:
- The reporting of the prudential indicators setting out the expected capital activities at Annex E(i) (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities).
 - The Council’s Minimum Revenue Provision (MRP) Policy at Annex E(ii), which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007);
 - The Treasury Management Strategy Statement which sets out how the Council’s treasury service will support the capital decisions taken above, the day to day treasury management and the limitations on activity through treasury prudential indicators. The key indicator is the Authorised Limit, set out in Annex E(iii), the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term.
 - The Annual Investment Strategy which sets out the Council’s criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the DCLG Investment Guidance and is shown in Annex E(iv).

The Capital Prudential Indicators 2018/19 – 2020/21

The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity, and reflects the outcome of the Council's underlying capital appraisal systems. Within this overall prudential framework there is an impact on the Council's treasury management activity – as it will directly impact on borrowing or investment activity and as such the Treasury Management Strategy for 2018/19 to 2020/21 complements these indicators. Some of the prudential indicators are shown in the Treasury Management Strategy to aid understanding.

The Capital Expenditure Plans

The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This capital expenditure needs to have regard to:

- Service objectives (e.g. strategic planning);
- Stewardship of assets (e.g. asset management planning);
- Value for money (e.g. option appraisal);
- Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
- Affordability (e.g. implications for the council tax);
- Practicality (e.g. the achievability of the forward plan).

The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources. This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants, or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Council's borrowing need.

The key risks to the plans are that the level of Government support has been estimated and is therefore maybe subject to change. Similarly some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale. For instance anticipated asset sales may be postponed due to external factors, similarly the proceeds from the Right-to-Buy sharing agreement with Bracknell Forest Homes will also be impacted on by the wider economy.

The Council is asked to approve the summary capital expenditure projections below.

Capital Expenditure	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Capital Expenditure	58,071	17,948	2,598
Financed by:			
Capital receipts	8,000	3,000	3,000
Capital grants & Contributions	17,330	8,685	1,475
Net financing need for the year	30,941	6,263	-1,877

The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's 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. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR. Due to the nature of some of the capital expenditure identified above (ie grant), an element will be immediately impaired or will not qualify as capital expenditure for CFR purposes. As such the net financing figure above may differ from that used in the CFR calculation.

The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments (VRP). No additional voluntary payments are planned.

The Council is asked to approve the CFR projections below:

	2018/19 Estimate £000	2019/20 Estimate £000	2020/21 Estimate £000
Capital Financing Requirement			
Opening CFR	204,295	244,981	243,073
Movement in CFR	40,686	-1,908	-2,354

Movement in CFR represented by			
Net financing need for CFR purposes #	42,858	563	223
Less MRP/VRP and other financing movements	-2,172	-2,471	-2,577
Movement in CFR	40,686	-1,908	-2,354

2018/19 includes impact of carry-forward from 2017/18 in addition to 2018/19 Capital Programme

CLG Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. The Council is recommended to approve the MRP Statement attached in Annex E(ii)

Minimum Revenue Provision (MRP) Policy Statement

The concept of the Minimum Revenue Provision (MRP) was introduced when the Local Government Capital Finance System was changed on 1 April 1990. This required local authorities to assess their outstanding debt and to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (MRP)

Department for Local Government & Communities (DCLG) issued regulations in 2008 which require a local authority to calculate for the current financial year an amount of MRP which it considers “prudent”. The broad aim of a prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits or in the case of borrowing supported by government, reasonably commensurate with the period implicit in the determination of the grant. The Council can choose to charge more than the minimum.

In order to minimise the impact on the revenue budget whilst ensuring that prudent provision is made for repayment of borrowing, the Council moved from the equal instalments method to the annuity method in calculating the annual charge over the estimated life of the asset from 1st April 2017. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement

A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement

- For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

Based on CFR – MRP will be based on the CFR

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

- From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be:

Asset life method - MRP will be based on the annuity basis, in accordance with the regulations. Repayments included in annual PFI or finance leases are applied as MRP.

- For other capital expenditure funded from borrowing where there is an intention to repay the borrowing from future related receipts and there is a strong likelihood that this will happen, the MRP policy will be:

Deferral method - MRP will be deferred and the liability repaid through future capital receipts from disposing of the asset

There will be a presumption that capital receipts will be allocated to the appropriate assets in relation to the constraints of the medium term financial strategy.

The actual charge made in the year will be based on applying the above policy to the previous year's actual capital expenditure and funding decisions. Therefore the 2018/19 charge will be based on 2017/18 capital out-turn.

TREASURY MANAGEMENT STRATEGY STATEMENT

The Treasury Management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Annex E(i) consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The Treasury Management service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992.

The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice - 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). This Council has adopted the revised Code.

As a result of adopting the Code the Council also adopted a Treasury Policy Statement. This adoption is the requirement of one of the prudential indicators.

The Code of Practice requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year, and a new requirement of the revision of the Code of Practice is that there is a mid-year monitoring report.

This strategy covers:

- The Council's debt and investment projections;
- The Council's estimates and limits on future debt levels;
- The expected movement in interest rates;
- The Council's borrowing and investment strategies;
- Treasury performance indicators;
- Specific limits on treasury activities;

Debt and Investment Projections 2018/19 – 2020/21

The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. As a result of the significant investment planned by the Authority over the next three years the Council will be borrow externally on an ongoing basis.

	2017/18 Estimated	2018/19 Estimated	2019/20 Estimated	2020/21 Estimated
External Debt				
Debt at 31 March	£90m	£130m	£130m	£130m
Investments				
Investments at 31 March	£10m	£10m	£10m	£10m

Limits to Borrowing Activity

Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2018/19 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Borough Treasurer reports that the Council has complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

The Authorised Limit for External Debt

A further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

The Council is asked to approve the following Authorised Limit:

Authorised limit	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Borrowing	£250m	£248m	£246m
Other long term liabilities	£16m	£16m	£15m
Total	£266m	£263m	£261m

Operational Boundary for External Debt

The Authority is also recommended to approve the Operational Boundary for external debt for the same period. The proposed Operational Boundary is based on the same estimates as the Authorised Limit but reflects directly the estimate of the most likely but not worst case scenario, without the additional headroom included within the Authorised Limit to allow for unusual cash movements.

Operational Boundary	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Borrowing	£235m	£233m	£231m
Other long term liabilities	£15m	£15m	£15m
Total	£250m	£248m	£246m

Borrowing in advance of need.

The Borough Treasurer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Borough

Treasurer will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

Expected Movement in Interest Rates

The Council's treasury advisor, Link Asset Services (formerly known as Capita Asset Services), has provided the following forecast:

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB Rate	1.50%	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB View	2.10%	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.50%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November 2017. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.

The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election in November 2016 has called into question whether the previous trend may go into reverse, especially now the Fed. has taken the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature.

Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The Fed. has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to exert some upward pressure on bond yields in the UK and other developed economies. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

Investment and borrowing rates

Investment returns are likely to remain low during 2018/19 but to be on a gently rising trend over the next few years.

Borrowing interest rates increased sharply after the result of the general election in June and then also after the September MPC meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases. Apart from that, there has been little general trend in rates during the current financial year. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may

not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;

There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

Borrowing Strategy 2018/19

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2018/19 treasury operations. The Borough Treasurer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the Executive at the next available opportunity.

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Investment Strategy 2018/19 – 2020/21

Investment Policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

Key Objectives

The Council's investment strategy primary objectives are safeguarding the repayment of the principal and interest of its investments on time first and ensuring adequate liquidity second – the investment return being a third objective. Following the economic background outlined in the Treasury Management Strategy, the current investment climate has one over-riding risk consideration that of counterparty security risk. As a result of these underlying concerns officers are implementing an operational investment strategy which maintains the tightened controls already in place in the approved investment strategy.

Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration.

After this main principle the Council will ensure:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

In accordance with the Investment Guidance, the Council will, in considering the security of proposed investments, follow different procedures according to which of two categories, Specified or Unspecified, the proposed investment falls into.

Specified Investments offer high security and high liquidity and are:

- ◆ Denominated, paid and repaid in sterling;
- ◆ Not long term investments, i.e. they are due to be repaid within 12 months of the date on which the investment was made;
- ◆ Not defined as capital expenditure; and
- ◆ Are made with a body or in an investment scheme which has been awarded a high credit rating by a credit rating agency or are made with the UK Government or a Local Authority in England, Wales, Scotland or Northern Ireland.

Non-Specified Investments are those which do not meet the definition of Specified Investments.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings,

watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using Capita's ratings service, potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Capita Asset Services in producing its colour codings which show the varying degrees of suggested creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed in appendix under the 'specified' and 'non-specified' investments categories.

Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following maturities .

Dark pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
Light pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
Blue	1 year (only applies to nationalised or semi nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
Banks	orange	£7m	1 yr
Banks – part nationalised	blue	£7m	1 yr
Banks	red	£7m	6 months
Banks	green	£7m	100 days
Banks	No colour	£0m	0 days
Debt Management Account Deposit Facility	AAA	£7m	6 months
Local authorities	n/a	£7m	1 yr
Money market funds	AAA	£7m	liquid
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	£7m	liquid
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	£7m	liquid

Our creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue influence to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-, viability rating of A-, and a support rating of 1 There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored in real time. The Council is alerted to changes to ratings of all three agencies through its use of our creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government

In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded however the current investment limits for 2018/19 restrain all investments to less than 1 year. Any amendment to this strategy will require the credit-criteria to be amended to include a long-term rating. This will be addressed through the formal approval by Council of a revised Treasury Management Strategy and Annual Investment Strategy.

Country and Sector Considerations

Due care will be taken to consider the country, group and sector exposure of the Council's investments. The current investment strategy limits all investments to UK Banks, Building Societies and Local Authorities, in addition to Sterling denominated AAA Money Market Funds.

Economic Investment Considerations

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates. The criteria for choosing counterparties set out above provides a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Borough Treasurer may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.

Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (a Government body which accepts local authority deposits), Money Market Funds, and strongly rated institutions. The credit criteria have been amended to reflect these facilities.

Sensitivity to Interest Rate Movements

Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% change in interest rates to the estimated treasury management costs for next year. However as all borrowing is fixed any increase in rates will only impact on new borrowing

	2018/19 Estimated + 1%	2018/19 Estimated - 1%
Revenue Budgets	£'000	£'000
Borrowing costs	400	400

Treasury Management Limits on Activity

There are four further treasury activity limits, which were previously prudential indicators. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

Upper limits on variable interest rate exposure – This identifies a maximum limit for variable interest rates based upon the debt position net of investments

Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.

Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and are based on the availability of funds after each year-end.

The Council is asked to approve the limits:

	2018/19	2019/20	2020/21
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	£266m	£263m	£261m
Limits on variable interest rates based on net debt	£266m	£263m	£261m
Maturity Structure of fixed interest rate borrowing 2017/18			
	Lower	Upper	
Under 12 months	0%	100%	
12 months to 2 years	0%	100%	
2 years to 5 years	0%	100%	
5 years to 10 years	0%	100%	
10 years and above	0%	100%	
Maximum principal sums invested > 364 days			
Principal sums invested >	£m	£m	£m

364 days	0	0	0
----------	---	---	---

Performance Indicators

The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. For 2018/19 the relevant benchmark will relate only to investments and will be the "7 Day LIBID Rate". The results of these indicators will be reported in the Treasury Annual Report.

Treasury Management Advisers

The Council uses Link Asset Services as its treasury management consultants. The Council recognises that responsibility for treasury management decision remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review.

Member and Officer Training

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. Following the nomination of the Governance and Audit Committee to examine and assess the effectiveness of the Treasury Management Strategy and Policies, initial training was provided and additional training has been undertaken as necessary. Officer training is carried out in accordance with best practice and outlined in TMP 10 Training and Qualifications to ensure that all staff involved in the Treasury Management function are fully equipped to undertake the duties and responsibilities allocated to them

SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated.

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Maximum period
Debt Management Agency Deposit Facility* (DMADF) * this facility is at present available for investments up to 6 months	No	Yes	Govt-backed	In-house	364 Days
Term deposits with the UK government or with Local Authority in England, Wales, Scotland or Northern Ireland with maturities up to 364 Days	No	Yes	High security although LAs not credit rated.	In-house and by external fund managers subject to the guidelines and parameters agreed with them	364 Days
Term deposits with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 364 Days	No	Yes	<i>As per list of approved Counterparties</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	364 Days
Certificates of Deposit issued by credit-rated deposit takers (banks and building societies) : up to 364 Days. <i>Custodial arrangement required prior to purchase</i>	No	Yes	<i>As per list of approved Counterparties</i>	To be used by external fund managers only subject to the guidelines and parameters agreed with them	364 Days
Gilts : up to 364 Days	No	Yes	Govt-backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	364 Days

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Maximum period
Money Market Funds CNAV, LVNAV, and VNAV <i>These funds do not have any maturity date</i>	No	Yes	<i>AAA Rating by Fitch, Moodys or S&P</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements
Forward deals with credit rated banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	No	Yes	<i>As per list of approved Counterparties</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them. Tracking of all forward deals to be undertaken and recorded.	1 year in aggregate
Commercial paper <i>[short-term obligations (generally with a maximum life of 9 months) which are issued by banks, corporations and other issuers]</i> <i>Custodial arrangement required prior to purchase</i>	No	Yes	<i>As per list of approved Counterparties</i>	To be used by external fund managers only subject to the guidelines and parameters agreed with them	9 months
Treasury bills <i>[Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value] Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	1 year

NON-SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated.

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum credit</u> <u>rating **</u>	<u>Circumstance of</u> <u>use</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
Deposits with Authority's Banker where credit rating has dropped below minimum criteria	Where the Council's bank no longer meets the high credit rating criteria set out in the Investment Strategy the Council has little alternative but to continue using them, and in some instances it may be necessary to place deposits with them, these deposits should be of a very short duration thus limiting the Council to daylight exposure only (i.e. flow of funds in and out during the day, or overnight exposure).	No	Yes	n/a	In-House	364 Days
Term deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid : as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	No	<i>As per list of approved Counterparties</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	5 Years
Certificates of Deposit with credit rated deposit takers (banks and building societies) with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	(A) (i) Although in theory tradable, are relatively illiquid. (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of CD which could negatively impact on price of the CD.	No	Yes	<i>As per list of approved Counterparties</i>	To be used by external fund managers only subject to the guidelines and parameters agreed with them	5 years

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum Credit</u> <u>Rating?</u>	<u>Circumstance of</u> <u>use</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
Callable deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity. (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk : borrower will not pay back deposit if interest rates rise after deposit is made.	No	No	<i>As per list of approved Counterparties</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	<i>5 years</i>
UK government gilts with maturities in excess of 1 year <i>Custodial arrangement required prior to purchase</i>	(A) (i) Excellent credit quality. (ii) Very Liquid. (iii) If held to maturity, known yield (rate of return) per annum ~ aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss.	No	Yes	Govt backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	<i>10 years including but also including the 10 year benchmark gilt</i>

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating **</u>	<u>Circumstance of use</u>	<u>Maximum maturity of investment</u>
Forward deposits with credit rated banks and building societies for periods > 1 year (i.e. negotiated deal period plus period of deposit)	(A) (i) Known rate of return over period the monies are invested ~ aids forward planning. (B) (i) Credit risk is over the whole period, not just when monies are actually invested. (ii) Cannot renege on making the investment if credit rating falls or interest rates rise in the interim period.	No	No	<i>As per list of approved Counterparties</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them. Tracking of all forward deals to be undertaken and recorded.	<i>5 years</i>
Deposits with unrated deposit takers (banks and building societies) but with unconditional financial guarantee from HMG or credit-rated parent institution : any maturity	(A) Credit standing of parent will determine ultimate extent of credit risk	No	Yes	<i>As per list of approved Counterparties</i>	In-house and by external fund managers subject to the guidelines and parameters agreed with them	<i>1 year</i>

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.	March 15 £10.961m March 16 £12.730m March 17 £11.071m March 18 £8.503m March 19 £5.988m

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 15 £2.731m March 16 £2.666m March 17 £2.750m March 18 £2.850m March 19 £2.900m
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 15 £0.202m March 16 £0.315m March 17 £0.221m March 18 £0.000m March 19 £0.000m
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 15 £1.469m March 16 £1.555m March 17 £1.852m March 18 £0.760m March 19 £0.260m
Schools' Balances	These funds are used to support future expenditure within the Dedicated Schools Block and include individual school balances.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LEA has no practical control over the level of balances.	March 15 £4.013m March 16 £3.333m March 17 £1.695m March 18 £1.295m March 19 £0.995m
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	Budget Carry Forwards are permitted in accordance with the scheme set out in financial regulations.	March 15 £0.074m March 16 £0.074m March 17 £0.052m

Reserve	Purpose	Policy	Value
	Schools Specific Contingency as set out in the financial regulations.		March 18 £0.052m March 19 £0.052m
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.	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 15 £0.208m March 16 £1.373m March 17 £1.778m March 18 £1.109m March 19 £1.109m
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.	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve has been approved by the Executive member for Children, Young People and Learning.	March 15 £0.490m March 16 £0.316m March 17 £0.304m March 18 £0.344m March 19 £0.244m
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.	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve has been approved by the Executive member for Children, Young People and Learning.	March 15 £0.040m March 16 £0.040m March 17 £0.040m March 18 £0.040m March 19 £0.040m
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.	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve has been approved by the Executive member for Children, Young People and Learning.	March 15 £0.196m March 16 £0.445m March 17 £0.595m March 18 £0.825m March 19 £0.975m

Reserve	Purpose	Policy	Value
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 generally open with relatively low pupil numbers and will therefore need additional financial support until pupil numbers reach a viable level.	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve has been approved by the Schools Forum.	March 17 £0.300m March 18 £0.800m March 19 £0.404m
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.	Part of the unused Schools Budget balance, but earmarked for a particular purpose. The funds are therefore ring fenced. The reserve has been approved by the Schools Forum.	March 18 £0.439m March 19 £0.439m
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 15 £0.066m March 16 £0.014m March 17 £0.009m March 18 £0.009m March 19 £0.009m
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 15 £0.000m March 16 £0.000m March 17 £0.000m March 18 £0.000m March 19 £0.000m
Commutated 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 15 £0.643m March 16 £1.104m March 17 £1.375m March 18 £1.489m March 19 £1.414m

Reserve	Purpose	Policy	Value
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 15 £0.120m March 16 £0.120m March 17 £0.128m March 18 £0.132m March 19 £0.142m
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 15 £0.133m March 16 £0.154m March 17 £0.135m March 18 £0.090m March 19 £0.045m
Business Rates Equalisation	A reserve to manage the volatility in business rates income expected to result from the localisation of business rates in April 2013.	The reserve will be used to smooth the impact of changes in business rate income on the annual budget including levy payments and further appeals.	March 15 £13.700m March 16 £11.798m March 17 £0.000m March 18 £6.000m March 19 £17.000m
Transformation	A reserve to support investment in service innovation and improvements.	The reserve will be used to meet the upfront costs of transformation.	March 15 £0.480m March 16 £1.399m March 17 £1.960m March 18 £1.470m March 19 £0.470m
Demographic Pressures and Projects	A reserve to fund future demographic pressures and projects within Adult Social Care.	The reserve will be used to smooth the impact of demographic changes and to meet the upfront cost of projects designed to create efficiencies and service improvements. The reserve is no longer required.	March 15 £0.477m March 16 £0.477m March 17 £0.194m March 18 £0.000m
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 15 £2.083m March 16 £2.333m March 17 £3.653m March 18 £3.653m March 19 £3.653m

Reserve	Purpose	Policy	Value
Early Intervention	A reserve to support initiatives that focus on early intervention and preventative work.	The reserve will be used to meet the upfront cost of initiatives focusing on early intervention and preventative work. The reserve is no longer required.	March 15 £0.289m March 16 £0.259m March 17 £0.029m March 18 £0.000m
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 15 £0.500m March 16 £0.500m March 17 £0.350m March 18 £0.350m March 19 £0.350m
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 15 £0.187m March 16 £0.039m March 17 £0.039m March 18 £0.000m
Members Initiatives	A reserve to fund another round of small projects (£0.015m per member) based on members' knowledge of local ward priorities or in conjunction with partners and other stakeholders.	The reserve will be used for local ward priorities identified by members The reserve is no longer required.	March 15 £0.207m March 16 £0.089m March 17 £0.082m March 18 £0.000m
Public Health Reserve	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 15 £0.399m March 16 £0.380m March 17 £0.539m March 18 £0.936m March 19 £0.936m
Better Care Fund Reserve	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 15 £0.945m March 16 £1.328m March 17 £0.617m March 18 £0.093m March 19 £0.093m

Reserve	Purpose	Policy	Value
Regeneration of Bracknell Town Centre	A new 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 £0.162m March 19 £0.162m
Commercial Properties Acquisition	A new reserve to meet any revenue costs arising from the Council's Commercial Property Investment Strategy.	Any upfront costs incurred prior to a decision being taken to purchase a commercial property will need to be met from revenue if the purchase does not proceed.	March 17 £0.150m March 18 £0.120m March 19 £0.120m

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 15 -£5.851m March 16 -£5.611m March 17 £5.761m March 18 £3.000m March 19 £0.000m
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 15 -£5.692m March 16 -£5.598m March 17 -£5.328m March 18 -£5.328m March 19 -£5.328m
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.	March15 -£223.895m March16 -£214.650m March17 -£282.216m March18 -£282.216m March19 -£282.216m

PROVISIONAL BUDGET SUMMARY STATEMENT
Subject to amendment in the light of final budget decisions

Line		2017/18	2018/19
		£'000	£'000
	Bracknell Forest's Expenditure		
1	Adult Social Care and Health	35,875	35,183
2	Children, Young People and Learning	28,104	27,986
3	Environment, Culture & Communities	35,828	33,240
4	Chief Executives /Resources	7,146	6,987
5	Corporate Wide Items (to be allocated)	(1,197)	(251)
6	Sub-Total	105,756	103,145
7	Non Departmental Expenditure		
8	Contingency provision	2,000	2,500
9	Debt Financing Costs (Minimum Revenue Provision)	1,550	1,816
10	Levying Bodies	110	111
11	Interest	1,392	3,294
12	Pension Interest Cost & Administration Expenses	7,715	7,715
13	Other Services	249	248
14	Business Rates Growth	(4,145)	(13,116)
15	Contribution from Capital Resources	(300)	(200)
16	Capital Charges	(18,954)	(18,954)
17	Contribution from Pension Reserve	(12,378)	(12,378)
18	Contribution to/(from) Earmarked Reserves	9,060	<<<<<
19	New Homes Bonus grant	(2,796)	(1,767)
20	Local Services Support Grant	(4)	(4)
21	Transition Grant	(914)	0
22	Net Revenue Budget	88,341	<<<<<
23	Movement in General Fund Balances	(2,568)	<<<<<
24	Net Revenue Budget after use of balances	85,773	<<<<<
25	Less - External Support		
26	Business Rates	(15,719)	(20,636)
27	Revenue Support Grant	(7,081)	0
28	Collection Fund Adjustment – Council Tax	(613)	(115)
29	Collection Fund Adjustment – Business Rates	(9,113)	(3,045)
30	Bracknell Forest's Council Tax Requirement	53,247	<<<<<
31	Collection Fund		
32	Bracknell Forest's Requirement	53,247	<<<<<
33	divided by the Council Tax Base ('000)	44.58	45.30
34	Council Tax at Band D (excluding Parishes)		
35	Bracknell Forest	£1,194.39	£<<<<<

Departmental Virements over £50,000

Debit	Credit	Explanation
£'000	£'000	
		<u>Adult Social Care, Health and Housing</u>
		Additional money for Adult Social Care announced by the government in the Spring 2017 budget plus further drawdown of Better Care Fund money..
	-929	Government Grants
	-90	Other Grants
458		Employees
250		Community Team Mental Health (including Older Adults) - third party payments
311		Adult Community Team - third party payments
1,019	-1,019	Total
		<u>Environment, Culture and Communities</u>
		Budgets have been realigned to reflect the service is now delivered through Berkshire Public Protection Partnership a joint service with West Berks and Wokingham councils.
	-1,003	Employee costs
	-1	Premises Costs
	-32	Transport Costs
	-137	Supplies and Services
331		Income
842		West Berkshire costs to deliver service
1,173	-1,173	Total
		<u>Resources</u>
		A reversal of the previously loaded budget virement in relation to the DSB has been put through, due to a change in the way that the DSB is reported within Resources.
	-100	Office Accommodation DSB Home-to-School transport (Non DSB)
100		The ICT service provided to schools through SLA's has changed in this financial year and we are no longer providing technical support as part of the package. As such the remaining DSB budget for the members of staff who used to carry out this service is to be used to reduce the income target, as we are no longer selling this part of the service.
	-56	ICT DSB ICT Non DSB
56		
156	-156	Total

Virements between Departments


Total	Explanation
<p>£'000</p> <p>-563</p> <p>563</p>	<p><u>Resources / CX Office</u></p> <p>Following purchases of commercial properties in Southampton and Lincoln, a budget for associated rental income has been transferred into Resources from Corporate Wide Items.</p> <p><u>Non-Departmental</u></p> <p>Following purchases of commercial properties in Southampton and Lincoln, a budget for associated rental income has been transferred into Resources from Corporate Wide Items.</p>
<p>0</p>	<p>Total Virements</p>

Initial Equalities Screening Record Form

Date of Screening: 29/11/2017	Directorate: Adult Social Care, Health & Housing		Section: Commissioning and Resources
1. Activity to be assessed	Transformation of the relationship with the Voluntary Sector		
2. What is the activity?	<input type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input checked="" type="checkbox"/> Review <input type="checkbox"/> Service <input type="checkbox"/> Organisational change		
3. Is it a new or existing activity?	X New <input type="checkbox"/> Existing		
4. Officer responsible for the screening	Neil Haddock, Chief Officer Commissioning & Resources		
5. Who are the members of the screening team?	Commissioning Team		
6. What is the purpose of the activity?	To move from a block grant / contract regime with the Voluntary Sector, to one where individuals purchase the services they want from voluntary sector organisations using their Personal Budgets . This will be on a phased basis, with full implementation from 1 st April 2019.		
7. Who is the activity designed to benefit/target?	People in receipt of Personal Budgets		
Protected Characteristics	Please tick yes or no	Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc Please add a narrative to justify your claims around impacts and describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making, include consultation results/satisfaction information/equality monitoring data
8. Disability Equality – this can include physical, mental health, learning or sensory disabilities and includes conditions such as dementia as well as hearing or sight impairment.	Y	N	People in receipt of personal budgets will have some form of disability, so will be impacted by these proposals. The impact is considered to be positive. By definition, people with a personal budget have some form of disability. The impact is considered positive, as people will still be able to purchase the services that are available from the voluntary sector with their personal budget if they choose, but will also have the choice to purchase different services to support their needs. This greater choice is positive. This approach gives people direct power to positively influence the market and voluntary sector to provide services that will meet their needs. This power is positive.
9. Racial equality	Y	N	No impact Personal budgets are awarded on the basis of need, with the assessment done using a nationally

				recognised model. There is no evidence in Bracknell to suggest that racial background impacts on the likelihood of someone receiving a Personal Budget, or the value of that Personal Budget.
10. Gender equality	Y	N	People in receipt of personal budgets are statistically more likely to be women. Therefore gender is an indirect factor in these proposals. The impact is considered to be positive.	Gender is an indirect factor in these proposals. People in receipt of personal budgets are statistically more likely to be women. This is due to the fact that amongst the older population in receipt of personal budgets, women outnumber men by a factor of nearly 2:1, both in Bracknell and nationally, and, in turn, it is the older population who are more likely to be in receipt of a personal budget. Therefore gender is an indirect factor in these proposals. The impact is considered to be positive as people will still be able to purchase the services that are available from the voluntary sector with their personal budget if they choose, but will also have the choice to purchase different services to support their needs. This greater choice is positive. This approach gives people direct power to positively influence the market and voluntary sector to provide services that will meet their needs. This power is positive.
11. Sexual orientation equality	Y	N	No impact	Personal budgets are awarded on the basis of need, with the assessment done using a nationally recognised model. There is no evidence in Bracknell to suggest that sexual orientation impacts on the likelihood of someone receiving a Personal Budget, or the value of that Personal Budget.
12. Gender re-assignment	Y	N	No impact	Personal budgets are awarded on the basis of need, with the assessment done using a nationally recognised model. There is no evidence in Bracknell to suggest that sexual orientation impacts on the likelihood of someone receiving a Personal Budget, or the value of that Personal Budget.
13. Age equality	Y	N	People in receipt of personal budgets are statistically more likely to be older people, so age is an indirect factor in these proposals. The impact is considered to be positive.	Age is an indirect factor, as statistically people in receipt of a personal budget are more likely to be older, aged 65+. The impact is considered positive, as people will still be able to purchase the services that are available from the voluntary sector with their personal budget if they choose, but will also have the choice to purchase different services to support their needs. This greater choice is positive. This approach gives people direct power to positively influence the market and voluntary sector to provide

				services that will meet their needs. This power is positive.
14. Religion and belief equality	Y	N	No impact	Personal budgets are awarded on the basis of need, with the assessment done using a nationally recognised model. There is no evidence in Bracknell to suggest that religion or belief impacts on the likelihood of someone receiving a Personal Budget, or the value of that Personal Budget.
15. Pregnancy and maternity equality	Y	N	No impact	Personal budgets are awarded on the basis of need, with the assessment done using a nationally recognised model. There is no evidence in Bracknell to suggest that pregnancy on the likelihood of someone receiving a Personal Budget, or the value of that Personal Budget.
16. Marriage and civil partnership equality	Y	N	No impact	Personal budgets are awarded on the basis of need, with the assessment done using a nationally recognised model. There is no evidence in Bracknell to suggest that marriage or civil partnership status impacts on the likelihood of someone receiving a Personal Budget, or the value of that Personal Budget.
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders, armed forces communities) and on promoting good community relations.	Not applicable.			
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	Not applicable			
19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	Potentially, approximately 1000 people per year could be affected, all of whom will have some form of disability, and approximately 600 would be older people (aged 65+). The split between men and women is likely to be 40:60. The significance cannot be quantified numerically, however the impact is that people have greater choice in how to spend their Personal Budget.			
20. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?		N	For each equality group where there is an impact, the impact is that they have greater choice in how to use their Personal Budget to meet their needs. This approach gives people direct power to positively influence the market and voluntary sector to provide services that will meet their needs. This power is positive.	

<p>21. What further information or data is required to better understand the impact? Where and how can that information be obtained?</p>	<p>Information on how people use their Personal Budgets will help identify the positive impact of these proposals. This information will be built up from individual support plans for each person with a Personal Budget.</p>		
<p>22. On the basis of sections 7 – 17 above is a full impact assessment required?</p>		<p>N</p>	<p>There are no negative equality impacts of this proposal, as explained above.</p>
<p>23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? The impact of this is on the voluntary sector, who will no longer receive money from the Council to provide services that people could purchase with their Personal Budgets. In order to avoid destabilising the Voluntary Sector, this is being phased in over 2 years. In addition, the Department, as part of its Transformation Program, has launched a Digital Marketplace, and created new roles of Community Connectors, to help people identify which services they wish to purchase from different providers, including the voluntary sector. Individual organisations who provide services that people want will flourish. These actions have already been done.</p>			
<p>Action</p>	<p>Timescale</p>	<p>Person Responsible</p>	<p>Milestone/Success Criteria</p>
<p>24. Which service, business or work plan will these actions be included in?</p>	<p>Adult Social Care Transformation Program</p>		
<p>25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?</p>			
<p>26. Chief Officers signature.</p>	<p>Signature:  Date: 29/11/2017</p>		

Initial Equalities Screening Record Form

Date of Screening: 25/11/2017	Directorate: CYPL	Section: L & A
1. Activity to be assessed	Reduction in spend on commissioned services for young people who are NEET	
2. What is the activity?	<input type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input checked="" type="checkbox"/> Service <input type="checkbox"/> Organisational change	
3. Is it a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	
4. Officer responsible for the screening	Virtual School Head – Kashif Nawaz	
5. Who are the members of the screening team?	Virtual School Head – Kashif Nawaz	
6. What is the purpose of the activity?	The aim of the service is to support those young people of school age and are at risk of becoming NEET as well as supporting those who are 16 – 18 years old and are NEET. The service was previously contracted to Adviza and bought in-house in March 2017. With the presence of Elevate, opportunities have been identified to deliver the service with a lower cost which meant that a saving of £49k can be made for the 2018/19 financial year. Actual services to young people however, will not be reduced and this will continue to be delivered.	
7. Who is the activity designed to benefit/target?	Young people across the ages of 14 – 18 years old.	
Protected Characteristics	Please tick yes or no	Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.
8. Disability Equality – this can include physical, mental health, learning or sensory disabilities and includes conditions such as dementia as well as hearing or sight impairment.	N	No
9. Racial equality	N	No
		What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc Please add a narrative to justify your claims around impacts and describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making, include consultation results/satisfaction information/equality monitoring data
		All young people are provided with the same service and there is no evidence of any differential due to disability?
		No young person will feel an impact from a racial equality perspective. All those involved come from a diverse number of backgrounds. Everyone will continue to be treated sensitively in regards to their needs.

10. Gender equality		N	No	All young people are provided with the same service and there is no evidence of any differential due to gender
11. Sexual orientation equality		N	No	Based on information relating to gender, staff are aware of individual needs and can adapt their service to meet this.
12. Gender re-assignment		N	No	All young people are provided with the same service and there is no evidence of any differential due to gender
13. Age equality		N	No	The service set up to support young people of school age through to 18 year olds. This will continue to be the case
14. Religion and belief equality		N	No	Individual support plans reflect the religious and cultural beliefs of individuals using this service. Staff are therefore aware of how these needs can be followed through.
15. Pregnancy and maternity equality		N	No	The service currently supports expectant mothers and families and will continue to do so. There will be no change in the current level of support available to them.
16. Marriage and civil partnership equality		N	No	The service does not differentiate between those who are either single, married or in a civil partnership – this will continue to remain the case as staff are fully trained to meet individual needs.
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders, armed forces communities) and on promoting good community relations.	No further information available at this time			
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	No impact identified			
19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	N/A			

20. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?	Y	N	N/A
21. What further information or data is required to better understand the impact? Where and how can that information be obtained?	Monitor trends over time through monthly information reports. This is reported through the Performance management board in CYPL at DMT.		
22. On the basis of sections 7 – 17 above is a full impact assessment required?		N	There are no areas of impact recorded hence a full impact assessment is not required.
23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.			
Action	Timescale	Person Responsible	Milestone/Success Criteria
24. Which service, business or work plan will these actions be included in?			
25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?	Please list		
26. Chief Officers signature.	Signature:		Date:

Initial Equalities Screening Record Form

Date of Screening: 28/11/17	Directorate: Resources	Section: Customer Services	
1. Activity to be assessed	We are planning to change the way the face to face service is offered at Time Square. Customers will be able to see a specialist officer by appointment only, and any 'drop-in' customers will be directed to self-service. Support will be provided for any customers who are unable to use self-service facilities on their own		
2. What is the activity?	<input type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input checked="" type="checkbox"/> Service <input type="checkbox"/> Organisational change		
3. Is it a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing		
4. Officer responsible for the screening	Bobby Mulheir		
5. Who are the members of the screening team?	Toni Ball		
6. What is the purpose of the activity?	The aim is to support customers in becoming more self-reliant and learning how to access our online services. by moving to appointments to enable customers to access specialist officers, we can better manage the use of resources, and help to reduce demand. Customers may initially find it more difficult to access council officers as they will need to make an appointment. They will be supported to access online services, and this will help them to develop digital skills needed for accessing information and services in other areas of their lives.		
7. Who is the activity designed to benefit/target?			
Protected Characteristics	Please tick yes or no	<p>Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.</p>	<p>What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc Please add a narrative to justify your claims around impacts and describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making, include consultation results/satisfaction information/equality monitoring data</p>
8. Disability Equality – this can include physical, mental health, learning or sensory disabilities and includes conditions such as dementia as well as hearing or sight impairment.	Y	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.
9. Racial equality	Y	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.

10. Gender equality	¥	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
11. Sexual orientation equality	¥	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
12. Gender re-assignment	¥	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
13. Age equality	¥	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
14. Religion and belief equality	¥	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
15. Pregnancy and maternity equality	¥	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
16. Marriage and civil partnership equality	¥	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders, armed forces communities) and on promoting good community relations.	Most people will benefit from being supported to develop digital skills and learn how to access online services.			
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	N/A			
19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the	No difference			

number of people likely to be affected?			
20. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?	Y	N	
21. What further information or data is required to better understand the impact? Where and how can that information be obtained?	Customer satisfaction will be recorded as we trial different ways of working.		
22. On the basis of sections 7 – 17 above is a full impact assessment required?	Y	N	There are no negative equality impacts of this proposal, as explained above.
23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? At Time Square 'North' reception more self service facilities will be provided and staff will be in the area to support customers as required; this will help them to develop digital skills needed for accessing information and services in other areas of their lives. Opportunities to take this forward will be trialled over the next few months with the main developments taking place during the next financial year.			
Action	Timescale	Person Responsible	Milestone/Success Criteria
24. Which service, business or work plan will these actions be included in?			
25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?	Please list		
26. Chief Officers signature.	Signature: <i>Bobby Mulheir</i>	Date: 28/11/17	

Initial Equalities Screening Record Form

Date of Screening: 28/11/17	Directorate: Resources		Section: Customer Services
1. Activity to be assessed	We are introducing GovDelivery and Gov.UK Notify to enable the council to send bulk emails to residents. Residents can subscribe for emails through GovDelivery, and receive newsletters, bulletins, briefings, service disruption information, etc. Gov.UK Notify will enable us to send emails or text messages to customers to remind them to do things, or to prompt them to take action. These contacts can also be managed in bulk, but can be personalised to the recipients. Initial trials will be run with the Revenues Service, sending reminders for overdue payments.		
2. What is the activity?	<input type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input checked="" type="checkbox"/> Service <input type="checkbox"/> Organisational change		
3. Is it a new or existing activity?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Existing		
4. Officer responsible for the screening	Bobby Mulheir		
5. Who are the members of the screening team?	Toni Ball, Dave Evans		
6. What is the purpose of the activity?	We want to move most of the council's communication with residents to digital channels, to reduce costs.		
7. Who is the activity designed to benefit/target?	This activity is designed to reduce costs, and to benefit all residents.		
Protected Characteristics	Please tick yes or no	Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc Please add a narrative to justify your claims around impacts and describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making, include consultation results/satisfaction information/equality monitoring data
8. Disability Equality – this can include physical, mental health, learning or sensory disabilities and includes conditions such as dementia as well as hearing or sight impairment.	Y	N	There should be a benefit to customers, and no particular group or characteristic will be impacted more than any other. Customers who are not online will not be able to make use of GovDelivery, although if they have a mobile phone, will be able to benefit from Gov.UK Notify. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.
9. Racial equality	Y	N	There should be a benefit to customers, and no particular group or characteristic will be impacted more than any other. Customers who are not

126

			online will not be able to make use of GovDelivery, although if they have a mobile phone, will be able to benefit from Gov.UK Notify. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.	
10. Gender equality	∕	N	There should be a benefit to customers, and no particular group or characteristic will be impacted more than any other. Customers who are not online will not be able to make use of GovDelivery, although if they have a mobile phone, will be able to benefit from Gov.UK Notify. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.	
11. Sexual orientation equality	∕	N	There should be a benefit to customers, and no particular group or characteristic will be impacted more than any other. Customers who are not online will not be able to make use of GovDelivery, although if they have a mobile phone, will be able to benefit from Gov.UK Notify. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.	
12. Gender re-assignment	∕	N	There should be a benefit to customers, and no particular group or characteristic will be impacted more than any other. Customers who are not online will not be able to make use of GovDelivery, although if they have a mobile phone, will be able to benefit from Gov.UK Notify. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.	
13. Age equality	∕	N	There should be a benefit to customers, and no particular group or characteristic will be impacted more than any other. Customers who are not online will not be able to make use of GovDelivery, although if they have a mobile phone, will be able to benefit from Gov.UK Notify. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.	

14. Religion and belief equality	☒	N	There should be a benefit to customers, and no particular group or characteristic will be impacted more than any other. Customers who are not online will not be able to make use of GovDelivery, although if they have a mobile phone, will be able to benefit from Gov.UK Notify. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.	
15. Pregnancy and maternity equality	☒	N	There should be a benefit to customers, and no particular group or characteristic will be impacted more than any other. Customers who are not online will not be able to make use of GovDelivery, although if they have a mobile phone, will be able to benefit from Gov.UK Notify. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.	
16. Marriage and civil partnership equality	☒	N	There should be a benefit to customers, and no particular group or characteristic will be impacted more than any other. Customers who are not online will not be able to make use of GovDelivery, although if they have a mobile phone, will be able to benefit from Gov.UK Notify. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.	
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders, armed forces communities) and on promoting good community relations.	N/A.			
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	N/A			
19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	No difference			
20. Could the impact constitute unlawful discrimination in relation to any of the Equality	☒	N		

Duties?			
21. What further information or data is required to better understand the impact? Where and how can that information be obtained?	Customer feedback will be gathered as we introduce new ways of working.		
22. On the basis of sections 7 – 17 above is a full impact assessment required?	Y	N	There are no negative impacts of this proposal, as explained above
23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data This presents additional channels for communication for customers and as such as seen to be a benefit. It is not proposed, at this time, to totally replace other channels of communication, so those who are not online will still receive information.			
Action	Timescale	Person Responsible	Milestone/Success Criteria
24. Which service, business or work plan will these actions be included in?			
25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?	Please list		
26. Chief Officers signature.	Signature: <i>Bobby Mulheir</i>		Date: 28/11/17

Initial Equalities Screening Record Form

Date of Screening: 28/11/17	Directorate: Resources		Section: Customer Services
1. Activity to be assessed	We are planning to change our approach to income collection, and will no longer advertise the acceptance of cash and cheques. In the future we will work towards refusing to accept cash and cheque payments completely.		
2. What is the activity?	<input type="checkbox"/> Policy/strategy <input type="checkbox"/> Function/procedure <input type="checkbox"/> Project <input type="checkbox"/> Review <input checked="" type="checkbox"/> Service <input type="checkbox"/> Organisational change		
3. Is it a new or existing activity?	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing		
4. Officer responsible for the screening	Bobby Mulheir		
5. Who are the members of the screening team?	Toni Ball, Dave Evans		
6. What is the purpose of the activity?	The aim is to reduce the costs associated with income collection. Customers may initially find it more difficult to make payments, although we will accept online, telephone and over the counter card payments. We will encourage people to set up direct debits where this is appropriate. People will still be able to pay by cash and cheque at the post office, and we will accept these payments, if customers genuinely have no other means of paying us.		
7. Who is the activity designed to benefit/target?	This activity is designed to reduce costs.		
Protected Characteristics	Please tick yes or no	Is there an impact? What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	What evidence do you have to support this? E.g equality monitoring data, consultation results, customer satisfaction information etc Please add a narrative to justify your claims around impacts and describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making, include consultation results/satisfaction information/equality monitoring data
8. Disability Equality – this can include physical, mental health, learning or sensory disabilities and includes conditions such as dementia as well as hearing or sight impairment.	Y	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.
9. Racial equality	Y	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.
10. Gender equality	Y	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any

			other.	
11. Sexual orientation equality	∕	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
12. Gender re-assignment	∕	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
13. Age equality	∕	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
14. Religion and belief equality	∕	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
15. Pregnancy and maternity equality	∕	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
16. Marriage and civil partnership equality	∕	N	There may be some inconvenience to customers in the short term, but no particular group or characteristic will be impacted more than any other.	
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders, armed forces communities) and on promoting good community relations.	N/A.			
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	N/A			
19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	No difference			

20. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?	Y	N		
21. What further information or data is required to better understand the impact? Where and how can that information be obtained?	Customer feedback will be gathered as we introduce new ways of working.			
22. On the basis of sections 7 – 17 above is a full impact assessment required?	Y	N	There are no negative equality impacts of this proposal, as explained above.	
<p>23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data?</p> <p>Customers who still wish to pay by Cheque or Cash will stay be able to pay by this method at their own bank or building society. It is only at the civic offices that cheques and cash will not be accepted. Customers who have a cheque book will have a bank account, so everyone will be able to continue to pay by this method if they wish</p>				
Action	Timescale	Person Responsible	Milestone/Success Criteria	
24. Which service, business or work plan will these actions be included in?				
25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?	Please list			
26. Chief Officers signature.	Signature: <i>Bobby Mulheir</i>		Date: 28/11/17	