

Central

Variance	Explanation
£'000	
205	<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 possible to complete some studies this financial year resulting in an underspend (-£0.044m).</p> <p>The income generated was still insufficient to cover budgets and the additional consultancy costs associated with planning appeals resulting in an overspend of £0.203m. In addition, there was an increase of £0.046m for the provision of bad debts.</p>
92	<p>Building Control & Land Charges</p> <p>The final net position for building control was a net under recovery of income of £0.096m.</p> <p>Land Charges Whilst the income from the chargeable element of the property services account, exceeded the cash budget and non-cash expenditure resulting in a surplus for the year, this surplus must be transferred from the cash budget to reserves. The effect of this transfer is the budget is underspent-(£0.007m)</p> <p>In addition, the income generated by the non-chargeable element of Land Charges was under budget by £0.003m.</p>
(63)	<p>Transport Strategy</p> <p>There were various supplies and services underspends across the services, the breakdown was as follows:</p> <p>Concessionary fares £0.031m Intelligent Transport Systems -(£0.039m) Travel Plan Monitoring £0.024m Transportation Planning -(£0.034m) Traffic Signals -(£0.011m) Road Safety Education -(£0.035m) Public Transport Subsidy £0.001m</p>
(110)	<p>Traffic</p> <p>The net income received for Traffic has exceeded budget the breakdown across the service is:</p> <p>Rechargeable Street Works (-£0.009m) Monitoring Street Works £0.027m Highways Network Enforcement (-£0.017m) Street Works – Permit Scheme -(£0.021m) NRSWA S50 cash bonds (-£0.018m) Pavement Licensing (-£0.014m)</p> <p>In addition, winter maintenance contracted costs were underspent (-£0.058m)</p>

Variance	Explanation
£'000	
(54)	<p>Regeneration & Economic Development</p> <p>There were various supplies and services underspends across the services, the breakdown was as follows:</p> <p>Town Centre Redevelopment: (-£0.004m) Town Centre Strategy (-£0.015m) Economic Development (-£0.012m) Town Centre Management (-£0.023m)</p>
(77)	<p>Organisational Development</p> <p>Work undertaken on the skills audit through the year has meant delays in delivery of some training. The underspend of the centralised budgets was split:</p> <p>Social Care Training (-£0.047m) Non-Social Care Training (-£0.068m) Council Wide (£0.038m)</p>

Delivery

Variance	Explanation
£'000	
154	<p>ICT</p> <p>There were 3 ICT revenue transformation projects for which the costs exceeded the funding available by £0.266m</p> <p>This overspend has been partially offset by savings on the Print Service (-£0.065m), supplies and services (-£0.036m) and reduced travel (-£0.011m).</p>
701	<p>Operations Unit</p> <p>There was an overall pressure on 'Home to School Transport (£0.697m) as well as net overspends (£0.004m) across other services administered by the operations unit.</p>
165	<p>Industrial & Commercial Properties</p> <p>Income generated by investment properties is below budget and the properties have also incurred expenditure which cannot be recharged to tenants (Waterside Park £0.083m, Lincoln £0.041m and Redditch £0.019m).</p> <p>In addition, the rebate for rent at Peel Centre was higher than anticipated (£0.061m), there was a reduction in the bad debt provision (-£0.019m) and a net underspend across other properties (-£0.020m).</p>
(115)	<p>Registration of Births Deaths & Marriages</p> <p>Higher levels of income than originally anticipated from Registration of Marriages (-£0.077m), Citizenship Ceremonies (-£0.018m), Registration of Deaths (-£0.011) other registration services (-£0.009m).</p>
(742)	<p>Waste Management</p> <p>An overspend of £0.310m was reported on the cost of waste collection recycling in part due to an additional round being added to support the food waste collection.</p> <p>There were however underspends to report on household collections (-£0.187m), the brown bin service (-£0.084m), 'Core', waste disposal (-£0.760m) relating mainly to contracted services underspend, London Road Tip (-0.020m) and the green reward scheme (-£0.001m).</p>
(81)	<p>Street Cleansing</p> <p>The underspend is as a result of savings on Contracted Services (-£0.077m) and equipment (-£0.004m).</p>
(571)	<p>On/Off Street Parking</p> <p>Whilst the service was recovering from the impact of Covid-19, income targets were reduced for one year. The service recovered its income base more quickly than anticipated resulting in an underspend (-£0.226m), in addition one off business rates rebates were received (-£0.169m). There were also further underspends on contracted services (-£0.139m) and on maintenance (-£0.053m). There were some</p>

Variance	Explanation
£'000	
	smaller overspends within supplies and services (£0.016m) which reduced the overall underspend.
(65)	<p>Other</p> <p>There have been underspends against the budgets of the Coroners Service joint arrangement (-£0.043m). There were various underspends across the supplies and services budgets (-£0.014m). The costs of maintaining public conveniences were also underspent (-£0.008m).</p>
412	<p>Leisure Contract</p> <p>Income was significantly impacted by Covid-19 with the leisure facilities gradually re-opening and social distancing rules being applied. An agreement with the contractor resulted in the Management Fee being waived for the first three months, followed by a further 3 months where only any operating profit was paid.</p>
(147)	<p>Cemetery & Crematorium</p> <p>The service generated additional Income (-£0.046m), and there have been underspends on utilities (£-0.016m), repairs and maintenance (-£0.015m), supplies and services (-£0.018m) and a reduction in the bad debt provision (-£0.052m).</p>
(42)	<p>Office Accommodation</p> <p>There have been underspends on building running costs (-£0.005m), business rates (-£0.030m) and general office expenditure (-£0.050m). This has partially offset the income under recovery of £0.043m for the Time Square community hub, which was due to the Council being unable to rent space at Time Square due to covid.</p>

People

Variance	Explanation
£'000	
135	<p>Executive Director</p> <p>The Management Team experienced some staff changes during the year and required additional management capacity to support the development of key Directorate objectives.</p>
75	<p>Education & Learning</p> <p>Staffing costs were the most significant overspend, mainly as a result of not fully meeting the vacancy factor target (£0.105m). There was also a £0.220m 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 (-£0.066m), additional income from schools in the Admissions Team (-£0.061m), reduced spend on former teachers' pensions (-£0.059m) and other operational budgets (-£0.064m).</p>
(93)	<p>Children's Social Care</p> <p>Care and accommodation costs for children looked after underspent by -£0.497m. Whilst numbers were in line with budget expectations, average costs were -2.8% below those originally expected. The biggest factor in this change was securing new income contributions to health-related support services that are included within packages of care. The impact of the Family Safeguarding Model has continued to see the number of paid places at lower than historical numbers. The Fostering Transformation Project has progressed well in terms of placement stability, systems, process and culture. The anticipated savings of £0.250m were not. Other significant budget variances included, general support to children looked after (+£0.178m), care leavers support and maintenance costs (-£0.154m), support to fostering (+£0.066m), Childcare Solicitors (+£0.217m), Disability Care Needs (+£0.083m) and Unaccompanied Asylum Seekers (-£0.115m).</p>
853	<p>Adult Social Care</p> <p>Care packages overspent (£1.351m) mainly due to increases in Learning Disabilities packages and increases in the cost of care due to increases in need. Equipment also overspent (£0.023m). These overspends were in part a result of the pandemic whereby group activities were suspended, resulting in more 1-1 support, and priority was given to getting clients out of hospital. There was an underspend (-£0.102m) at Waymead, the in-house respite service, as it remained closed throughout the year. There was also an underspend on staffing costs (-£0.430m) mainly due to many vacancies throughout the year.</p>
1,441	<p>Mental Health & Out of Hours</p> <p>Care packages overspent (£1.200m) due to an increase in both numbers and complexity of needs. Forestcare overspent (£0.180m), mainly due to reductions in income. Emergency Duty Services also overspent (£0.029m).</p>
(128)	<p>Early Help & Communities</p> <p>There was an underspend on the Housing Welfare & Benefits budget (-£0.171m) largely caused by a reduction in the requirement for a bad debt provision on overpayments. This is due to a much larger percentage of overpayments now being recovered from ongoing entitlement. Housing and Welfare operational costs</p>

	underspent (-£0.079m) due to vacant staff posts. Housing Management & Property overspent (£0.508m) due to a combination of voids (exacerbated by the pandemic), and additional repairs that have had to be undertaken. Early Help experienced an underspend on staffing (-£0.173m) and other budgets, in particular in the Youth Service (-£0.149m).
(2,300)	General and COVID-19 Contingency Funding Transfer of General and Covid-19 Contingency Funding to People to cover additional pressures experienced during the year.

Non-Departmental Budgets/Earmarked Reserves

Variance	Explanation
£'000	
(1,119)	Interest Average cash balances have been substantially higher than expected removing the need for any new borrowing in 2021/22. This has resulted from a combination of slippage on the capital programme and the underspend on the revenue budget and positive cashflows from grants being received pending their allocation.
(112)	Minimum Revenue Provision (MRP) Higher than forecast capital receipts in 2020/21 and significant capital carry forwards into 2021/22 have created an under spend against the Minimum Revenue Provision.
(232)	Revenue Contributions to Capital The associated capital expenditure has now been financed from internal borrowing to spread the cost impact on revenue. The budget is therefore no longer required and an under spend can be declared.
(201)	Corporate Wide Items The impact of staff retention initiatives, to help ensure we retain the capacity and skills to deal with the on-going impact and manage recovery from Covid, was less than expected (-0.162m). There were also underspends on corporate budgets for superannuation (-0.024m) and repairs and maintenance (-0.015m)
11	Business Rates Reductions in the grant receivable from central government (£0.538m) partly offset by an underspend on the levy payable to central government (-£0.527m).
(60)	Other Under spends primarily relating to pension recharges and joint arrangements, and the provision for bad debts and write offs (-£0.057m)
(2,109)	Covid-19 Contingency Not all the Covid-19 Contingency Fund was required in 2021/22 resulting in an underspend.
3,190	Other Earmarked Reserves Transfers into the Transformation (£1.220m), Regeneration of Town Centre (£1.000m) and Inflation (£1.500m) Reserves partly funded from the Structural Changes Reserve (-£0.500m) and the closure of the Repairs and Maintenance Reserve (-£0.030m).

TREASURY MANAGEMENT ANNUAL REPORT 2021/22

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 2021/22. 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 2021/22 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 2021)
- a mid-year (minimum) treasury update report (Council Feb 2021)
- 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 2021/22 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 2022		At 31 March 2021	
	Principal	Average Rate	Principal	Average Rate
Fixed Interest Borrowing				
Short Term Market Loans	£0.000m	0%	£0.000m	0.00%
Long-Term PWLB	£80.000m	2.30%	£80.000m	2.30%
Variable Interest Borrowing	-		-	
Total Borrowing	£80.000m		£80.000m	
Fixed Interest Investments	-		-	
Variable Interest Investments (MMF)	£43.488m	0.01%	£20.244m	0.12%
Total Investments	£43.488m		£20.244m	
Net borrowing position	£36.512m		£59.756m	

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 2012/22. 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

<i>Table 2 Financing of Capital Programme 2021/22 and 2020/21</i>		
	2021/22	2020/21
	£'000	£'000
Expenditure		
Capital Programme	27,221	26,883
Financed by		
Capital Receipts	3,710	5,222
Government Grants/Contributions	21,951	16,327
Change in Capital Financing Requirement	1,560	5,334
Total	27,221	26,883

The Strategy for 2021/22

Investment Strategy and control of interest rate risk

- 2.3 Investment returns remained close to zero for much of 2021/22. Most local authority lending managed to avoid negative rates. The expectation for interest rates within the treasury management strategy for 2021/22 was that Bank Rate would remain at 0.1% until it was clear to the Bank of England that the emergency level of rates introduced at the start of the Covid-19 pandemic were no longer necessitated.
- 2.4 The Bank of England and the Government also maintained various monetary and fiscal measures, supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the various lockdowns/negative impact on their cashflow. 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 remained low until towards the turn of the year when inflation concerns indicated central banks, not just the Bank of England, would need to lift interest rates to combat the second-round effects of growing levels of inflation (CPI was 6.2% in February).
- 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.

- 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 counterparty risk exposure, by having fewer investments placed in the financial markets.

Borrowing Strategy and control of interest rate risk

- 2.7 During 2021/22, 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 very low and minimising counterparty risk on placing investments also needed to be considered.
- 2.8 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

- 2.9 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.).
- 2.10 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 0.01% on an average balance of £32.9m. This was in line with the Benchmark given that interest rates across the time period were close to zero and as such there was little opportunity to increase the yield without taking undue risk.

Borrowing Outturn

- 2.11 No new loans were entered into during the financial year.

Net Treasury Outturn

- 2.12 The Council budget for net borrowing costs of £1.970m – reflects the borrowing costs for the Council's historical Capital Programmes in past years alongside the 2021/22 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.

- 2.13 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.
- 2.14 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 previous years and the continued delay in the change to the Central Rating Lists 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 slow catch-up 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 £1.18m less than anticipated. This level will not be sustained in future years.

Compliance with Treasury Limits

- 2.15 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.
- 2.16 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.

2.17

	2021/22	2020/21
	£'000	£'000
Opening Capital Financing Requirement	214,602	211,589
Capital Investment		
Gross Capital Expenditure	27,221	26,883
Sources of Finance		
Capital Receipts	-3,710	-1,356
Government Grants and Other Contributions	-21,962	-20,180
Waste PFI Donated Asset Account	-89	-89
MRP	-2,337	-2,245
	<u>-28,098</u>	<u>-23,870</u>
Closing Capital Financing Requirement	213,725	214,602

2.18 The outturn for the remaining Prudential Indicators are as follows

Authorised limit	2021/22 Estimate	2021/22 Out-turn
Borrowing	£209m	£209m
Other long term liabilities	£18m	£18m
Total	£227m	£227m

Operational Boundary	2021/22 Estimate	2021/22 Out-turn
Borrowing	£223m	£223m
Other long term liabilities	£18m	£18m
Total	£241m	£241m

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 2022/23

£'000	Explanation
371	<p>Regeneration & Economic Development</p> <p>As part of the 2021/22 budget process it was agreed to provide a one-off budget to support town centre events in Bracknell, Crowthorne & Sandhurst. Due to delays in the planning of events not all were completed by the end of the financial year.</p> <p>A carry forward of £0.371m was requested to allow these events to proceed in 2022/23.</p>
167	<p>Local Development Framework</p> <p>The Local Development Framework comprises a set of Local Plans containing policies to guide the future development of the Borough including where new development should go and policies to protect valuable and sensitive areas. The Council is required to produce evidence to support their policies and to be able to demonstrate that they are sound to an independent Inspector. This 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 will not be possible to complete some studies in 2021/22, but these will need to be completed in 2022/23.</p>
10	<p>Organisational Development</p> <p>A request to carry forward budget is required in order to complete the delivery of training which was delayed due to the development of corporate training plan following the skills survey.</p>
548	Grand Total

PEOPLE DIRECTORATE
Carry Forwards to 2022/23

£'000	Explanation
20	<p>Children's Social Care: Public Law Order Assessments</p> <p>Covid related delay on some of this year's work where assessments have started but are not yet finished as there have been pauses because of covid positives for either the expert or the family.</p>
4	<p>Children's Social Care: Essential training of foster carers</p> <p>The training is in person and has been delayed due to covid restrictions</p>
25	<p>Mental Health and Out of Hours: Drugs and Alcohol Team</p> <p>Funding for residential rehabilitation placements that are in progress but there is a waiting list for beds. During the Covid 19 pandemic no placements could be made and even when the restrictions were relaxed providers did not fully reopen so bed spaces were limited.</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. 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 the pandemic</p>
3	<p>Early Help: Trauma Training</p> <p>This training is to enable youth practitioners to be better equipped in responding to the increasing complexity of young people's needs, notably emotional well-being, exploitation and post Covid responses. The sustained operational demand across the service has impacted the capacity for focussed training and space to accommodate learning from training over and above mandated training</p>
8	<p>Early Help: Young Carers</p> <p>The Young Carers team have been working throughout Covid to promote awareness of Young Carers across the partnership, which in turn has seen a very significant rise in the number of YC's known in the borough. An inaugural meeting of Young Carers group is being planned in March, slippage in establishing this group has been due to capacity in responding to the increase by the Young carers team. This carry forward would support a less hastened delivery against the action plan and strengthen what can be offered to this vulnerable cohort during 2022/23.</p>
8	<p>Early Help: Youth Council</p> <p>Part of the Youth Council's annual activities includes a residential one and for 2 consecutive years this has not been possible. The council is actively recruiting new members through social media promotion and secondary schools, the latter also thwarted by the pandemic. The carry forward would enable the youth council to re-asset its footing and its contribution to a co-production approach for young people in the borough.</p>
9	<p>Early Help: Youth Service</p> <p>Covid, combined with a prolonged and unexpected snagging period for Braccan Walk Youth Centre significantly delayed it being operationally available. There have been numerous aspects of the building that have required external contractors to remedy which has meant that the readiness of the facility has been delayed by 9 months. Whilst services (predominately BFC teams) are accessing and utilising the benefits of Braccan Walk, the furnishing of it remains incomplete and our original intention to actively involve young people in that has been delayed (to note, young people were involved in the design of the original spec. and the service is keen to allow that progress to the finer furnishing detail.</p>
20	<p>Welfare: Local Welfare Scheme</p> <p>This funding is used to support those in financial crisis with short term, immediate, assistance with essential spending. This is used to top up electricity and gas meters, to assist with purchase of food or other essentials such as white goods for those unable to meet this cost. A new LWP scheme was launched in October 2021 introducing a clearer criteria but last minute Government funding provided through the Household support fund, has meant that spend has been lower than anticipated and other funding has meant there is a balance to carry forward. Inflation expected to remain above 3% for at least 1 year, a rise of 50% in the energy price cap and the impact of the uncertain global and European landscape means that the cost of living is only increasing, at a time where wages are either frozen or reducing in real terms</p>

PEOPLE DIRECTORATE
Carry Forwards to 2022/23

£'000	Explanation
233	<p>Welfare: Covid Welfare Scheme</p> <p>In 2021 funding was made available from ED Finance to support households facing or already in financial hardship. The funding is being used to support a systemic approach to financial hardship and is managed at an Officer and Member level with a number of initiatives recently getting underway. Unexpected and often late notice additional Government funding has been received such as the Covid Winter Grant, Covid Council Support Grant and Household Support fund which have been used to support households over the last 12 months meaning that the draw on this funding has left budget remaining at the end of the year.</p>
337	Grand Total

**NON-DEPARTMENTAL / COUNCIL WIDE
Carry Forwards to 2022/23**

£'000	Explanation
150	Regeneration & Economic Development A revolving invest to save fund was created in the budget to support climate change / carbon reduction initiatives. Progress has stalled in this area partly because of the impact of the pandemic and it is therefore requested the one-off funding is carried forward into 2022/23
150	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 18 £9.047m March 19 £9.060m March 20 £7.091m March 21 £10.327m March 22 £11.346m

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 18 £2.843m March 19 £2.952m March 20 £3.059m March 21 £2.909m March 22 £3.096m
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 18 £0.084m March 19 £0.101m March 20 £0.054m March 21 £0.193m March 22 £1.035m
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 18 £1.990m March 19 £2.290m March 20 £3.158m March 21 £2.929m March 22 £2.128m
Schools' Balances	These funds are used to support future expenditure within the Dedicated Schools Block and include individual school balances.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LEA has no practical control over the level of balances.	March 18 £1.272m March 19 £1.558m March 20 £1.015m March 21 £2.141m March 22 £2.906m
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	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 18 £0.091m March 19 £0.051m March 20 £0.023m March 21 £0.000m

Annexe D

Reserve	Purpose	Policy	Value
	Schools Specific Contingency as set out in the financial regulations.	unusable reserve, as required under the legislation for the financial years 2020/21 to 2022/23.	March 22 £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 for the financial years 2020/21 to 2022/23.	March 18 £1.994m March 19 £1.577m March 20 -£0.141m March 21 £0.000m March 22 £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, an unusable reserve, as required under the legislation for the financial years 2020/21 to 2022/23.	March 18 £0.337m March 19 £0.459m March 20 £0.459m March 21 £0.000m March 22 £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 for the financial years 2020/21 to 2022/23.	March 18 £0.841m March 19 £1.093m March 20 £0.364m March 21 £0.000m March 22 £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 generally open with relatively low pupil numbers and will therefore need additional financial support until pupil numbers reach a viable level.	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 for the financial years 2020/21 to 2022/23.	March 18 £0.800m March 19 £1.000m March 20 £0.746m March 21 £0.000m March 22 £0.000m

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Reserve	Purpose	Policy	Value
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 for the financial years 2020/21 to 2022/23.	March 18 £0.439m March 19 £0.439m March 20 £0.356m March 21 £0.000m March 22 £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 18 £0.021m March 19 £0.033m March 20 £0.046m March 21 £0.046m March 22 £0.057m
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 18 £0.000m March 19 £0.000m March 20 £0.000m March 21 £0.000m March 22 £0.000m
Commutated Maintenance of Land	Money is received and set aside for the ongoing maintenance of land transferred to the Council under Section 106 agreements.	The reserve will be used to cover the cost of maintaining land transferred to the Council under Section 106 agreements.	March 18 £1.519m March 19 £1.688m March 20 £1.636m March 21 £1.636m March 22 £1.622m
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 18 £0.145m March 19 £0.145m March 20 £0.145m March 21 £0.145m March 22 £0.145m
Property Searches	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	March 18 £0.092m March 19 £0.090m

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Reserve	Purpose	Policy	Value
Chargeable Account		fenced and cannot be used for any other purpose.	March 20 £0.090m March 21 £0.113m March 22 £0.143m
Transformation	A reserve to support investment in service innovation and improvements.	The reserve will be used to meet the upfront costs of transformation.	March 18 £2.882m March 19 £3.622m March 20 £3.179m March 21 £3.370m March 22 £3.499m
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 18 £2.899m March 19 £3.509m March 20 £10.781m March 21 £14.747m March 22 £16.071m
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 18 £0.341m March 19 £0.341m March 20 £0.373m March 21 £0.330m March 22 £0.200m
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 is no longer required.	March 18 £0.030m March 19 £0.030m March 20 £0.030m March 21 £0.030m March 22 £0.000m
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 18 £1.007m March 19 £1.560m March 20 £1.719m March 21 £2.513m March 22 £2.642m
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 18 £1.420m March 19 £2.092m

Annexe D

Reserve	Purpose	Policy	Value
			March 20 £2.322m March 21 £3.034m March 22 £5.511m
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 18 £0.752m March 19 £1.792m March 20 £4.313m March 21 £6.038m March 22 £8.036m
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 March 22 £0.191m
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 March 22 £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 March 22 £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 March 22 £0.251m
Waste PFI Excess Profits	A reserve to hold excess profits payments by the contractor under the Waste PFI scheme.	Excess profits payments are potentially repayable, depending on future	March 19 £0.087m March 20 £0.124m March 21 £0.164m

Annexe D

Reserve	Purpose	Policy	Value
		performance, and have therefore been placed in a reserve.	March 22 £0.302m
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 March 22 £0.394m
ICT Transformation	A reserve to support investment in ICT innovation and improvements.	The reserve has been fully utilised.	March 19 £1.000m March 20 £1.000m March 21 £1.000m March 22 £0.000m
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 March 22 £0.182m
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 March 22 £0.426m
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 March 22 £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 March 22 £7.500m
Business Rates Reliefs	A 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 March 22 £6.875m

Annexe D

Reserve	Purpose	Policy	Value
Street Works - Permit Scheme Reserve	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 22 £0.098m
Inflation Reserve	A new reserve that recognises the budget was set using the much lower inflation rates applicable in September 2021.	The reserve will be used to meet the additional inflationary pressures that arise in 2022/23.	March 22 £1.500m

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 18 -£2.351m March 19 £4.140m March 20 £8.250m March 21 -£11.378m March 22 -£6.247m
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 18 -£5.685m March 19 -£4.520m March 20 -£5.177m March 21 -£6.182m March 22 -£6.009m
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 18 -£276.125m March 19 -£269.419m March 20 -£245.019m March 21 -£354.422m March 22 -£314.696m
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 -£2.626m March 22 -£9.340m

Virements between Directorates

Total	Explanation
£'000 -88 18 -144 232 -18	<p data-bbox="316 331 435 365"><u>Delivery</u></p> <p data-bbox="316 394 986 427">Revenue contributions towards capital expenditure.</p> <p data-bbox="316 434 1217 468">Funding a Climate Change Officer from the Transformation Reserve.</p> <p data-bbox="316 501 416 535"><u>People</u></p> <p data-bbox="316 562 986 595">Revenue contributions towards capital expenditure.</p> <p data-bbox="316 629 788 663"><u>Non-Departmental / Council Wide</u></p> <p data-bbox="316 685 1257 719">Revenue contributions from Delivery and People for capital expenditure.</p> <p data-bbox="316 725 1217 759">Funding a Climate Change Officer from the Transformation Reserve.</p>
0	Total Virements

Directorate Virements over £50,000

Debit	Credit	Explanation
£'000	£'000	
		Schools Budget
		The approved Scheme for Local Management of Schools sets out criteria under which school budgets will be adjusted to take account of changing circumstances. These can be in respect of local policy decisions or in order to comply with relevant legislation.
5,283		Funds Delegated to Schools
	-279	School Grant Income
	-136	De-delegated Budgets
	-140	Other School Services
3		Funds Delegated to Special Schools
	-3,057	Maintained Schools & Academies
89		Education out of School
	-1,763	EY Free Entitlement
		Dedicated Schools Grant funding to the council for Early Years has been recalculated to reflect the latest census data.
	-396	Dedicated Schools Grant
396		EY Free Entitlement
		Dedicated Schools Grant funding to the council has been recalculated to reflect the academisation of Sandhurst Secondary School.
	-933	Funds Delegated to Schools
21		Other School Services
912		Dedicated Schools Grant
6,704	-6,704	Total
		Delivery
		Following a review of the 2021-22 savings proposal the Schools ICT budget has been re-instated.
110		Devolved Staffing Budget
3		Travel
67		Supplies & Services
	-114	Income from Schools
	-66	Sales from internally traded services
180	-180	Total