

Budget Monitoring
2022/23 End of Year Projections
From July 2022 Actuals

It is recommended that CMT:

1

Note that the variances reported by directorates indicate expenditure below the approved budget in the Best Case scenario (-£0.638m) and above the budget in the Worst Case (£0.843m), after taking into account the Corporate Contingency £1.833m). This is a deterioration of £0.246m Best Case / £0.396m Worst Case since last month, including a £0.8m reported underspend in treasury budgets. This excludes the impact of the 2022/23 pay award;

2

Note that inflation is a key risk to the budget, particularly the pay award where the initial offer of a £1,925 pay rise equates to a 5.4% increase for Bracknell Forest, approximately £1.8m above the 2% allowance included in the budget. While energy price increases are also potentially significant, no variance has been included at this stage pending further detail of the Government's six month support package for businesses and public bodies being announced;

3

Recognising that there is insufficient headroom in the approved budget to absorb inflationary pressures, approve that the £1.5m Earmarked Reserve for Inflation created as part of the 2021/22 closedown is used to supplement the current approved budget as a one-off measure, noting it is insufficient to cover the impact of the pay award;

4

In response to this position, considers to what extent measures should be put in place to a) limit non-essential expenditure and / or b) proactively seek and implement in year savings;

5

Note the virements being proposed by directorates and the balances remaining on major earmarked reserves;

6

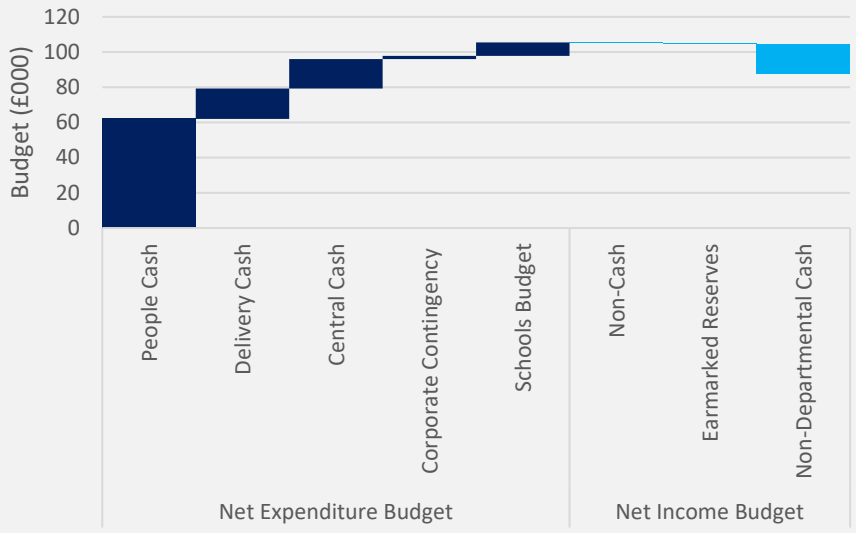
Note that several variances are now being reported on the Schools Budget for the first time indicating an overall variance of £0.489m Best Case and £0.904m Worst Case, in addition to the originally estimated £7.5m in year deficit in the High Needs Block. These are generally work in progress and should therefore be viewed with caution. With the Council being under scrutiny as part of the Delivering Better Value in SEND programme and the current ringfencing of schools block deficits due to end in March 2023, this give cause for significant concern;

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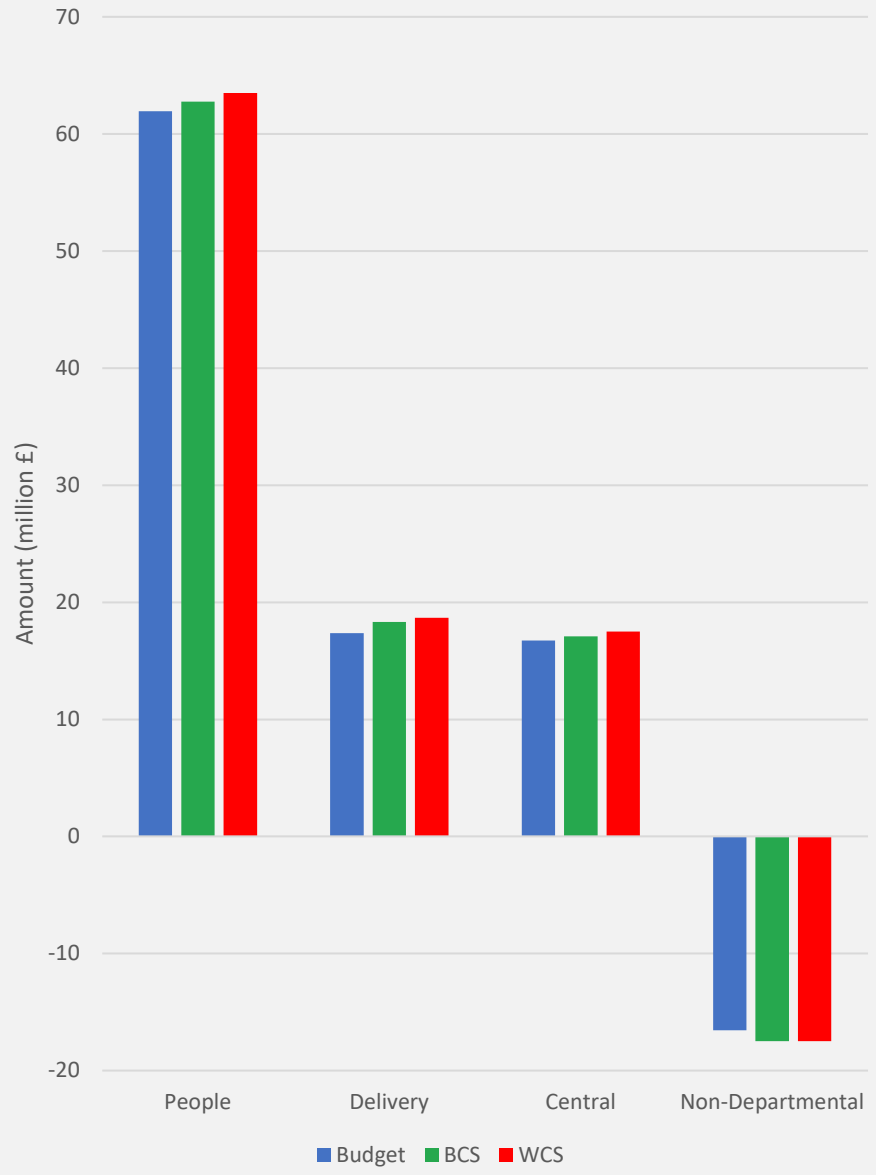
Requests the Executive Director: People to bring a report to CMT in the next month explaining current schools block pressures and identifying proposals to bring the budget back into balance.

Overall Summary

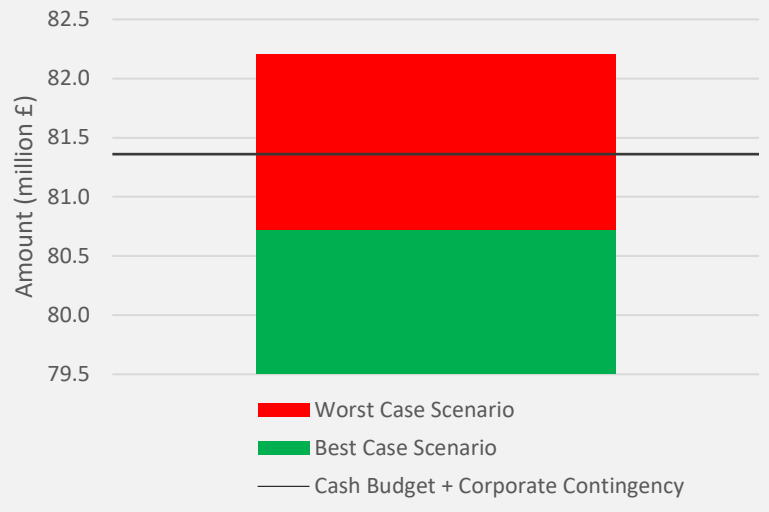
Budget Breakdown



Cash Budgets and Forecasts



Council Forecast Outturn and Budget



Virements

DESCRIPTION	Central (£'000)	Delivery (£'000)	People (£'000)	Non-Departmental (£'000)	Corporate Contingency (£'000)	Contribution to/(from) Earmarked Reserves (£'000)
Previously Reported	1,595	183	732	-528	-67	-1,915
Nothing to report						
TOTAL	1,595	183	732	-528	-67	-1,915

Summary – Assistant Director Level

	Original Cash Budget (£'000)	Virements & Budget C/Fwds (£'000)	Current Approved Cash Budget (£'000)	Variance – BCS (£'000)		Variance – WCS (£'000)	
				Last Month	This Month	Last Month	This Month
Director: Place, Planning & Regeneration	7,397	1,508	8,905	112	247	205	545
Director: Resources	5,969	69	6,038	28	116	94	179
Chief Executive's Office	1,779	18	1,797	-5	-5	34	38
CENTRAL	15,145	1,595	16,740	135	358	333	762
Executive Director of Delivery	219	2	221	0	0	0	0
Assistant Director: Customer Services & ICT	10,741	61	10,802	988	988	1,078	1,078
Assistant Director: Property Services	-5,447	15	-5,432	0	0	0	0
Borough Solicitor	676	9	685	0	0	0	0
Head of Democratic & Registration Services	1,724	80	1,804	0	0	0	0
Assistant Director: Contract Services	9,271	16	9,287	-17	-17	246	246
DELIVERY	17,184	183	17,367	971	971	1,324	1,324
Executive Director of People	1,617	12	1,629	-14	-13	-14	-13
Education and Learning	2,150	113	2,263	11	244	11	244
Children's Social Care	19,489	122	19,611	-1,730	-1,197	-1,400	-923
Contribution to Costs from Schools Budget	-468	0	-468	0	0	0	0
Commissioning	3,220	-34	3,186	81	97	81	97
Adult Social Care	19,992	87	20,079	584	599	784	799
Mental Health & Out of Hours	10,858	95	10,953	998	986	1,248	1,236
Early Help & Communities	4,368	337	4,705	74	90	74	90
PEOPLE	61,226	732	61,958	4	807	784	1,531

Summary – Assistant Director Level

	Original Cash Budget (£'000)	Virements & Budget C/Fwds (£'000)	Current Approved Cash Budget (£'000)	Variance – BCS (£'000)		Variance – WCS (£'000)	
				Last Month	This Month	Last Month	This Month
Interest and Investment Income	1,645	0	1,645	0	-800	0	-800
Minimum & Voluntary Revenue Provisions	2,242	0	2,242	-161	-161	-161	-161
Council Wide Items	657	-528	129	0	20	0	20
New Homes Bonus Grant	-2,294	0	-2,294	0	0	0	0
Covid-19 LA Support Grant	-1,160	0	-1,160	0	0	0	0
Local Council Tax Support Grant	-9,537	0	-9,537	0	0	0	0
Business Rates Income Growth & Grants	-7,500	0	-7,500	0	0	0	0
Other	-61	0	-61	0	0	0	0
NON-DEPARTMENTAL	-16,008	-528	-16,536	-161	-941	-161	-941
TOTAL	77,547	1,982	79,529	949	1,195	2,280	2,676

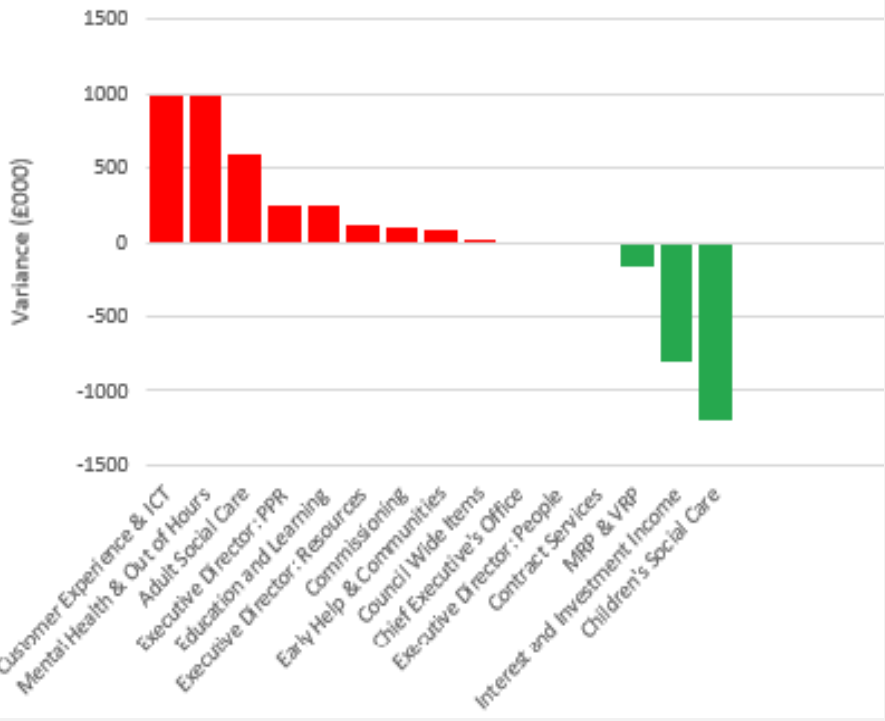
CORPORATE CONTINGENCY	1,900	-67	1,833	-1,833	-1,833	-1,833	-1,833
TOTAL	79,447	1,915	81,362	-884	-638	447	843

EARMARKED RESERVES	1,529	-1,915	-386	0	0	0	0
OVERALL TOTAL	80,976	0	80,976	-884	-638	447	843

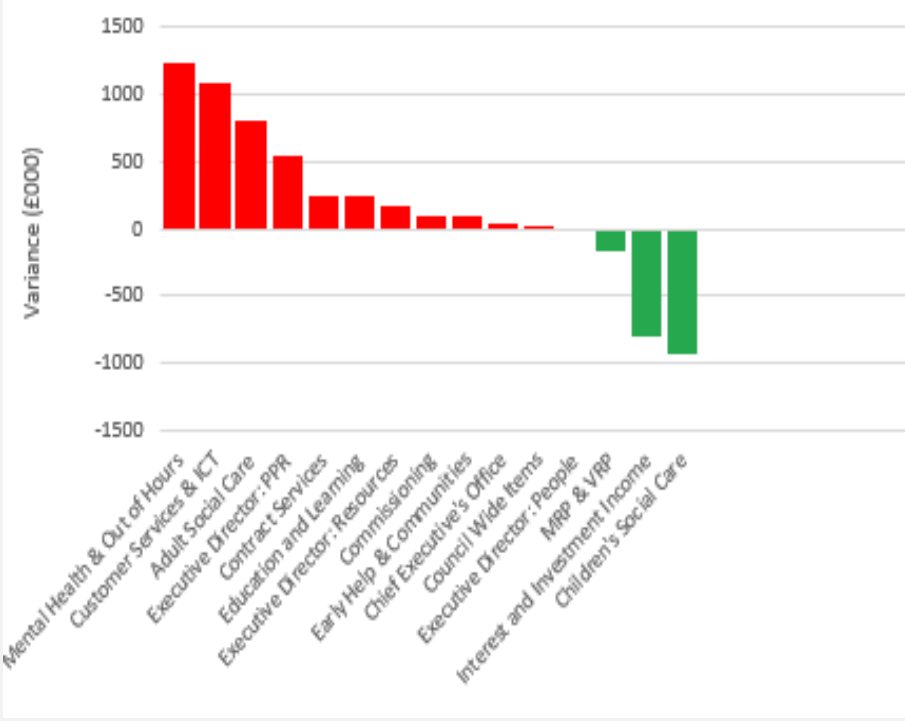
NON-CASH BUDGETS	-546	0	-546	0	0	0	0
SCHOOL BUDGET	7,682	0	7,682				
OVERALL TOTAL	88,112	0	88,112				

Cash Budget Summary

Best Case Scenario Variances



Worst Case Scenario Variances



Cash Budget Summary – New Variances

The variances reported by directorates indicate expenditure below the approved budget in the Best Case scenario (-£0.638m) and above the budget in the Worst Case (£0.843m), after taking into account the Corporate Contingency £1.833m).

CENTRAL

Significant Variances

- Development Control income is currently projected to be below budget with the full impact shown in the Worst Case and the Best Case showing income more in line with pre-covid levels (£0.100m Best Case and £0.200m Worst Case).
- The income from Building Regulations is insufficient to offset all of the overheads (£0.151m) and increased staffing costs. The account is in deficit and therefore no reserve is held to offset this pressure (£0.167m Best Case and £0.216m Worst Case). Increased Reactive Maintenance payments to take account of inflationary increases incurred by the Contractor (£0.100m both scenarios).
- The previously reported bus contract variance has been reversed, following confirmation from the Department of Transport that bus recovery grant has been extended until the end of the year (-£0.082m Best Case and -£0.178m Worst Case).
- Based on income received to July the Look Out is currently projecting an underachievement of income (£0.086m). This has only been reflected in the Worst Case scenario at this stage as August is usually a more positive month and so the Best Case assumes an improving position.
- Budget is insufficient for completing the remaining tree priority safety works, The best case assumes the use of reserve funding (£0.050m Worst case).

DELIVERY

Significant Variances

- No new variances to report

PEOPLE

Significant Variances

- Within Education and Learning, the overspend on the Devolved Staffing Budget has increased by £0.283m to £0.356m in both scenarios, £0.254m of which relates to Education Psychology (£0.114m) and SEN (£0.140m). The Education Psychology element has been partially offset by additional income from school trading and the health funded Neurodiversity project (-£0.094m both scenarios). Additional specialist legal consultancy has also been procured (£0.060m both scenarios).

Cash Budget Summary – New Variances

The variances reported by directorates indicate expenditure below the approved budget in the Best Case scenario (-£0.638m) and above the budget in the Worst Case (£0.843m), after taking into account the Corporate Contingency £1.833m).

PEOPLE continued

Significant Variances

- CLA placement costs have increased by £0.357m, with residential costs showing the greatest increase, and numbers have increased by 1 to 112 FTE. The DSB forecast overspend has increased by £0.113m mainly as a result of greater usage of agency staff. Childcare Solicitor costs are expected to exceed the joint arrangement budget by £0.087m. The overall net movement is £0.533m Best case and £0.477m Worst Case.

NON DEPARTMENTAL

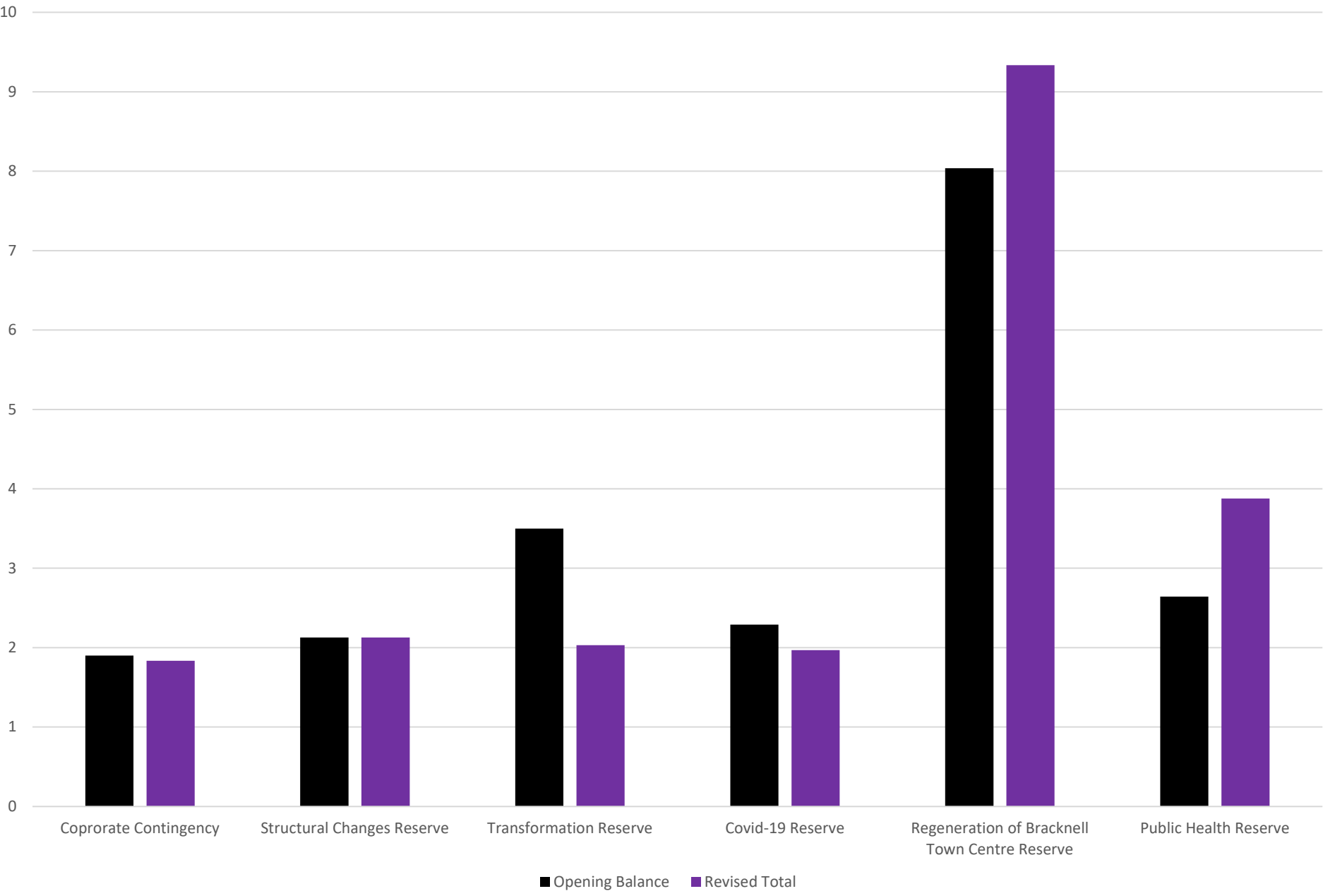
Significant Variances

- As interest rates increase our Money Market Funds and cashflow position continue to out-perform budgetary expectations (-£0.800m both scenarios).

Earmarked Reserves

DESCRIPTION	Corporate Contingency (£'000)	Structural Changes Reserve (£'000)	Transformation Reserve (£'000)	Covid-19 Reserve (£'000)	Regeneration of Bracknell Town Centre Reserve (£'000)	Public Health Reserve (£'000)
OPENING BALANCE	1,900	2,128	3,499	2,289	8,037	2,642
Budgeted Increase / (Decrease)			1,500	-320	1,514	
Nine projects to be funded from the Public Health Reserve						1,235
Business Change Team			-722			
Childrens Social Care Placements & Fostering			-60			
CSC - SEN Improvement Plan (includes £65k for 23/24)			-229			
Childrens Social Care - Market Development			-53			
Adult Social Care Conversations Model			-75			
Adult Social Care - Quality Assurance Resource			-43			
Adult Social Care - Core Process Review			-48			
Adult Social Care - Business Systems			-50			
Adult Social Care - Target Operating Model			-26			
Adult Social Care - Finance Reform			-117			
Adult Social Care - Bridgewell Project stage 2 design			-85			
Property - Asset Review			-60			
Chief Executive - Assistant Director: Strategic Projects Post			-94			
Chief Executive - Policy & Performance Lead Post			-55			
Bracknell Forest Lottery			-7			
Development of Leisure Strategy			-50			
Development of an Arts and Culture Strategy			-40			
Initial works related to the replacement of Bracknell Leisure Centre (for 23/24)			-50			
ICT - Technology to support hybrid meetings			-60			
Development of Housing and Homeslessness Strategies			-50			
Feasibility study to inform options to move the Central Library to another town centre location					-20	
Project to deliver 5G					-50	
Preserving capacity for economic development activities following the uncertainty of the future funding arrangement for LEPs					-70	
Joint Venture Business Partner					-75	
Restructure of ICT team (includes £200K for next year)			-400			
Funding for a Head of Corporate Complaints and £5k of incidental costs	-66					
Childrens Social Care - Mosaic development & implementation			-270			
Adult Social Care - ContrOCC, LAS and Imosphere RAS development and implementation			-221			
Power BI Tech Resource			-100			
SEN team systems training			-2			
REVISED TOTAL	1,834	2,128	2,032	1,969	9,336	3,877

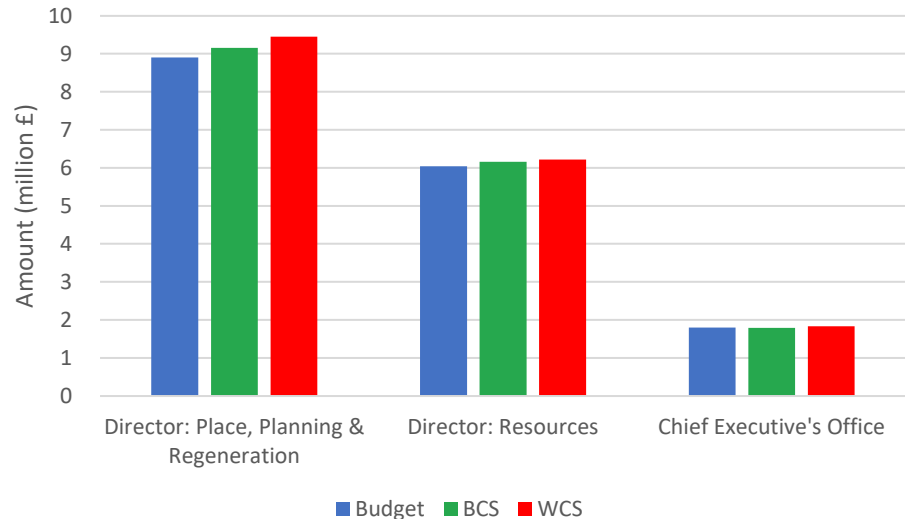
Earmarked Reserves



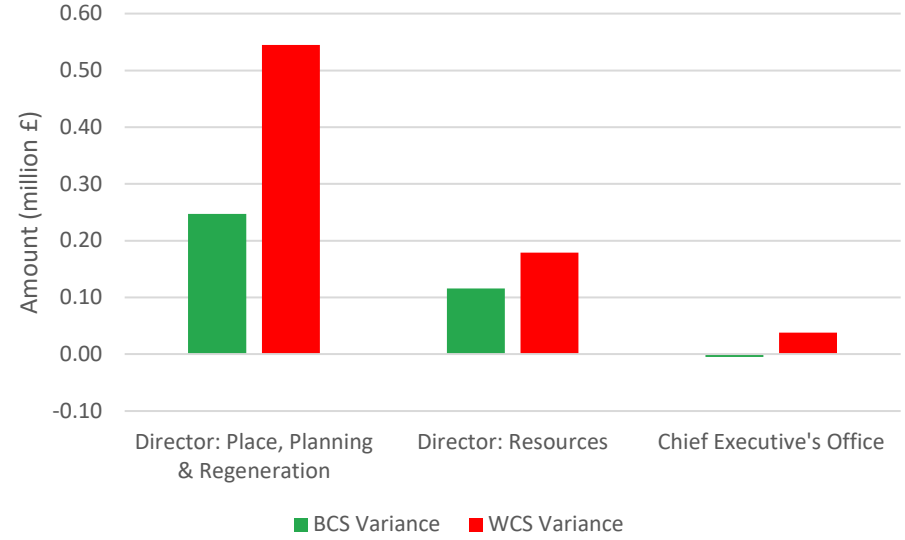
Central Directorates

Central Directorate Summary

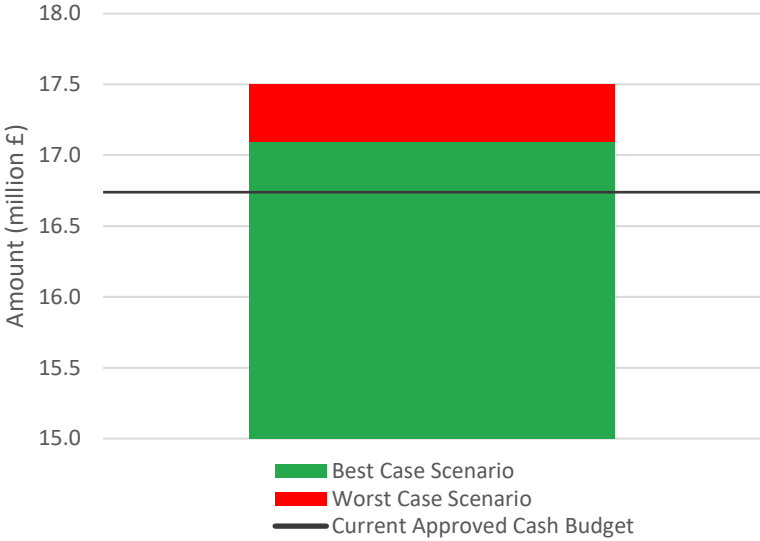
Central Directorate Budgets and Forecasts



Central Directorate Variances



Central Directorate Forecast Outturn and Budget



Summary and Significant Cumulative Variances

A forecast overspend of £0.358m Best Case and £0.762m Worst Case. This is a deterioration of £0.223m Best Case and £0.429m Worst Case compared to last month.

The most significant cumulative variances are:

- Pressure on the DSB due to insufficient vacancies to cover the managed vacancy factor. DMTs will continue to act throughout the year to work towards balancing the staffing budget (£0.097m Worst Case).
- Reduction in Concessionary Fares payments based on year to date data (-£0.080m both scenarios).
- Increased Reactive Maintenance payments to take account of inflationary increases incurred by the Contractor and additional cost of tree works (£0.100m Bests Case and £0.150m Worst Case).
- Development Control income is currently projected to be below budget (£0.100m Best Case and £0.200m Worst Case).
- The income from Building Regulations is insufficient to offset all the overheads (£0.151m) and increased staffing costs (£0.167m Best Case and £0.216m Worst Case).
- An underachievement of net income at the Look Out (£0.086m Worst Case).

Central Directorate Significant Movements this Month

Department	Description	BCS (£'000)	WCS (£'000)
CENTRAL	Variiances Previously Reported	135	333
PPR: Director	An underspend of £0.015m across various supplies and services budgets.	-15	-15
PPR: Head of Planning	Development Control income is currently projected to be £0.200m below budget which is reflected in the WCS, the BCS (£0.100m) assumes the position will be more in line with pre-covid levels.	100	200
PPR: Building Control	The income the service will generate is insufficient offset all of the overheads (£0.151m) and the increased staffing costs. The Building Regulations account is in deficit and therefore no reserve is held to offset this pressure.	167	216
PPR: Transport Strategy	The previously reported bus contract variance has been reversed, following confirmation from the Department of Transport that bus recovery grant has been extened until the end of the year.	-82	-178
PPR: Highway Engineering	It is anticipated that income received for the administration fee on RCW footway crossing works will exceed the budget for the year.	-25	-25
PPR: Reactive Maintenance	Budget is insufficient for completing the remaining tree priority safety works, including the driven and priority routes work to rectify defects identified and the ad-hoc safety issues that will inevitably arise in-year. The best case reflects the use of reserve funding.	0	50
PPR: The Look Out	Based on income received to July the Look Out is currently projecting an underachievement of income.This has only been reflected in the WCS at this stage as August is usually a more positive month and so the BCS assumes an improving position.	0	86
PPR: Regeneration & Economic Development	Underspends across various supplies and services budgets	-10	-10
RESOURCES Finance	Unit4 has conducted an audit of our use of Agresso, the Council's financial system, which identified that there are now additional users for certain products resulting in higher costs.	45	45
RESOURCES Human Resources	Occupational Health and Counselling services are projected to exceed the budget.	43	43
DSB	Posts will be required to be held vacant to meet the Departments Managed Vacancy, but based on early projections there are currently insufficient vacancies to meet the target which will result in an overspend (Resources £0.063m, a reduction of £0.003m on the previously reported overspend; PPR -(£0.013m), an increase of £0.016m and CEX £0.038m, an increase of £0.004m).	0	17
CENTRAL	Final Variiances	358	762

Central Directorate Savings RAG ratings

CENTRAL - CHIEF EXECUTIVE'S OFFICE

Description Impact	2022/23 £'000	Delivered On Track Not Delivered	Notes
Equalities and Engagement Small reductions in budgets for publicity and marketing, licences, community centre equipment and other fees for bought in services.	(5)		
Communications and Marketing Reduction in the photography/ videography budget for the central communications and marketing team.	(2)		
CENTRAL - CHIEF EXECUTIVE'S OFFICE TOTAL	(7)		

CENTRAL – RESOURCES

Description Impact	2022/23 £'000	Delivered On Track Not Delivered	Notes
Audit Reduction in the budget for external audit support, which offsets the pressure of the creation of an in-house Senior Auditor.	(51)		Not started recruiting yet which could mean having to buy in more resources from TAA and WBC. WBC have also increased their daily rate by 21% which is quite a big hike as we buy about 120 days from them a year. This would increase costs by over £7k. They had not increased it for some time, and we do get high calibre staff from them but our contracted budget is now fairly <u>small</u> so it makes quite a difference
Revenues Deletion of the bankruptcy budget, which has been consistently underspent.	(11)		
Revenues Future expenditure for council tax new burdens support will be partly offset by grants.	(4)		
Revenues The annual cost of printing Council tax bills has been below budget in recent years. The proposed saving also reflects a system change that will enable customers to access their accounts and print bills themselves. This will be communicated to residents when the changes have been fully tested and will operate on an "opt in" basis.	(20)		
Human Resources Use of the new collaboration space in Time Square for staff award ceremonies, removing the need for budget to meet external room hire costs.	(2)		
Business Improvement District Income will be received for support services provided to the Bracknell BID.	(13)		
Revenues Reduction in banking charges reflecting the 2020/21 out-turn position, considering additional gov.uk charges.	(5)		
Resources Small reductions in budgets for transport, mileage, public transport etc. to reflect spend in recent years across the Department.	(7)		
Organisational Development Reduction in the core training budget, to be supplemented by drawing down from reserves held for training. Use of training budgets is being driven by the results of a recent survey of managers and staff on learning and development needs. In addition, there will be a further £15k reduction in training budgets due to commitments linked to the agreed centralisation of training budgets in 2021/22.	(25)		
Resources Reductions in various supplies and services budgets across the Department to reflect spend in recent years	(17)		
Treasury Reduction in supplies and services budgets following a review of services provided by external advisors.	(10)		
Council Contracts Review of council wide contracts, and opportunities.	(1)		
CENTRAL – RESOURCES TOTAL	(166)		

Central Directorate Savings RAG ratings

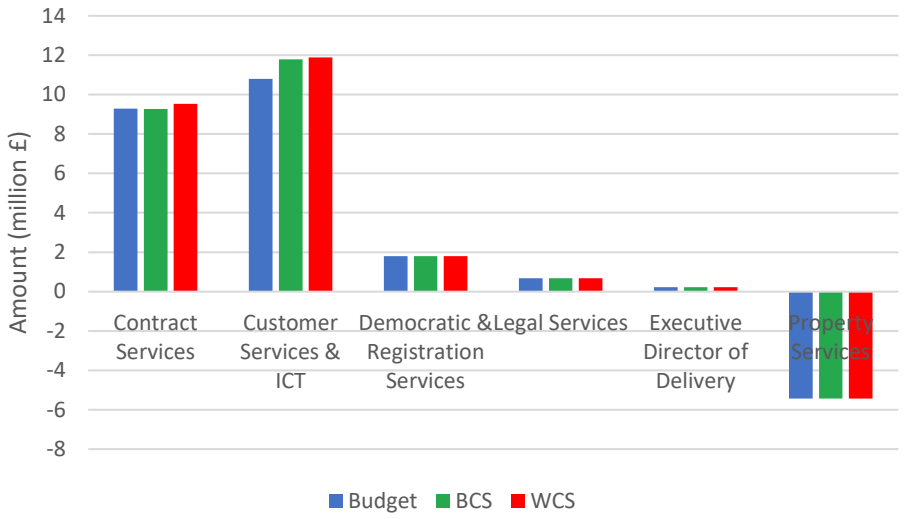
CENTRAL – PLACE, PLANNING & REGENERATION

Description Impact	2022/23 £'000	Delivered On Track Not Delivered	Notes
Development and Adoptions The costs of street naming and numbering have been met from income received from developers in prior years allowing the maintenance budget to be reduced.	(10)		
Place, Planning & Regeneration Various departmental budgets are consistently underspent.	(20)		
Town Centre Redevelopment Legacy budget 'Small area plans/TC Strategy' consistently underspent.	(15)		
Highways and Transport The new transport model will provide an opportunity for the Council to simply generate outputs for developers, including indications of suitable mitigation work on the highway. This service would be an additional option to the current purchased licenses which enable developers to access and use the model themselves. Indications are that developers would be keen to pay for this specialist service as it would be more efficient.	(50)		
Horseshoe Lake Heads of terms agreed on rental fee for use of Horseshoe Lake by the provider. Residual costs to be met for some aspects of building, but the site will return net income from 2022-23.	(10)		Lease to be signed August 22, rent charging will commence Sep 22. Anticipate £9k receipt 22/23
The Look Out With Phase One transformation complete, net positive trading, (where the service covers both its cash and non-cash costs) will move a step closer in 2022/2023. Additional income potentially greater in successive years, subject to Phase Two transformation being completed.	(50)		Some uncertainty remains about post-COVID trading impact.
CENTRAL – PLACE, PLANNING & REGENERATION TOTAL	(155)		

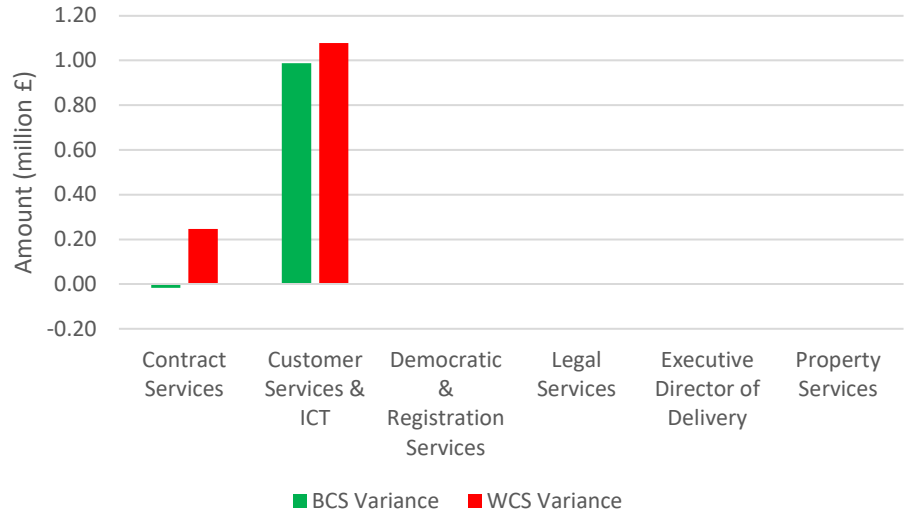
Delivery Directorate

Delivery Directorate Summary

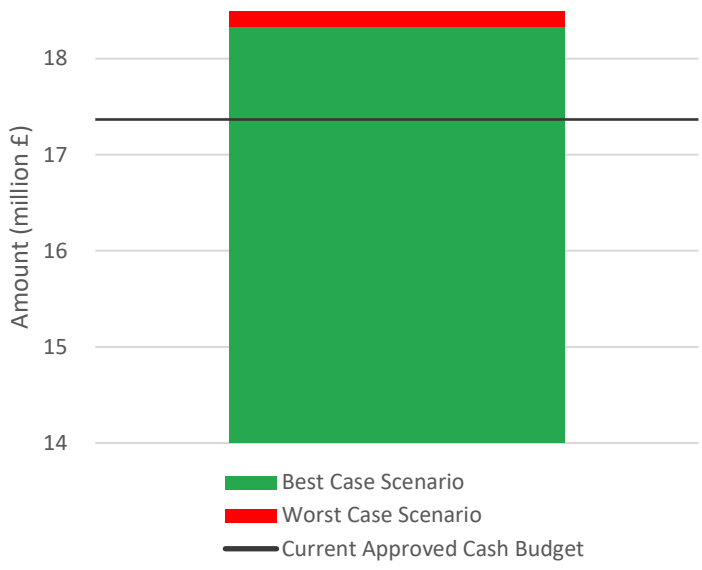
Delivery Directorate Budgets and Forecasts



Delivery Directorate Variances



Delivery Directorate Forecast Outturn and Budget



Summary and Significant Cumulative Variances

A forecast variance of £0.971m (Best Case) and £1.324m (Worst Case). There has been no movement compared to last month.

The most significant cumulative variances are:

- Due to a reduction in tonnages the Waste PFI contract is now expected to underspend (-£0.288m both scenarios).
- A pressure in Waste Collection & Recycling primarily relating to a rise in fuel costs and an increase in the number of properties on existing routes requiring waste collections (£0.090m Worst Case).
- A DSB pressure as there is now less scope to capitalise ICT project management costs (£0.090m Worst Case).
- Pressure relating to unbudgeted ICT project costs, in particular those relating to the transfer of services to the cloud (£0.988m both scenarios).
- An under recovery of car parking income partly offset by a reduction in the associated contract costs (£0.271m Best Case based on a 10% reduction in the number of cars and £0.444m Worst Case based on a 15% reduction).

Delivery Directorate Significant Movements

Department	Description	BCS (£'000)	WCS (£'000)
DELIVERY	Variances Previously Reported	971	1,324
	No new variances to report	0	0
DELIVERY	Final Variances	971	1,324

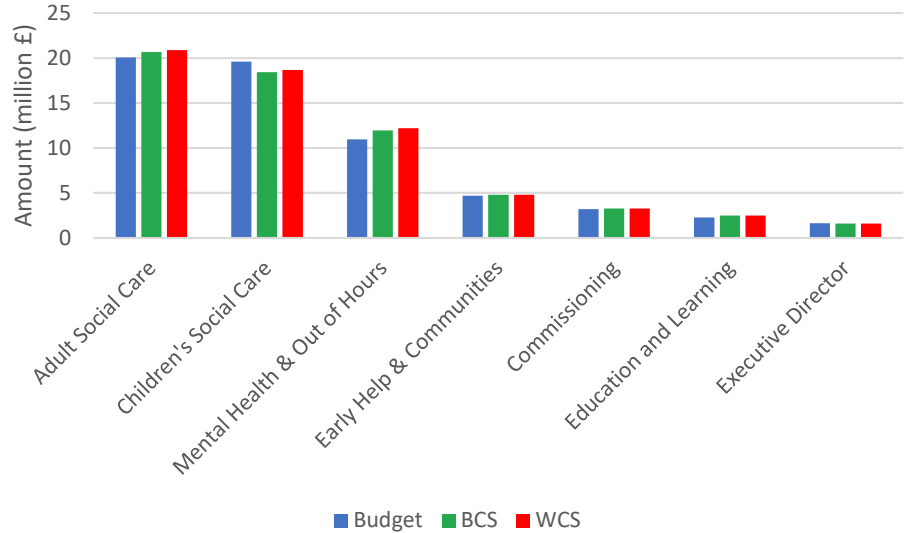
Delivery Directorate Savings RAG ratings

Description Impact	2022/23 £'000	Delivered On Track Not Delivered	Notes
On / Off Street Parking The income budget for 2021/22 was reduced by this value to recognise the impact of Covid-19 on the amount of income car parking would generate during the year. This saving is reinstating that reduction.	(777)		Current figures show 15% down on pre-covid
Committee Ongoing underspends in the Licences & Reprographics budgets.	(2)		
Electoral Registration Ongoing underspends in the licences budget and new Electoral Management System contract.	(3)		
Members & Mayoralty Ongoing underspends in the Photography, Publicity, Hospitality, Reprographics, Stationery and Publications budgets.	(5)		Currently under review
ICT This saving reflects the reduced resources required to support services and implement new ones following the transfer of these functions to the 'Cloud'.	(90)		
Libraries Reduction in the stock fund and deletion of vacant posts.	(84)		
Digital Services Reduction in consultancy budget, reflecting that the Website redevelopment will have been completed by 2022/23 and we will have a reduced reliance on specialist expertise to support Drupal developments.	(25)		
Asset Review / Corporate Landlord Model Target to reduce costs and increase income from use of operational property assets.	(50)		To date £15k saving achieved
Health & Safety Deletion of a vacant H&S Adviser role	(8)		Saving achieved
Council Contracts Review of council wide contracts, and opportunities.	(41)		
DELIVERY TOTAL	(1,085)		

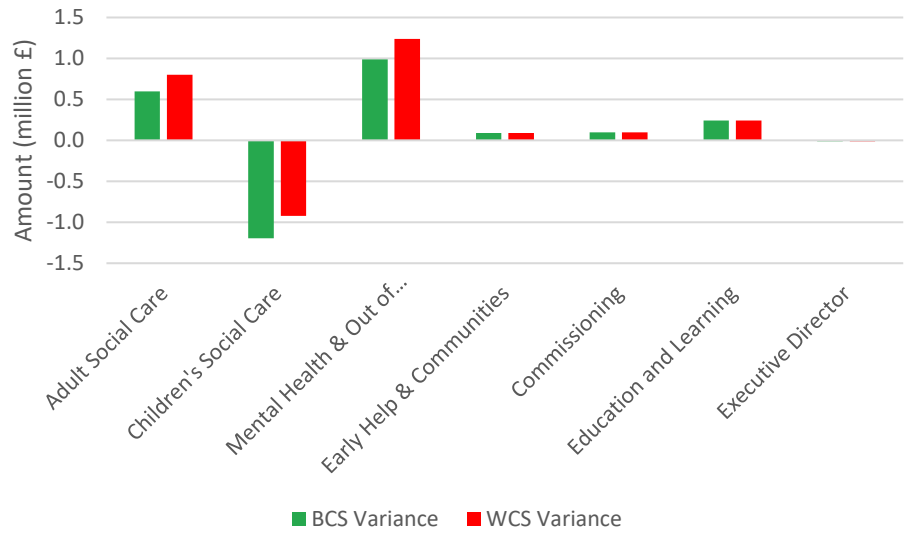
People Directorate

People Directorate Summary

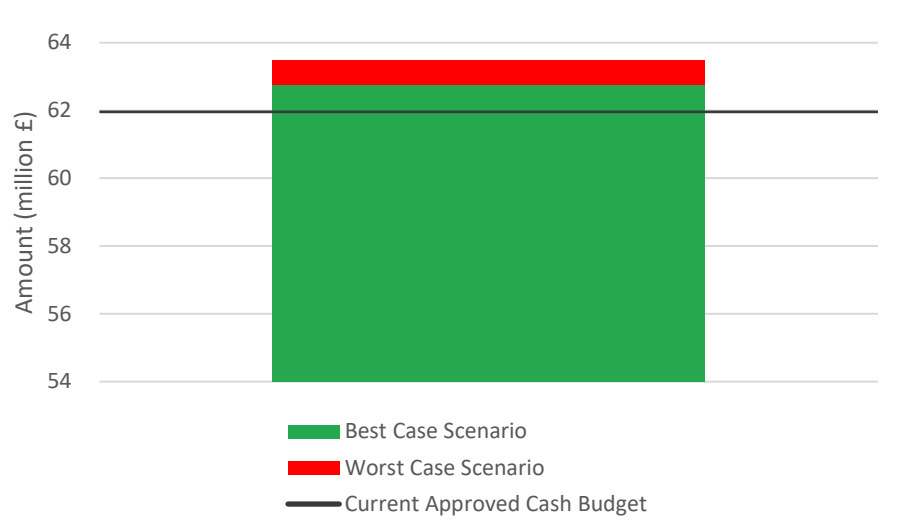
People Directorate Budgets and Forecasts



People Directorate Variances



People Directorate Forecast Outturn and Budget



Summary and Significant Cumulative Variances

A forecast variance of £0.807m (Best Case) and £1.531m (Worst Case). This is a deterioration of £0.803m Best Case / £0.747m Worst Case compared to last month

The most significant cumulative variances are:

- Education and Learning - an overspend on the Devolved Staffing Budget and specialist legal advice partially offset by additional income from school trading and the health funded Neurodiversity project (£0.244m both scenarios).
- Children's Social Care, an underspend due fewer placements than budgeted and additional Continuing Health Care funding partly offset by a net overspend on other support services (-£1.197m Best Case and -£0.923m Worst Case).
- Adult Social Care – additional care costs in ACT and CTPLD partly offset by underspends on vacancies, income from Health and Better Care funding for Hospital Discharges (£0.599m Best Case and £0.799m Worst Case).
- Mental Health & Out of Hours – Additional care costs within CMHT and CMHTOA and reduced income from Forestcare, partly offset by an increased contribution from the Better Care Fund (£0.993m Best Case and £1.243m (Worst Case).
- Commissioning – an overspend on the DSB (£0.097m both scenarios).

People Directorate Significant Movements

Department	Description	BCS (£'000)	WCS (£'000)
PEOPLE	Variances Previously Reported	4	784
EXECUTIVE DIRECTOR	No new significant variances to report.	1	1
EDUCATION & LEARNING	The overspend on the Devolved Staffing Budget has increased by £0.283m to £0.356m, £0.254m of which relates to Education Psychology (£0.114m) and SEN (£0.140m). In addition, £0.060m of specialist legal consultancy has been procured. The EP element has been partially offset by additional income from school trading and the health funded Neurodiversity project (-£0.094m).	233	233
CHILDREN'S SOCIAL CARE	<p>CLA placement costs have increased by £0.357m and numbers have increased by 1 to 112 FTE. This includes: for residential a net increase of 1; for semi-independent, net nil change; for IFA a decrease of 1 and for in house fostering a net increase of 1. Additionally, a placement planned for September, originally costed at £0.005m per week has been confirmed at £0.008m per week for 30 weeks.</p> <p>The DSB forecast overspend has increased by £0.113m mainly as a result of greater usage of agency staff. Childcare Solicitor costs are expected to exceed the joint arrangement budget by £0.087m</p>	533	477
CONTRIBUTION TO COSTS FROM SCHOOLS BUDGET	No new variances to report.	0	0
COMMISSIONING	An overspend is projected on the Devolved Staffing Budget	16	16
ADULT SOCIAL CARE	No significant changes to report	15	15
MENTAL HEALTH & OUT OF HOURS	No new significant variances to report.	-11	-11
EARLY HELP & COMMUNITIES	No new significant variances to report with most of the variance relating to staffing.	16	16
PEOPLE	Final Variances	807	1,531

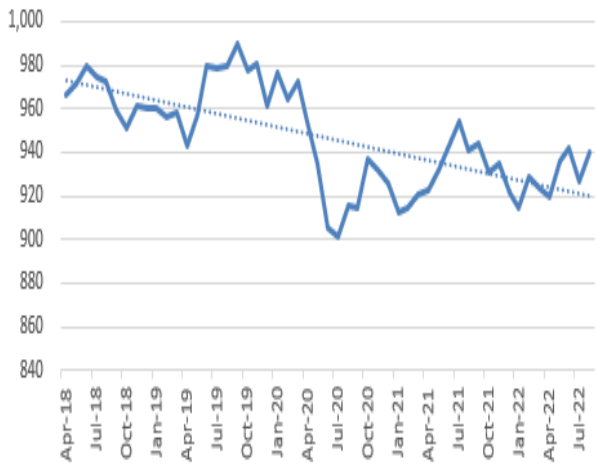
People Directorate Savings RAG Ratings

Description Impact	2022/23 £'000	Delivered On Track At risk	Notes
Heathlands nursing home New care home to open in early 2022. The Council will have a contract for 36 of these beds which will be provided at a competitive price.	-193		There are two key factors that are affecting our confidence in the ongoing savings achieved from the Heathlands service. It is important to note that these affects are as compared to budgeted savings rather than overall financial impact. The impact relates to wider national pressures and not the service or the project.
Homecare framework contract A new framework contract for homecare services will be established from 1 April. This will include a new flat rate which, whilst ensuring the providers currently paid a lower rate receive an increase, overall should have a beneficial impact on the budget.	-124		Increases in the cost of living have led providers to challenge the current rate. Benchmarking is also adding pressure. Increasing by 1.5% to 19.70/hr will reduce the proposed saving by 56K
Surplus budgets Based in prior year-outturns, budgets have been reduced where there are recurrent underspends or the action to achieve the saving has already been completed in prior years:			
<ul style="list-style-type: none"> Reduced management at Child Development Centre 	-15		Post deleted
<ul style="list-style-type: none"> General resources managed by Education and Learning 	-20		Target at level of 3 year average actual
<ul style="list-style-type: none"> Housing agency (2021-22 one-off pressure) 	-80		
Lease of properties to registered providers Negotiation of leases of Council-owned properties to registered providers to provide supported housing.	-20		
Automation of business support Recording of conferences.	-15		Demand for CP conferences continues to be significantly higher than when the saving was proposed (meaning volume of work will offset efficiency savings) and we have just joined the wider CSC Admin review supported by the transformation team (which is a positive but may impact milestones).
Income from schools A number of new Service Level Agreements will be offered to schools by Schools Property, Places and Admissions.	-5		2022-23 sales below 2021-22 actual
Council Contracts Review of council wide contracts, and opportunities, including photocopying.	-8		
PEOPLE TOTAL	-480		

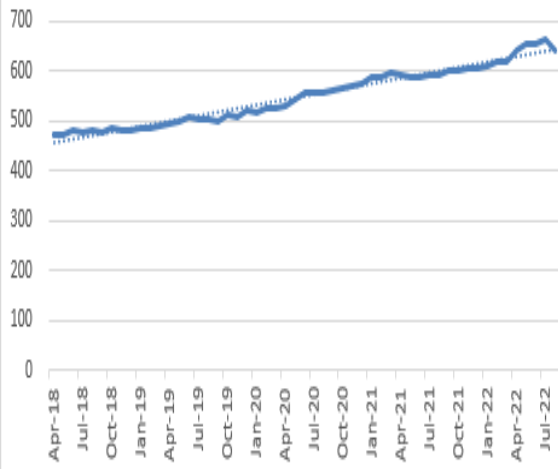
Adult Social Care

All Clients

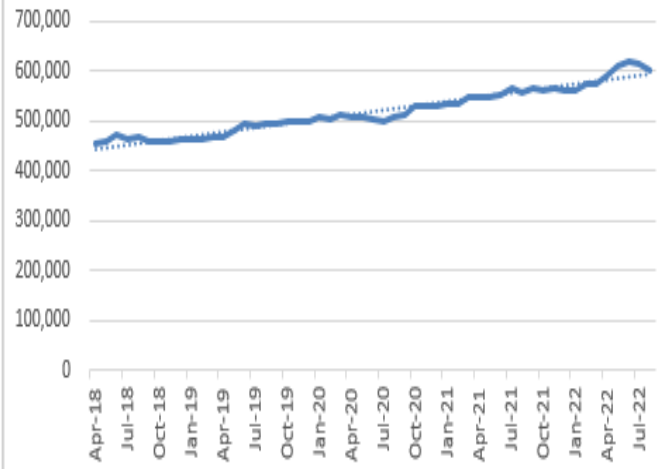
No. of clients



Average weekly cost (i.e. unit cost - £)

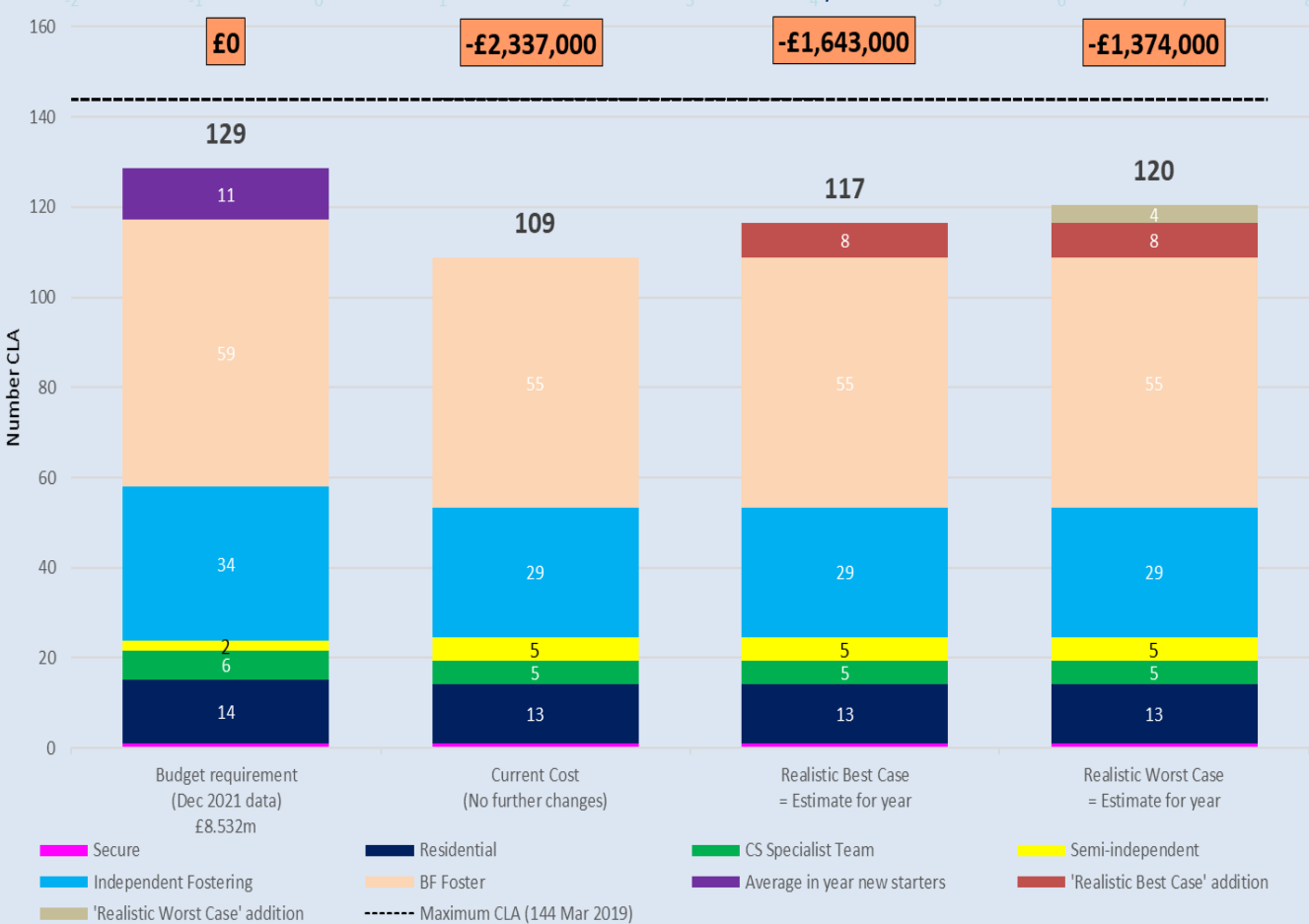


Total Net Weekly cost (£)



Children's Social Care

CLA Numbers (expected average FTE for year - NOT current headcount) and forecast budget variances EXCLUDES Care Leavers and Asylum Seekers



COMMENTS

- Original budget requirement of 129 FTE placements set at 31 December 2021 commitments, with expected 2022-23 leavers removed, plus estimate for new starters based on recent 4-year average
- 31 July actual predicts average 109 FTE for year, excluding any new starters with £2.34m forecast underspend
- Realistic Best Case forecast adds the 4-year average new starter numbers with £1.64m forecast under spend
- Main explanation for variances are:
 - additional £1.1m CHC income secured
 - 12 FTE fewer placements than assumed in the budget (was 15 FTE fewer last month). With the average cost at £57k per placement, this translates to a £0.7m cost reduction
 - £0.2m provision for fee increases (inflation)

Schools Budget

SCHOOLS BUDGET	Budget	Variance – BCS (£'000)		Variance – WCS (£'000)	
		Last Month	This Month	Last Month	This Month
Schools Block	85,475	0	-23	0	-23
High Needs Block	29,345	0	7861	0	8276
Early Years Block	7,980	0	-18	0	-18
Contribution from BFC	182	0	0	0	0
Dedicated Schools Grant	-115,126	0	169	0	169
DSG Reserve - New Schools (to be applied)	-174	0	0	0	0
TOTAL	7,682	0	7989	0	8404

Schools Budget

7. THE SCHOOLS BUDGET

The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant (DSG). There are financial concerns regarding the size of the deficit forecast for the High Needs Block and the available options. This is a national issue, recognised by the DfE through the introduction of legislation confirming any accrued debt rests with the DfE and not LAs until at least 31 March 2023.

Current **REALISTIC BEST CASE** forecast:

Pressures on the HNB element of the Schools Budget continues. The SEN Performance Data Score Card shows that between April to July the number of EHCPs have increased by 2.6% to 1,199. If this trend continues, the annual increase will be 93 and 8%. Whilst there is insufficient data from SEN Team at this stage to present the full range of forecast variances in the budget monitoring report, good progress has been made this month and it is appropriate to provide a summary to DMT and include a forecast for the first time, although they do need to be viewed with caution. The significant areas of the HNB budget are set out below, including an outline of the basis of forecasts.

The next slide provides some placement number, total forecast spend and average cost information from current data provided by SEN Team.

1. Kennel Lane Special School +£0.060m forecast over spending. £5.2m budget. Circa £1.98m funds fixed on purchased places, £3.2m budget available to pay as top ups and varies in year. No information yet on new academic year placements which could be significant. At this stage assumes the same £0.133m value of in-year top ups as in 2021-22. £0.033m allocated to date.
2. Top ups paid to BF mainstream schools:-£0.041m under spending. £3.3m budget available to pay as top ups and varies in-year according to pupil needs and numbers. No information on new academic year placements which could be significant. At this stage assumes same value of in-year top ups paid from September to financial year end as from April to August, so a further £0.340m.
3. Top ups paid to other LA schools. Nil variance. £3.2m budget available to pay as top ups and varies in-year according to pupil needs and numbers. No reliable information on these placement types currently available and therefore projecting nil variance.
4. Payments to Non-Maintained Special Schools – pre 16. £0.239m under spending. £9.1m budget available. Data indicates 5.4 FTE fewer placements than 2021-22. Includes 6 YR 6 new starters at £0.3m compared to 34 new starts from September 2021 to March 2022 with spend of £1.2m. Provision for further costs of £0.4m added on the basis of the same average number of new placements each month for the remainder of in 2022-23 as occurred in 2021-22.
5. Payments to Non-Maintained Special Schools – post 16. £0.209m over spending. £2.2m budget available. Data indicates 43.4 FTE extra placements compared to 2021-22. Includes 7 placements from September 2021 for which no invoices received to date meaning placements are a query. Increase in post 16 cohort not unexpected but size of increase is significant. Provision for further costs of £0.1m added on the basis of the same average number of new placements each month in 2022-23 as occurred in 2021-22 and potential over statement of current costs.
6. Education out of school - £0.446m over spending. £2.3m budget. Over spending primarily relates to College Hall. Potential cost for £0.130m funding for additional staffing costs during suspensions resulting from safeguarding investigation. Budget proposal from CH indicates around 0.£400m funding shortfall. At this stage assumed at £0.150m for best case scenario. Support arrangements put in pace to manage Home tuition service from September following withdrawal from SLA for service management from CH predicts a £0.295m over spending.
7. Within the HNB forecasts set out above, an aggregate provision of £0.894m has been made from previous trends and to reflect uncertainty in areas of data and which have therefore not yet been included in SEN data.
8. Outside the HNB, there is a £0.169m forecast shortfall on DSG income. This relates to the Early Years DSG element and the annual recalculation of funding due from termly census data. The final adjustment to funding is always made after the accounts are closed. There is no overall financial effect from this – it is a timing issue. 2021-22 accounts had income overstated by £0.169m, 2022-23 accounts will be understated by £0.169m.

7. THE SCHOOLS BUDGET

The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant (DSG). There are financial concerns regarding the size of the deficit forecast for the High Needs Block and the available options. This is a national issue, recognised by the DfE through the introduction of legislation confirming any accrued debt rests with the DfE and not LAs.

Future years:

DfE introduced a phased funding reduction to “historic commitments” contained within the DSG allocation for Central School Support Services. There has been a circa 20% reduction in funding from the previous year for the last 3 years (to 2022-23). The expectation is that the full £0.406m allocated in 2019-20 will be withdrawn in due course. The allocation for 2022-23 was £0.208m. This part funds educational attainment and school transport for CLA, family support workers, SEN Commissioning, CAF process, Young People in Sport and Education Health Partnerships. Decisions of future funding for these services will need to be considered as part of each year’s budget setting process.

The DfE are also continuing with their national reforms of school funding, entering a second stage to consider mandating national arrangements to support schools that are currently open to local determination, such as support to schools with in-year increases in pupil numbers. There is also a piece of work to complete to consider a de-delegation funding model for School Improvement Services and a consequential consultation with schools as current grant income has ceased. There is sufficient carry over of unspent grant to fund relevant spend in 2022-23.

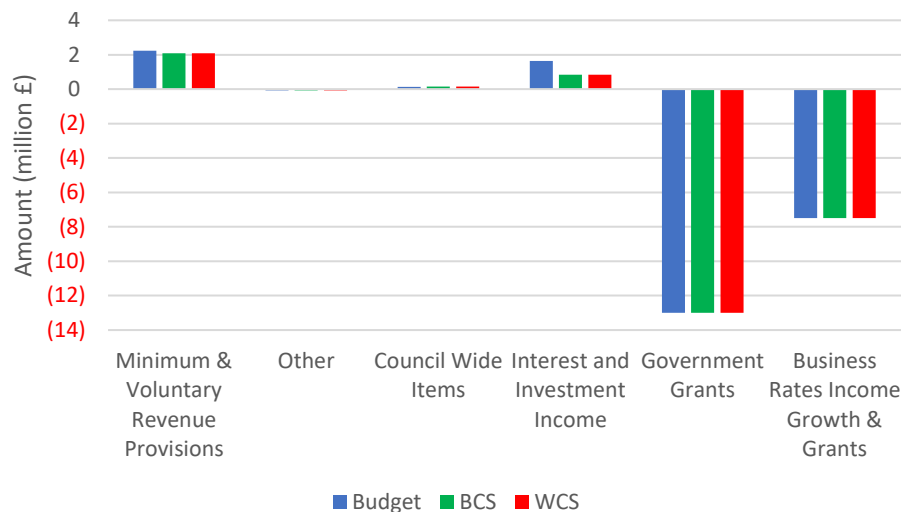
Addition for REALISTIC WORST CASE forecast:

1. At this stage, limited to forecasts on NMSS and is generally a further 50% addition to the provision for future costs made in the realistic best case scenario.
Totals £0.415m

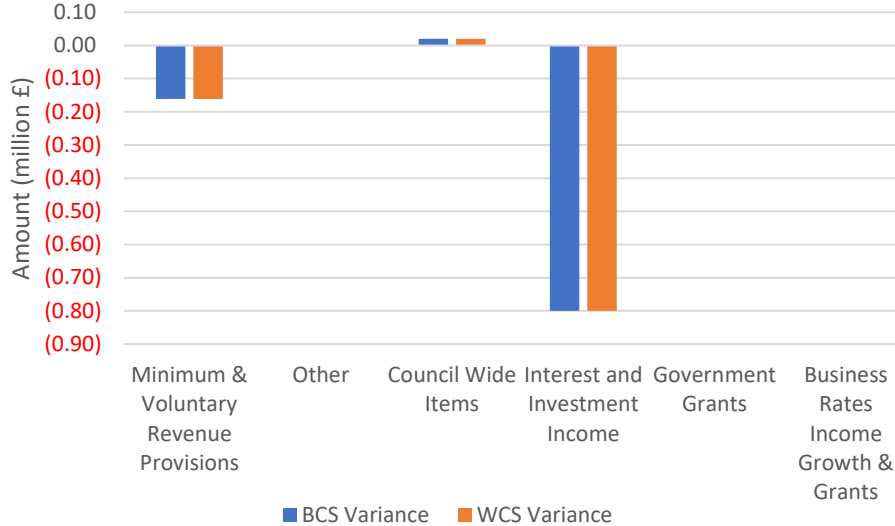
Non-Departmental

Non-Departmental Summary

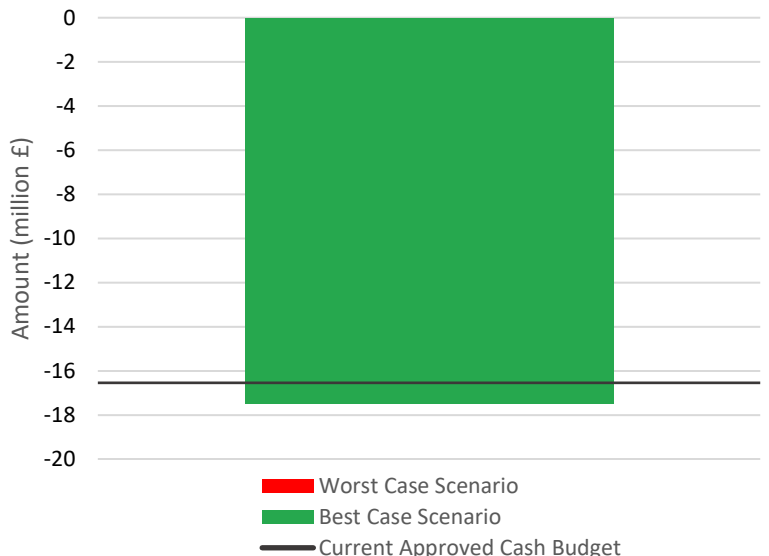
Non-Departmental Budgets and Forecasts



Non-Departmental Variances



Non-Departmental Forecast Outturn and Budget



Summary and Significant Cumulative Variances

The Collection Fund shows the transactions of the Council in relation to Business Rates and Council Tax.

- Any Collection Fund variances will impact on the 2023/24 budget.
- It has been assumed that Vodafone will continue to pay rates to the Council for the rest of the current financial year, an earmarked reserve exists to cover the risk should this prove not to be the case.
- Current projections suggest that the Local Council Tax Benefit Support Scheme could overspend by £0.170m. This primarily relates to additional relief provided to Council Taxpayers on low incomes or experiencing financial hardship (£0.322m). This will be transferred to the General Fund at year end where a budget £0.320m is available to meet the additional costs.

On General Fund budgets there is a variance of -£0.941m in both scenarios. The most significant cumulative variances are:

- the Minimum Revenue Provision (-£0.161m both scenarios) from higher than forecast capital receipts in 2021/22 and significant capital carry forwards into 2022/23.
- Interest - As interest rates increase our Money Market Funds and cashflow position continue to out-perform budgetary expectations (-£0.800m both scenarios)

Non-Departmental Variances

Department	Description	BCS (£'000)	WCS (£'000)
NON-DEPARTMENTAL	Variances Previously Reported	-161	-161
INTEREST	As interest rates increase our Money Market Funds and cashflow position are out-performing expectations.	-800	-800
COUNCIL WIDE ITEMS Essential Car User Allowance	Savings are now unlikely to be achieved this year as a review has yet to be completed.	20	20
NON-DEPARTMENTAL	Final Variances	-941	-941

Recommendations

It is recommended that CMT:

1

Note that the variances reported by directorates indicate expenditure below the approved budget in the Best Case scenario (-£0.638m) and above the budget in the Worst Case (£0.843m), after taking into account the Corporate Contingency £1.833m). This is a deterioration of £0.246m Best Case / £0.396m Worst Case since last month, including a £0.8m reported underspend in treasury budgets. This excludes the impact of the 2022/23 pay award;

2

Note that inflation is a key risk to the budget, particularly the pay award where the initial offer of a £1,925 pay rise equates to a 5.4% increase for Bracknell Forest, approximately £1.8m above the 2% allowance included in the budget. While energy price increases are also potentially significant, no variance has been included at this stage pending further detail of the Government's six month support package for businesses and public bodies being announced;

3

Recognising that there is insufficient headroom in the approved budget to absorb inflationary pressures, approve that the £1.5m Earmarked Reserve for Inflation created as part of the 2021/22 closedown is used to supplement the current approved budget as a one-off measure, noting it is insufficient to cover the impact of the pay award;

4

In response to this position, considers to what extent measures should be put in place to a) limit non-essential expenditure and / or b) proactively seek and implement in year savings;

5

Note the virements being proposed by directorates and the balances remaining on major earmarked reserves;

6

Note that several variances are now being reported on the Schools Budget for the first time indicating an overall variance of £0.489m Best Case and £0.904m Worst Case, in addition to the originally estimated £7.5m in year deficit in the High Needs Block. These are generally work in progress and should therefore be viewed with caution. With the Council being under scrutiny as part of the Delivering Better Value in SEND programme and the current ringfencing of schools block deficits due to end in March 2023, this give cause for significant concern;

7

Requests the Executive Director: People to bring a report to CMT in the next month explaining current schools block pressures and identifying proposals to bring the budget back into balance.