

**TO: THE EXECUTIVE**  
**DATE: 09 FEBRUARY 2021**

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**GENERAL FUND REVENUE BUDGET 2021/22**  
**(Chief Executive/Director: Resources)**

**1 PURPOSE OF REPORT**

- 1.1 As part of the Council's financial and policy planning process, the Executive agreed draft revenue budget proposals for 2021/22 as the basis for consultation on 15 December 2020.
- 1.2 Over the course of the last two months a number of issues have become clearer, in particular the details of the Local Government Financial Settlement. This report therefore builds on the draft budget proposals agreed by the Executive in December and sets out the Executive's final budget proposals for 2021/22. Once determined, these will be submitted to the Council for consideration on 24 February 2021.
- 1.3 Additional one-off funding confirmed in the Provisional Settlement has enabled the Council to invest in a number of one-off initiatives designed to support its strategic plans including support for our most vulnerable citizens, carbon footprint reduction and recovery from the pandemic (section 11)
- 1.4 The recommendations of this report are, in part, dependent upon proposals to be considered elsewhere on this agenda in respect of the Capital Programme 2021/22 - 2023/24. Changes to the proposals included within that report may therefore necessitate revisions to the 2021/22 General Fund revenue budget proposals set out below. Should this happen a short adjournment of the meeting might be required.

**2 RECOMMENDATIONS**

**That the Executive, in recommending to Council a budget and Council Tax level for 2021/22:**

- 2.1 Confirms the original budget proposals, subject to the revisions in section 8.3 and those decisions to be taken elsewhere on this agenda on the capital programme;**
- 2.2 Agrees the provision for inflation of £1.200m (section 8.2);**
- 2.3 Agrees the additional budget proposals as set out in Annexe A and Annexe D and in sections 6.2 (specific grants), 6.3 (business rates), 7.3 (collection fund), 8.3 (updated pressures) and the proposed one-off investments in paragraph 11.3 a) – f);**
- 2.4 Agrees that the Council should make additional funding available for distribution to schools through the local funding formula at the level set out in section 9.1 subject to any minor amendments made by the Executive Member for Children, Young People and Learning following the receipt of definitive funding allocations for Early Years and High Needs pupils;**

- 2.5 Includes a general contingency totalling £2.250m (section 10.6) and a Covid-19 specific contingency of £3.417m (section 10.7), use of which are to be authorised by the Chief Executive in consultation with the Director: Resources in accordance with the delegations included in the Council’s constitution;
- 2.6 Subject to the above recommendations, confirms its support for the draft budget proposals;
- 2.7 Approves the Net Revenue Budget before allowance for additional interest from any use of balances as set out in Annexe G;
- 2.8 Agrees the contribution of £>.>>>m to be made from revenue balances (before additional interest from the use of balances) to support revenue expenditure;
- 2.9 Recommends a >.>>% increase in the Council Tax for the Council’s services and that the Council Tax requirement, excluding Parish and Town Council precepts, be set as £>>.>>>m;
- 2.10 Recommends that the Council Tax for the Council’s services and that each Valuation Band is set as follows:

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

- 2.11 Recommends that the Council approves the following indicators, limits, strategies and policies included in Annexe E:
- The Prudential Indicators and Limits for 2021/22 to 2023/24 contained within Annexe E(i);
  - The Minimum Revenue Provision (MRP) Policy contained within Annexe E(ii);
  - The Treasury Management Strategy Statement, and the Treasury Prudential Indicators contained in Annexe E(iii);
  - The Authorised Limit Prudential Indicator in Annexe E(iii);
  - The Investment Strategy 2021/22 to 2023/24 and Treasury Management Limits on Activity contained in Annexe E(iv);
- 2.12 Approves the virements relating to the 2020/21 budget as set out in Annexe H and recommends those that are over £0.100m for approval by Council.

### 3 REASONS FOR RECOMMENDATIONS

- 3.1 The recommendations are designed to enable the Executive to propose a revenue budget and Council Tax level for approval by Council on 24 February.

## 4 ALTERNATIVE OPTIONS CONSIDERED

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

### SUPPORTING INFORMATION

## 5 Basis of Draft Budget Proposals

5.1 At its meeting on 15 December 2020, the Executive considered the overall position facing the Council in setting a budget for 2021/22. At the time the Executive agenda was published, the Provisional Local Government Financial Settlement had not been announced. The budget proposals were therefore based on the deliberately prudent assumption that Government support would remain broadly at the level it was at the start of 2020/21, i.e. before the additional Covid-19 support was provided.

5.2 On 25 November 2020 the Government set out the results of the 2020 Spending Review (SR20). This confirmed that additional one-off sums, totalling over £3 billion for England as a whole, would be provided to help meet on-going Covid-19 pressures. Whilst the impact was expected to be significant for the Council, as indicative figures and the basis for allocation were not provided no additional funding was included in the draft budget proposals.

5.3 In this broad context, the Executive published its draft budget proposals, which were open for consultation for a six week period.

5.4 In the face of significant pressures on Local Government expenditure and grant funding, the scope to invest in new service provision is severely restricted. Many of the pressures accommodated in the budget package are simply unavoidable as they relate to current levels of demand or legislation changes.

5.5 As in previous years, economies have focused as far as possible on increasing efficiency, income generation, reducing central and departmental support and transforming rather than reducing front line services.

5.6 The draft budget proposals, which reflect the priorities in the Council Plan and included a suggested approach for inflation, are summarised in Table 1.

Table 1: Draft Budget Proposals

Directorate	Commitment Budget (CB)	Capital programme	Inflation	Service Pressures / Economies <sup>1</sup>	Reduction in Business rates income	Earmarked Reserves – 19/20 Collection Fund Surplus	Draft Budget 2021/22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Central	18,634	0	0	-313	0	0	18,321
Delivery	13,330	0	0	380	0	0	13,710
People	78,380	0	0	402	0	0	78,782
Non Departmental / Council Wide	-20,018	50	1,200	4,621	1,000	-8,241	-21,388
<b>Total</b>	<b>90,326</b>	<b>50</b>	<b>1,200</b>	<b>5,090</b>	<b>1,000</b>	<b>-8,241</b>	<b>89,425</b>

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<sup>1</sup>Note the differences between the best and worst case pressures will be included in a Covid-19 specific contingency fund (£4.636m in the draft budget proposals) rather than being allocated to individual directorates.

### 6 Local Government Finance Settlement

#### 6.1 Overview

6.1.1 The Council's budget is set within the context of a one year settlement based on the 2020 Spending Round (SR20). The paragraphs below set out the key issues included in the Provisional Settlement for 2021/22 and this is followed by a section that draws together the likely implications for the Council's medium term funding position.

6.1.2 The Provisional Settlement was published on 17 December 2020. This confirmed that funding in a number of areas would be maintained or increased in 2021/22 and also provided details at council level of a number of one-off funding streams announced as part of SR20. Details are contained in section 6.2. The final settlement has still to be published.

#### 6.2 Specific Grants

6.2.1 On 25 November 2020 the Government set out the results of the SR20 which confirmed that additional funding would also be provided in 2021/22 to help meet on-going Covid-19 pressures. The Provisional Settlement for Bracknell Forest contained the following figures relating to Covid-19:

- -£2.654m of grant funding to meet additional expenditure pressures as a result of Covid-19;
- -£0.827m of additional unringfenced grant funding (Local Council Tax Support Grant) to help support households that are least able to afford council tax payments. While it is a general grant, it is proposed to treat it as ringfenced for these purposes, with specific proposals being shown in section 11.3. It will therefore have a cost neutral impact on the budget.

In addition to this:

- the existing Covid-19 income compensation scheme will be extended for a further 3 months until the end of June 2021. Based on the income pressures directorates have identified, this is estimated to generate additional grant income of -£0.400m next year. This figure has therefore been deducted from the Covid-19 specific Contingency to be created in 2021/22 to meet worst case pressures;
- compensation will be provided to councils for 75 per cent of irrecoverable losses of council tax and business rates revenues in 2020/21. However, based on the performance of the Collection Fund in 2020/21 so far, this is not expected to generate any additional income for Bracknell Forest.

6.2.2 The SR20 confirmed that there would be a new round of New Homes Bonus (NHB) allocations for 2021/22 which would again be for one year only. The Government decided to maintain the existing allocation mechanism, and this combined with significant increases in the Council Tax Base and reductions in the number of empty homes within Bracknell Forest resulted in the highest level of grant ever received for a single year (-£2.473m). The total receivable has increased to -£2.877m for

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2021/22 (-£1.917m in 2020/21). This is an overall increase of -£0.960m compared to the cost neutral position assumed in the draft budget proposals. As this increase is one-off it is available to spend in 2021/22 but will not reduce the budget gap in future years. It was also announced that the Government would consult on the future of NHB shortly, with a view to implementing reform in 2022/23.

- 6.2.3 An additional un-ringfenced grant has been introduced in 2021/22 called the Lower Tier Services Grant. This has been provided to councils responsible for services such as homelessness, planning, recycling and refuse collection, and leisure services. Bracknell Forest's allocation was confirmed in the provisional Settlement (-£0.189m) and has now been incorporated into the budget proposals.
- 6.2.4 Some of the largest specific grants received by the Council are for Public Health and Social Care. The ring-fence on Public Health will be retained in 2021/22 but indicative figures have yet to be provided at an individual council level. Some additional funding for social care was announced as part of SR20. Individual allocations have now been released and Bracknell Forest's allocation (-£0.090m) has now been incorporated into the budget proposals.
- 6.2.5 Information on a number of smaller Specific Grants has now been received. Any changes in these grants will be managed by the Directorates and will therefore not impact on the budget proposals.

### 6.3 Business Rates

- 6.3.1 Another important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), the impact of appeals and local growth or decline as local businesses and economic conditions expand or contract. To support businesses in the near-term, the government has decided to freeze the business rates multiplier in 2021/22. This will be cost neutral for the Council as compensation for the loss of income will be provided via a section 31 grant.
- 6.3.2 The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government. It has been confirmed this will also be frozen in line with the increase in the small business non-domestic rating multiplier (-£16.832m).
- 6.3.3 The Government has announced that the introduction of a new Business Rates system, based on 75% rates retention, will now be delayed until at least 2022/23. To coincide with this a fair funding review is currently underway which will calculate the new baseline funding levels for individual councils based on an up-to-date assessment of their relative needs and resources. Existing grants including RSG and most likely the Public Health Grant will be incorporated into the revised baseline and more responsibilities are likely to be transferred to Local Government to ensure that the new system is fiscally neutral overall.
- 6.3.4 Bracknell Forest is in a virtually unique position in terms of its current Business Rates income. The transfer of a large multi-national company on to the Council's valuation list in 2013/14 significantly increased the level of Business Rates collected locally. This transfer represented a significant windfall for the Council, creating both a significant opportunity and risk at the time and has been a key factor in providing resources to balance the Council's budget since then.

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- 6.3.5 Around half of the additional income was used to support the base budget with the remainder set aside in an earmarked reserve to mitigate against the risk of the additional income reducing or being withdrawn. This prudent approach meant that the Council was not immediately impacted by a successful appeal by the company against the rateable value, which resulted in it being reduced by 28% in 2016/17. Several other appeals have since been successful resulting in a further 7% reduction in rateable value. There are still appeals outstanding on the 2010 valuation and further multiple appeals were lodged following the 2017 valuation which are still outstanding. It is also anticipated that the company will join the Central Rating List when the new Business Rates system is introduced. Due to changes at the company's key site in Bracknell there is also a possibility that we could see the loss of this income sometime in 2021.
- 6.3.6 As the timing and outcome of all these events are uncertain, broad assumptions have had to be made in calculating future income levels. An unavoidable consequence of this has been significant volatility in the Collection Fund balance each year. This continues to represent a considerable risk to the Council's current and future Business Rates income. In 2019/20 a significant surplus of -£8.241m was projected on the Business Rates element of the Collection Fund arising from a combination of the final income figure for 2017/18 being more than estimated in January 2019 and less income being projected for 2019/20. These one-off funds were transferred to the Business Rates Equalisation and Future Funding Reserves. There is now a significant deficit projected on the Business Rates element of the Collection Fund for 2019/20 (-£11.498m) which is almost entirely due to the additional Business Rates reliefs granted by the Government after income estimates were submitted at the beginning of the year. Section 31 grant is being received this year to compensate councils for the resultant loss of income. This will be transferred into the Business Rates Reliefs Reserve at the year-end so that it can be used to fund the 2020/21 deficit when it becomes payable in 2021/22.
- 6.3.7 In addition to these specific issues, the move to the new funding system will be accompanied by a re-set of the current business rates arrangement. This will most likely mean that all or a large part of the additional business rates that the Council has secured through the company referred to above and from the town centre opening in 2017 will no longer directly benefit Bracknell Forest.
- 6.3.8 The draft budget assumed a £1m reduction in Business Rates related income. Based on the latest forecasts, growth is now expected to be -£7.296m (-£7.897m in 2020/21), a reduction of £0.601m compared to last year. This will also have a knock-on effect to the levy payment to Central Government (-£0.366m).
- 6.3.9 Section 31 grant is also receivable in relation to Business Rates. This is designed to cover the loss of income resulting from the capping of Business Rates increases in previous years' and the freezing of Business Rates increases in 2021/22 plus the impact of several Business Rate Reliefs. Section 31 income is estimated to be -£2.142m in 2021/22 (-£2.302m in 2020/21), a reduction of £0.160m. As with 2020/21, the Government may issue other reliefs during the year due to the impact of the pandemic. If this is the case any additional grant will be transferred to an earmarked reserve so that it can be used to cover the resulting deficit on the Collection Fund.
- 6.3.10 The 2020/21 budget included a net transfer of £10.278m into reserves, most significantly +£7.500m into the Business Rates Revaluation Reserve for the 2019/20 deficit on the Business Rates element of the Collection Fund. The basic approach taken to business rates remains unchanged in 2021/22 and based on the revised projections, -£12.305m will be drawn from reserves (-£11.498m from the Business

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Rates Reliefs Reserve for the 2020/21 deficit on the Business Rates element of the Collection Fund and -£0.537m from other reserves).

### 6.4 Medium Term Financial Situation

6.4.1 There is significant uncertainty for the period from 2022/23 due to the potential impact of a number of issues, in particular:

- Fair Funding Review
- Business Rates system re-set
- 2021 Spending Review which will determine the overall quantum of resources available to local government
- Impact of Brexit
- Potential continuing impact of the pandemic

6.4.2 This hampers meaningful financial planning at a time when central government grant funding is the lowest it has been for decades and demand pressures are increasing significantly. Given the relative prosperity of Bracknell Forest and the Government's aim to "level up" across the regions, it is unlikely that the impact of these changes will increase our local resources overall.

6.4.3 The most likely consequence of all of these factors combining is an additional recurring budget gap of around £4.0m in 2022/23, due to funding changes alone. The Future Funding Reserve has deliberately been created and supplemented through the additional income from Business Rate Pilot status in order to help manage the transition to the new funding arrangements. It is estimated that there will be a balance of approximately £18.2m available on the Future Funding Reserve at the end of 2020/21 and 2021/22, which allows the Council to take a measured approach over time to bridging the gap.

6.4.4 The impact of these factors will be a greater reliance on Council Tax income as an on-going source of funding to support essential front-line services. The current level of Council Tax in Bracknell Forest is still one of the lowest of any Unitary Authority in England. While a high level of increase in any year is unlikely to be universally welcomed by residents, for many years the Council's financial plans have assumed the maximum level of increase permitted is applied, as this is what the Government has assumed and provides the greatest level of protection possible for essential services in the period from 2021/22.

## 7 Council Tax and Collection Fund

7.1 The Council Tax Base for 2021/22 has been calculated as 47,624 (Band D equivalents) which at current levels would generate total income of -£64.571m in 2021/22.

7.2 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases equal to or in excess of a threshold percentage which is normally included in the Local Government Financial Settlement. The Government has set a core referendum limit of 2% plus the option for councils with responsibility for adult social care, such as Bracknell Forest, to set an adult social care precept of up to a further 3%. This precept can be raised in 2021/22 or spread across two financial years. Every 1% increase in Council Tax in Bracknell Forest would generate -£0.646m of additional income.

7.3 A modest surplus will be generated on the Council Tax element of the Collection Fund in the current year, primarily due to a higher level of growth in new properties

than expected. The Council's share of this one-off surplus is -£0.144m. This will be used to support the 2021/22 budget.

## 8 Developments since the Executive Meeting on 15 December 2020

### 8.1 Consultation

8.1.1 The Overview and Scrutiny Commission held 2 meetings during the 2021/22 budget preparation period, through which they received updates and provided comments on the key financial issues affecting the current and future financial years. The relevant extracts from the meetings are included as Appendix B.

8.1.2 The Executive's draft budget proposals have been subject to a process of public consultation since their publication in December. The Schools' Forum considered the Executive's proposals relating to the schools' element of the People's Directorate at its meeting on 14 January and no specific points were raised.

8.1.3 The draft budget proposals were published on the Council's web site and emails were sent to business ratepayer representative groups drawing their attention to the consultation. Two responses were received to the public consultation via the web site plus a separate detailed response from the Labour Party. All responses are included at Annexe C. Bracknell Forest has saved around £100m since becoming a unitary council and further savings of over £3m are included in the budget proposals.

### 8.2 Inflation

8.2.1 The Executive established a framework for calculating an appropriate inflation provision at its December meeting. Inflation allowances have now been finalised within this framework and total £1.2m which is the figure included in the draft budget proposals. The directorate analysis is shown in Table 2. The allocation assumes a pay awards freeze for all employees except those earning below the median salary of £24,000 who will be guaranteed a pay rise of at least £250.

Table 2: Inflation Allocations

<b>Directorate</b>	<b>2021/22 £'000</b>
Central	158
Delivery	27
People (excluding schools)	1,013
Non Departmental / Council Wide	2
<b>Total</b>	<b>1,200</b>

8.2.2 Inflation on schools' expenditure is provided for within the Dedicated Schools Budget expenditure, which is funded mainly by the Dedicated Schools Grant, with an additional top up from the Council (section 9.1).

### 8.3 Other Revisions to the Draft Budget Proposals

8.3.1 As outlined above, in the two months since the Executive published the draft budget proposals more information has inevitably become available. Details of the suggested amendments to the draft budget proposals are set out in paragraphs a) to c) below, with the net impact being a decrease in the net revenue budget for 2021/22 (-£0.484m). These changes have been reflected in the full budget proposals set out

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in Annexe D, the Commitment Budget (Annexe A) and the Covid-19 Contingency (section 10.7).

- a) Central – Chief Executive's Office  
Given the valuable contribution that graduate trainees have provided to the organisation since 2018, the Council intends to continue to support the National Management Trainee Development Programme by creating a further 2 posts (£0.075m).
- b) Delivery – Waste Management  
An increase in the cost of the Waste Disposal PFI based on the latest waste projections (£0.153m).
- c) People – Social Care Costs  
Due to changes in the number and cost of placements since the December report, Social Care pressures have been updated as normal (Children's -£0.481m Best Case / -£0.012m Worst Case and Adults +£0.588m Best Case / -£0.807m Worst Case). Some savings have also been deferred until later in the year as delivery is being hampered by the impact of the ongoing pandemic on resource availability (Children's £0.250m and Adults £0.329m).

8.3.2 The Executive is asked to confirm that there are no further changes to the draft budget proposals that they wish to make following representations made during the consultation period.

## 9 Other Budget Issues

### 9.1 Schools Budget

- 9.1.1 Whilst spending on the Schools Budget is generally funded by the ring fenced Dedicated Schools Grant (DSG), and therefore outside of the Council's funding responsibilities, councils retain a legal duty to set the overall level of the Schools Budget. In deciding the relevant amount, councils must plan to spend at least to the level of estimated DSG.
- 9.1.2 The DSG comprises 4 funding Blocks, each with a separate calculation of funding and intended purpose; the Schools Block (SB); the Central School Services Block (CSSB); the High Needs Block (HNB); and the Early Years Block (EYB). The SB and CSSB directly support mainstream schools and are generally delegated to governors. The HNB and EYB are centrally managed by councils with most of the funding ultimately being paid directly to providers, including schools. The HNB supports pupils whose educational needs are above £10,000 with the EYB mainly funding the cost of the free entitlement to childcare and early years education for 2, 3 and 4 year olds.
- 9.1.3 To date, the Department for Education (DfE) has confirmed SB funding at £81.769m with the CSSB at £0.912m. Other elements of the DSG have yet to be confirmed, with the current estimate for the HNB at £18.998m and the EYB at £7.561m. Therefore, at this stage, total DSG income for 2021/22 is estimated at £109.240m.
- 9.1.4 Within the DSG allocation, most elements of funding for special educational needs and disability (SEND) pupils will increase by 8% (£1.679m) next year. Whilst a substantial increase, with costs consistently exceeding grant funding for a number of years, and with the number of children receiving additional support through high needs budgets forecast to increase by a further 7.5% and average costs by 2.5%, this is insufficient to fund the forecast cost next year of £24.613m. This represents

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the outcome if no action is taken and would result in a predicted in-year over spending of £5.615m.

- 9.1.5 Working in partnership with the Schools Forum, an initial action plan has been agreed that focuses on maintaining more children in schools through the development of additional in-house provisions. It has identified a significant number of changes that can be made to improve the range and effectiveness of support for relevant children as well as lowering costs. These are substantial projects, with significant medium to long term financial benefits. Initial cost reductions for 2021/22 are forecast at £0.672m which will mean a deficit budget for the year of £4.943m will need to be set.
- 9.1.6 This deficit will be balanced in the Council's budget by a contribution from school reserves as it will need to be met from the DSG over the medium term. This will result in a negative reserve position as there are insufficient funds available to meet the growing deficit. A contribution from school reserves of £1.677m is already reflected in the base budget. A further contribution of £3.266m will therefore be required which has been reflected in the Commitment Budget along with an equal and opposite transfer from reserves. Officers are meeting regularly with a subgroup of the Schools Forum to identify further options for change in service delivery and reduction in costs.
- 9.1.7 This is a national issue, and not just limited to Bracknell Forest with many councils having to set deficit HNB budgets. To recognise the long-term difficulties many councils will experience with their HNB budgets, the DfE has updated DSG grant conditions to make clear that the funding responsibility for HNB costs, including any accumulated deficit, rests with the DfE and not individual councils. Ultimately, however, this will have, as a minimum, cash flow implications for the Council if the deficit continues to grow.
- 9.1.8 In terms of general school budgets, the policy of the Council for many years has been to fund up to the level of relevant annual DSG Block grant income plus any accumulated surplus balances held in the retained Schools Budget. Following a request from the Schools' Forum, the Executive agreed to contribute £1m from council reserves over the four years to March 2023, specifically to support the additional costs arising from new schools. In recommending the budget requirement next year for schools, as well as utilising the DSG, £0.227m of additional funding will be drawn down from the Council's reserves. This is a reduction of £0.026m compared to the £0.253m required in 2020/21 and included in the Base Budget. The reduction is included in the Commitment Budget but is cost neutral as it is balanced by a transfer from the reserve which is reflected within Council Wide budgets.
- 9.1.9 Setting the overall level of the Schools Budget and the operation of the funding formula that distributes the money to schools is a statutory council function. Agreeing how much is centrally managed is a decision for the Schools Forum. To meet these deadlines, council statutory decisions around the Schools Budget are delegated by the Full Executive to the Executive Member for Children, Young People and Learning. Recommendation 2.4 sets the parameters for the formal decision to be made. The Executive Member also endorses the decisions of the Schools Forum when these are undertaken in its statutory decision making role.
- 9.2 Pensions
- 9.2.1 Accounting standards on the treatment of pension costs (IAS19) require the inclusion within the total cost of services of a charge that represents the economic benefits of pensions accrued by employees. To simplify the presentation of the budget

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proposals the IAS19 adjustment has not been incorporated at this stage, although it will be included in the supporting information to the Council meeting on 24 February. This will not impact upon the Council's net overall budget or the level of Council Tax.

### 9.3 Investments

- 9.3.1 Now that the Council is in no longer debt-free and uses external borrowing to part fund its capital investments, returns on surplus cash are likely to remain relatively low during 2021/22 and beyond. As such the impact of interest rates on borrowing rates are of greater significance to the Council.
- 9.3.2 The Covid outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut the Bank Rate to first 0.25%, and then to 0.10%, it left the Rate unchanged at its subsequent meetings, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary.
- 9.3.3 There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields.
- 9.3.4 Gilt yields had therefore already been on a generally falling trend up until the crisis hit western economies during March 2020. After gilt yields spiked up at this time, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in "normal" times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.
- 9.3.5 The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The Bank Rate is not expected to rise above 0.1% over the next 3 years and as such any new borrowing that may arise is likely to be undertaken at historically low rates. The 2020 Spending Review also confirmed the government will cut PWLB lending rates to gilts + 0.8% (1% less than the current rate) for the Certainty Rate from the 26 November which is the rate available to the Council for PLWB borrowing.
- 9.3.6 The 2021/22 Treasury Management Report attached as Annexe E re-affirms the strategy adopted by the Executive in December 2016 that governs the amount, duration and credit worthiness of institutions that the authority will place investments with during 2021/22. As such the Council will only place deposits with the most highly rated UK Banks and Building Societies, alongside the part-nationalised UK Banks, up to a limit of £7m and for a maximum period of 364 days (for part-

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nationalised UK Banks). Additionally, the Council will be able to invest up to £10m with AAA Money Market Funds and other UK Local Authorities and an unlimited amount through the Government Debt Office Management Deposit Facility. The Annual Investment Strategy is shown in part (iv) of Annex E. Following the review by the Governance and Audit Committee on the 27 January 2021, the Treasury Management Strategy remains unchanged from that consulted on in December.

- 9.3.7 The Local Government Act 2003 introduced a revised framework for capital expenditure and financing, underpinned by CIPFA's Prudential Code for Capital Finance in Local Authorities. The Code requires the Council to set a number of prudential indicators and limits relating to affordability, capital investment and treasury management. They are included at Annexe E (i) and within the Treasury Management Strategy Statement at Annexe E (iii).
- 9.3.8 The capital programme is being considered separately on tonight's agenda and proposes Council funded capital expenditure of £6.858m and an externally funded programme (including self-funding schemes) of £5.363m for 2021/22. After allowing for projected receipts of approximately £3.1m (including CIL) in 2021/22 and carry forwards, the additional revenue costs will be £0.050m in 2021/22 and £0.125m in 2022/23. These figures have now been reflected in the Commitment Budget and the impact on 2021/22 is unchanged from the draft proposals. Costs will need to be revised at the meeting if the Executive decides on a different level of capital spending.
- 9.3.9 The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision or MRP), although it is also allowed to undertake additional voluntary payments. The regulations issued by the Ministry of Housing, Communities and Local Government's (MHCLG) require full Council to approve an MRP Policy in advance of each year. The Council is therefore recommended to approve the MRP Policy set out in Annexe E (ii) to the Treasury Management Strategy. The MRP policy has been drawn up to ensure the Council makes prudent provision for the repayment of borrowings (in accordance with the Regulations) and at the same time minimises the impact on the Council's revenue budget.
- 9.3.10 As capital expenditure is incurred which cannot be immediately financed through capital receipts or grant, the Council's borrowing need (its Capital Financing Requirement) and its MRP will increase. The Council also needs to make a charge to revenue for "internal borrowing".
- 9.3.11 The draft budget proposals included an estimate of £1.553m for the Minimum Revenue Provision required to be made in 2021/22 and £0.512m for a Voluntary Revenue Provision relating to commercial property purchases. These figures have been reviewed based on the latest capital projections and remain unchanged. The actual charge made in 2021/22 will be based on applying the approved MRP policy to the 2020/21 actual capital expenditure and funding decisions.
- 9.4 Capital Charges
- 9.4.1 Capital charges are made to service directorates in respect of the assets used in providing services and are equivalent to a charge for depreciation. The depreciation charges are included in the base budget figures and are important as they represent the opportunity cost to the Council of owning non-current assets. They must therefore be considered as part of the overall cost of service delivery, particularly when comparisons are made with other organisations. It is also important that these costs should be recognised when setting the level of fees and charges.

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9.4.2 Capital charges do, however, represent accounting entries and not cash expenditure. The Council is therefore able to reverse the impact of these charges “below the line”, i.e. outside service directorate costs, thereby reducing the net revenue budget whilst not directly affecting the overall cost of each individual service. This means that the charges do not affect the level of Council Tax. The capital charges in 2021/22 total £15.302m which is an increase of £0.643m compared to the current year and results from new additions and revaluations. There will be no impact on the charge to the General Fund which is based on the MRP not depreciation.

9.4.3 Changes to capital charges do affect internal services recharges (see below). Changes to these have not been incorporated into the budget proposals in this report at this stage, although they will be included in the supporting information to the Council meeting on 24 February.

### 9.5 Internal Services Recharges

9.5.1 Members' decisions on the capital programme may affect capital charges and this will determine the overall cost of services in 2021/22. Due to their corporate nature, some services do not relate to a single service directorate, e.g. finance, IT, building surveyors, health and safety advisers etc. The budgets for these services are changed only by the specific proposals impacting on the directorates responsible for providing them (Central & Delivery). However, all such costs must be charged to the services that receive support from them.

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

## 10 Statement by the Director: Resources

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

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

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

### Robustness of estimates

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

This identifies a number of key risk areas including:

- significant pressures on the Council's ability to balance its finances whilst maintaining satisfactory service standards;

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- the impact of the coronavirus on internal staff resources and external suppliers, and the council's ability to deliver essential services and meet the increasing needs of the community;
- the impact of the high use of long term locums and agency workers for key posts and labour market pressures on finances and business resilience;
- uncertainty around the impact of Brexit, the financial and operational implications for services such as social care, contingency planning requirements and the potential impact for businesses located in the Borough;
- ensuring children with special education needs receive timely and appropriate support for their education where demand is increasing, and internal resources are limited;
- the impact of demand led services and the need to plan for and respond to future and in-year demographic changes, changes in the market for services and any associated financial pressures;
- sustaining adult social care services where there is insufficient external provision available;
- effective safeguarding of children and vulnerable adults when there are external factors outside the Council's control;
- delivery of an IT Strategy and digital infrastructure that meets business needs, compliance, information accuracy, data protection, greater reliance on end users and the threat of cyber-attacks;
- maintaining adequate Business Continuity plans and procedures;
- maintaining an adequate internal control environment.

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

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

10.3 The Director: Resources receives regular updates from Business Partners on the largest and most volatile budget areas which could place the overall budget most at risk and makes arrangements to report these through the regular monthly budget

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monitoring process. The most significant risks in the 2021/22 budget have been identified as the following:

- **Covid-19 Pandemic** – uncertainty surrounding the length and overall impact of the continuing pandemic on costs and income;
- **Demographics** – the number of “demand” led adult and child client placements, the rising cost and numbers of looked after children, increasing support pressures resulting from people living longer, the impact of new housing developments and changing service provision of social care encouraging people to seek support;
- **Income** - specifically in Leisure, Planning and Building Control Fees, Car Parks, Commercial Property, Land Charges and Continuing Health Care funding. Significant income streams are reliant on customer demand and physical infrastructure remaining operational, placing a heavy reliance on planned and reactive maintenance being adequate;
- **Major schemes / initiatives** – progress with the Town Centre redevelopment, Waste Management PFI and the implementation of savings proposals;
- **Inflation** – the provision is based on estimates of inflationary pressures at the current time;
- **Treasury Management** – return on investments and additional borrowing are affected by cash flow and the level of the Bank rate.
- **Uninsured losses** – the Council’s insurances cover foreseeable risks. However, some risks are uninsurable, including former County Council self-insured liabilities and mandatory excesses;
- **Contractual Issues** – disputes, contract inflation (in particular rates for care providers which are increasing due to rising demand and reducing supply) and renewal of major contracts;
- **Legislative Changes** – difficulty in identifying the financial and non-financial impacts and whether any future burdens will be fully funded;
- **Independent external providers** – changes in provision by independent service providers may result in increased costs to the Council;
- **Service interdependencies** – the potential impact of service reductions in one area on the demand for other services provided by the Council;
- **External inspections** – improvements identified through external inspection;
- **Safeguarding** – failure to adequately safeguard vulnerable people could result in cost pressures.

- 10.4 The probability of some of the above risks occurring is high. However, it is unlikely that all will occur at the same time. The measures in place, set out in paragraph 10.2, lead the Director: Resources and CMT to conclude that the budget proposals have been developed in a sound framework and are therefore robust. However, it needs to be recognised that not all adverse financial issues can be foreseen looking almost fifteen months ahead, e.g. the impact of changes in demand led services or severe weather conditions. It is therefore prudent to include, as in previous years, contingency sums within the budget proposals.

### Contingencies

- 10.5 In setting the budget for 2020/21, the level of general contingency was reduced by £0.25m to £2.25m. Within the draft budget proposals for 2021/22 the Contingency remained unchanged, although it was recognised that this would need to be reviewed.
- 10.6 The Director: Resources, Chief Executive and CMT have reflected upon the outlook for the economy, the impact of demographic changes and the resulting pressures on services and other risks contained within the proposed budget. Setting aside the

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impact of the pandemic, the current level of Contingency is felt to be sufficient to meet these risks.

- 10.7 For pressures, due to the uncertainty surrounding the continuing impact of the pandemic, both worst case and best case scenarios were considered as part of the budget setting process. Directorate budgets have been set on the basis of the best case scenario, but additional funds have been placed in a Covid-19 specific contingency (£3.417m), which is available to meet additional pressures as they may arise during the year. The size of the contingency has been based on the difference between the two scenarios and has also been adjusted for the continuation of the Government's income support scheme for the first quarter of the year. The income adjustment (-£0.400m) has been calculated from the income pressures identified during the budget process.

### Earmarked Reserves

- 10.8 Earmarked Reserves are sums of money which have been set aside for specific purposes. These are excluded from general balances available to support revenue or capital expenditure. The Council had £57.186m in Earmarked Reserves at the start of 2020/21 which were approved by the Governance and Audit Committee in July 2020. The Director: Resources has undertaken a review of existing earmarked reserves and Annexe F sets out each reserve considered. The Director: Resources will review again the earmarked reserves considering the changing risks facing the Council as part of the 2020/21 closedown process and any changes will be presented to the Executive and the Governance and Audit Committee as part of the closure of the accounts.

## 11 One-off investments to support the council's strategic plans

- 11.1 Alongside setting out the proposals above related to its day to day services, the additional one-off grants provided in the Provisional Settlement have enabled the Council to target a number of one-off initiatives in 2021/22, being sensitive to the impact of Covid on many residents and businesses across the Borough. These initiatives are focused on providing support for the ongoing impact of the pandemic into 2021/22, managing the recovery from the pandemic and supporting carbon reduction initiatives, all of which have been identified as key priorities for the Council.
- 11.2 The following table presents the Council's adopted strategic framework, as approved by the Executive in August and September 2020.

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Key financial principles	Council Plan Themes	Place Based Renewal Approach
Aspire to excellence in what we do so we can live within our means	Value for money	Work with partners and communities to protect and promote the physical and mental health of our population
Consolidate the recent growth in social care spending into our financial plans but work towards a small reduction in real terms from 2020/21 levels	Economic resilience	Support town and neighbourhood centre vitality and look to support our local economy by retaining businesses within the borough
Concentrate on targeted early intervention and preventative activities to reduce future demand for more expensive services	Education and skills	Provide short term support and refocus some activities to deal with post COVID19 spikes in demand
Seek no funding for new service growth unless in exceptional circumstances, apart from a strategic priority around climate change and agreed manifesto commitments	Caring for you and your family	Integrate services with partners and locate them wherever possible within the community that use them
Refocus transformation and other savings programmes and quantify savings "envelopes" for all projects	Protecting and enhancing our environment	Look to involve the community and voluntary sector in supporting people and services wherever possible, whilst;
Expect all service areas to deliver spending reductions throughout the period to bridge the remaining gap, focusing on but not limiting efforts to restrict areas of limited or manageable public impact	Communities	Containing/reducing expenditure in the long term (including refocussing/delivering differently/stopping some services), and
Increase fees and charges as much as reasonably possible every year to maximise income		Maximising the opportunities to address carbon reduction across all of our activities

11.3 Proposed one-off policy and spending initiatives have been identified that align with the place based renewal approach and total £2.3m. These will be funded from the Local Council Tax Support and New Homes Bonus grants (referred to in paragraphs 6.2.1 – 6.2.2) and are listed below and in Annexe D:

- a) Reductions in Council Tax bills of £150 for council tax support claimants (households paying council tax on lowest incomes) will be continued for a further year (£0.500m). (*Central – Revenues*)
- b) Additional welfare support for our most vulnerable residents. (£0.327m). (*People – Welfare Services*)
- c) Support for the local economy, notably the town centres (Bracknell, Crowthorne and Sandhurst), recognising their importance for employment and general economic recovery (£0.600m). (*Central – Place Planning and Regeneration*)
- d) Support for individuals experiencing mental health issues, working with partners including the voluntary and community sector (£0.250m). (*People – Mental Health*)
- e) Creation of a revolving invest to save fund to support climate change / carbon reduction initiatives (£0.150m). (*Council Wide*)
- f) Staff retention initiatives, to help ensure we retain the capacity and skills to deal with the on-going impact and manage recovery from Covid, subject to consideration by the Employment Committee at its meeting on 4 February (up to £0.5m). (*Council Wide*)

## 12 Net Revenue Budget

12.1 Tables 3a and 3b summarise the budget changes for each directorate, assuming that all items outlined above and detailed in Annexes A to F are agreed, but before

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changes to capital charges, pension costs and internal services recharges are incorporated within service directorate budgets.

Table 3a: Summary of budget changes

	<b>Inflation (Section 8.2)</b>	<b>Revisions to draft budget proposals (Sections 6.3, 7.3, 8.3, 11.3 and 10.7)</b>	<b>Changes to Specific Grants (Section 6.2)</b>	<b>Total Changes Identified</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Central	158	1,175	0	1,333
Delivery	27	153	0	180
People (excluding schools)	1,013	4,503	-90	5,426
Non Departmental / Council Wide	-1,198	-16,450	-4,630	-22,278
<b>TOTAL</b>	<b>0</b>	<b>-10,619</b>	<b>-4,720</b>	<b>-15,339</b>

Table 3b: Non Departmental / Council Wide – revisions to draft proposals included above

<b>Non Departmental / Council Wide</b>	<b>Revisions to draft budget proposals</b>
	<b>£'000</b>
Grant adjustments (paragraph 6.2)	
New Homes Bonus	-960
Lower Tier Services Grant	-189
Covid-19 Grant	-2,654
Local Council Tax Support Grant	-827
Changes in Business Rates Growth, S31 income projections and levy payment (6.3.8 and 6.3.9)	-606
Movements in earmarked reserves (paragraph 6.3.10)	-12,035
Carbon Reduction Initiatives (11.3)	150
Employee Retention Initiatives (11.3)	500
Change in Covid-19 Contingency (8.3 and 10.7)	-1,219
Unused Schools Budget Balance Reserve (9.1.6)	-3,266
New Schools Reserve (9.1.8)	26
<b>TOTAL</b>	<b>-21,080</b>

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

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Table 4: Draft Budget Proposal 2021/22

Department	2021/22 Draft Proposals (Table 1)	Changes Identified (Table 3a)	Revised Budget Proposals
	£'000	£'000	£'000
Central	18,321	1,333	19,654
Delivery	13,710	180	13,890
People (excluding schools)	78,782	5,426	84,208
Non Departmental / Council Wide	-21,388	-22,278	-43,666
<b>Total</b>	<b>89,425</b>	<b>-15,339</b>	<b>74,086</b>

12.2 The Net Revenue Budget in 2021/22 if the Executive agreed all proposals would be £74.086m before allowing for additional interest resulting from any use of balances. This compares with income of -£71.830m from Revenue Support Grant (-£1.781m), Business Rates baseline funding (-£16.832m), Council Tax at 2020/21 levels (-£64.571m), Collection Fund – Business Rates deficit (£11.498m) and the Collection Fund – Council Tax surplus (-£0.144m). The Net Revenue Budget is therefore now £2.256m above the level of income for 2021/22.

### 13 Funding the Budget Proposals

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

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

#### 13.2 Council Tax Increase

13.2.1 Each 1% increase in Council Tax in 2021/22 will generate approximately -£0.646m of additional revenue towards the budget gap. The maximum amount the Council could increase Council Tax by is 4.99%.

#### 13.3 Use of Balances

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

13.3.2 In deciding the level of any contribution from balances, the Executive will wish to have regard to the level of balances available. The Council's General Fund balance will £6.7m at 31 March 2021, if spending in the current year remains within the approved budget, which is the expected position.

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Table 5: General Balances as at 31 March 2021

General Fund as at 01 April 2020	£m 7.1
Planned use in 2020/21	(0.4)
<b>TOTAL Estimated General Balances</b>	<b><u>6.7</u></b>

13.3.3 The Council has for many years planned on maintaining a minimum prudential balance currently assessed to be £4.5m, which indicates that a sum of up to £2.2m is potentially available for use. However, given that these resources are one-off, it is important when considering the use of reserves to not only consider the current year's budget but also future years' pressures.

13.3.4 The Council will also have an estimated £18.2m in the Future Funding Reserve as at 31 March 2021, which has been deliberately established to help manage the expected additional budget gap of £4.0m per year from 2022/23, due to national funding changes.

### 14 Preceptors' Requirements

14.1 The Thames Valley Police and Crime Panel met on the 29 January 2021 to determine the 2021/22 budget for the Thames Valley Police and Crime Commissioner (TVPCC). The proposed increase of £15 (6.94%) for a Band D property, from £216.28 to £231.28, was approved. The Royal Berkshire Fire Authority (RBFA) will not determine its budget and precept for 2021/22 until 17 February. The tax for a Band D property for RBFA in 2020/21 was £67.60. The Parish and Town Councils have yet to set their precepts for 2021/22. These totalled £3.572m in 2020/21 with an average tax of £76.30 for a Band D property. All precepts will be reported to the Council meeting on 24 February 2021.

### 15 Summary of Matters for Decision

15.1 Annexe G outlines the Council's Council Tax Requirement based on the draft budget proposals. The outcome of the Executive's deliberations will be recommended to the Council meeting on 24 February regarding the budget and Council Tax level for 2021/22. These will be incorporated in the formal Council Tax resolution required by the Local Government Finance Act 1992 as amended. However, the following matters need to be determined at this stage in order to allow the Executive to recommend a budget to the Council for 2021/22:

- (a) confirmation of the draft budget proposals, taking account of issues raised during the consultation period and revisions identified to reflect current information (sections 6.2, 6.3, 7.3, 8.3, 9.1 and 11.3), set out in detail in Annexes A, D and G;
- (b) confirmation of the impact of changes in investments and investment rates on the budget (section 9.3);
- (c) the level of the corporate contingency and Covid-19 specific contingency (sections 10.6 and 10.7);
- (d) the level of Council Tax increase (section 13.2);

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- (e) subject to (a) to (d) above and decisions considered elsewhere on the agenda, to determine the appropriate level of revenue reserves to be retained and the consequent use of balances to support the budget in 2021/22 (section 13.3).

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

15.3 A detailed budget book will be prepared during March exemplifying the budget at the level of detail required to support the scheme of virement.

### 16 Budget Monitoring - Virement requests

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

## 17 **ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

### Borough Solicitor

17.1 In carrying out all of its functions, including the setting of the budget, the Council must comply with the Public Sector Equality Duty set out in the Equality Act 2010. That duty requires the Council to have due regard to the need to:-

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act;
- b) advance equality of opportunity between persons who share a "relevant protected characteristic" and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

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

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

Director: Resources

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

Equalities Impact Assessment

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

Strategic Risk Management Issues

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

**18 CONSULTATION**

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

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