

**TO: THE EXECUTIVE**  
**DATE: 07 FEBRUARY 2023**

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**GENERAL FUND REVENUE BUDGET 2023/24**  
**(Executive Director: Resources)**

**1 PURPOSE OF REPORT**

- 1.1 As part of the Council's financial and policy planning process, the Executive agreed draft revenue budget proposals for 2023/24 as the basis for consultation on 13 December 2022.
- 1.2 Over the course of the last two months a number of issues have become clearer, in particular the details of the Local Government Financial Settlement which was announced very late on 19 December and the impact of the national business rates revaluation exercise, which was also released later than would be expected. This report therefore builds on the draft budget proposals agreed by the Executive in December and sets out the Executive's final budget proposals for 2023/24. Once determined, these will be submitted to the Council for consideration on 22 February 2023.
- 1.3 The recommendations of this report are, in part, dependent upon proposals to be considered elsewhere on this agenda in respect of the Capital Programme 2023/24 - 2025/26. Changes to the proposals included within that report may therefore necessitate revisions to the 2023/24 General Fund revenue budget proposals set out below. Should this happen a short adjournment of the meeting might be required.

**2 RECOMMENDATIONS**

**That the Executive, in recommending to Council a budget and Council Tax level for 2023/24:**

- 2.1 **Agrees the provision for inflation of £9.760m (section 8.2);**
- 2.2 **Approves a further council tax discount funded by Bracknell Forest Council in 2023/24 of £75 for working age households receiving council tax support as summarised in paragraph 8.3.1a);**
- 2.3 **In addition to the above, notes that the Government has made available a Council Tax Support Fund to provide a £25 reduction in the Council Tax bills for working age and pensioner households receiving council tax support as set out in paragraph 6.3.9 and agrees that the Executive Member for Transformation and Finance be authorised to determine the approach to the discretionary part of the fund;**
- 2.4 **Confirms its support for the draft budget proposals as set out in the report presented to the Executive's meeting in December 2022, subject to the revisions in section 8.3.1b) to 8.3.1i) and those decisions to be taken elsewhere on this agenda on the capital programme;**
- 2.5 **Agrees the additional budget proposals as set out in Annexe A and Annexe D and in sections 6.2 (Revenue Support Grant), 6.3 (specific grants), 6.4 (business**

rates), 7.3 (collection fund) , 8.2 (inflation) and 8.3 (updated pressures & savings);

- 2.6 Agrees that the Executive Member for Children, Young People and Learning approves the detailed budget allocations for High Needs pupils and Early Years provisions, up to the estimated level of available resources;
- 2.7 Includes a general contingency totalling £2.750m (section 10.7) use of which is to be authorised by the Chief Executive in consultation with the Executive Director: Resources in accordance with the delegations included in the Council’s constitution;
- 2.8 Approves the proposed Net Revenue Budget including the contribution of £>.>>>m from the Future Funding Reserve (including £>.>>>m additional interest from the use of balances) to support revenue expenditure, as set out in Annexe G;
- 2.9 Recommends a >.>>% increase in the Council Tax for the Council’s services and that the Council Tax requirement, excluding Parish and Town Council precepts, be set as £>>.>>>m;
- 2.10 Recommends that the Council Tax for the Council’s services and that each Valuation Band is set as follows:

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

- 2.11 Recommends that the Council approves the following indicators, limits, strategies and policies included in Annexe E:

- The Prudential Indicators and Limits for 2023/24 to 2025/26 contained within Annexe E(i);
- The Minimum Revenue Provision (MRP) Policy contained within Annexe E(ii);
- The Treasury Management Strategy Statement, and the Treasury Prudential Indicators contained in Annexe E(iii);
- The Authorised Limit Prudential Indicator in Annexe E(iii);
- The Investment Strategy 2023/24 to 2025/26 and Treasury Management Limits on Activity contained in Annexe E(iv);

- 2.12 Approves the virements relating to the 2022/23 budget as set out in Annexe H and recommends those that are over £0.100m for approval by Council.

### 3 REASONS FOR RECOMMENDATIONS

- 3.1 The recommendations are designed to enable the Executive to propose a revenue budget and Council Tax level for approval by Council on 22 February 2023.

## 4 ALTERNATIVE OPTIONS CONSIDERED

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

## 5 SUPPORTING INFORMATION

### Basis of Draft Budget Proposals

- 5.1 At its meeting on 13 December 2022, the Executive considered the expected overall position facing the Council in setting a budget for 2023/24. At the time the Executive agenda was published, the Provisional Local Government Financial Settlement had not been announced. The budget proposals were therefore based on high level information included in the Government's Autumn Statement which was published on 17 November 2022.
- 5.2 As the Autumn Statement did not include details of funding at individual council level, assumptions were made in the draft budget proposals on how additional funding for social care and any New Homes Bonus would be allocated. In this broad context, the Executive published its draft budget proposals, which were open for public consultation for a six week period.
- 5.3 In the face of significant pressures on Local Government expenditure and grant funding, the scope to invest in new service provision is severely restricted. Many of the pressures accommodated in the budget package are, however, unavoidable as they relate to current levels of demand or legislation changes.
- 5.4 As in previous years, economies have focused as far as possible on increasing efficiency, income generation, reducing central and departmental support and transforming rather than reducing front line services.
- 5.5 The draft budget proposals, which reflect the priorities in the Council Plan and included a suggested approach for inflation, are summarised in Table 1.

Table 1: Draft Budget Proposals

Directorate	Commitment Budget (CB )	Capital programme	Inflation	Service Pressures / Economies <sup>1</sup>	Contingency	Specific Grant Assumptions	Earmarked Reserves – 21/22 Collection Fund Deficit	Draft Budget 2023/24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Central	21,197	0	0	56	0	0	0	21,253
Delivery	17,281	0	0	822	0	0	0	18,103
People	96,988	0	0	-512	0	-2,600	0	93,876
Non Departmental / Council Wide	-46,334	96	9,800	-3,697	100	2,100	2,428	-35,507
<b>Total</b>	<b>89,132</b>	<b>96</b>	<b>9,800</b>	<b>-3,331</b>	<b>100</b>	<b>-500</b>	<b>2,428</b>	<b>97,725</b>

## **6 Local Government Finance Settlement**

### 6.1 Overview

6.1.1 The Provisional Settlement was published on 19 December 2022 and covered one year only, with high level indications of the likely approach to be taken to some key areas of funding in 2024/25. This confirmed that funding in a number of areas would be maintained or increased in 2023/24 and also provided details at council level of additional funding announced as part of the Autumn Statement. The final settlement has still to be published.

6.1.2 Funding from central government is currently received through a share of Business Rates, Revenue Support Grant (RSG) and Specific Grants. The provisional settlement delivers additional grant of -£0.735m compared to the expectation at the time of the draft budget proposals, with further details provided below.

### 6.2 Revenue Support Grant (RSG)

6.2.1 The provisional settlement confirmed that RSG would be increased in line with the September increase in the Consumer Price Index (10.1%) and that three grants would be rolled into the total to simplify the funding landscape, namely the Family Annexe Council Tax Discount grant (£0.027m), Local Council Tax Support Administration Subsidy (LCTS) grant (£0.096m - the budget for which will be removed from the People Directorate), and additional funding for food safety and standards enforcement (Natasha's Law £0.002m). RSG will therefore increase by -£0.311m to -£2.148m which is a net increase of -£0.215m compared to the assumption made in the draft proposals.

### 6.3 Specific Grants

6.3.1 The Autumn Statement indicated that councils would receive £1 billion of new grant funding for social care and £1.3 billion of funding for Adult Social Care (ASC) charging reforms. As the latter reforms have now been delayed until October 2025 this funding would still be made available to meet current pressures. The provisional settlement confirmed additional grant funding nationally of £700m for social care (with the remaining £300m going to Health) and £1.345 billion relating to charging reforms (£1.265 billion) and ASC precept equalisation (£80 million). These and other allocations confirmed at individual council level as part of the provisional settlement are covered below.

6.3.2 Regarding the additional funding of £700m for social care, £400 million will be combined with the existing £162 million of Fair Cost of Care and Market Sustainability funding and rebadged as the ASC Market Sustainability and Improvement Fund. This has been allocated using the existing ASC Relative Needs Formula, resulting in additional grant income of -£0.603m (and a revised total of -£0.847m) for the Council. It is proposed that a portion of the grant (-£0.425m) will be used to meet additional ASC demographic pressures identified since December, with the balance assumed to be cost neutral as it will be used to fund additional expenditure in line with the grant conditions. The remaining £300m will be allocated from the £600 million of new discharge funding announced in the Autumn Statement. This grant funding will be paid out using the existing improved Better Care Fund (iBCF) grant shares and will be required to be pooled as part of the Better Care Fund. For Bracknell Forest the allocation is -£0.214m and is referred to as the ASC Discharge Fund. The sum of these two grant changes (-£0.817m) is £0.293m less than the -£1.100m assumed in the draft budget proposals.

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- 6.3.3 The majority of the additional £1.345 billion referred to above will also be allocated using ASC Relative Needs Formula with the Council's share being -£1.787m. This is £0.287m more than the -£1.500m assumed in the draft budget proposals. The funding will be included in the existing Social Care Grant. The Independent Living Fund grant (-£0.248m) will also be rolled into the Social Care Grant which is cost neutral for the Council.
- 6.3.4 The iBCF will retain the same distribution and quantum as in 2022/23 (-£1.525m) which is the position assumed in the draft budget proposals.
- 6.3.5 Lower Tier Services Grant, an un-ringfenced grant introduced in 2022/23, will be re-purposed to create a new one-off Funding Guarantee to ensure that all councils will see at least a 3% increase in their Core Spending Power before any decisions are taken about organisational efficiencies, use of reserves, and council tax levels. This guarantee does not deliver any funding adjustment for the Council. The draft proposals assumed that this grant would continue, meaning the Council is £0.199m worse off than predicted for this grant stream.
- 6.3.6 In the draft budget proposals, it was assumed that the Services Grant would reduce by £0.600m to remove grant previously provided for the 1.25% increase in employers National Insurance contributions (which has now been reversed) and to reflect the risk that at least some of the grant could be transferred from the Southeast to other parts of the country. The distribution mechanism has not changed, however the overall sum has been reduced not only to reflect the removal of the NI increase but also to help fund RSG and increases in the Supporting Families programme. Overall, the reduction of £0.507m is £0.093m less than that assumed in the draft proposals
- 6.3.7 The provisional settlement confirmed that there would be a new round of New Homes Bonus (NHB) allocations for 2023/24 which would again be for one year only. The existing allocation mechanism has been maintained for a further year and the Council's allocation for 2023/24 will be -£0.786m. This is only £0.008m less than the allocation assumed in the draft budget proposals. The Government intends to set out the future position for New Homes Bonus ahead of the 2024/25 Local Government Finance Settlement.
- 6.3.8 The ring-fence on the Public Health grant will be retained in 2023/24, however the settlement included no information about the national total, or individual council allocations.
- 6.3.9 Alongside the provisional settlement the Government announced allocations from a Council Tax Support Fund (-£0.129m for Bracknell Forest) to provide additional support to economically vulnerable households. The Government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Based on current claimant numbers, this will account for around £0.090m of the grant. Councils can use any remaining allocation as they see fit to support vulnerable households with council tax bills. This will be cost neutral for the budget as a corresponding pressure will be added to the Central Directorate (Resources). It is proposed to delegate authority to the Executive Member for Transformation and Finance to agree an approach to the small discretionary element of the scheme.
- 6.3.10 Information on a number of smaller Specific Grants has now been received. Any changes in these grants will be managed within Directorate budgets and will therefore not impact on the overall budget proposals.

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### 6.4 Business Rates

- 6.4.1 Another important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), periodic revaluations, the impact of appeals and local growth or decline as local businesses and economic conditions expand or contract.
- 6.4.2 The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government. It has been confirmed this will also be increased by approximately 3.7% (based on the difference between the post-revaluation Business Rates multiplier and the 2022-23 multiplier value which has been frozen) to -£17.462m, an increase of -£0.630m compared to the income assumed in the draft budget proposals.
- 6.4.3 A national business rates revaluation takes effect from 1 April 2023. This has introduced changes to the amounts of business rates collectable in individual areas, which are typically matched by compensating adjustments to grant funding to ensure no impact (at least immediately) on local authorities' resources. Alongside the revaluation, the Government implemented the move of several hereditaments, notably large scale telecommunications networks, onto its Central List from local business rates lists. This included a large multi-national company currently on Bracknell Forest Council's Local List, representing the largest such transfer to be faced by any local authority in the country. Following the Government's consultation on the transfer it became clear the aim was to make this cost neutral, with transfers to the Central List treated in the same way as other changes from the wider revaluation. This was expected to produce a positive outcome for Bracknell Forest, broadly protecting the Council's income levels. In the draft budget proposals it was assumed that there would be no net change to the Council's retained business rates income following these changes. Due to their complexity, it has taken some time to confirm the actual impact on the Council's available resources.
- 6.4.4 The National Non Domestic Rates (NNDR1) return effectively sets the Council's budget for the Business Rates Retention Scheme and identifies the amount to be paid across to Central Government and the Royal Berkshire Fire Authority. It also identifies Section 31 grant receivable in relation to Business Rates. This is designed to cover the loss of income resulting from the capping or freezing of Business Rates increases in several previous years, the freezing of the Business Rates multipliers in 2023/24 and the impact of several Business Rate Reliefs. The completion of this return in mid-January following the Provision Settlement has enabled the impact on the Council's budget to be calculated.
- 6.4.5 Overall the changes introduced by the revaluation and the central list transfer have been positive for the Council. Business Rates growth above baseline and net of any levy payment to Central Government, which the Council is able to use to support the budget, has actually increased by -£1.339m compared to last year. In addition, Section 31 income is estimated to increase by --£0.849m, primarily due to compensation for the Government's freezing of the Business Rates multiplier for a further year.
- 6.4.6 Against this, in 2021/22 a deficit of £2.428m was projected on the Business Rates element of the Collection Fund. As this primarily related to the additional Business Rates reliefs granted by the Government, this was funded from the Business Rates

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Reliefs Reserve in 2022/23, which was created using Government grant provided for this purpose. A larger deficit of £4.980m is now projected on the Business Rates element of the Collection Fund for 2022/23, which will need to be funded in the 2023/24 budget. Funding of this deficit can be found from a combination of the Business Rates Reliefs Reserve (£4.480m) and a proportion of the Business Rates growth referred to in paragraph 6.4.5 above (£0.500m).

6.4.7 While the Government has signalled for many years that it would like to make fundamental changes to the current local government funding system, it is improbable that this will now happen in the current Parliament. Future changes that will be revisited and most likely introduced at some point include a business rates reset, implementation of the, still to be completed, Fair Funding review and the merger of existing grants including RSG and most likely the Public Health Grant into the revised baseline. The outcome of these deliberations is impossible to determine, although it will almost certainly have a significant long-term detrimental impact on the funding of the Council.

### 6.5 Medium Term Financial Situation

6.5.1 On 12 December, the Government published a policy statement which not only covered its high level intentions for the Local Government Finance Settlement in 2023/24 but also provided additional information relating to the 2024/25 settlement:

- For 2024/25, the core council tax referendum principles will be the same as 2023/24. The referendum limit for increases to council tax will remain at 3% per year and in addition, councils with social care responsibilities will be able to increase the adult social care precept by up to 2%.
- The core settlement will continue in a similar manner for 2024/25. The major grants will continue as set out for 2023/24: RSG will continue and be uplifted in line with Baseline Funding Levels (i.e. linked to CPI) and the Social Care Grant and other social care grants will increase as set out in the Autumn Statement.
- The future of the New Homes Bonus will be confirmed ahead of the 2024/25 Local Government Finance Settlement.
- There will be a new funding stream in 2024/25, subject to successful delivery of the Extended Producer Responsibility for packaging (pEPR) scheme in 2023/24. The Government predicts that local authorities will receive additional income from the scheme, although this is not guaranteed, whilst being asked to submit data relevant to their waste collection services. Further details are awaited.

6.5.2 The Autumn Statement confirmed the following increases in social care funding for 2024/25:

- Further repurposed money from delaying charging reforms of £612m (from £1.265 billion in 2023/24 to £1.877 billion in 2024/25). Based on the 2023/24 allocations this would increase Social Care Grant by a further -£0.864m.
- An additional £400m distributed through the Better Care Fund to get people out of hospital on time into care settings and split 50:50 between Local Government and Health. Based on the 2023/24 allocations this would increase the ASC Discharge Fund by -£0.143m.
- an additional £283m to help support capacity and discharge. Based on the 2023/24 allocations this would increase the ASC Market Sustainability and Improvement Fund by a further -£0.427m.

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- 6.5.3 There is however still significant uncertainty due to the potential impact of a number of issues, in particular:
- Fair Funding Review
  - Business Rates system re-set
  - The impact of inflation and the recession
- 6.5.4 The uncertainty detailed above hampers meaningful medium term financial planning at a time when demand pressures are increasing significantly. Given the relative prosperity of Bracknell Forest and the Government's aim to "level up" across the regions, it is unlikely that the impact of these changes will increase our local resources overall.
- 6.5.5 The impact of these factors will be a greater reliance on Council Tax income as an on-going source of funding to support essential front-line services. The current level of Council Tax in Bracknell Forest is one of the lowest of any Unitary Authority in England. While a high level of increase in any year is unlikely to be universally welcomed by residents, for many years the Council's financial plans have assumed the maximum level of increase permitted is applied. This is in line with Government assumptions and provides the greatest level of protection possible for essential services in the period from 2023/24.
- 6.5.6 Given the scale of the predicted £8.1m budget gap identified in December's draft budget report, it will be necessary to draw several £ millions from the Council's accumulated reserves to meet its legal obligation to set a balanced budget. The level of reserves held means that this is possible in the short to medium-term, however the Council's future financial strategy will need to ensure that spending is brought in line with available recurring resources in the years ahead. This will inevitably necessitate service prioritisation in addition to a continued focus on operational efficiencies and transformational change.

## **7 Council Tax and Collection Fund**

- 7.1 The Council Tax Base for 2023/24 has been calculated as 48,756 Band D equivalents which at current levels would generate total income of -£71.486m in 2023/24.
- 7.2 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases equal to or in excess of a threshold percentage which is normally included in the Local Government Financial Settlement. The Government has set a core referendum limit of 3% plus the option for councils with responsibility for adult social care, such as Bracknell Forest, to set an adult social care precept of up to a further 2%. Every 1% increase in Council Tax in Bracknell Forest would generate -£0.715m of additional income.
- 7.3 A deficit will be generated on the Council Tax element of the Collection Fund in the current year, primarily due to an increase in the allowance for bad debts. The Council's share of this one-off deficit is £0.396m which will increase the budget gap. This is £0.154m less than the £0.550m assumed in the draft budget proposals.

## **8 Developments since the Executive Meeting on 13 December 2022**

- 8.1 Consultation
- 8.1.1 The Executive's draft budget proposals have been subject to a process of public consultation since their publication in December. During the consultation period, the



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draft proposals have also been scrutinised by the Council's Overview & Scrutiny Commission. An extract from the minutes of the meeting is attached as Annexe B. In response to this feedback, three savings proposals included in the original draft budget package have been removed, adding £0.043m to the spending proposals.

- 8.1.2 The Schools' Forum considered the Executive's proposals relating to the schools' element of the People's Directorate at its meeting on 12 January. Continuing concern was expressed regarding the projected High Needs Block annual and cumulative deficit and the Council's ability to manage any potential payback from April 2023. This has been acknowledged as a key issue for the Council and a high-level action plan has been developed that is expected to reduce the scale of the deficit over time. The expected financial impact of this in each of the coming years is currently being assessed.
- 8.1.3 The draft budget proposals were published on the Council's website and emails were sent to business ratepayer representative groups drawing their attention to the consultation. Two responses were received to the public consultation via the website (set out in Annexes C1 and C2, with names redacted) plus a separate detailed response from the Council's Labour Group (repeated in full in Annex C4). No responses were received from business ratepayers. While the responses are to be welcomed, they were broadly supportive of the draft budget and therefore no specific changes to the draft budget are proposed in relation to them. The Executive Director: Resources has responded to the questions raised by the respondents.

## 8.2 Inflation

- 8.2.1 The Executive established a framework for calculating an appropriate inflation provision at its December meeting. Inflation allowances have now been finalised within this framework and total £9.760m, £0.040m less than the figure included in the draft budget proposals. The directorate analysis is shown in Table 2.

Table 2: Inflation Allocations

<b>Directorate</b>	<b>2023/24 £'000</b>
Central	1,766
Delivery	2,808
People (excluding schools)	5,179
Non Departmental / Council Wide	7
<b>Total</b>	<b>9,760</b>

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

## 8.3 Other Revisions to the Draft Budget Proposals

- 8.3.1 As outlined above, in the two months since the Executive published the draft budget proposals more information has inevitably become available. The suggested amendments to the draft budget proposals are set out in paragraphs a) to i) below, with the net impact being an increase in the net revenue budget for 2023/24 (£0.362m). These changes have been reflected in the full budget proposals set out in Annexe D and the Commitment Budget (Annexe A).

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- a) Council Tax Bills - Central – Resources (Revenues)  
Government grant has been provided to support the most vulnerable households with their Council Tax bills (see paragraph 6.3.9). This will primarily be used by the Council to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by £25 (£0.129m).
- The Council itself has also decided to provide Council Tax discounts of £75, based on categories used last year (£0.270m). This will be funded from the Covid-19 Reserve and will supplement the Government's £25 scheme. For low income working age households this will maintain the total support at £100, the same as in the current year.
- b) Central – PPR (Regeneration and Economic Development)  
The cost of the Bracknell Town Centre events programme approved by the Bracknell Town Centre Regeneration Committee, including proposals around the King's Coronation, will be £0.100m in 2023/24. This will be funded from the Town Centre Regeneration Reserve on a one-off basis.
- c) Delivery – Binfield Community Hub  
Additional running and maintenance costs (£0.040m).
- d) Delivery – Grounds Maintenance  
Removal of grounds maintenance savings relating to reductions in weed spraying, fly tip removal and the number of litter bins (£0.043m).
- e) People – Social Care Costs  
Due to changes in the number and cost of placements since the December report, Social Care pressures have been updated as normal to reflect the impact in 2023/24 of existing placements (Children's £0.060m and Adults £0.425m). As indicated in paragraph 6.3.2, the latter is proposed to be funded using a proportion of the ASC Market Sustainability and Improvement Fund.
- f) People – Use of Grant Funding  
Correction of the saving arising from the use of Supporting Families Grant to support Council expenditure (£0.108m), which will be achieved but was incorrectly shown in the draft budget proposals.
- g) People – Housing and Welfare  
An additional officer will be funded for 1 year to supplement the existing 1 FTE post and support welfare work to progress the Council's Financial Hardship Action Plan. The post will be funded from the Covid-19 Reserve (£0.043m).
- h) Non-departmental / Council Wide – Minimum Revenue Provision  
Increase in charge resulting from changes to the Capital Programme (£0.025m).
- i) Non-departmental / Council Wide – earmarked reserves  
Transfers from Earmarked Reserves to fund the additional £75 reduction in Council tax bills for households in receipt of Council Tax support (-£0.270m), an additional post to support welfare activities (-£0.043m) and the Bracknell Town Centre events programme (-£0.100m).

8.3.2 The Executive is asked to support the changes above and confirm that there are no further changes to the draft budget proposals that they wish to make following

representations made during the consultation period.

## **9 Other Budget Issues**

### **9.1 Schools Budget**

- 9.1.1 Whilst spending on the Schools Budget is generally funded by the ring-fenced Dedicated Schools Grant (DSG) and therefore outside of the Council's funding responsibilities, councils retain a legal duty to set the overall level of the Schools Budget. In deciding the relevant amount, councils must plan to spend at least to the level of estimated DSG.
- 9.1.2 The DSG comprises 4 funding Blocks, each with a separate calculation of funding and intended purpose; the Schools Block (SB); the Central School Services Block (CSSB); the High Needs Block (HNB); and the Early Years Block (EYB). The SB and CSSB directly support mainstream schools and are generally delegated to governors. The HNB and EYB are centrally managed by councils with most of the funding ultimately being paid directly to providers, including schools. The HNB supports pupils whose educational needs are above £10,000 with the EYB mainly funding the cost of the free entitlement to childcare and early years education for 2, 3 and 4 year olds.
- 9.1.3 To date, under powers delegated through the December budget report, the Executive Member has agreed a budget for the SB of £90.860m and a CSSB of £0.980m. These amounts represent the estimated level of DSG funding, with the detailed budget decisions matching those previously approved by the Schools Forum. The HNB and EYB will be considered by the Executive Member for Children, Young People in March with current estimates indicating income of -£23.740m and -£8.689m respectively. Therefore, at this stage, total DSG income for 2023/24 is estimated at-£124.269m.
- 9.1.4 Within the DSG allocation, funding retained for special educational needs and disability (SEND) pupils will increase by 9.7% (£2.102m) next year. Whilst a substantial increase, this would still be insufficient to fund the forecast costs which indicate a £7.166m overspend for the year. This primarily arises from underfunding of current commitments with further increases in costs expected as the numbers of pupils requiring support and the complexity of need increase as well as general inflationary pressures. This is a national issue with the council working closely with the Schools Forum on a change programme.
- 9.1.5 This deficit will be balanced in the Council's budget by a charge to the DSG Adjustment Account as it will need to be met from the DSG over the medium term. A contribution from the DSG Adjustment Account of £7.500m is already reflected in the base budget. A reduction in contribution of £0.334m will therefore be required which has been reflected in the Commitment Budget. Officers are meeting regularly with stakeholders to identify further options for change in service delivery and reduction in costs including the Department for Education (DfE) funded Delivering Better Value Programme which is an outcomes focussed, evidence-based programme rooted in co-production and is expected to result in a bid to the DfE for additional grant funding of approximately £1m.
- 9.1.6 In light of the significant financial pressures that councils are experiencing on the High Needs (HN) budgets (those intended to support pupils with SEND) the DfE introduced time limited rules to make clear that any accrued deficit is not a liability on councils but remains a DfE responsibility. Whilst initially introduced for a 3 year

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period to 31 March 2023, reflecting on the increasing HNB deficits across the country, the DfE have extended their period of debt responsibility for a further 3 years to 31 March 2026.

- 9.1.7 Without any interventions, the forecast balance for HN budgets at 31 March 2024 is a cumulative deficit of £30m. This is clearly not an affordable position for a small unitary authority like Bracknell Forest and it is essential that emerging plans to address the deficit are agreed quickly and enacted by the Council and schools.
- 9.1.8 Setting the overall level of the Schools Budget and the operation of the funding formula that distributes the money to schools is a statutory council function. Agreeing how much is centrally managed by the Council is a decision for the Schools Forum. To meet DfE deadlines, council statutory decisions around the Schools Budget are delegated by the Full Executive to the Executive Member for Children, Young People and Learning. Recommendation 2.6 sets the parameters for the formal decision to be made. The Executive Member also endorses the decisions of the Schools Forum when these are undertaken in its statutory decision making role.
- 9.2 Pensions
- 9.2.1 Accounting standards on the treatment of pension costs (IAS19) require the inclusion within the total cost of services of a charge that represents the economic benefits of pensions accrued by employees. To simplify the presentation of the budget proposals the IAS19 adjustment has not been incorporated at this stage, although it will be included in the supporting information to the Council meeting on 22 February. This will not impact upon the Council's net overall budget or the level of Council Tax.
- 9.3 Investments
- 9.3.1 Whilst the Council is not debt-free, the level of internal resources has enabled the Council to avoid any new external borrowing since 2018. However, given the economic conditions over the last 5 years, returns on surplus cash have been historically low leading into 2022/23. This prolonged period of low global interest rates changed markedly from April 2022 onwards, with central banks around the world increasing rates. This has led to the highest UK Base Rate for over 13 years, with the Bank Rate now standing at 3.5%.
- 9.3.2 In terms of current market views, the central forecast for interest rates was updated on 19 December and reflects a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. The Bank Rate is expected to reach a peak of 4.5% in 2023. Increases in the base rate of this magnitude will clearly benefit the Council if it can continue to rely on internal resources to fund its Capital Programme and offers the potential for higher investment returns.
- 9.3.3 The 2023/24 Treasury Management Report attached as Annexe E re-affirms the strategy adopted by the Executive in December 2016 that governs the amount, duration and credit worthiness of institutions that the authority will place investments with during 2023/24. As such the Council will only place deposits with the most highly rated UK Banks and Building Societies, alongside the part-nationalised UK Banks, up to a limit of £7m and for a maximum period of 364 days (for part-nationalised UK Banks). Additionally, the Council will be able to invest up to £10m with AAA Money Market Funds and other UK Local Authorities and an unlimited amount through the Government Debt Office Management Deposit Facility. The Annual Investment Strategy is shown in part (iv) of Annex E. Following the review by

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the Governance and Audit Committee on the 25 January 2023, the Treasury Management Strategy remains unchanged from that consulted on in December.

- 9.3.4 The Local Government Act 2003 introduced a revised framework for capital expenditure and financing, underpinned by CIPFA's Prudential Code for Capital Finance in Local Authorities. The Code requires the Council to set a number of prudential indicators and limits relating to affordability, capital investment and treasury management. They are included at Annexe E (i) and within the Treasury Management Strategy Statement at Annexe E (iii).
- 9.3.5 The capital programme is being considered separately on tonight's agenda and proposes Council funded capital expenditure of £6.621m and an externally funded programme (including self-funding schemes) of £8.366m for 2023/24. After allowing for projected receipts of approximately £2.25m (including CIL) in 2023/24 and carry forwards, the additional revenue costs will be £0.101m in 2023/24 and £0.343m in 2024/25. These figures have now been reflected in the Commitment Budget and the impact on 2023/24 is £0.005m higher than in the draft budget proposals. Costs will need to be revised at the meeting if the Executive decides on a different level of capital spending.
- 9.3.6 The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision or MRP), although it is also allowed to undertake additional voluntary payments. The regulations issued by the Ministry of Housing, Communities and Local Government's (MHCLG) require full Council to approve an MRP Policy in advance of each year. The Council is therefore recommended to approve the MRP Policy set out in Annexe E (ii) to the Treasury Management Strategy. The MRP policy has been drawn up to ensure the Council makes prudent provision for the repayment of borrowings (in accordance with the Regulations) and at the same time minimises the impact on the Council's revenue budget. The Government is currently consulting on proposed changes to MRP guidance, the result of which may require changes to the Council's MRP policy in future years, although the extent of such changes is not currently known.
- 9.3.7 As capital expenditure is incurred which cannot be immediately financed through capital receipts or grant, the Council's borrowing need (its Capital Financing Requirement) and its MRP will increase. The Council also needs to make a charge to revenue for "internal borrowing".
- 9.3.8 The draft budget proposals included an estimate of £1.904m for the Minimum Revenue Provision required to be made in 2023/24 and £0.536m for a Voluntary Revenue Provision relating to commercial property purchases. The figures have been reviewed based on the latest capital projections and MRP has been increased by £0.025m to £1.929m. The actual charge made in 2023/24 will be based on applying the approved MRP policy to the 2022/23 actual capital expenditure and funding decisions.
- 9.4 Capital Charges
- 9.4.1 Capital charges are made to service directorates in respect of the assets used in providing services and are equivalent to a charge for depreciation. The depreciation charges are included in the base budget figures and are important as they represent the opportunity cost to the Council of owning non-current assets. They must therefore be considered as part of the overall cost of service delivery, particularly when comparisons are made with other organisations. It is also important that these

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costs should be recognised when setting the level of fees and charges.

- 9.4.2 Capital charges do, however, represent accounting entries and not cash expenditure. The Council is therefore able to reverse the impact of these charges “below the line”, i.e. outside service directorate costs, thereby reducing the net revenue budget whilst not directly affecting the overall cost of each individual service. This means that the charges do not affect the level of Council Tax. The capital charges in 2023/24 total £14.653m which is a decrease of £1.144m compared to the current year and primarily results from disposals due to academisation. There will be no impact on the charge to the General Fund which is based on the MRP not depreciation.
- 9.4.3 Changes to capital charges do affect internal services recharges (see below). Changes to these have not been incorporated into the budget proposals in this report at this stage, although they will be included in the supporting information to the Council meeting on 22 February.
- 9.5 Internal Services Recharges
- 9.5.1 Members’ decisions on the capital programme may affect capital charges and this will determine the overall cost of services in 2023/24. Due to their corporate nature, some services do not relate to a single service directorate, e.g. finance, IT, building surveyors, health and safety advisers etc. The budgets for these services are changed only by the specific proposals impacting on the directorates responsible for providing them (Central & Delivery). However, all such costs must be charged to the services that receive support from them.
- 9.5.2 The impact of changes in recharges for internal services is entirely neutral across the Council as a whole, since the associated budgets are also transferred to the services receiving them. The overall level of recharges is dependent upon the Executive’s budget proposals being approved.

## 10 Statement by the Executive Director: Resources

- 10.1 Under the Local Government Act 2003, the Executive Director: Resources (as the Council’s Section 151 Officer) must report to Members each year at the time they are considering the budget and Council Tax on:
- a) The robustness of estimates; and
  - b) The adequacy of reserves.

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

### Robustness of estimates

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

This identifies a number of key risk areas including:

- significant pressures on the Council’s ability to balance its finances whilst

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- maintaining satisfactory service standards;
- the impact of the coronavirus on internal staff resources and external suppliers, and the council's ability to deliver essential services and meet the increasing needs of the community;
- the impact of the use of long term locums and agency workers for key posts and labour market pressures on finances and business resilience;
- ensuring children with special education needs receive timely and appropriate support for their education where demand is increasing, and internal resources are limited;
- the impact of demand led services and the need to plan for and respond to future and in-year demographic changes, changes in the market for services and any associated financial pressures;
- sustaining adult and children's social care services where there is insufficient external provision available and costs of provision are increasing significantly;
- effective safeguarding of children and vulnerable adults when there are external factors outside the Council's control;
- delivery of an IT Strategy and digital infrastructure that meets business needs, compliance, information accuracy, data protection, greater reliance on end users and the threat of cyber-attacks;
- additional support for refugees arriving in the Borough and its impact on services;
- delivery of the Council's climate change action plan to meet environmental objectives and climate change targets and the ability to influence overall emissions in the Borough;
- maintaining adequate Business Continuity plans and procedures;
- maintaining an adequate internal control environment.

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

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

10.4 The Executive Director: Resources receives regular updates from Finance Business Partners on the largest and most volatile budget areas which could place the overall budget most at risk and makes arrangements to report these through the regular monthly budget monitoring process. The most significant risks in the 2023/24 budget have been identified as the following:

- **Covid-19 Pandemic** – uncertainty surrounding the length and overall impact of the continuing pandemic on costs and income;
- **Demographics** – the number of “demand” led adult and child client placements, the rising cost and numbers of looked after children, increasing support pressures resulting from people living longer, the impact of new housing developments and changing service provision of social care encouraging people to seek support;
- **Income** - specifically in Leisure, Planning and Building Control Fees, Car Parks, Commercial Property, Land Charges and Continuing Health Care funding. Significant income streams are reliant on customer demand and physical infrastructure remaining operational, placing a heavy reliance on planned and reactive maintenance being adequate;
- **Major schemes / initiatives** – progress with the Town Centre redevelopment, Waste Management PFI and the implementation of savings proposals;
- **Inflation** – the provision is based on estimates of inflationary pressures at the current time, which represent the highest levels of price increases seen in the United Kingdom for decades. While the Government predicts that the rate of inflation will fall quickly during 2023, this cannot be guaranteed;
- **Treasury Management** – return on investments and additional borrowing are affected by cash flow and the level of the Bank rate.
- **Uninsured losses** – the Council’s insurances cover foreseeable risks. However, some risks are uninsurable, including former County Council self-insured liabilities and mandatory excesses;
- **Contractual Issues** – disputes, contract inflation (in particular rates for care providers which are increasing due to rising demand and reducing supply) and renewal of major contracts;
- **Legislative Changes** – difficulty in identifying the financial and non-financial impacts and whether any future burdens will be fully funded;
- **Independent external providers** – changes in provision by independent service providers may result in increased costs to the Council;
- **Service interdependencies** – the potential impact of service reductions in one area on the demand for other services provided by the Council;
- **External inspections** – improvements identified through external inspection, most notably at this time in Special Educational Needs and Disability services;
- **Safeguarding** – failure to adequately safeguard vulnerable people could result in cost pressures.

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



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### Contingencies

- 10.6 In setting the budget for 2022/23, the level of General Contingency was reduced to £1.900m and a Covid-19 specific contingency removed. Within the draft budget proposals for 2023/24 the Contingency was increased to £2.000m, although it was recognised that this would need to be reviewed.
- 10.7 The Executive Director: Resources, Chief Executive and the Corporate Management Team have reflected upon the outlook for the economy, the impact of demographic changes, current market conditions for social care services and the resulting pressures on services and other risks regarding the proposed budget. Considering all the significant risks to the budget, in particular the volatility of changes in social care costs, an increase of £0.750m in the General Contingency to £2.750m is now felt to be appropriate.

### Earmarked Reserves

- 10.8 Earmarked Reserves are sums of money which have been set aside for specific purposes. These are excluded from general balances available to support revenue or capital expenditure. The Council had £85.568m in Earmarked Reserves at the start of 2022/23 which were approved by the Governance and Audit Committee in July 2022. The Executive Director: Resources has undertaken a review of existing earmarked reserves and Annexe F sets out each reserve considered, some of which are to be used in support of the 2023/24 budget. The Executive Director: Resources will review again the earmarked reserves considering the changing risks facing the Council as part of the 2022/23 closedown process and any changes will be presented to the Executive and the Governance and Audit Committee as part of the closure of the accounts.

## 11 Net Revenue Budget

- 11.1 Tables 3a and 3b summarise the budget changes for each directorate, assuming that all items outlined above and detailed in Annexes A to F are agreed, but before changes to capital charges, pension costs and internal services recharges are incorporated within service directorate budgets.

Table 3a: Summary of budget changes

	Inflation (Section 8.2)	Revisions to draft budget proposals (Sections 6.4, 8.3, 9.1 and 10.7)	Changes to Specific Grants (Section 6.3)	Total Changes Identified
	£'000	£'000	£'000	£'000
Central	1,766	499	-129	2,136
Delivery	2,808	48	0	2,856
People (excluding schools)	5,179	302	271	5,752
Non Departmental / Council Wide	-9,793	-5,966	114	-15,645
<b>TOTAL</b>	<b>-40</b>	<b>-5,117</b>	<b>256</b>	<b>-4,901</b>

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Table 3b: Non Departmental / Council Wide – revisions to draft proposals and grant adjustments included in Table 3a

<b>Non Departmental / Council Wide</b>	<b>Revisions to draft budget proposals &amp; specific grants</b>
	<b>£'000</b>
Grant adjustments (paragraph 6.3)	
New Homes Bonus	8
Lower Tier Services Grant	199
Services Grant	-93
Changes in Business Rates Growth, S31 income projections and levy payment (6.4.5 and 6.4.6)	-2,188
Additional movements in earmarked reserves (6.4.6 and 8.3.1)	-4,892
Changes in MRP and Interest (8.3.1)	30
DSG Adjustment Account (9.1.5)	334
Change in Contingency (10.7)	750
<b>TOTAL</b>	<b>-5,852</b>

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

Table 4: Draft Budget Proposal 2023/24

<b>Department</b>	<b>2023/24 Draft Proposals (Table 1)</b>	<b>Changes Identified (Table 3a)</b>	<b>Revised Budget Proposals</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Central	21,253	2,136	23,389
Delivery	18,103	2,856	20,959
People (excluding schools)	93,876	5,752	99,628
Non Departmental / Council Wide	-35,507	-15,645	-51,152
<b>Total</b>	<b>97,725</b>	<b>-4,901</b>	<b>92,824</b>

- 11.3 The Net Revenue Budget in 2023/24 if the Executive agreed all proposals would be £92.824m before allowing for additional interest resulting from use of balances (dependant on decisions but currently estimated to be £0.081m). This compares with income of -£85.720m from Revenue Support Grant (-£2.148m), Business Rates baseline funding (-£17.462m), Council Tax at 2022/23 levels (-£71.486m), Collection Fund – Business Rates deficit (£4.980m) and the Collection Fund – Council Tax deficit (£0.396m). The Net Revenue Budget is therefore now £7.185m above the level of income for 2023/24.

## 12 Funding the Budget Proposals

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

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

### 12.2 Council Tax Increase

12.2.1 Each 1% increase in Council Tax in 2023/24 will generate approximately -£0.715m of additional revenue towards the budget gap. The maximum amount the Council is permitted to increase Council Tax by is 4.99%.

12.2.2 In determining the Council Tax level for 2023/24, Members are reminded that this report proposes to reduce the financial burden for working age households receiving council tax support by making available a locally funded council tax discount of £75. In addition, the Government has provided funding to reduce Council Tax bills for working age and pensioner households receiving council tax support by £25.

### 12.3 Use of Balances

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

12.3.2 In deciding the level of any contribution from balances, the Executive will wish to have regard to the level of balances available. The Council's General Fund balance will be £10.57m as of 31 March 2023, if spending in the current year remains within the approved budget, which is the expected position.

Table 5: General Balances as at 31 March 2023

General Fund as at 01 April 2022	£m 11.35
Planned use in 2022/23	<u>(0.78)</u>
<b>TOTAL Estimated General Balances</b>	<b><u>10.57</u></b>

12.3.3 In addition, the Council will have £19.9m in the Future Funding Reserve as at 31 March 2023, which has been deliberately established in recent years to help manage the anticipated impact of national funding changes. It would therefore be most appropriate to make use of the Future Funding Reserve to bridge any budget gaps in the next few years, before drawing on General Balances.

12.3.4 There is therefore a degree of flexibility determining the approach to balancing the 2023/24 budget from the current position. However, these resources are one-off and it is therefore important when considering the use of reserves to not only consider the current year's budget but also future years' pressures. In that respect, Council Tax income represents by far the most significant on-going funding source available to secure delivery of essential services into the long-term.

## 13 Preceptors' Requirements

13.1 The Thames Valley Police and Crime Panel met on the 27 January 2023 to determine the 2023/24 budget for the Thames Valley Police and Crime Commissioner (TVPCC).

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The proposed increase of £15 (6.2%) for a Band D property, from £241.28 to £256.28, was approved. The Royal Berkshire Fire Authority (RBFA) will not determine its budget and precept for 2023/24 until 15 February. The tax for a Band D property for RBFA in 2022/23 was £73.95. The Parish and Town Councils have yet to set their precepts for 2023/24. These totalled £3.835m in 2022/23 with an average tax of £79.49 for a Band D property. All precepts will be reported to the Council meeting on 22 February 2023.

### **14 Summary of Matters for Decision**

- 14.1 Annexe G outlines the Council's Council Tax Requirement based on the draft budget proposals. The outcome of the Executive's deliberations will be recommended to the Council meeting on 22 February regarding the budget and Council Tax level for 2023/24. These will be incorporated in the formal Council Tax resolution required by the Local Government Finance Act 1992 as amended. However, the following matters need to be determined at this stage in order to allow the Executive to recommend a budget to the Council for 2023/24:
- a) confirmation of the draft budget proposals, taking account of issues raised during the consultation period and revisions identified to reflect current information (sections 6.2, 6.3, 6.4, 7.3, 8.2, 8.3, 9.1, and 11.2), set out in detail in Annexes A, D and G;
  - b) confirmation of the impact of changes in investments and investment rates on the budget (section 9.3);
  - c) the level of the corporate contingency (section 10.7);
  - d) the level of Council Tax increase (section 12.2);
  - e) subject to (a) to (d) above and decisions considered elsewhere on the agenda, to determine the appropriate level of revenue reserves to be retained and the consequent use of balances to support the budget in 2023/24 (section 12.3).
- 14.2 As outlined above, dependent upon the decisions made by the Executive concerning these issues, it may be necessary to adjourn the meeting to enable officers to calculate the appropriate figures to include in the recommendations.
- 14.3 A detailed budget book will be prepared during March exemplifying the budget at the level of detail required to support the scheme of virement.

### **15 Budget Monitoring - Virement requests**

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

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

Borough Solicitor

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

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

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

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

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

Executive Director: Resources

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

Equalities Impact Assessment

16.3 The Council's budget proposals impact on a wide range of services. A detailed consultation was undertaken on the draft budget proposals published in December to provide individuals and groups the opportunity to provide comments.

16.4 Equality impact assessments are attached at Annexe I.

Strategic Risk Management Issues

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

Climate Change Implications

16.6 There are no implications arising from the proposals in this report, which are recommending budget proposals to Council.

**17 CONSULTATION**

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

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