

Central

Variance	Explanation
£'000	
93	<p>Head of Planning</p> <p>The Local Development Framework requires a large amount of specialist consultancy advice to provide information on the levels of need for housing, employment, leisure, retail and other forms of development. It was not be possible to complete some studies this financial year resulting in an underspend (-£0.064m).</p> <p>Whilst the government Sales Fees and Charges compensated Planning and Development control for the loss of some income due to Covid 19, the income generated was still insufficient to cover budgets and the additional consultancy costs associated with planning appeals resulting in an overspend of £0.156m.</p>
68	<p>Building Control & Land Charges</p> <p>Building Control income was impacted by COVID-19 and the final net position for the service was an overspend of £0.038m.</p> <p>Land Charges Whilst the income from the chargeable element of the property services account, exceeded both cash and non-cash expenditure, resulting in a surplus for the year, this surplus has to be transferred from the cash budget to reserves. The effect of this transfer is an overspend of £0.021m in the cash budget.</p> <p>In addition the income generated by the non-chargeable element of Land Charges was under budget by £0.009m.</p>
131	<p>Traffic</p> <p>Net losses in income due to COVID-19 lockdown, it wasn't possible for all works to be rescheduled in the year, the split of the overspend was:</p> <p>Rechargeable Street Works £0.018m Monitoring Street Works £0.080m Highways Network Enforcement (-£0.011m) Street Works – Permit Scheme £0.031m NRSWA S50 cash bonds (-£0.018m)</p> <p>In addition, winter maintenance contracted costs were overspent by £0.031m</p>
(103)	<p>Parks open Spaces & Countryside</p> <p>The income for Surrey Heath SANGs has exceeded budget (-£0.129m).</p> <p>The net costs of the tree service exceeded budget by £0.026m.</p>
274	<p>The Look Out</p> <p>The Look Out's budgets were impacted by closures due to COVID-19 restrictions. After taking account of the various expenditure underspends and the amount claimed under the Governments Sales Fees and Charges grant, the final net income loss for The Look Out was £0.274m.</p>

Variance	Explanation
£'000	
	<p>The Look Out Discovery Centre - overspend £0.160m The Look Out - Catering - overspend £0.139m The Look Out - Car Parking underspend -£0.025m</p>
59	<p>Community Engagement</p> <p>It was agreed to provide Involve with £0.035m to fund a bid writer with the funding to be offset by COVID-19 grants received.</p> <p>The Council chose to support Healthwatch, The Ark's community response support for those clinically extremely vulnerable people shielding and other vulnerable residents, through a grant of £0.031m the costs to be offset by funding received from COVID-19 grants.</p> <p>Income received from NHS Bracknell & Ascot CCG to support delivery of the community response service (-£0.009m) offset some of the overspend.</p> <p>There were various underspends on supplies and services budgets (-£0.012m) which offset some of the overspends, the most significant relating to Publicity and Marketing (-£0.009m).</p> <p>The Community Centre reactive maintenance budget was overspent by £0.014m</p>
(481)	<p>COVID-19 Funding</p> <p>Transfer of Government grant to cover COVID-19 costs.</p>

Delivery

Variance	Explanation
£'000	
198	ICT Additional expenditure on the purchase of computer software and licences (£0.153m - previously funded from capital) and a revenue contribution to capital for purchase of new screens at Times Square (£0.107m) have been partially offset by savings on mobile phones (-£0.038m), enterprise agreement (-£0.010m) and reduced travel (-£0.013m).
100	Operations Unit There was an overall pressure on 'Home to School Transport £0.063m and an underachievement of income of £0.054m; which has been partially offset by underspends on R-Bus (-£0.014m) and fuel for vehicles.
(62)	Libraries Due to the closure of the libraries there is a pressure of £0.070 from reduced income; which has been offset by underspends on audio visual materials (-£0.053m), publicity & marketing (-£0.024m), travel (-£0.013m) and general office expenditure (-£0.039m).
(120)	Office Accommodation There have been underspends on maintenance (-£0.018m), building running costs (-£0.039m), business rates (-£0.027m) and general office expenditure (-£0.038m).
(105)	Registration of Electors / Elections There have been underspends on the 'Neighbourhood Referendum' (-£0.060m) (which is now included in the commitment budget for 2021/22), and Electoral Registration (-£0.058m) in relation to Contracted Services.
457	Waste Management The overspend is as a result of a revenue contribution to capital of £0.068m in relation to the cost of food waste caddies and additional Waste PFI related costs of £0.379m.
(73)	Street Cleansing The underspend is as a result in savings on Contracted Services (-£0.061m) and equipment (£0.008m) and income received for Napier Road public conveniences (-£0.005m).
675	On / Off Street Parking As a result of COVID-19 this service has suffered a loss of income of £1.019m, but this has been partially offset by reduced expenditure on contracted services (-£0.213m), banking charges (-£0.060m) and maintenance (-£0.080m).
(40)	Other

Variance	Explanation
£'000	
	There have been underspends against the budgets of the Coroners Service (-£0.012m), travel, training and general office expenditure (-£0.027m).
1,329	<p>Leisure Contract</p> <p>As part of the financial package agreed with Everyone Active, the Council agreed a payment holiday for the management fee and financial support for operating costs as a result of reduced income. The cost of this support was partially met by support from central government. The overall impact of this arrangement on Contract Services was a pressure of £1.329m.</p>
(230)	<p>Cemetery & Crematorium</p> <p>The service generated an additional Income (-£0.277m), but this has been offset by additional expenditure for 'Temporary Place of Rest' (£0.048m).</p>
(2,084)	<p>COVID-19 Funding</p> <p>Transfer of Government grant to cover COVID-19 costs.</p>

People

Variance	Explanation
£'000	
335	<p>Education & Learning</p> <p>Staffing costs were the most significant overspend (£0.371m) most notably in the SEN Team (£0.207m) and Education Psychology (£0.139m) in order to maintain support to schools in periods of staff turnover. There was also a £0.251m unbudgeted cost for renting modular classrooms during emergency roof repair works at Sandhurst Secondary School and a £0.113m net loss of income from the impact of COVID-19. These were partially offset by a range of under spends, most notably at the Open Learning Centre (-£0.107m) but also including performance data, staff training and recruitment, former teachers' pensions and a reduction in bad debt provision.</p>
(216)	<p>Children's Social Care</p> <p>Care and accommodation costs for children looked after overspent by £0.243m. Whilst numbers were in line with expectations, average costs were +6.4% higher than expected and reflected the unexpected costs arising from a secure placement. There was a £0.316m underspending on staffing, mainly as a result of obtaining £0.220m of external funding. Other significant budget variances include, care leavers support and maintenance costs (-£0.135m), court placements that are not CLA e.g. mother and baby (£0.101m), Childcare Solicitors (-£0.058m), Disability care needs (-£0.044m), and general assistance to families (£0.153m).</p>
525	<p>Adult Social Care</p> <p>Care packages overspent (£0.856m) mainly due to increases in Learning Disabilities packages. Equipment also overspent (£0.080m). These overspends were in part a result of the pandemic whereby group activities were suspended, requiring more 1-1 support, and priority was given to getting clients out of hospital. There was an underspend (-£0.162m) at Waymead, the in-house respite service, as it remained closed throughout the year. There was also an underspend on staffing costs (-£0.250m) mainly due to a large number of vacancies throughout the year.</p>
494	<p>Mental Health & Out of Hours</p> <p>Care packages overspent (£0.656m) mainly due to clients who needed support with memory and cognition. This was primarily in community packages. Whilst residential placements did increase in cost, this was offset by a reduction on the number of placements. Forestcare has continued with an internal review of contracts that has helped achieve an underspend (-£0.184m). The balance is made up of several smaller variances.</p>
(940)	<p>Early Help & Communities</p> <p>There was an underspend on the Housing Welfare & Benefits budget (-£0.485m) largely caused by a reduction in the requirement for a bad debt provision on overpayments. This is due to a much larger percentage of overpayment now being recovered from ongoing entitlement. Housing and Welfare operational costs underspent (-£0.425m) due to vacant staff posts. Housing management & property overspent (£0.303m) due to a combination of voids (exacerbated by the pandemic), repairs, and staff costs. Early Help experienced a £0.332m underspend on staffing.</p>

(141)	COVID-19 Funding Transfer of Government grant to cover COVID-19 costs.
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Non Departmental Budgets/Earmarked Reserves

Variance	Explanation
£'000	
(966)	Interest Average cash balances have been substantially higher than those experienced in 2019/20 removing the need for any new borrowing in 2020/21. This has resulted from a combination of slippage on the capital programme, partly due to the pandemic, and the underspend on the revenue budget and positive cashflows from grants being received pending their allocation.
(148)	Minimum Revenue Provision (MRP) Higher than forecast capital receipts in 2019/20 and significant capital carry forwards into 2020/21 have created an under spend against the Minimum Revenue Provision.
(88)	Corporate Wide Items The impact of the triennial pension revaluation on employers' pension contributions was less than expected.
(1,810)	Covid-19 LA Support Grant Not all the grant received from the government to help meet pressures resulting from the pandemic was required by directorates.
1,216	Business Rates An overspend relating to an additional payment to the Thames Valley Local Enterprise Partnership (£0.241m), increases in the levy payable to central government (£0.649m) and reductions in the section 31 grant receivable from central government (£0.326m) because of the actual outturn position on Business Rates.
(133)	Other Under spends primarily relating to pension recharges and joint arrangements, and the provision for bad debts and write offs.
(1,930)	Contingency Not all the Contingency Fund was required in 2020/21 resulting in an underspend.
244	Other Earmarked Reserves Transfers into the ICT Transformation (£0.189m) and the School Masterplans and Feasibility Studies (£0.055m) Reserves.

TREASURY MANAGEMENT ANNUAL REPORT 2020/21

1 INTRODUCTION

- 1.1 This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
- 1.2 During 2020/21 the minimum reporting requirements were that the full Council should receive the following reports:
- an annual treasury strategy in advance of the year (Council Feb 2020)
 - a mid-year (minimum) treasury update report (Council Feb 2020)
 - an annual review following the end of the year describing the activity compared to the strategy (this report)

2 SUPPORTING INFORMATION

Current Treasury Position

- 2.1 At the beginning and the end of 2020/21 the Council's treasury position (excluding borrowing by PFI and finance leases) was as follows:

<i>Table 1 – Treasury Position 31/03/21</i>				
Treasury Position	At 31 March 2021		At 31 March 2020	
	Principal	Average Rate	Principal	Average Rate
Fixed Interest Borrowing				
Short Term Market Loans	£0.000m	0%	£15.000m	1.07%
Long-Term PWLB	£80.000m	2.30%	£80.000m	2.30%
Variable Interest Borrowing	-		-	
Total Borrowing	£80.000m		£95.000m	
Fixed Interest Investments	-		-	
Variable Interest Investments (MMF)	£20.244m	0.12%	£16.794m	0.75%
Total Investments	£20.244m		£16.794m	
Net borrowing position	£59.756m		£78.206m	

Capital Expenditure and Financing

- 2.2 The Council undertakes capital expenditure on long term assets. These activities may either be funded immediately through capital receipts or capital grants or contributions, or if insufficient financing is available financed through borrowing. The actual capital expenditure forms one of the required prudential indicators and the table below shows how this was financed in 2019/20. The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources and is shown below in Table 2. The 2019/20 Capital Programme was able to be funded from capital receipts, government grants and other contributions, as such there was no increase in the Council CFR in 2019/20.

<i>Table 2 Financing of Capital Programme 2019/20 and 2020/21</i>		
	2020/21	2019/20
	£'000	£'000
Expenditure		
Capital Programme	26,883	21,250
Financed by		
Capital Receipts	5,222	5,251
Government Grants/Contributions	16,327	16,269
Change in Capital Financing Requirement	5,334	0
Total	26,883	21,250

The Strategy for 2020/21

Investment Strategy and control of interest rate risk

- 2.3 Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. Through the use of Money Market Funds the authority managed to avoid negative rates, however for many of these funds the interest rate returned was close to or at 0%.
- 2.4 The expectation for interest rates within the Treasury Management Strategy for 2020/21 was that Bank Rate would continue at the start of the year at 0.75% before rising to end 2022/23 at 1.25%. This forecast was invalidated by the Covid-19 pandemic in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.
- 2.5 While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial

institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions. However this has limited the number of institutions the Council can lend to, and given the over-liquidity in the market the Council's Money Market Funds performed well, providing security, liquidity and in most cases a yield above the target benchmark

- 2.6 Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

Borrowing Strategy and control of interest rate risk

- 2.7 During 2020-21, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.
- 2.8 A cost of carry remained during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns.
- 2.9 The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this was kept under review to avoid incurring higher borrowing costs in the future when this authority may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
- 2.10 Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Director of Finance therefore monitored interest rates in financial markets and adopted a pragmatic strategy.

Investment Outturn

- 2.11 The Council's investment policy is governed by MHCLG investment guidance, which has been implemented in the annual investment strategy approved by the Council. This policy sets out the approach for choosing investment counterparties and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data, (such as rating outlooks, credit default swaps, bank share prices etc.).
- 2.12 The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties. Given the net borrowing position of the Council investments are managed through the use of AAA Money Market Funds (MMF) offering immediate liquidity and the highest security whilst offering a yield equivalent to 7-day rates. The Council also invests in MMF that offers a slightly higher return with the proviso that funds are available on a +1 day basis – i.e. funds withdrawn today will be received tomorrow – this has enabled the Council to increase its investment yield without adding any security or liquidity risk. The average rate on investments was 0.12% on an average balance of £28.8m, representing a 10 basis points out-performance on the 7-Day LIBID benchmark (0.02%).

Borrowing Outturn

- 2.13 No new loans were entered into during the financial year. All short-term debt was repaid and the Council held its long-term borrowing at the level of 2019/20.

Net Treasury Outturn

- 2.14 The Council budget for net borrowing costs of £1.9133m – reflects the borrowing costs for the Council's historical Commercial Property Investment Strategy and the impact of the significant Capital Programmes in past years alongside the 2020/21 Capital Programme and the use of reserves to balance the revenue budget. In order to minimise costs, internally generated cash flows were used before borrowing which resulted in lower borrowing costs than envisaged.
- 2.15 Furthermore higher than anticipated cash balances at the beginning of the year enabled the Council to pre-pay pension contributions enabling the Council to once again take benefit from the discount offered by the Pension Authority. This generated additional savings of £300k.
- 2.16 Largely as a result of a greater than anticipated delayed cash-outflow on the major capital schemes due to COVID and positive cash-flow from government support, the level of borrowing is below that estimated in the budget. The Council has benefited from inclusion in the Business Rates Pilot scheme in 2019/20 which bolstered the Council's reserves and the impact of COVID has seen both significant financial support from the Government (primarily in the timing of cash flows) and a pause in many of the Council's major capital schemes. Taken together with maximising the use of grants and other internal cash flow the actual level of borrowing costs in 2020/21 was £0.97m less than anticipated.
- 2.17 The key aim for the Council will to ensure it has sufficient liquidity to manage services and as such additional short-term borrowing may be required over and above that anticipated when the Council set its budget in February 2021 as the impact of the pandemic reduces and normal economic activity returns.

Compliance with Treasury Limits

- 2.18 During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and annual Treasury Strategy Statement.
- 2.19 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR) and is set out below. The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources This includes PFI and finance lease schemes on the balance sheet, which increases the Council's borrowing need however no borrowing is actually required against these schemes as a borrowing facility is included in the contract.

2.20

	2020/21	2019/20
	£'000	£'000
Opening Capital Financing Requirement	211,589	217,853
Capital Investment		
Gross Capital Expenditure	26,883	21,520
Sources of Finance		
Capital Receipts	-1,367	-5,251
Government Grants and Other Contributions	-20,193	-20,222
Waste PFI Donated Asset Account	-89	-89
MRP	-2,245	-2,222
	<u>-23,894</u>	<u>-27,784</u>
Closing Capital Financing Requirement	<u>214,578</u>	<u>211,589</u>

2.21 The outturn for the remaining Prudential Indicators are as follows

Authorised limit	2020/21 Estimate	2020/21 Out-turn
Borrowing	£230m	£230m
Other long term liabilities	£18m	£18m
Total	£248m	£248m

Operational Boundary	2020/21 Estimate	2020/21 Out-turn
Borrowing	£220m	£220m
Other long term liabilities	£18m	£18m
Total	£238m	£238m

The Council has complied with all the relevant statutory and regulatory requirements which require the Council to identify and, where possible, quantify the levels of risk associated with its treasury management activities. In particular its adoption and implementation of both the Prudential Code and the Code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable, and its treasury practices demonstrate a low risk approach.

CENTRAL DIRECTORATES
Carry Forwards to 2021/22

£'000	Explanation
	Community Engagement
20	It is proposed to undertake a Residents Survey specifically to assess the impacts of COVID and how the Council has responded. Due to work commitments this survey has been delayed until next financial year.
	Parks & Countryside
5	COVID has affected progress of maintenance works this year. Without a carry forward there will inevitably be an impact on the maintenance of the wider Rights of Way network in the following year, which could add to subsequent costs incurred.
	Communications
7	The March edition of Town & Country has been moved to April from March to allow for a readership survey to be included with 'freepost' replies. This will help gauge how well received the publication is. Lead in times for the Royal Mail freepost service meant the publication had to be pushed back by a month, meaning distribution will start on April 26
	Human Resources
20	Due to COVID restrictions it has not been possible to undertake all the training planned, and this has been rolled forward into 2021/22.
	Finance
40	Various system upgrades have been delayed due to staff dealing with COVID not having the capacity to progress them. The intention is to still move forward with these changes and therefore a carry forward of £0.040m is requested to allow these to be achieved in 2021/22.
	Finance
23	Delays in the audit plan, due in the main to COVID have resulted in an underspend of £0.023m (audits of 7 schools at a cost of £0.009m, General audit 36 days at £282 = £0.010m and 11 IT audit days at £350 = £0.004m). These audits will now need to be progressed next year.
115	Grand Total

PEOPLE DIRECTORATE
Carry Forwards to 2021/22

£'000	Explanation
3	<p>Children's Social Care: Bracknell Family Centre</p> <p>Covid has delayed some of the Health and Safety building maintenance works required as part of the move of Youth Offending Service. Still to complete is replacing fire doors and painting.</p>
21	<p>Children's Social Care: Public Law Order Assessments</p> <p>Some expert assessment of parents or children (for pre loading court work) identified in 2020/21 have been delayed as they need to be in person or because the expert has a backlog. Some will also need updating as they must be up to date at the point of court and there are delays in court.</p>
6	<p>Children's Social Care: Training</p> <p>Essential training of foster carers as part of the transformation programme and mandatory assessed need. Deferred Life Chances Conference which was booked but postponed due to Covid re arranged in agreement with the providers.</p>
4	<p>Children's Social Care: Peer review / inspection preparation</p> <p>There was a delay to the planned peer review (as part of the opportunities for change work) and inspection preparation work in the Youth Offending Service. This work was part of last year's business planning.</p>
7	<p>Commissioning: Children in Care</p> <p>During the past financial year we have been unable to undertake the usual group participation activities with our children in care. This has impacted on the lives of young people. In proposing to carry forward this funding it is our intention that we would increase our programme of participation and engagement that will help young people to return to social interaction as we emerge from lock-down. This would allow:</p> <ul style="list-style-type: none"> - increased frequency of group activities (currently monthly); - increased range of events that are open to all children looked after; and - increased budget available for celebration events during the year.
11	<p>Mental Health and Out of Hours: Drugs and Alcohol Team</p> <p>Two clients have not been able to be placed in residential rehab due to COVID-19. Neither of them will be placed until 5 April 2021 at the earliest. This will have a significant impact on the DAAT ability to fund placements during 2021/22 as the budget is £35,000 per annum.</p>
10	<p>Early Help: Family Hubs</p> <p>Two building works projects were delayed to due Covid 19; re the buggy park the planning application is currently with Development Control and we have sent site plans so the application can be assessed further. The Astra turf work has been delayed until week commencing April 19th. In addition Astra turf replacement at The Oaks family hub will commence soon following a site visit a couple of weeks ago, as will click share screen replacement and outside lights replacement.</p>
8	<p>Early Help: Young Carers</p> <p>During 2020/21 there has been a focus on the young carer cohort in terms of reviewing the YC register, improving the level of information retained, through regular contact with young carers and their families during the national lockdowns, identifying new young carers, and identifying where review assessments are required and caring needs have changed. One of the part time postholders who supports this work returned from maternity leave in November 2020 and so capacity has been limited; the funding carry forward will finance additional hours to enable the review assessments to be undertaken as quickly as possible, whilst continuing to develop our support offer for young carers.</p>
8	<p>Early Help: Youth Service</p> <p>The lockdown prevented annual activities with the Youth Council taking place, however the period also provided us with an opportunity to explore more broadly the Council's strategic approach to participation and engagement with young people. This carry forward will offer wider flexibility to broaden youth participation through a partnership scoping group with its inaugural meeting on 13 April 2021.</p>
78	Grand Total

Reserves & Balances Policy Statement

As part of the financial planning process the Council will consider the establishment and maintenance of reserves and balances. In setting these, account is taken of the key assumptions underpinning the budget and financial strategy, together with the Council's financial management arrangements. Key factors considered include;

- Cash flow
- Assumptions on inflation and interest rates
- Level and timing of capital receipts
- Demand led pressures
- Planned economies
- Risk associated with major projects
- Availability of other funding (e.g. insurance)
- General financial climate

Reserves and Balances can be held for a number of purposes

General Balances

Balance	Purpose	Policy	Value
General Fund	Provides general contingency for unavoidable or unforeseen expenditure and to cushion against uneven cash flows and provides stability in longer term financial planning.	Policy based on a risk assessment of budget and medium term financial plans. Historically £4m has been considered to be the minimum prudent level, though this needs to be kept under review as risks change.	March 17 £11.071m March 18 £9.047m March 19 £9.060m March 20 £7.091m March 21 £10.327m

Earmarked Reserves

Earmarked Reserves are sums of money which have been set aside for specific purposes. These are excluded from general balances available to support revenue or capital expenditure. The Council has the following earmarked reserves:

Reserve	Purpose	Policy	Value
Insurance and other Uninsured Claims	This provides cover for the excess payable on claims under the Council's insurance policies (self insurance). It also provides for any potential future claims not covered by existing policies, including contractual disputes and legal claims.	Needs to be at a level where the provision could sustain claims in excess of current claims history	March 17 £2.750m March 18 £2.843m March 19 £2.952m March 20 £3.059m March 21 £2.909m
Budget Carry Forward	Used to carry forward approved unspent monies to the following year.	Budget Carry Forwards are permitted only in accordance with the scheme set out in financial regulations.	March 17 £0.221m March 18 £0.084m March 19 £0.101m March 20 £0.054m March 21 £0.193m
Cost of Structural Change	The reserve gives an opportunity to fund the one-off additional costs arising from restructuring before the benefits are realised.	This reserve will be used to meet organisational wide and departmental restructures where there are demonstrable future benefits.	March 17 £1.852m March 18 £1.990m March 19 £2.290m March 20 £3.158m March 21 £2.929m
Schools' Balances	These funds are used to support future expenditure within the Dedicated Schools Block and include individual school balances.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 17 £1.695m March 18 £1.272m March 19 £1.558m March 20 £1.015m March 21 £0.000m
Discretionary School Carry Forwards	The statutory requirement to carry forward school balances has been extended to cover those held for Pupil Referral Units and the Schools Specific	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new	March 17 £0.052m March 18 £0.091m March 19 £0.051m March 20 £0.023m

Annexe D

Reserve	Purpose	Policy	Value
	Contingency as set out in the financial regulations.	unusable reserve, as required under the legislation.	March 21 £0.000m
Unused Schools Budget Balance	The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget and as such has no impact on the Council's overall level of balances.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 17 £1.778m March 18 £1.994m March 19 £1.577m March 20 -£0.141m March 21 £0.000m
SEN Resource Units	An earmarked reserve set up in 2012/13 from the under spend on the Schools Budget to fund building adaptations required to develop SEN (special education needs) resource units.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 17 £0.304m March 18 £0.337m March 19 £0.459m March 20 £0.459m March 21 £0.000m
School Meals Re-tender	An earmarked reserve set up in 2013/14 from the under spend on the Schools Budget to cover the costs of the re-tender exercise.	This reserve is no longer required as the Council does not manage the catering contract.	March 17 £0.040m March 18 £0.040m March 19 £0.040m March 20 £0.040m March 21 £0.000m
School Expansion Rates	An earmarked reserve set up in 2013/14 from the under spend on the Schools Budget to help finance the increase in Business Rates arising from school expansions. School budgets are normally set on a provisional figure and the reserve will absorb the differences between provisional and actual figures.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 17 £0.595m March 18 £0.841m March 19 £1.093m March 20 £0.364m March 21 £0.000m
School Diseconomy Costs	An earmarked reserve set up in 2016/17 from the under spend on the Schools Budget to help finance the medium term cost pressure that will arise from new schools being built. These will	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new	March 17 £0.300m March 18 £0.800m March 19 £1.000m March 20 £0.746m

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Reserve	Purpose	Policy	Value
	generally open with relatively low pupil numbers and will therefore need additional financial support until pupil numbers reach a viable level.	unusable reserve, as required under the legislation.	March 21 £0.000m
SEN Strategy Reserve	An earmarked reserve set up in 2017/18 from the under spend on the Schools Budget to help finance the additional medium term costs arising from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children and to explore the potential for different models of alternative provision.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation.	March 18 £0.439m March 19 £0.439m March 20 £0.356m March 21 £0.000m
Repairs & Renewals	The Council has accumulated funding in an earmarked reserve from service charges paid by tenants at Longshot Lane, Forest Park and Liscombe.	The reserve is held in order to finance future improvement works thereby reducing pressure on maintenance budgets.	March 17 £0.009m March 18 £0.021m March 19 £0.033m March 20 £0.046m March 21 £0.046m
Building Regulation Chargeable Account	A statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose. The account is currently in deficit and therefore there is no balance on the reserve.	March 17 £0.000m March 18 £0.000m March 19 £0.000m March 20 £0.000m March 21 £0.000m
Commuted Maintenance of Land	Money is received and set aside for the ongoing maintenance of land transferred to the Council under Section 106 agreements.	The reserve will be used to cover the cost of maintaining land transferred to the Council under Section 106 agreements.	March 17 £1.375m March 18 £1.519m March 19 £1.688m March 20 £1.636m March 21 £1.636m
S106 and Travel Plan Monitoring	Money is received and set aside to cover the costs of monitoring developers' compliance with Section 106 agreements, including any travel plan requirements.	The reserve will be used to cover the cost of monitoring developers' compliance with Section 106 agreements, including any travel plan requirements.	March 17 £0.128m March 18 £0.145m March 19 £0.145m March 20 £0.145m

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Reserve	Purpose	Policy	Value
			March 21 £0.145m
Property Searches Chargeable Account	A reserve created for a statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose.	March 17 £0.135m March 18 £0.092m March 19 £0.090m March 20 £0.090m March 21 £0.113m
Transformation	A reserve to support investment in service innovation and improvements.	The reserve will be used to meet the upfront costs of transformation.	March 17 £1.960m March 18 £2.882m March 19 £3.622m March 20 £3.179m March 21 £3.370m
Revenue Grants Unapplied	A reserve to hold unspent revenue grants and contributions where there are no outstanding conditions.	The reserve will be used to match the grant income to the associated expenditure.	March 17 £3.653m March 18 £2.899m March 19 £3.509m March 20 £10.781m March 21 £14.747m
School Masterplans and Feasibility Studies	A reserve to meet the cost of masterplans and feasibility studies for schools expansion.	Any upfront costs incurred prior to a decision being taken to construct an asset may need to be met from revenue.	March 17 £0.350m March 18 £0.341m March 19 £0.341m March 20 £0.373m March 21 £0.330m
Repairs and Maintenance	A reserve to address 1D priorities (urgent works required to assets which are life expired and/or in serious risk of imminent failure) which are revenue rather than capital in nature.	The reserve will be used for high priority revenue repairs and maintenance. The reserve is no longer required.	March 17 £0.039m March 18 £0.030m March 19 £0.030m March 20 £0.030m March 21 £0.030m

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Reserve	Purpose	Policy	Value
Public Health	Under the conditions of the Public Health grant, any under spend of the ring fenced grant can be carried over via a reserve into the next financial year.	The reserve will be used to fund Public Health priorities and projects.	March 17 £0.539m March 18 £1.007m March 19 £1.560m March 20 £1.719m March 21 £2.513m
Better Care Fund	A reserve to help meet the cost of Better Care Fund priorities and projects.	The reserve will be used to fund Better Care Fund priorities and projects.	March 17 £0.617m March 18 £1.420m March 19 £2.092m March 20 £2.322m March 21 £3.034m
Regeneration of Bracknell Town Centre	A reserve to help meet the cost of Council funded Town Centre initiatives	The reserve will be used to fund Town Centre initiatives.	March 17 £0.250m March 18 £0.752m March 19 £1.792m March 20 £4.313m March 21 £6.038m
London Rd Feasibility	A reserve which will be used to meet professional fees regarding the London Road landfill site.	The reserve will be used to cover professional fees relating to the feasibility study. It now includes contributions from the other Berkshire Unitaries.	March 18 £0.125m March 19 £0.238m March 20 £0.212m March 21 £0.212m
Future Funding	A reserve which will be used to smooth the impact of changes in Business Rates income and central government funding decisions.	The reserve will help to balance the revenue budget over the medium term.	March 18 £8.608m March 19 £19.822m March 20 £18.146m March 21 £18.424m
Dilapidations	A reserve to hold funds from tenants for end-of-lease property repairs and reinstatements.	The reserve will be used to carry out repairs and reinstatements to commercial properties required before they can be re-let.	March 18 £0.045m March 19 £0.045m March 20 £0.045m March 21 £0.045m
Schools Support	A reserve to recognise the reduced scope within the dedicated schools grant to provide temporary loans to schools in financial difficulties	To ensure that government policy changes do not impact on the ability to provide temporary loans to schools	March 19 £0.350m March 20 £0.251m March 21 £0.251m

Annexe D

Reserve	Purpose	Policy	Value
Waste PFI Excess Profits	A new reserve to hold excess profits payments by the contractor under the Waste PFI scheme.	Excess profits payments are potentially repayable, depending on future performance, and have therefore been placed in a reserve.	March 19 £0.087m March 20 £0.124m March 21 £0.164m
Feasibility Studies	A reserve to provide revenue funding in the event that proposed capital schemes do not proceed beyond initial feasibility stage.	Any upfront costs incurred prior to a decision being taken to construct an asset may need to be met from revenue.	March 19 £0.500m March 20 £0.394m March 21 £0.394m
ICT Transformation	A reserve to support investment in ICT innovation and improvements.	The reserve will be used to meet the upfront costs of ICT transformation.	March 19 £1.000m March 20 £1.000m March 21 £1.000m
New Schools	A reserve to help support the additional cost arising from new schools over the next four years	The reserve will be used to help meet the cost of new schools in the short term whilst they become established.	March 20 £0.662m March 21 £0.409m
CIL Administrative Costs	Up to 5% of CIL income can be used to meet administrative costs. Income in excess of the budgeted administrative costs will be transferred into this reserve at year end to meet future costs of administering the scheme.	The reserve will be used to meet administrative costs of the scheme where insufficient CIL is received in year.	March 20 £0.298m March 21 £0.298m
Covid-19	A reserve to hold revenue funding provided by Central Government to support the Covid-19 Pandemic.	The reserve will be used to match the grant income to the associated expenditure.	March 20 £2.289m March 21 £2.289m
Business Rates Revaluations	A reserve to guard against the impact of in-year Business Rates valuation adjustments	The reserve will be used to meet the cost of any significant downward Business Rates valuations.	March 21 £7.500m
Business Rates Reliefs	A new reserve to reflect the timing difference between the receipt of S31 grant relating to new Business Rates reliefs and the funding of the resulting deficit on the Collection Fund.	The reserve will be used to meet any Collection Fund deficits relating to Business Rates reliefs agreed by the Government after the budget is set. Funding will be provided from S31 grant received in the previous year.	March 21 £13.047m

Unusable Revenue Reserves

Certain reserves are kept to manage the accounting processes and do not represent usable resources for the Council.

Balance	Purpose	Policy	Value
Collection Fund Adjustment Account	A reserve required to reflect Collection Fund changes included in the SORP 2009. The balance represents the difference between the Council Tax income included in the Income and Expenditure Account and the amount required by regulation to be credited to the General Fund.	This balance is held for specific accounting reasons.	March 17 £5.761m March 18 -£2.351m March 19 £4.140m March 20 £8.250m March 21 -£11.378m
Accumulated Absences Account	A reserve which absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year (e.g. annual leave and flexi-time entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.	This balance is held for specific accounting reasons.	March 17 -£5.328m March 18 -£5.685m March 19 -£4.520m March 20 -£5.177m March 21 -£6.182m
Pensions	Reflects the Council's share of the Royal County of Berkshire Pension Fund's assets and liabilities. Contributions will be adjusted to ensure any projected deficit is funded.	This balance is held for specific accounting reasons.	March 17 -£282.216m March 18 -£276.125m March 19 -£269.419m March 20 -£245.019m March 21 -£354.422m
Dedicated Schools Grant Adjustment Account	This is a new unusable reserve required under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020.	If the Schools Budget is in a deficit position for the financial years 2020/21 to 2022/23 the balance is held against this account per the new legislation	March 21 -£0.485m

Virements between Directorates

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