

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 |
|---|------------------|------------------|------------------|
| Housing Benefit overpayments 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. | -50 | | |
| Housing Benefits processing 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. | -40 | | |
| Forestcare income 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. | -60 | | |
| Supporting people contract Full year-effect of saving on the supporting people contract re-tendered in the previous year. | -30 | | |
| My Homebuy 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. | -20 | | |
| Public Health 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. | -60 | | |
| Adult Social Care residential pressures¹ 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 | 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 | -12 | -266 |

| 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 |
|---|------------------|------------------|------------------|
| Waste Management¹ 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. | -627 | | |
| E+ Card Deletion of the part time post of Smartcard Development Manager. 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. | -33 | | |
| E+ Card Reduction in the Smartcard supplies and services budgets | -10 | | |
| Transport Policy, Planning & Strategy Reduction in usage of consultants. | -35 | | |
| Road Safety Following the removal of the Road Safety Officer post, publicity for the service has reduced. | -10 | | |
| Transport Policy, Planning & Strategy 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. | -157 | | |
| Transport Policy, Planning & Strategy 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. | -55 | | |
| Transport Policy, Planning & Strategy As a result of additional monitoring it has been possible to | -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. | | | |
| Transport Policy, Planning & Strategy 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. | -25 | | |
| Sports Development 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. | -30 | -14 | |
| Town Centre Maintenance The new town centre necessitates higher additional cleansing and landscaping maintenance. The majority of the additional costs relate to street cleansing needs. | 69 | | |
| Environmental Services 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. 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. | 14 | | |
| Parks Open Space & Countryside 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. The council is working with Surrey Heath to review the profile of house building and therefore future receipts for the coming year. | 200 | | |
| Local Development Framework 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. In prior years the budget has been consistently reduced and the programme has continued to be delivered by the carry forward of | 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 |
|---|------------------|------------------|------------------|
| Members Services & Mayoral Services Providing all agenda papers electronically. The Member Allowances budget as been previously underspent. 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. | -50 | | |
| HR Removal of Sports Centre membership for staff. | -7 | | |
| Committee Services & School Appeals 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). | -8 | | |
| Records and Storage A credit has been received for each of the last two years in relation to the previous year for the Archives Joint Arrangement. | -5 | | |
| Electoral Services Reduced requirement for canvassers | -1 | | |
| Legal A reduction in Reference Books and Publications budget to reflect previous underspends. | -5 | | |
| Finance – Audit A reduction in the number of internal audit days delivered by the Council's external providers (-£10,000). External audit fees continue to reduce in line with the tendering process undertaken previously (-£10,000). | -20 | | |
| Operations Unit Due to the re-tender of the Home to School Transport contracts, which came into effect last financial year, a reduction in costs | -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 | | |

REVENUE BUDGET PROPOSALS
Annexe D

| Description Impact | 2018/19 £'000 | 2019/20 £'000 | 2020/21 £'000 |
|--|--------------------------|--------------------------|--------------------------|
| Customer Services Council Wide license allowing roll out of Booking Bug to unlimited services across the Council (£18,000). Annual licensing costs for MusterPoint the social media management platform (£9,000). Annual licence for Lean Process Modeller Software (£9,000). Council Wide annual licensing costs for the GovDelivery digital communications platform and for the GovDelivery/Firmstep integration (£20,000). | 56 | | |
| Revenue Services Estimated cost of surcharging on credit card payments which will have to be met by the Council from 1 January 2018. | 60 | | |
| ICT¹ 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 roll out of the Enterprise Agreement. | -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 |
|--|------------------|------------------|------------------|
| Citizen & Customer Contact (CCC) Review – Face to Face 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. | -29 | | |
| CCC Review – Income Collection New approach to income collection - removal of cash and cheques, and move to automatic set-up of direct debits. | -20 | | |
| CCC Review – GovDelivery GovDelivery will replace current posted bulk mailings, brochures and flyers. Examples include: <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 | | |
| Training Budgets 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). | -120 | | |
| Capitalisation of Expenditure 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. | 100 | | |
| Apprenticeships and Graduate Trainees 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 | 120 | | |

REVENUE BUDGET PROPOSALS

Annexe D

| 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 re-payment 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 |

Annex E(iv)

| 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 | AAA Rating by Fitch, Moodys or S&P | 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 | As per list of approved Counterparties | 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 | As per list of approved Counterparties | 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/ 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> |
|---|--|-------------------------------------|--|--|---|---|
| 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/</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> |
|--|--|---|--|--|--|---|
| 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 |
| Commuted Maintenance of Land | Money is received and set aside for the ongoing maintenance of land transferred to the Council under Section 106 agreements. | The reserve will be used to cover the cost of maintaining land transferred to the Council under Section 106 agreements. | March 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 |
| 100 | | Home-to-School transport (Non DSB) |
| | | 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 |
| 56 | | ICT Non DSB |
| 156 | -156 | Total |

Virements between Departments


| Total | Explanation |
|-------|---|
| £'000 | |
| -563 | <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> |
| 563 | <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> |
| 0 | Total Virements |

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 X 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. | |

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| 21. What further information or data is required to better understand the impact? Where and how can that information be obtained? | 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. | | |
| 22. On the basis of sections 7 – 17 above is a full impact assessment required? | | 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? 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. | | | |
| Action | Timescale | Person Responsible | Milestone/Success Criteria |
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| 24. Which service, business or work plan will these actions be included in? | Adult Social Care Transformation Program | | |
| 25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening? | | | |
| 26. Chief Officers signature. | <div data-bbox="1066 1031 1375 1128" data-label="Text">  </div> <div data-bbox="865 1112 1060 1177" data-label="Text"> <p>Signature: Date:29/11/2017</p> </div> | | |

Initial Equalities Screening Record Form

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|---|--|--|--|
| 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. | 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. | | N | No All young people are provided with the same service and there is no evidence of any differential due to disability? |
| 9. Racial equality | | N | No 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. |

Annexe I

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| 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 | | | |

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| 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 |
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| 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

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| 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 | 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. |

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| 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 | | | |

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| 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 |
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| 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

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|---|--|--|---|
| 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 |

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| | | | 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. | |

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| 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 |
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| | | | |
| | | | |
| 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

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|--|--|---|---|--|
| 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. | |

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| | | | 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. |
| 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? 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 | | | |
| Action | Timescale | Person Responsible | Milestone/Success Criteria |
| | | | |
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| | | | |
| 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 |