Annexe A

Commitment Budget 2023/24 to 2025/26

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Central				
Approved Budget	15,145	15,312	14,901	15,104
Residents Survey			20	-20
Local Development Framework		14	133	-141
Revenues		-320		
The Look Out		-50	-50	
Queens' Platinum Jubilee		-55		
External Auditor Fees			100	
Net Inter Departmental Virements	167			
Central Departments Adjusted Budget	**15,312**	**14,901**	**15,104**	**14,943**
Delivery				
Approved Budget	17,184	17,310	16,972	16,731
Waste Disposal PFI		55	50	31
Neighbourhood Plan Referendums - Warfield and Winkfield		-60		
Greening Waste Collection Arrangements		-13	-15	-15
Borough Elections		120	-120	
Revenue impact of 2022/23 Capital Programme - London Road Landfill Works		30		
ICT - Rationalisation		-90		
ICT - Business Change Programme		-150	-150	
Leisure Contract Management Fee		-189		
Invest to Save - Carbon Reduction Initiatives		-6	-6	
Invest to Save - Coral Reef Gift Shop		-35		
Net Inter Departmental Virements	126			
Delivery Adjusted Budget	**17,310**	**16,972**	**16,731**	**16,747**
People				
Approved Budget	68,908	69,293	69,529	69,456
Suitability surveys			20	-20
Schools Budget - Funding for New Schools		-182		
Schools Budget - High Needs deficit to be charged to the Dedicated Schools Grant Adjustment Account		-334		
Heathlands		-14		
Forestcare			-153	
Foster Care Allowances - Mainstream		371		
Enhanced Foster Care Pilot		-86	86	
Social Worker Recruitment and Retention Package		456		
Children's Support Services – Pathway for Adulthood SEND Officer		52		
Invest to Save - Carbon Reduction Initiatives		-27	-26	
Net Inter Departmental Virements	385			
People Adjusted Budget	**69,293**	**69,529**	**69,456**	**69,436**
Total Service Departments	**101,915**	**101,402**	**101,291**	**101,126**
Non-Departmental / Council Wide				
Approved Budget	-13,124	-13,802	-12,179	-11,766
Minimum and Voluntary Revenue Provision		223	168	53
Increase in employers Pension Fund contributions		330	125	125
2022/23 Capital Programme - (Full Year Effect) Interest		66		
2022/23 Use of Balances (Full Year Effect) - Interest		12		
Revenue impact of 2023/24 Capital Programme - Parking Infrastructure			19	
2023/24 Capital Programme - Interest		101	101	
Earmarked Reserve - Funding for New Schools		182		
Schools Budget - High Needs deficit to be charged to the Dedicated Schools Grant Adjustment Account		334		
Earmarked Reserves - Revenues		320		
Earmarked Reserves - Queens' Platinum Jubilee		55		
Net Inter Departmental Virements	-678			
Non-Departmental / Council Wide Adjusted Budget	**-13,802**	**-12,179**	**-11,766**	**-11,588**
TOTAL BUDGET	**88,113**	**89,223**	**89,525**	**89,538**
Change in commitment budget		**1,110**	**302**	**13**

Annexe A

For management purposes budgets are controlled on a cash basis. The following figures which are used for public reports represent the cost of services including recharges and capital charges:

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000
Central	21,608	21,197	21,400	21,239
Delivery	17,585	17,247	17,006	17,022
People	96,417	96,653	96,580	96,560
Non-Departmental / Council Wide	-47,497	-45,874	-45,461	-45,283
	88,113	89,223	89,525	89,538
	-	-	-	-

Movements	2023/24 £'000	2024/25 £'000	2025/26 £'000
Central	-411	203	-161
Delivery	-338	-241	16
People	236	-73	-20
Non Departmental/Council Wide	1,623	413	178
	1,110	302	13

EXTRACT FROM THE MINUTES OF THE OVERVIEW AND SCRUTINY COMMISSION MEETING HELD ON THE 12 JANUARY 2023

45. **Budget Consultation**

The Commission considered the Council's draft budget proposals for 2023/24 which were open for public consideration. The Commission invited Councillor Heydon Executive Member for Transformation and Finance and Stuart McKellar, Executive Director: Resources to attend the meeting to answer their questions on the details of the proposals.

Prior to detailed questions Councillor Heydon, Executive Member for Transformation and Finance provided a recap:

- There was a significant budget gap that needed to be addressed through a combination of further savings, raising council tax and transfers from reserves. It was added that there was flexibility to raise the council tax by three percent plus two percent, which was understood to be the increase applied by the vast majority of other authorities. A point was added that one of the Council's key manifesto pledges was to remain within the 10 lowest council tax bands of the unitary authorities. Whilst the settlement was published last month the details were still being worked through.

Stuart McKellar, Executive Director: Resources added the following points:

- The finance settlement provided some answers and helped to put the draft budget in the overall funding context. However, the 2023/24 budget was complex due to the national revaluation of the business rates system. In addition, the Government changes to the designation of businesses from local lists to the Government central list had impacted large telecoms companies, with Bracknell Forest being the most significantly affected council in England. The Summer 2022 consultation around the Government's planned approach to achieve a cost neutral impact from this change provided some reassurance for the Council.
- The finance settlement was positive in the respect that there was a small increase in funding of about £130 000 relative to what was expected. The grant for social care provided a further £600 000 which could be used to fund either existing pressures or new spend.
- The reserves will be used to balance the budget, within the region of £4.5 – 5 million pounds, in line with the planned amount. Final budget decisions including the level of Council Tax would not be made until February 2023 when all the information and full context were available.

Arising from the discussion the following points were made:

Capital budget

- Clarification was sought regarding whether the budget was based on council tax being raised by 4.99%. The response by the Executive Director: Resources was that the budget was prepared on an expectation of 3% prior to the information in the Autumn budget and that there was now flexibility to increase it further. It was also noted that regardless of the council tax changes a large sum of the reserves would need to be used. The significance of income from council tax increases is that it is always there as revenue whereas reserves will run out at some

point. The Member for Transformation and Finance added to this response by commenting inflation and salary awards have also added pressures.

- A question on the capital programme around funding for schools was raised. The question was whether this funding was for all schools, maintained and academies. It was clarified that this funding was only for maintained schools, with academies being funded directly. A further question was raised about if Bracknell Forest would receive any grant funding for schools. It was clarified that Bracknell Forest would not expect to receive any grant to enhance the scale of current provision due to there being surplus places in schools. There was however a possibility to receive some funding for maintenance.
- In relation to scheduled computer equipment and the impact of phase 4 not being completed due to increased costs, it was explained that all staff would still have access to equipment but that it may be older equipment is not refreshed. Frustration was expressed about using older, less efficient equipment and a question was asked about what the extra cost to complete phase 4 would be. **Action: Executive Director: Resources to ask IT department for detailed costs.**
- A query was raised about maintenance of the High Street car park, specifically around issues with the structure, as there was no reference to it in the capital programme. It was noted that this was generally covered by the maintenance programme. However, due to the scale it might need to be looked at as a separate capital proposal.
- It was noted that there was no money allocated for the Coronation within the capital budget. It was acknowledged that this was something which needed to be considered in the final budget proposal. A further point was made by the Chief Executive that there was revenue budget allocated to this.
- In relation to the issue of the weight of electric cars causing potential damage to car park structures a question was raised about when or if, in the future, there would be money within the budget to address this problem. In response it was explained that before anything was seen in the budget there would need to be conditioned surveys to test the load conditions of car parks. It was acknowledged this would mainly be a problem for older car parks. A further point was made that the consideration of added weight from electric vehicles was currently part of the work of the consultant engineers employed by the Council.
- Concern was raised around the infrastructure upgrade within car parks and if this implied the loss of ticket machines. In response it was explained that there is a project currently in place to look at how ticketing within car parks could be improved in terms of response times and reliability as more people go online. Further concern was shared that this would be a retrograde step and it was suggested this was taken offline.
- Concern was raised about the statement within funded highways maintenance regarding the point that many significant maintenance projects are now beyond reach and an acceptance that there will be increasing highway claims due to reduced condition levels. It was pointed out that the Council get a lot of funds and grants for major highway projects and the question was asked about if it was possible to receive more money through government grants for projects like repair of potholes. It was explained that the wording of this was set out to explain the proposal to add an extra £1.6 million from council funds in addition to grant funding. It was however acknowledged that the wording within this part would be reviewed.
- A point was made about the spend on roads within the borough with concern for the upkeep of infrastructure due to lack of funding. A request was made for an accurate and detailed breakdown of spend for highways. It was acknowledged that the budget papers focus on changes to budgets rather the current spending

levels and so the current allocation covering the revenue budgets as well would need to be looked at to answer this question fully. **Action: Executive director: Resources to provide further information**.

- In response to a question about whether the Council spent £30k applying for an investment zone which has now been withdrawn it was clarified that the only costs associated were with officer time.
- The highway network is a valuable asset, and it was noted that more money being spent on it was a positive point. However, it was noted that there was an error in the figures and clarification was sought. The Executive Director: Resources explained that the increase referred to in the detailed text from £1.2 million to £1.8 million would be achieved in 2025/26.
- A further point was made that this was not a high figure and concern was raised that this would have a negative impact on infrastructure. In response, it was noted that Bracknell Forest were among a minority of councils who are able to significantly supplement the level of Government capital grant funding from their own resources. The Executive Member for Transformation added a further point that in addition to this funding there was also money from ongoing maintenance revenue budgets.
- A question was asked about how much money has been given towards play equipment within the borough to ensure they remain safe. The answer was that due to investment in previous years bringing equipment to a reasonable standard there was no inclusion for funding within this area in this budget. A further point was raised that a lot of the play areas are owned by the parishes, although this is not always the case. It was agreed that this point would be taken offline for further discussion.

Revenue Budget

- A point was raised around the transport strategy, which stated that the council were putting an additional £387k in 2023/24 with a question being asked about what the total contribution to this was. Due to not having the base budget information available it was not possible to answer this question although members were assured that the aim was to continue funding at the same level to ensure the same network coverage as now. **Action: Executive Director: Resources to advise of this total.**
- It was noted that external auditor fees are going to increase next year, and a question was raised about why it is not in the 2023/24 budget. It was confirmed that the increased costs of around £100 000 will be felt in 2024/25, when the audit of the 2023/24 accounts will take place.
- A query was raised about Forest care and the removal of pressure, asking why this wasn't shown until 2024/25 where money back is shown. In response it was explained that Forest care is a trading arm which should break even, therefore it was expected that by 2024/25 a business plan would be brought forward to secure that position. Further clarification was provided through the explanation that the commitment budget shows a three-year plan which relates to next year and future years.
- Under savings within ground maintenance the reduction of weed spraying from 3 to 2 sprays per annum was challenged citing a risk of greater damage to verges and roads which could cause future pressures. It was noted that this reduction of sprays had occurred a few years ago and was subsequently reinstated due to damage caused. In response it was clarified that the reduction was put forward as a budget saving, to address the significant levels of savings required. The impact of this would need to be addressed back to the service area who had done an assessment of the risks prior the decision. **Action: Executive Director: Resources to provide additional information regarding the risk assessment.**

- Under savings within ground maintenance/street cleaning the 25% reduction in litter bins through the Borough which would provide a saving of £30k in 2024/25 was challenged. Concern was that this reduction would have an adverse effect resulting in more litter. In response to this decision, it was stated that this was identified as a further saving. Members of the Commission strongly felt that risking the cleanliness of the borough, for a saving of £30k was letting residents down, diluting services and potentially adding to the Boroughs carbon footprint and wished to make clear to the Executive their opposition to this draft saving proposal. An additional concern was raised that the proposed reduction to the large scale fly tipping budget could also contribute to a greater number of incidents of fly-tipping. It was felt that decisions regarding savings in areas like this needed to be made through a strategic approach. The Executive Director: Resources clarified that the views on this topic would go to the executive, via the minutes of the meeting, and be considered as part of the final budget proposals.
- During the pandemic staff car parking charges were suspended, regarding the possible reintroduction of these a question asked about whether the reintroduction would hinder retention of staff and impact wellbeing. It was clarified that when these are reintroduced, they would be small charges of around £5-£10 per month.
- A query was raised about the additional above inflation payments for the waste collection contract and whether this was to cover salary increases for the staff. It was explained that this recognises that the Council have worked proactively to provide a realistic pay level for staff and to cover cost of running vehicles to ensure the Council would not face industrial disputes.

Fees and charges

- Under concessionary fares it was pointed out that the new annual Senior Citizen Railcard was going to be increased from £17 to £19 which was an 11.8% increase, a question was asked about how this was decided. It was explained that the fees and charges were approached within average guidelines and each individual service area would look at average figures in relation to the market situation. It was noted that all areas, businesses, and individuals are facing a cost-of-living crisis and a balance had to be found to be able to continue to provide the statutory and discretionary services to residents.
- A £5 increase on brown bin charges was noted and questions were asked about how this decision was made and calculated. It was explained that a standard increase of around 7.5% is applied and that each area looks into the applicability of that for those charges. Whilst it was agreed that this does offer value for money the council needed to ensure it was reviewed with the long-term impact in mind.
- A question was raised about why the increase to marriage and civil partnership is smaller this year than next - 3% for 2023/24 and 7.5% for 2024/25. It was acknowledged that the service area would have looked at these proposals with an awareness of the market around them.
- Under cemetery it was noted that for a person aged 18 or over there was no change to fees. However, fees for a child aged 3 years 1 day -17 years 364 days was increasing by 7.9 % and fees for a stillborn child, foetus or under 3 was increasing by 7.7%. It was felt that these increases in fees were focussing on the wrong people. The Executive Director: Resources recognised that this was a sensitive area, and these increases were made through careful review. **Action: Executive Director: Resources to provide additional information regarding how these decisions were made.**
- Regarding agency staff and the aims around keeping costs down within this area it was confirmed that there has been a large amount of work within children's and

adult social care staff. There has been a review of terms and conditions to make them more attractive. The first adverts with these changes were published in early January 2023 and it was anticipated that this would help attract and retain more staff. This methodology was also hoped to be implemented across other areas including planning.

- A comment was made about the budget calculation of the council tax stating its complex use of percentages rather than meaningful figures. It was felt that this wasn't presented in a way that was meaningful to the public. In response the Executive Director: Resources explained that at this stage they are only looking at the tax base calculation and that the actual level of tax levied by the police authority, fire authority and local parish town councils goes through the full council meeting in February 2023. Whilst this is a technical matter and might not be of interest to some members of the public at this stage, it was important to parish and town council colleagues.
- Clarification was sought around the council tax levy of 4.99% and if this would ease problems raised. The draft budget proposals set out a budget gap of almost £8 million which assumed no increase in council tax. The greater the council tax rise the less reliance on reserves and realistically this was the only sustainable financial position for the council in the long term.
- With the removal of the council tax support that was in place for 2023/24 a point was made that the new system of support available from new government grants should be adequately publicised. It was agreed that once final budget discussions had taken place, and this was confirmed it would be shared.

Annexe C1

Bracknell Forest Council

Budget Consultation 2023-24 v1.1

Report Settings Summary

Event	**Budget Consultation 2023/24**
Total Responses	**2**
Total Respondents	**1**
Questions	**All**
Filter	*(none)*
Pivot	*(none)*
Document Name	Budget Consultation 2023-24 v1.1
Created on	2023-01-17 10:59:08
Created by	Amy Ma

Table .1

Efficiency savings

Question responses: **2 (100.00%)**

To what extent do you agree with the proposed efficiency savings?

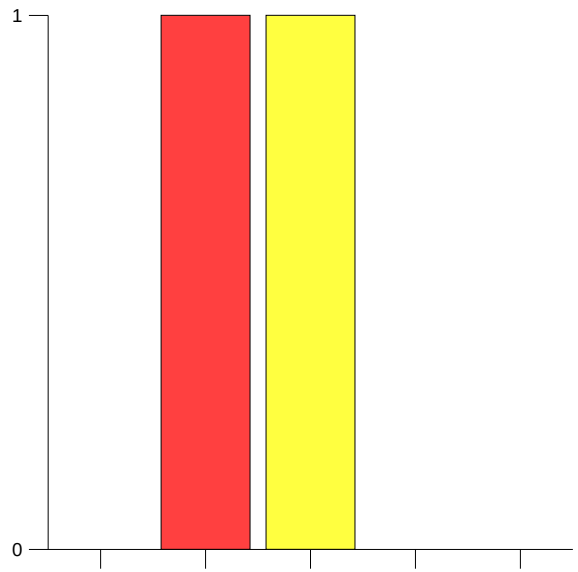


Table .1

	% Total	% Answer	Count
Strongly Agree	0.00%	0.00%	0
Agree	50.00%	50.00%	1
Neutral	50.00%	50.00%	1
Disagree	0.00%	0.00%	0
Strongly Disagree	0.00%	0.00%	0
Total	100.00%	100.00%	2

Table .2

Why proposed efficiency savings

Question responses: **0 (0.00%)**

Please tell us why you agree or disagree with the proposed efficiency savings

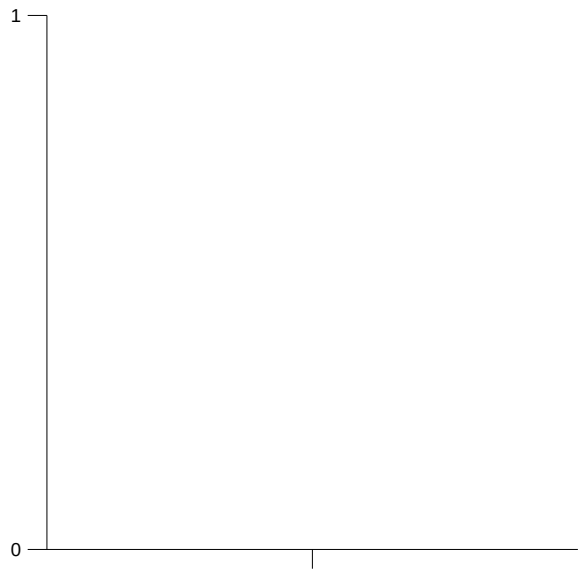


Table .1

There is no data to display for this question

	% Total	% Answer	Count
[Responses]	0.00%	0%	0
[No Response]	100.00%	--	2
Total	100.00%	0%	2

Table .2

changes to services

Question responses: **2 (100.00%)**

To what extent do you agree with the council's proposals to increase expenditure in specific areas?

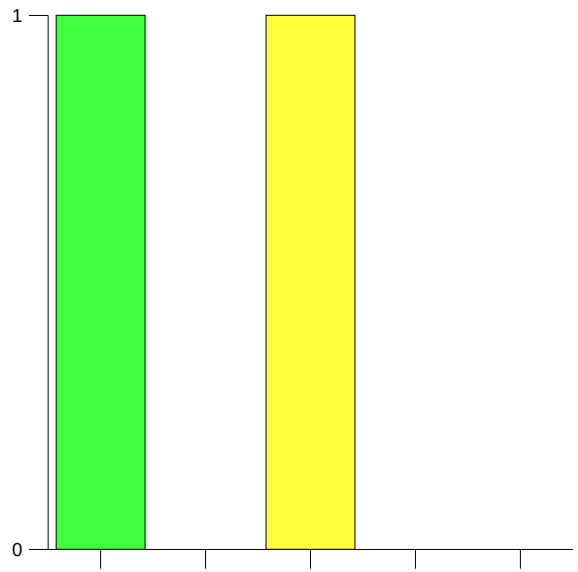


Table .1

	% Total	% Answer	Count
Strongly Agree	50.00%	50.00%	1
Agree	0.00%	0.00%	0
Neutral	50.00%	50.00%	1
Disagree	0.00%	0.00%	0
Strongly Disagree	0.00%	0.00%	0
Total	100.00%	100.00%	2

Table .2

why changes to services

Question responses: **1 (50.00%)**

Please tell us why you agree or disagree with the council's proposals to increase expenditure in specific areas

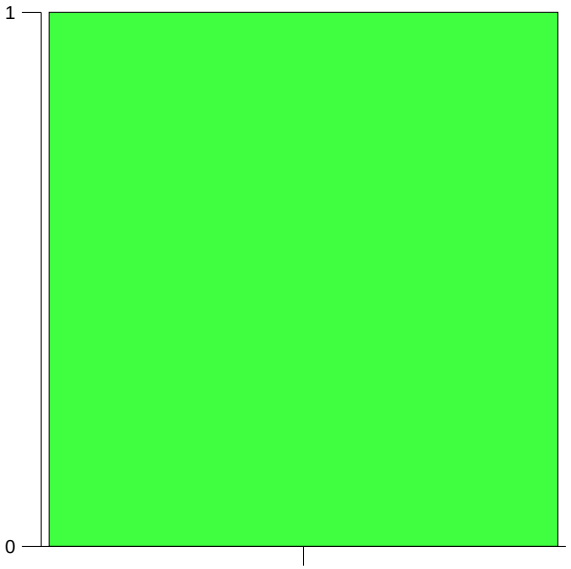


Table .1

	% Total	% Answer	Count
[Responses]	50.00%	100.00%	1
[No Response]	50.00%	--	1
Total	100.00%	100.00%	2

Table .2

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
2				RE: People Directorate - Children's Social Care staffing pressures. The additional £134,000 proposed expenditure should be viewed as an absolute minimum to provide the additional identified posts. In my opinion, serious consideration should also be given to increasing this amount to enable enhanced rates of pay (either one-off or otherwise) for staff undertaking frontline service delivery in critical areas. The effect of this should bring about improved staff retention in the identified areas as well as offering more attractive and competitive recruitment packages - especially relevant when considering the relatively higher costs associated with living in the area compared to the majority of other areas in the UK . The overall result of the additional expenditure would ultimately enable greater accessibility to vital services for struggling families. The costs associated with such a specific measure should be weighed against the relatively lesser costs associated with, for example, long term care provision in circumstances where a family is unable to continue caring for a child at home.	04/01/23 16:47	0.1	Submitted	web

Table .3

fees and charges

Question responses: **2 (100.00%)**

To what extent do you agree with the council's proposed fees and charges?

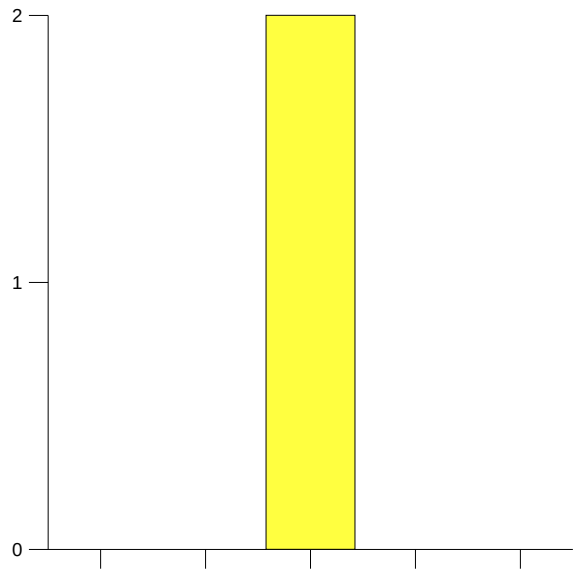


Table .1

	% Total	% Answer	Count
Strongly Agree	0.00%	0.00%	0
Agree	0.00%	0.00%	0
Neutral	100.00%	100.00%	2
Disagree	0.00%	0.00%	0
Strongly Disagree	0.00%	0.00%	0
Total	100.00%	100.00%	2

Table .2

why fees and charges

Question responses: **1 (50.00%)**

Please tell us why you agree or disagree with the council's proposed fees and charges

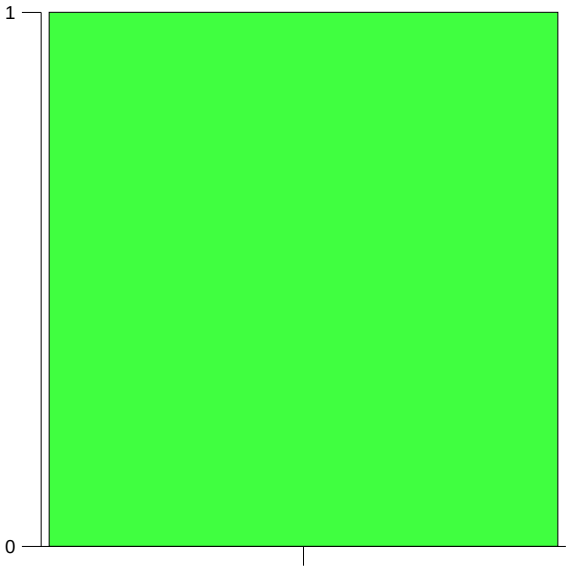


Table .1

	% Total	% Answer	Count
[Responses]	50.00%	100.00%	1
[No Response]	50.00%	--	1
Total	100.00%	100.00%	2

Table .2

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
3				Does this item cover changes in Council Tax? If not, where should I comment on that? Or do you not want comments on that? (FYI, I'm fully supportive of proper funding of adult social care and continue to support the levying of the adult social care precept.)	15/01/23 14:15	0.1	Submitted	web

Table .3

Capital Spending Proposals

Question responses: **2 (100.00%)**

To what extent do you agree with the council's capital spending proposals?

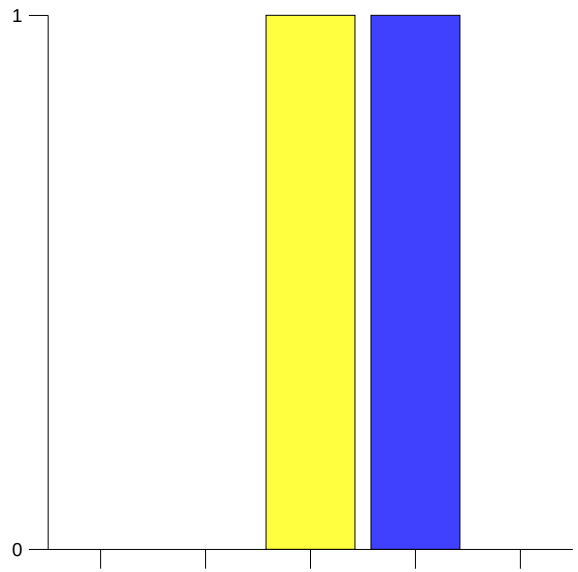


Table .1

	% Total	% Answer	Count
Strongly Disagree	0.00%	0.00%	0
Disagree	0.00%	0.00%	0
Neutral	50.00%	50.00%	1
Agree	50.00%	50.00%	1
Strongly Agree	0.00%	0.00%	0
Total	100.00%	100.00%	2

Table .2

Capital Comments

Question responses: **0 (0.00%)**

Please tell us why you agree or disagree with the council's capital spending proposals

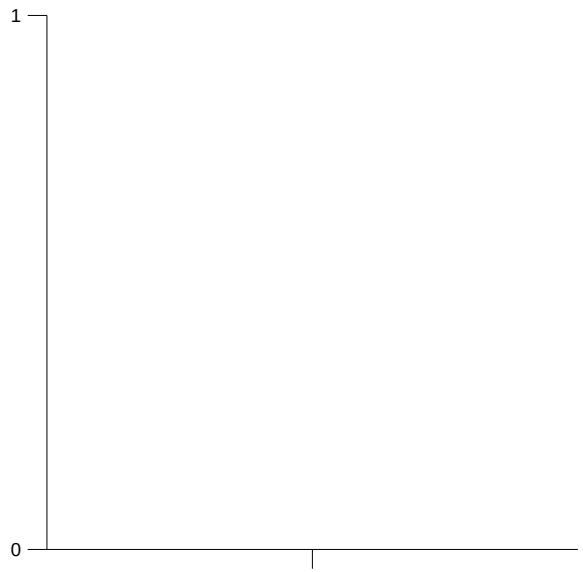


Table .1

There is no data to display for this question

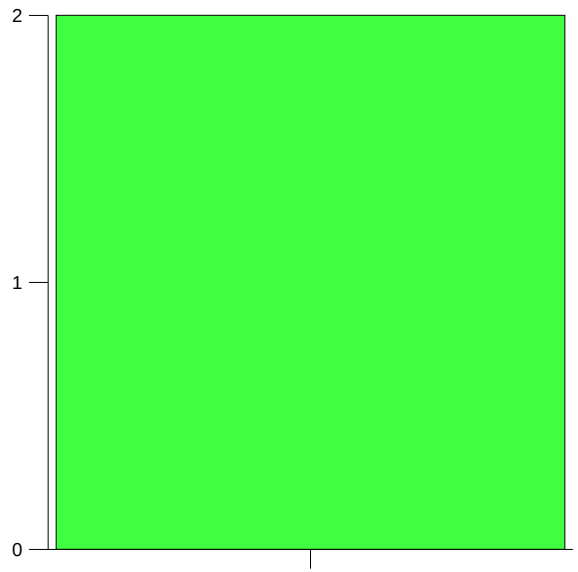
	% Total	% Answer	Count
[Responses]	0.00%	0%	0
[No Response]	100.00%	--	2
Total	100.00%	0%	2

Table .2

Other Comments

Question responses: **2 (100.00%)**

Please add any other comments



	% Total	% Answer	Count
[Responses]	100.00%	100.00%	2
[No Response]	0.00%	--	0
Total	100.00%	100.00%	2

Table .2

Table .1

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
2				Ref: Marketing of final budget. There is an alternative interpretation to the quote last year from the responsible Councillor that BFBC's overall budget	04/01/23 16:47	0.1	Submitted	web

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
				remains "...in the bottom 10% of all Unitary Authorities." Despite a promise to maintain the position in this financial year, please can it also be remembered that there are desperate people in situations where an increase in the relative position (without being extreme) would alleviate a lot of burden and stress in their lives.				
3				The documents are very difficult to navigate. I downloaded them and viewing them in Chrome on Windows 10. They seem to prohibit searching and text selection, so this makes it hard to pull figures together so that I can perform my own analysis. I did spot one minor typo in item 8.26 of document 2a. According to the other figures you provide, the statement of "a potential gap of around £8.210m" should actually read "a potential gap of around £8.120m" (i.e. £97.725m minus £89.605m).	15/01/23 14:15	0.1	Submitted	web

Table .3

Questions

Question responses: **1 (50.00%)**

Please add any questions you may have

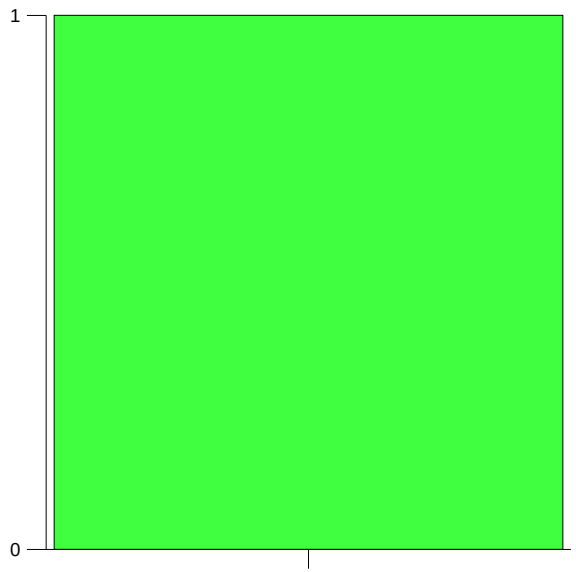


Table .1

	% Total	% Answer	Count
[Responses]	50.00%	100.00%	1
[No Response]	50.00%	--	1
Total	100.00%	100.00%	2

Table .2

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
3				Looking back at the setting of the current (2022-23) level, I found a document on your website that states: "The Government has set a core referendum limit of 2% plus the option for councils with responsibility for adult social care, such as Bracknell Forest, to set an adult social care precept of up to a further 1%. In 2021/22 the Council was given the option of setting an additional adult social care precept of up to 3% which could be raised in 2021/22 or spread across two financial years. 1.5% was raised in 2021/22 leaving the option to raise a further 1.5% in 2022/23, which would be in addition to the 2%+1% referred to above." (That explains why there was a 4.49% increase, whereas I've read much confusing stuff in the press recently stating that an increase above 3% should not have been possible without requiring approval via a referendum.) My understanding from the recent central government Autumn Statement is that: "The government is giving local authorities in England additional flexibility in setting council tax by increasing the referendum limit for increases in council tax to 3% per year from April 2023. In addition, local authorities with social care	15/01/23 14:15	0.1	Submitted	web

ID	Consultation Point	Consultee	Agent	Answer	Date	Version	Status	Type
				responsibilities will be able to increase the adult social care precept by up to 2% per year." Does that mean that the core precept plus adult social care precept could not rise more than 5% from the 2022-23 level, or is there still some "carry forward" from previous years that you could add on without requiring approval via a referendum?				

Table .3

Copies of this booklet may be obtained in large print, Braille, on audio cassette or in other languages.
To obtain a copy in an alternative format please telephone 01344 352000

Nepali

यस प्रचारको सक्षेपं वा सार निचोड चाहिं दिइने छ ठूलो अक्क्षरमा, ब्रेल वा क्यासेट सून्नको लागी । अरु भाषाको नक्कल पनि हासिल गर्न सकिने छ । कृपया सम्पर्क गनूहोला ०१३४४ ३५२००० ।

Tagalog

Mga buod/ mga hango ng dokumentong ito ay makukuha sa malaking letra, limbag ng mga bulag o audio kasette. Mga kopya sa ibat-ibang wika ay inyo ring makakamtan. Makipag-alam sa 01344 352000

Urdu

اس دستاویز کے خلاصے یا مختصر متن جلی حروف ، بریل لکھائی یا پھر آڈیو کیسٹ پر ریکارڈ شدہ صورت میں فراہم کئے جا سکتے ہیں۔ دیگر زبانوں میں اس کی کاپی بھی حاصل کی جا سکتی ہے۔
اس کے لیے براہِ مہربانی ٹیلیفون نمبر **01344 352000** پر رابطہ کریں۔

Polish

Streszczenia lub fragmenty tego dokumentu mogą być dostępne w wersji napisanej dużym drukiem, pismem Brajla lub na kasecie audio. Można również otrzymać kopie w innych językach. Proszę skontaktować się z numerem 01344 352000.

Portuguese

Podemos disponibilizar resumos ou extractos deste documento em impressão grande, em Braille ou em audiocassete. Podem também ser obtidas cópias em outros idiomas. Por favor ligue para o 01344 352000

Response to Budget Consultation from Labour Group

These papers are again having to be consulted on before the actual Provisional Finance Settlement having been received. However, we all recognise that the Director of Resources and his team have a very good idea of what is expected and so can assume there will be no great surprises.
The papers this year were easy to understand. The descriptions of budget items certainly help

Response to the Capital Programme

The paper states that Capital Funding for planned maintenance for Schools is allocated and does not come for the Council-wide programme. A Schools Planned Works programme of £1.860m is being put forward based on the level expected to be received from the DfE.
Is this money certain to arrive from the DfE or is it too subject to the changes in capital funding formula?
The Total Capital Programme is £12.293m.After External funding is removed, CIL receipts and property disposals, the Council Funded Programme is £4,177m
How certain is this External Funding?
A great deal of the property and infrastructure in Bracknell Forest was built at approximately the same time when the New Town was created. This is all coming of age and must mean even higher maintenance costs must be included soon. If experience of the Great Hollands Community Centre is anything to go by, keep patching parts of a roof is an uneconomic way of managing a building.
Councill officers cannot work without efficient ICT laptops. We question the impact of not completing the planned phase 4 this financial year as this has been identified as necessary. Similarly with the mobile phone handsets. This will again lead to handsets of different age and capacities.
Cllr Mary Temperton is very disappointed that the car parks at Great Hollands, number 3 and 4 in the priority list will not be resurfaced this year. Last year notices went up to tell all residents that the car parks were to be resurfaced and requesting the removal of cars. On the day, only the potholes were filled and some of these were left as they were said to be 'too deep'. It was said they would be resurfaced this year- now not. People have tripped in both car parks, but apparently have not reported this into the Council. Both car parks are full most days.
Work at Bracknell Leisure Centre, Coral Reef obviously must be done to maintain the necessary atmospheric conditions, or even to ensure they stay open.
The reduction in energy use is good news.
The suggestion to provide the cashless option for payment at the car parks is opposed as unnecessary expenditure in these difficult times. The ticket machinery is only halfway through its life span. The queues are very limited, and I doubt if the Council has had lots of complaints from queuing customers. In five years', time, at the end of the equipment life span, even more amazing paying methods will be realised. This money would be better spent on the essential resurfacing of another carpark
The move to maintain the Council's Housing stock is essential, however, we hope that the projected energy saving measures include improved insulation - loft, walls, doors, and windows. This will reduce the carbon footprint as well as fuel poverty.

The inclusion on Highway Maintenance is very concerning.
The following paragraph was read with great dismay: - 'Many significant maintenance projects are now beyond financial reach and the residential highway network is necessarily a lower priority for intervention unless a public risk is identified. Local member and resident dissatisfaction is a clear consequence. Increasing highway claims are expected due to reducing condition levels, particularly carriageway and footways.'

Every resident will agree and ‘public risk’, as for carparking surfaces. obviously means tripping, injury, and reporting.
It has since been explained that this is included to give the reason why more money must be allocated
The uplift of £600K to £1.2m per annum is welcomed but this hardly seems enough following the damming statement.
£400K is to be spent on strategic transport schemes, but no detail is given about this. More information would be welcomed at this consultation stage.

The Inhouse hay-making project is to be applauded.

There is no mention of the proposed EV service station on London Road. There is no obvious ’earmarked fund’ to cover this, so how will it be financed?

Response to the Revenue Budget

All Members are aware of the desperate budgeting considerations for all Local Councils resulting from the years of underfunding from Central Gvernement and now the huge increases due to inflation, electricity and gas prices and salary increases. The increase form £4.368m 2022/23 to £9.800m reflects this and is staggering.
The Government will allow all councils to raise their taxes 4.99% without needing to have a referendum and the government expects all councils to do this in order to raise the money each needs to maintain its services. – this maximum includes an increase of up to 2% per year to help support the pressure on Adult Social Services.
But with all the cuts suggested by the different departments, the potential gap is still stated as being about £8.2m, so - Council Taxes will have to rise.
4.99% increase will greatly affect many of our residents already struggling to cope with increased mortgages, energy costs and the highest inflation for thirty years.
The £320K included last year to support households paying council tax on the lowest incomes, was very welcome but that too has been cut this year.

No money is included to celebrate the Coronation – will this be needed?

The 2.0% increase per pupil funding in England from central government is welcomed, but this, together with the extra £2.3bn promised funding for schools is only expected to bring the funding to the level it was in 2010. At the School’s Forum, it was agreed by all Heads that this was not sufficient to cover rising costs.
The current forecast for the High Needs Block deficit for Bracknell Forest in March 2023 is £22.8m. We appreciate that the Council is working with the DfE to resolve this payment and that the time limit has been extended, but no local authority will be able to pay this sort of money. In the papers it states that ‘this deficit will be balanced in the Council’s budget by a contribution from school reserves, as it will need to be met from the Direct School Grant over the medium term – expected to be about £2.5m at March 2023.
Every year, more deficits accumulate. Resolving this in the short term is very challenging, even with the extra grant of £1m.

There must be an increase of bus services throughout Bracknell Forest if residents are ever to give up their solo use of cars. The further financial support to ensure existing bus services are maintained across the Borough is welcomed, but we fear this is not sufficient to reverse the reduced patronage.

The included finance to support a permanent Climate Change Officer is welcomed.
The recruitment and retention packages are welcomed, especially the Officer to address the high number of SEND young people who are not in education, employment, or training.

Indeed, all the extra posts to support Adult Social Care, Children's Social Care and SEND are supported and must improve the effectiveness of the Council's provision.

We totally oppose the 25% reduction in litter bins throughout the Borough. We spend a lot of time reporting overflowing bins that need emptying. These are full of bags from dog walkers. We spend a lot of time organising Litter Picks. Near the bins, there is little litter, as you move further away, the litter grows exponentially. This would have a very, very detrimental effect of our communities. We would be living in squalor. We agree, litter should not be dropped. But as it is, the Council needs to be realistic and provide bins. We need more bins, not less. Where bins have recently been removed, people continue to leave their litter and dog poo bags.

The increase in the charges is usually about 7.5% and this seems a fair balance between having to charge more to cover increased costs but still attempting to make the service affordable.
The one charge we would challenge is the cost to collect three bulky household items of waste. There is no suggested charge for just one item and yet mattresses are being dumped so very often. A charge for one such item would certainly help relieve garage areas on our estates.

It has been known for several years that Vodafone will begin to pay its business rates to the Central List and no longer to Bracknell Forest Council. This was thought to leave a hole of £4m a year and in preparation, money was transferred annually into an earmarked reserve. However, the government has stated that the Council will be compensated for any such loss and this transfer can therefore be reversed. £3,350K is shown as a saving for this year but the accumulated funds in the Future Funding Reserve remain. If the threat of this revenue loss has been removed, some of this reserve could now be spent.

As a response to Cllr Bidwell's question on Youth Provision at Braccan Walk, it was stated that this hub was for invited groups. We were told that general Youth Provision would be throughout the Borough, in local communities. No funding for this is mentioned.

We are disappointed that no mention is made of an increase in funding for parking on the estates, particularly where the houses have no driveways. Silva Homes withdrew their £100K last year and as this consultation is on a 'change budget', the omission of any mention of this implies that Silva Homes is not reversing their decision.

As this is a 'change budget', we assume South Hill Park will continue to get the annual grant, as no mention is made in these papers.

Mary Temperton
Leader of Labour Group

CENTRAL - CHIEF EXECUTIVE'S OFFICE

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
Communications and Marketing Reduction in various supplies & services budgets	**-5**		
Policy & Performance New post in establishment - Policy & Performance Lead	**59**		
CENTRAL - CHIEF EXECUTIVE'S OFFICE TOTAL	**54**	**0**	**0**

CENTRAL – RESOURCES

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
Finance Reduction in various supplies & services budgets	**-5**		
Organisational Development Reduction in overall training budget through a review of essential and mandatory training offered	**-25**		
Insurance & Risk Management Reduction in budgeted resources for cyber security costs following the receipt of Government funding and a re-assessment of how the identified support will be procured.	**-50**		
Finance Above inflationary cost increases on Agresso software licenses following a compliance audit	**45**		
Payroll and Human Resources System Itrent move to the cloud, hosting costs	**36**		
Revenues Increased licensing/software maintenance costs (Northgate/NEC)	**13**		
Internal Audit A reduction in the number of days purchased under the S113 agreement with Wokingham Borough Council due to the creation of Bracknell Forest's own in-house team has been offset by a significant increase in their daily rate which had not changed for some years. In addition, IT audit specialism is bought in and the current fixed rate contract with our IT audit provider expires in March 2022. It is anticipated that costs under the new contract will be higher to reflect increased resource costs for contractors as highlighted in our independent external assessment of internal audit carried out by CIPFA in March 2022.	**21**		
ADDITIONAL PROPOSALS SINCE DECEMBER			
Revenues Payments to households in receipt of Council Tax support will be continued for a further year. The Council will fund £75 from its Covid-19 Reserve to working age claimants and £25 for both working age and pensioner claimants will be funded from the Council Tax Support Fund, a one-off additional Government grant. Any grant funding remaining after the £25 payments will also be used to support vulnerable households.	**399**	**-399**	
CENTRAL – RESOURCES TOTAL	**434**	**-399**	**0**

CENTRAL – PLACE, PLANNING & REGENERATION

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
Director PPR Reduction in various supplies & services budgets	**-10**		
Planning Increase in Community Infrastructure Levy Administration income	**-50**		
Transport Strategy Reduction in road safety expenditure in line with the level of expenditure in prior years	**-30**		
Highway Engineering Administration fees generated from the construction of vehicle access crossings	**-20**		
Traffic Reduction in winter maintenance contract to reflect milder winters in recent years	**-20**		
Traffic Increase in income from Street Works	**-20**		
Parks & Countryside Increase in income from Surrey Heath Suitable Alternative Non-Green Spaces (SANGS)	**-50**		
Parks & Countryside Increased use of commuted sums for open space maintenance	**-25**		
Regeneration & Economic Development Reduction in various supplies & services budgets	**-10**		
Traffic Reduction in software budget to reflect prior year's expenditure	**-10**		
Commuted Sums/S278/S38 Increase in draw down from reserves - with development growth continuing balances should be maintained.	**-100**		
Planning Increase amount dawn from SANGS to support the budget	**-50**		
Travel Planning Income from developers buying into a Travel Plan service offered by the Council, rather than the individual occupiers/site developers having to run their bespoke travel plan.	**-25**		

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
Transport Strategy New bus contract pressure subject to change upon tendering exercise (new contract commences August 2023) Due to ongoing reduced patronage and increasing costs it is expected that the Council will need to provide further financial support to ensure bus services across the Borough are maintained	**387**		
ADDITIONAL PROPOSALS SINCE DECEMBER			
Regeneration & Economic Development The cost of the 2023/24 Bracknell Town Centre events programme which will be funded from the Town Centre Regeneration Reserve.	**100**	**-100**	
CENTRAL – PLACE, PLANNING & REGENERATION TOTAL	**67**	**-100**	**0**

DELIVERY

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
Car Parking The NSL Ltd parking management contract implementation costs were added to year 1 of the contract, therefore the contract costs reduce from year 2.	**-130**		
Car Parking Renegotiation of the multi storey parking banking contract and subsequent reduction in banking transaction fees.	**-50**		
Car parking Selling overnight / weekend spaces at Time Square and High Street car parks to the new flats surrounding Time Square.	**-20**		
Cemetery & Crematorium Additional Income due to an increase in the number of services taking place.	**-50**		
Contract Services Departmental management – reduction of spending on printing and other small items of expenditure.	**-7**		
Waste Disposal Potential to achieve a saving through efficiencies and lower tonnages.	**-350**		
Democratic and Registration Services Reduction in supplies and services budgets within Member Services, increase in income target for school appeals and increase in income target for weddings	**-9**		
Facilities / Community Hub Café refreshment price increase to £1, underspend on shredding and completion of PAT testing in-house rather than outsourced.	**-5**		
Legal Seminar Costs – greater emphasis on training needs being met on a remote basis i.e. webinars.	**-1**		
Print Room The recent closure of the Print Room shared service with Wokingham Borough Council has resulted in the redundancy of one member of staff.	**-38**		
Grounds maintenance Underspend being reported against the current year's approved budget.	**-15**		

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
Leisure As a result of the installation of the splash pad at Coral Reef, an additional £0.025m management fee is to be paid by the contractor, of which £0.015m is already built into the budget.	**-10**		
Time Square Letting out space in Time Square to third party organisations. £0.050m was included as savings in 21/22 and in 22/23 and an additional £0.050m is aimed to be achieved in 23/24. Other prospective tenants are being sought.	**-50**		
Corporate Landlord The level of budget transferred from the service areas was insufficient to support the costs of maintenance on these properties.	**35**		
Democratic & registration Services Ongoing funding of the newly created Head of Corporate Complaints post plus £0.005m for incidental costs.	**66**		
Car Parking Parking income is down on pre-Covid levels, as such the income target is not being met. A 10% on-going reduction in usage has been assumed.	**350**		
Car Parking Staff parking charges were suspended during the pandemic and have yet to be introduced. If parking charges are re- introduced a proportion of income will be achieved.	**30**		
Waste Collection No housing related growth was added to the budget during 2022/23 and so growth, at £3.30 per property per month, for this year and 2023/24 is included.	**70**		
Waste Collection Additional above inflation payments for the waste collection contract to cover rising staff costs for drivers, loaders, supervisors, contract manager and admin team staff.	**100**		
Coroner's Service The cost of the Coroner's Service (Joint Arrangement) has increased, and the costs are anticipated to rise year on year	**38**		
Climate Change The Climate Change Officer post is currently funded from the Transformation Reserve, but this funding will cease at the end of the financial year and the need for a permanent post has been highlighted.	**43**		

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
ICT – Integrated Care Services New modules for Mosaic and LAS to respond to the requirements of the Integrated Care Service, enhancing data capture and reporting arrangements to better inform service management and decision making.	**111**		
ICT – Cloud costs Secure hosting of applications and data is essential to the continued operation of the council. Hosting costs have resulted in higher ongoing revenue pressures, while capital investment needs for the Council's digital infrastructure are now minimal.	**730**		
Legal Increase the Full Time Equivalent of the vacant (currently covered by a locum) Education and Adult Social Care Lawyer post to full time due to volume of work in this area.	**27**		
ADDITIONAL PROPOSALS SINCE DECEMBER			
Binfield Community Hub Property running and maintenance costs	**40**		
DELIVERY TOTAL	**905**	**0**	**0**

PEOPLE

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
Adult Social Care Outcome focussed reviews for all client groups	**-450**		
Housing and Welfare Housing – Service efficiency and historic underspending End of lease on a property (£0.027m) Review of all Budget headings and historic underspends (£0.024m)	**-51**		
Housing and Welfare Welfare Benefits – Review of all Budget headings and historic underspends	**-76**		
Service efficiencies and historic budget variances Underspend on Early Help grants budget (£0.028m) Underspend on commissioned service relating to support for young people Not in Education, Employment or Training (£0.025m) Underspend on former teachers pensions liabilities (£0.050m) Underspend in Leaving Care (£0.109m) Delete Early Help Development Worker as more use is made of online portal for referrals (£0.022m)	**-234**		
Use of grant funding Grant funding is received in respect of the Supporting Families Programme that duplicates activities funded by the council. Greater use of grant will be used to deliver the programme (£0.100m). The Asylum Seekers National Transfer Scheme also provides grant funding at a daily rate which has exceeded local care costs by £0.100m in each of the last 2 years. As numbers transferred increase, additional staffing is required to manage caseloads and a net saving of £0.050m is proposed.	**-150**		
Children's placements Practice continues to see the number of Children Looked After reducing. The average for the last 2 years has reduced to 118 placements compared to 127 over the last 4 years. Current data (which is high cost, volatile and subject to change at short notice) projects a net saving against accommodation and care provision, plus a range of related support services.	**-1,589**		
Adult Social Care Costs This represents the pressure currently being experienced on care packages. It also includes an estimate of the costs arising from young people turning 18 and transferring into Adult Social Care.	**2,118**		
Adult Social Care - Community Equipment Increase to reflect current usage	**80**		

Description **Impact**	**2023/24** **£'000**	**2024/25** **£'000**	**2025/26** **£'000**
Adult Social Care Job evaluation for the staff in Adult Social Care resource now completed in line with Children's resource	**55**		
Mental Health and Out of Hours A new post to provide essential operational support to Mental Health and Out of Hours teams with regards to the highly complex operational delivery of services that fall within this area. They will provide a key co-ordination role within the service area to ensure that key pieces of operational work are completed, delivered on time and within any agreed scope.	**60**		
Support to schools The Department for Education has withdrawn grant funding that supports School Improvement activities (£0.038m) and which is used to assist the council to support schools. In addition, the cost of the software license used on the platform for School Traded Services, which aids income generation is in excess of budget (£0.010m).	**48**		
Special Educational Needs The SEND written statement of action indicates that councils should provide social care oversight in the development of Education, Health and Care Plans. This is to be fulfilled through a new full time Designated Social Care Officer post (£0.078m). The Information and Support Service which provides independent advice to parents on SEND is subject to a reduction in external grant funding (£0.018m) which is proposed in future to be funded by the council.	**96**		
Children's Social Care staffing pressures The Duty and Assessment Team ensures that statutory work can progress in a timely and safe manner to reduce risks to children being harmed or entering care. Caseloads have been increasing and an additional 2.0 FTE staff are required to allow manageable caseloads (£0.110m). Access to records has also experienced a significant increase in requests for information and in order to reduce the risk of not meeting statutory timescales, a 0.6 FTE increase in hours is proposed (£0.024m).	**134**		
Children's Social Care prevention The Department for Education has funded a project to support families with unborn and under 1 year old children. This work has demonstrated that intensive work pre-birth and using a group work and support model for new parents can significantly increase the prospects of navigating children away from costly parent and child residential placements. The proposal is for the council to fund one post once grant funding ceases.	**40**		

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
ADDITIONAL PROPOSALS SINCE DECEMBER			
Housing and Welfare An additional officer will be funded for 1 year to support welfare work. The post will be funded from the Covid-19 Reserve.	**43**	**-43**	
PEOPLE TOTAL	**124**	**-43**	**0**

COUNCIL WIDE

Description Impact	2023/24 £'000	2024/25 £'000	2025/26 £'000
Interest The budget has been under spent in previous years and borrowing has been less than forecast. Part of the underspend in the current year is expected to be maintained during 2023/24.	**-100**		
Downshire Homes Limited The Council currently owns 65 residential properties directly and 64 through its wholly owned company Downshire Homes Limited (DHL). Operational management of all the properties is undertaken by the Council's Housing team. To simplify ownership and minimise overheads associated with operating a separate egal entity it is proposed to transfer the DHL housing stock to the Council's ownership. This requires complex legal processes to be followed and the transfer is therefore expected to take place in Autumn 2023, at which point DHL will be wound down. A detailed report setting out the necessary steps to secure DHL's closure will be brought to the Council's Executive for consideration next Summer, once initial preparatory work has been undertaken.	**-240**	**-240**	
Supplementary Pensions These are pension payments relating to joint arrangements and recharges from the Royal Borough of Windsor and Maidenhead which administers the Berkshire Pension scheme. The budget has been adjusted as it has consistently under spent.	**-7**		
Earmarked Reserves Some of the retained Business Rates growth generated from a large telecommunications company has been transferred into Earmarked Reserves as it was not prudent to use all the growth to balance the budget. The transfer of this company to the Central List will happen from April 2023 as part of the national revaluation exercise. This transfer can therefore be reversed as the rates retention calculation from 2023/24 will reflect a more realistic, on-going position.	**-3,350**		
ADDITIONAL PROPOSALS SINCE DECEMBER			
Earmarked Reserves Transfers from Earmarked Reserves to fund a £75 reduction in Council tax bills for households in receipt of Council Tax support (-£0.270m), an additional Welfare officer (-£0.043m) and the 2023/24 Bracknell Town Centre events programme (-£0.055m).	**-413**	**413**	
COUNCIL WIDE TOTAL	**-4,110**	**173**	**0**

Annex E

TREASURY MANAGEMENT REPORT

1.1 The Local Government Act 2003 requires the Council to "have regard to" the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

1.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

1.3 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

1.4 The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

1.5 CIPFA defines treasury management as:

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes requires all local authorities to prepare a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The Council published its Capital Strategy in 2019. It has been reviewed by officers and will be updated for 2023/24 to be reviewed by Governance and Audit Committee before being published. If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
   - the capital plans, (including prudential indicators);
   - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
   - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
   - an investment strategy, (the parameters on how investments are to be managed).

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision.

c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.6 The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Governance and Audit Committee.

1.7 There are no substantial changes to the Treasury Strategy to be adopted in 2023/24. CIPFA's proposed changes to the Prudential Code have sparked a great deal of debate in the local government sector, with the Local Government Association requesting that their introduction be held back, pending further clarifications being formally issued. As a consequence, the proposed changes, particularly those potentially impacting on existing commercial property holdings, are not yet cast in the Code as it currently stands. The Council is, however, complying with proposed new requirement to split the Capital Financing Requirement into assets held for service purposes and others held for investment purposes, which is purely presentational and adds transparency.

1.8 The Treasury Management Strategy for 2023/24 covers two main areas:

Capital issues
- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and

- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

Annex E(i)

The Capital Prudential Indicators 2023/24 – 2025/26

The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. Each indicator either summarises the expected capital activity or introduces limits upon that activity and reflects the outcome of the Council's underlying capital appraisal systems. Within this overall prudential framework there is an impact on the Council's treasury management activity – as it will directly impact on borrowing or investment activity and as such the Treasury Management Strategy for 2023/24 to 2025/26 complements these indicators.

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

The Capital Expenditure Plans

The Council's capital expenditure plans are summarised below, and this forms the first of the prudential indicators. A certain level of capital expenditure is grant supported by the Government; any decisions by the Council to spend above this level will be considered unsupported capital expenditure. This capital expenditure needs to have regard to:

- Service objectives (e.g. strategic planning);
- Stewardship of assets (e.g. asset management planning);
- Value for money (e.g. option appraisal);
- Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
- Affordability (e.g. implications for the council tax);
- Practicality (e.g. the achievability of the forward plan).

The revenue consequences of capital expenditure, particularly the unsupported capital expenditure, will need to be paid for from the Council's own resources. This capital expenditure can be paid for immediately (by applying capital resources such as capital receipts, capital grants, or revenue resources), but if these resources are insufficient any residual capital expenditure will add to the Council's borrowing need.

The key risks to the plans are that the level of Government support has been estimated and is therefore maybe subject to change. Similarly some estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale. For instance anticipated asset sales may be postponed due to external factors such as the impact of the wider economy.

The Council is asked to approve the summary capital expenditure projections below.

Capital Expenditure	**2023/24 Estimate £000**	**2024/25 Estimate £000**	**2025/26 Estimate £000**
Capital Expenditure	12,293	6,286	5,547
Commercial Activities	0	0	0
Financed by:			
Capital receipts	2,250	2,000	2,000
Capital grants & Contributions	5,866	3,270	3,270
Net financing need	**4,177**	**1,016**	**277**

The Council's Borrowing Need (the Capital Financing Requirement)
The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR. Due to the nature of some of the capital expenditure identified above (ie grant), an element will be immediately impaired or will not qualify as capital expenditure for CFR purposes. As such the net financing figure above may differ from that used in the CFR calculation. The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

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 - MRP), although it is also allowed to undertake additional voluntary payments (VRP). No additional voluntary payments are planned.

The Council is asked to approve the CFR projections below:

	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Capital Financing Requirement				
CFR – services	137,009	145,233	146,700	143,632
CFR - Commercial activities/ non-financial investments	84,591	84,055	83,507	83,331
Total CFR	**221,600**	**229,288**	**230,207**	**226,964**
Movement in CFR	**7,875**	**7,688**	**919**	**-3,243**
Movement in CFR represented by				
Net financing need for the year (above)	5,484	4,741	-2,201	-6,387
Less MRP/VRP and other financing movements	2,391	2,947	3,120	3,143
Movement in CFR	**7,875**	**7,688**	**919**	**-3,243**

The net financing need for the year includes expenditure related to budgets approved in prior years in addition to the new capital expenditure approved in 2023/24.

CLG Regulations have been issued which require full Council to approve an MRP Statement in advance of each year. The Council is recommended to approve the MRP Statement attached in Annex E(ii)

Minimum Revenue Provision (MRP) Policy Statement

The concept of the Minimum Revenue Provision (MRP) was introduced when the Local Government Capital Finance System was changed on 1 April 1990. This required local authorities to assess their outstanding debt and to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (MRP)

Department for Local Government & Communities (DCLG) issued regulations in 2008 which require a local authority to calculate for the current financial year an amount of MRP which it considers "prudent". The broad aim of a prudent provision is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits or in the case of borrowing supported by government, reasonably commensurate with the period implicit in the determination of the grant. The Council can choose to charge more than the minimum.

Further statutory guidance on MRP was issued by Government on 2 February 2018, which largely becomes effective from 1 April 2019. The exception related to the section allowing local authorities to change their approach to calculating MRP at any time, which took effect immediately. A key part of the updated guidance clarified that the duty to make MRP extends to investment properties where their acquisition has been partially or fully funded by an increase in borrowing or credit arrangements.

In order to minimise the impact on the revenue budget whilst ensuring that prudent provision is made for repayment of borrowing, the Council moved from the equal instalments method to the annuity method in calculating the annual charge over the estimated life of the asset from 1st April 2017. A variety of options are provided to councils under the regulations and guidance, so long as there is a prudent provision. Having sought advice from Counsel on permissible approaches following the revised guidance, the Executive Director:Resources recommends that Council approves the following MRP Statement.

- For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

  Based on CFR – MRP will be based on the CFR. This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

- From 1 April 2008 for all unsupported borrowing (including PFI and finance leases but excluding CPIS expenditure) the MRP policy will be:

  Asset life method - MRP will be based on the annuity basis, in accordance with the regulations. Repayments included in annual PFI or finance leases are applied as MRP.

- For assets purchased under the Commercial Property Investment Strategy (CPIS) the MRP policy will be:

  Partial deferral method – MRP will be charged at 10% of the property value over a 15 year period to reflect a realistic level of value risk, on the basis that the properties will typically be held for a period of no greater than around 10 to 20 years.

- For all other capital expenditure funded from borrowing where there is an intention to repay the borrowing from future related receipts (including loans to companies wholly or partly owned by the Council) and there is a strong likelihood that this will happen, the MRP policy will be:

  Deferral method - MRP will be deferred and the liability repaid through future capital receipts from disposing of the asset or loan repayments from third parties

There will be a presumption that capital receipts will be allocated to the appropriate assets in relation to the constraints of the medium term financial strategy.

The actual charge made in the year will be based on applying the above policy to the previous year's actual capital expenditure and funding decisions. Therefore the 2023/24 charge will be based on 2022/23 capital out-turn.

MRP Overpayments

A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2023 the total VRP overpayments are expected to be £2.081m.

TREASURY MANAGEMENT STRATEGY STATEMENT

The Treasury Management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Annex E(i) consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The Treasury Management service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992.

The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice - 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). This Council has adopted the revised Code.

As a result of adopting the Code the Council also adopted a Treasury Policy Statement. This adoption is the requirement of one of the prudential indicators.

The Code of Practice requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year, and a new requirement of the revision of the Code of Practice is that there is a mid-year monitoring report.

This strategy covers:

The Council's debt and investment projections;
The Council's estimates and limits on future debt levels;
The expected movement in interest rates;
The Council's borrowing and investment strategies;
Treasury performance indicators;
Specific limits on treasury activities;

Debt and Investment Projections 2023/24 – 2025/26
The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed.

	2023/24 Estimated	2024/25 Estimated	2025/26 Estimated
External Debt			
Debt at 31 March	£80m	£85m	£90m
Investments			
Investments at 31 March	£15m	£10m	£10m

Current Portfolio
The overall treasury management portfolio as at 31 March 2022 and for the position as at 31st October 2022 are shown below for both borrowing and investments

	Actual	Actual	Current	Current
	31/03/22	31/03/22	31/10/22	31/10/22
Treasury Investments	£000	%	£000	%
Money Market Funds	43,488	100	27,591	100
External Borrowing	£000	%	£000	%
Local Authorities	0	0	0	0
PWLB	80,000	100	80,000	100
Net Treasury Borrowing	36,512		52,409	

Limits to Borrowing Activity
Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.

The Executive Director:Resources reports that the Council has complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

The Authorised Limit for External Debt
A further key prudential indicator represents a control on the overall level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been exercised.

The Council is asked to approve the following Authorised Limit:

Authorised limit	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Borrowing	£230m	£235m	£240m
Other long term liabilities	£20m	£20m	£20m
Total	£240m	£255m	£260m

Operational Boundary for External Debt
The Authority is also recommended to approve the Operational Boundary for external debt for the same period. The proposed Operational Boundary is based on the same

estimates as the Authorised Limit but reflects directly the estimate of the most likely but not worst case scenario, without the additional headroom included within the Authorised Limit to allow for unusual cash movements.

Operational Boundary	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Borrowing	£235m	£240m	£245m
Other long term liabilities	£20m	£20m	£20m
Total	£255m	£260m	£265m

Borrowing in advance of need.
The Executive Director:Resources may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Executive Director:Resources will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities. Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual reporting mechanism.

Expected Movement in Interest Rates

The Council's treasury advisor, Link Asset Services has provided the following forecast:

Link Group Interest Rate View 27.09.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

Whilst the Council is in no longer 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 sitting at 3% and expected to move higher over the coming months.

The coronavirus outbreak wrought huge economic damage to the UK and to economies around the world with the Bank of England (BoE) taking emergency action in March 2020 to cut the Bank Rate to 0.10%. There were however increasing grounds for viewing the nascent economic recovery as running out of steam during 2022 with the potential for stagflation creating a dilemma for the Monetary Policy Committee (MPC) as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.

A number of events came to dominate both global and domestic economies over the last 12 months. Supply chain difficulties continued to force prices higher, and with an exceptionally tight labour market, inflation continued to rise in 2022. These problems were overshadowed by the war in Ukraine which has had a tumultuous impact on energy prices around the world. The Consumer Prices Index (CPI), the government preferred indicator of inflation, rose to over 10% - a 40 year high – forcing the BoE to begin a series of Bank Rate increases.

In August 2022 the MPC increased Bank Rate to 1.75%, with a further rise in September to 2.25%. As a result of political events in Westminster, a new government was formed and brought forward a step change in government policy aimed at delivering faster growth in the UK economy by cutting taxes in addition to supporting the intense energy pressures faced by the public. Unfortunately, the UK Treasury did not follow normal practices and the Fiscal Event was published without an analysis by the Office for Budget Review (OBR) and the economic markets took fright at the amount of unfunded tax cuts and future borrowing requirements. The market turmoil that followed led to a spike in market borrowing rates and a substantial fall in the pound. This led to the formation on a new Government and almost all the measures reversed in the proceeding weeks.

As such, whilst domestic factors have largely been unravelled, the UK still faces historically high inflation, a substantial risk of recession and the potential for further economic shocks from global insecurity, a resurgence of COVID limiting impacts on growth and general financial-market risk. This led the MPC to raise interest rates to 3% in November 2022.

In terms of current market views, pricing for December's meeting remains at 3.5% with markets continuing to expect the BoE to hike rates to 4.0% by February 2023 and to finish the year close to 4.75%. 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.

Investment and borrowing rates

- **Investment returns** are expected to continue to improve in 2023/24. However, while markets are pricing in a series of further Bank Rate hikes, actual economic circumstances may see the MPC fall short of these elevated expectations, but will need to balance the risk of continued higher inflation or a prolonged recession.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England however the economic conditions highlighted above reflect a different path in borrowing rates is now in place. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years and indeed the gap between investment rates and borrowing rates support this policy to be continued.

Borrowing Strategy 2023/24

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Executive Director:Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession as a result of COVID or other economic risks), then any long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an increase in world economic activity or a further spikes in inflation risks, then the portfolio position will be re-appraised.

The current and short-term economic conditions place considerable challenges on the Council's treasury activities. With considerable cash-balances the Council is clearly benefitting from the steep increase in investment rates, however this is matched by steadily rising borrowing rates which the Council may need to face in the near term. The cost of carry (the difference between borrowing and investment rates) is currently prohibitive at present and as such a policy of using internal resources whilst available is deemed to be the most appropriate. Any decisions will be reported to the Executive at the next available opportunity.

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Debt rescheduling

In this period of uncertainty and historically wild swings in gilt prices over such a short period of time, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Executive, at the earliest meeting following its action.

Investment Strategy 2023/24 – 2025/26

Investment Policy

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy.

The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

3. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. This authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in appendix under the categories of 'specified' and 'non-specified' investments.

    - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
    - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. Lending and transaction limits, (amounts and maturity), for each counterparty will be set through applying the matrix table shown under the Council's creditworthiness policy

6. This authority has engaged external consultants, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

7. All investments will be denominated in sterling.

Creditworthiness policy

This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following maturities .

Dark pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
Light pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
Blue	1 year (only applies to nationalised or semi nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
Banks	orange	£7m	1 yr
Banks – part nationalised	blue	£7m	1 yr
Banks	red	£7m	6 months
Banks	green	£7m	100 days
Banks	No colour	£0m	0 days
Debt Management Account Deposit Facility	AAA	£10m	6 months
Local authorities	n/a	£7m	1 yr
Money Market Funds (CNAV,LVNAV & VNAV)	AAA	£10m	liquid
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	£10m	liquid
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	£10m	liquid

The creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue influence to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of short term rating F1, long term rating A-, viability rating of A-, and a support rating of 1 There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored in real time. The Council is alerted to changes to ratings of all three agencies through its use of our creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government

In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded however the current investment limits for 2023/24 restrain all investments to less than 1 year. Any amendment to this strategy will require the credit-criteria to be amended to include a long-term rating. This will be addressed through the formal approval by Council of a revised Treasury Management Strategy and Annual Investment Strategy.

Country and Sector Considerations
Due care will be taken to consider the country, group and sector exposure of the Council's investments. The current investment strategy limits all investments to UK Banks, Building Societies and Local Authorities, in addition to Sterling denominated AAA Money Market Funds.

Economic Investment Considerations

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates. The criteria for choosing counterparties set out above provides a sound approach to investment in "normal" market circumstances. Whilst Members are asked to approve this base criteria above, under the exceptional current market conditions the Executive Director:Resources may temporarily restrict further investment activity to those counterparties considered of higher credit quality than the minimum criteria set out for approval. These restrictions will remain in place until the banking system returns to "normal" conditions. Similarly the time periods for investments will be restricted.

Examples of these restrictions would be the greater use of the Debt Management Deposit Account Facility (a Government body which accepts local authority deposits), Money Market Funds, and strongly rated institutions. The credit criteria have been amended to reflect these facilities.

Sensitivity to Interest Rate Movements
Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% change in interest rates to the estimated treasury management costs for next year per £m. However as all borrowing is fixed any increase in rates will only impact on new borrowing.

	2023/24 Estimated + 1% per £m	**2023/24 Estimated - 1% per £m**
Revenue Budgets	**£'000**	**£'000**
Borrowing costs	100	100

Treasury Management Limits on Activity
There are four further treasury activity limits, which were previously prudential indicators. The purpose of these are to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs/improve performance. The indicators are:

Upper limits on variable interest rate exposure – This identifies a maximum limit for variable interest rates based upon the debt position net of investments

Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.

Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

Total principal funds invested for greater than 364 days – These limits are set with regard to the Council's liquidity requirements and are based on the availability of funds after each year-end.

The Council is asked to approve the limits:

	2023/24	**2024/25**	**2025/26**
Interest rate Exposures			
	Upper	**Upper**	**Upper**
Limits on fixed interest rates based on net debt	£255m	£260m	£265m
Limits on variable interest rates based on net debt	£255m	£260m	£265m
Maturity Structure of fixed interest rate borrowing 2017/18			
		Lower	**Upper**
Under 12 months		0%	100%
12 months to 2 years		0%	100%
2 years to 5 years		0%	100%
5 years to 10 years		0%	100%
10 years and above		0%	100%
Maximum principal sums invested > 364 days			
Principal sums invested > 364 days	£m 0	£m 0	£m 0

Performance Indicators
The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. For 2023/24 the relevant benchmark will relate only to investments and will be the Sterling Overnight Index Average (SONIA) The results of these indicators will be reported in the Treasury Annual Report.

Treasury Management Advisers
The Council uses Link Asset Services as its treasury management consultants. The Council recognises that responsibility for treasury management decision remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review.

Member and Officer Training

The increased Member consideration of treasury management matters and the need to ensure officers dealing with treasury management are trained and kept up to date requires a suitable training process for Members and officers. Following the nomination of the Governance and Audit Committee to examine and assess the effectiveness of the Treasury Management Strategy and Policies, initial training was provided and additional training was has been undertaken as necessary. Officer training is carried out in accordance with best practice and outlined in TMP 10 Training and Qualifications to ensure that all staff involved in the Treasury Management function are fully equipped to undertake the duties and responsibilities allocated to them

SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated.

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Maximum period
Debt Management Agency Deposit Facility* (DMADF) * this facility is at present available for investments up to 6 months	No	Yes	Govt-backed	In-house	364 Days
Term deposits with the UK government or with Local Authority (including Parish Councils) in England, Wales, Scotland or Northern Ireland with maturities up to 364 Days	No	Yes	High security although LAs not credit rated.	In-house and by external fund managers subject to the guidelines and parameters agreed with them	364 Days
Term deposits with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 364 Days	No	Yes	*As per list of approved Counterparties*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	364 Days
Certificates of Deposit issued by credit-rated deposit takers (banks and building societies) : up to 364 Days. *Custodial arrangement required prior to purchase*	No	Yes	*As per list of approved Counterparties*	To be used by external fund managers only subject to the guidelines and parameters agreed with them	364 Days
Gilts : up to 364 Days	No	Yes	Govt-backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	364 Days

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating **	Circumstance of use	Maximum period
Money Market Funds CNAV, LVNAV, and VNAV *These funds do not have any maturity date*	No	Yes	*AAA Rating by Fitch, Moodys or S&P*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements
Forward deals with credit rated banks and building societies < 1 year (i.e. negotiated deal period plus period of deposit)	No	Yes	*As per list of approved Counterparties*	In-house and by external fund managers subject to the guidelines and parameters agreed with them. Tracking of all forward deals to be undertaken and recorded.	1 year in aggregate
Commercial paper *[short-term obligations (generally with a maximum life of 9 months) which are issued by banks, corporations and other issuers]* *Custodial arrangement required prior to purchase*	No	Yes	*As per list of approved Counterparties*	To be used by external fund managers only subject to the guidelines and parameters agreed with them	9 months
Treasury bills [*Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value*] *Custodial arrangement required prior to purchase*	No	Yes	Govt-backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	1 year

NON-SPECIFIED INVESTMENTS

All investments listed below must be sterling-denominated.

Investment	**(A) Why use it?** **(B) Associated risks?**	**Share/ Loan Capital?**	**Repayable/ Redeemable within 12 months?**	**Security / Minimum credit rating ****	**Circumstance of use**	**Maximum maturity of investment**
Deposits with Authority's Banker where credit rating has dropped below minimum criteria	Where the Council's bank no longer meets the high credit rating criteria set out in the Investment Strategy the Council has little alternative but to continue using them, and in some instances it may be necessary to place deposits with them, these deposits should be of a very short duration thus limiting the Council to daylight exposure only (i.e. flow of funds in and out during the day, or overnight exposure).	No	Yes	n/a	In-House	*364 Days*
Term deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid : as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	No	*As per list of approved Counterparties*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	*5 Years*
Certificates of Deposit with credit rated deposit takers (banks and building societies) with maturities greater than 1 year *Custodial arrangement required prior to purchase*	(A) (i) Although in theory tradable, are relatively illiquid. (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of CD which could negatively impact on price of the CD.	No	Yes	*As per list of approved Counterparties*	To be used by external fund managers only subject to the guidelines and parameters agreed with them	*5 years*

Investment	**(A) Why use it?** **(B) Associated risks?**	**Share/ Loan Capital?**	**Repayable/ Redeemable within 12 months?**	**Security / Minimum Credit Rating?**	**Circumstance of use**	**Maximum maturity of investment**
Callable deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity. (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk : borrower will not pay back deposit if interest rates rise after deposit is made.	No	No	*As per list of approved Counterparties*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	*5 years*
UK government gilts with maturities in excess of 1 year *Custodial arrangement required prior to purchase*	(A) (i) Excellent credit quality. (ii)Very Liquid. (iii) If held to maturity, known yield (rate of return) per annum ~ aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss.	No	Yes	Govt backed	To be used by external fund managers only subject to the guidelines and parameters agreed with them	*10 years including but also including the 10 year benchmark gilt*

Investment	**(A) Why use it?** **(B) Associated risks?**	**Share/ Loan Capital?**	**Repayable/ Redeemable within 12 months?**	**Security / Minimum credit rating ****	**Circumstance of use**	**Maximum maturity of investment**
Forward deposits with credit rated banks and building societies for periods > 1 year (i.e. negotiated deal period plus period of deposit)	(A) (i) Known rate of return over period the monies are invested ~ aids forward planning. (B) (i) Credit risk is over the whole period, not just when monies are actually invested. (ii) Cannot renege on making the investment if credit rating falls or interest rates rise in the interim period.	No	No	*As per list of approved Counterparties*	In-house and by external fund managers subject to the guidelines and parameters agreed with them. Tracking of all forward deals to be undertaken and recorded.	*5 years*
Deposits with unrated deposit takers (banks and building societies) but with unconditional financial guarantee from HMG or credit-rated parent institution : any maturity	(A) Credit standing of parent will determine ultimate extent of credit risk	No	Yes	*As per list of approved Counterparties*	In-house and by external fund managers subject to the guidelines and parameters agreed with them	*1 year*

Reserves & Balances Policy Statement

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

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

Reserves and Balances can be held for a number of purposes

General Balances

Balance	Purpose	Policy	Value
General Fund	Provides general contingency for unavoidable or unforeseen expenditure and to cushion against uneven cash flows and provides stability in longer term financial planning.	Policy based on a risk assessment of budget and medium term financial plans. Historically a sum equivalent to 5% of the net revenue budget (c.£4.5m) has been considered to be the minimum prudent level, though this needs to be kept under review as risks change.	March 20 £7.091m March 21 £10.327m March 22 £11.346m March 23 £10.571m March 24 £10.571m

Earmarked Reserves

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

Reserve	Purpose	Policy	Value
Insurance and other Uninsured Claims	This provides cover for the excess payable on claims under the Council's insurance policies (self insurance). It also provides for any potential future claims not covered by existing policies, including contractual disputes and legal claims.	Needs to be at a level where the provision could sustain claims in excess of current claims history	March 20 £3.059m March 21 £2.909m March 22 £3.096m March 23 £3.137m March 24 £3.137m
Budget Carry Forward	Used to carry forward approved unspent monies to the following year.	Budget Carry Forwards are permitted only in accordance with the scheme set out in financial regulations.	March 20 £0.054m March 21 £0.193m March 22 £1.035m March 23 £0.000m
Cost of Structural Change	The reserve gives an opportunity to fund the one-off additional costs arising from restructuring before the benefits are realised.	This reserve will be used to meet organisational wide and departmental restructures where there are demonstrable future benefits.	March 20 £3.158m March 21 £2.929m March 22 £2.128m March 23 £2.000m March 24 £1.750m
Schools' Balances	These funds are used to support future expenditure within the Dedicated Schools Block and include individual school balances.	Balances are permitted to be retained by Schools under the Schools Standards & Framework Act 1998. Policies are set and the reserves are managed by schools and the LEA has no practical control over the level of balances.	March 20 £1.015m March 21 £2.141m March 22 £2.906m March 23 £2.490m March 24 £2.640m
Discretionary School Carry Forwards	The statutory requirement to carry forward school balances has been extended to cover those held for Pupil Referral Units and the Schools Specific Contingency as set out in the financial regulations.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the	March 20 £0.023m March 21 £0.000m March 22 £0.000m March 23 £0.000m March 24 £0.000m

Reserve	Purpose	Policy	Value
		legislation for the financial years 2020/21 to 2025/26.	
Unused Schools Budget Balance	The Schools Budget is a ring fenced account, fully funded by external grants, the most significant of which is the Dedicated Schools Grant. Any under or overspending remaining at the end of the financial year must be carried forward to the next year's Schools Budget and as such has no impact on the Council's overall level of balances.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation for the financial years 2020/21 to 2025/26.	March 20 -£0.141m March 21 £0.000m March 22 £0.000m March 23 £0.000m March 24 £0.000m
SEN Resource Units	An earmarked reserve set up in 2012/13 from the under spend on the Schools Budget to fund building adaptations required to develop SEN (special education needs) resource units.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, an unusable reserve, as required under the legislation for the financial years 2020/21 to 2025/26.	March 20 £0.459m March 21 £0.000m March 22 £0.000m March 23 £0.000m March 24 £0.000m
School Expansion Rates	An earmarked reserve set up in 2013/14 from the under spend on the Schools Budget to help finance the increase in Business Rates arising from school expansions. School budgets are normally set on a provisional figure and the reserve will absorb the differences between provisional and actual figures.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation for the financial years 2020/21 to 2025/26.	March 20 £0.364m March 21 £0.000m March 22 £0.000m March 23 £0.000m March 24 £0.000m
School Diseconomy Costs	An earmarked reserve set up in 2016/17 from the under spend on the Schools Budget to help finance the medium term cost pressure that will arise from new schools being built. These will generally open with relatively low pupil numbers and will therefore need additional financial support until pupil numbers reach a viable level.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation for the financial years 2020/21 to 2025/26.	March 20 £0.746m March 21 £0.000m March 22 £0.000m March 23 £0.000m March 24 £0.000m

Reserve	Purpose	Policy	Value
SEN Strategy Reserve	An earmarked reserve set up in 2017/18 from the under spend on the Schools Budget to help finance the additional medium term costs arising from implementation of the SEN Strategy, assisting with the early implementation of change to improve the outcomes of children and to explore the potential for different models of alternative provision.	As the Schools Budget is in an overall deficit position the balance on this earmarked reserve has been transferred to the Dedicated Schools Grant Adjustment Account, a new unusable reserve, as required under the legislation for the financial years 2020/21 to 2025/26..	March 20 £0.356m March 21 £0.000m March 22 £0.000m March 23 £0.000m March 24 £0.000m
Repairs & Renewals	The Council has accumulated funding in an earmarked reserve from service charges paid by tenants at Longshot Lane, Forest Park and Liscombe.	The reserve is held in order to finance future improvement works thereby reducing pressure on maintenance budgets.	March 20 £0.046m March 21 £0.046m March 22 £0.057m March 23 £0.068m March 23 £0.079m
Building Regulation Chargeable Account	A statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose. The account is currently in deficit and therefore there is no balance on the reserve.	March 20 £0.000m March 21 £0.000m March 22 £0.000m March 23 £0.000m March 24 £0.000m
Commuted Maintenance of Land	Money is received and set aside for the ongoing maintenance of land transferred to the Council under Section 106 agreements.	The reserve will be used to cover the cost of maintaining land transferred to the Council under Section 106 agreements.	March 20 £1.636m March 21 £1.636m March 22 £1.622m March 23 £1.524m March 24 £1.424m
S106 and Travel Plan Monitoring	Money is received and set aside to cover the costs of monitoring developers' compliance with Section 106 agreements, including any travel plan requirements.	The reserve will be used to cover the cost of monitoring developers' compliance with Section 106 agreements, including any travel plan requirements.	March 20 £0.145m March 21 £0.145m March 22 £0.145m March 23 £0.146m March 24 £0.146m
Property Searches	A reserve created for a statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring	March 20 £0.090m March 21 £0.113m

Reserve	Purpose	Policy	Value
Chargeable Account		fenced and cannot be used for any other purpose.	March 22 £0.143m March 23 £0.162m March 24 £0.162m
Transformation	A reserve to support investment in service innovation and improvements.	The reserve will be used to meet the upfront costs of transformation.	March 20 £3.179m March 21 £3.370m March 22 £3.499m March 23 £2.764m March 24 £1.000m
Revenue Grants Unapplied	A reserve to hold unspent revenue grants and contributions where there are no outstanding conditions.	The reserve will be used to match the grant income to the associated expenditure.	March 20 £10.781m March 21 £14.747m March 22 £16.071m March 23 £14.865m March 24 £14.376m
School Masterplans and Feasibility Studies	A reserve to meet the cost of masterplans and feasibility studies for schools expansion.	Any upfront costs incurred prior to a decision being taken to construct an asset may need to be met from revenue.	March 20 £0.373m March 21 £0.330m March 22 £0.200m March 23 £0.000m March 24 £0.000m
Public Health	Under the conditions of the Public Health grant, any under spend of the ring fenced grant can be carried over via a reserve into the next financial year.	The reserve will be used to fund Public Health priorities and projects.	March 20 £1.719m March 21 £2.513m March 22 £2.642m March 23 £1.671m March 24 £1.165m
Better Care Fund	A reserve to help meet the cost of Better Care Fund priorities and projects.	The reserve will be used to fund Better Care Fund priorities and projects.	March 20 £2.322m March 21 £3.034m March 22 £5.511m March 23 £2.611m March 24 £1.611m

Reserve	Purpose	Policy	Value
Regeneration of Bracknell Town Centre	A reserve to help meet the cost of Council funded Town Centre initiatives	The reserve will be used to fund Town Centre initiatives.	March 20 £4.313m March 21 £6.038m March 22 £8.036m March 23 £4.000m March 24 £0.000m
London Rd Feasibility	A reserve which will be used to meet professional fees regarding the London Road landfill site.	The reserve will be used to cover professional fees relating to the feasibility study. It now includes contributions from the other Berkshire Unitaries.	March 20 £0.212m March 21 £0.212m March 22 £0.191m March 23 £0.181m March 23 £0.171m
Future Funding	A reserve which will be used to smooth the impact of changes in Business Rates income and central government funding decisions.	The reserve will help to balance the revenue budget over the medium term.	March 20 £18.146m March 21 £18.424m March 22 £18.424m March 23 £19.924m March 24 £16.307m
Dilapidations	A reserve to hold funds from tenants for end-of-lease property repairs and reinstatements.	The reserve will be used to carry out repairs and reinstatements to commercial properties required before they can be re-let.	March 20 £0.045m March 21 £0.045m March 22 £0.045m March 23 £0.045m March 24 £0.045m
Schools Support	A reserve to recognise the reduced scope within the dedicated schools grant to provide temporary loans to schools in financial difficulties	To ensure that government policy changes do not impact on the ability to provide temporary loans to schools	March 20 £0.251m March 21 £0.251m March 22 £0.251m March 23 £0.251m March 24 £0.051m
Waste PFI Excess Profits	A reserve to hold excess profits payments by the contractor under the Waste PFI scheme.	Excess profits payments are potentially repayable, depending on future performance, and have therefore been placed in a reserve.	March 20 £0.124m March 21 £0.164m March 22 £0.302m March 23 £0.377m March 23 £0.452m

Annexe F

Reserve	Purpose	Policy	Value
Feasibility Studies	A reserve to provide revenue funding in the event that proposed capital schemes do not proceed beyond initial feasibility stage.	Any upfront costs incurred prior to a decision being taken to construct an asset may need to be met from revenue.	March 20 £0.394m March 21 £0.394m March 22 £0.394m March 23 £0.394m March 24 £0.394m
New Schools	A reserve to help support the additional cost arising from new schools over the next four years	The reserve will be used to help meet the cost of new schools in the short term whilst they become established.	March 20 £0.662m March 21 £0.409m March 22 £0.182m March 23 £0.000m
CIL Administrative Costs	Up to 5% of CIL income can be used to meet administrative costs. Income in excess of the budgeted administrative costs will be transferred into this reserve at year end to meet future costs of administering the scheme.	The reserve will be used to meet administrative costs of the scheme where insufficient CIL is received in year.	March 20 £0.298m March 21 £0.298m March 22 £0.426m March 23 £0.523m March 24 £0.573m
Covid-19	A reserve to hold revenue funding provided by Central Government to support the Covid-19 Pandemic.	The reserve will be used to match the grant income to the associated expenditure.	March 20 £2.289m March 21 £2.289m March 22 £2.289m March 23 £1.969m March 24 £1.656m
Business Rates Revaluations	A reserve to guard against the impact of in-year Business Rates valuation adjustments	The reserve will be used to meet the cost of any significant downward Business Rates valuations.	March 21 £7.500m March 22 £7.500m March 23 £6.336m March 24 £6.336m
Business Rates Reliefs	A reserve to reflect the timing difference between the receipt of S31 grant relating to new Business Rates reliefs and the funding of the resulting deficit on the Collection Fund.	The reserve will be used to meet any Collection Fund deficits relating to Business Rates reliefs agreed by the Government after the budget is set. Funding will be provided from S31 grant received in the previous year.	March 21 £13.047m March 22 £6.875m March 23 £4.447m March 24 £0.000m

Reserve	Purpose	Policy	Value
Street Works - Permit Scheme Reserve	A reserve created for a statutory ring fenced account which over time must breakeven.	This reserve is held for specific accounting reasons. The funds in this reserve are ring fenced and cannot be used for any other purpose.	March 22 £0.098m March 23 £0.146m March 24 £0.146m
Inflation Reserve	A new reserve that recognises the budget was set using the much lower inflation rates applicable in September 2021.	The reserve will be used to meet the additional inflationary pressures that arise in 2022/23.	March 22 £1.500m March 23 £0.000m

Unusable Revenue Reserves

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

Balance	Purpose	Policy	Value
Collection Fund Adjustment Account	A reserve required to reflect Collection Fund changes included in the SORP 2009. The balance represents the difference between the Council Tax income included in the Income and Expenditure Account and the amount required by regulation to be credited to the General Fund.	This balance is held for specific accounting reasons.	March 20 £8.250m March 21 -£11.378m March 22 -£6.247m March 23 -£5.000m March 23 -£5.000m
Accumulated Absences Account	A reserve which absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year (e.g. annual leave and flexi-time entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.	This balance is held for specific accounting reasons.	March 20 -£5.177m March 21 -£6.182m March 22 -£6.009m March 23 -£6.009m March 24 -£6.009m
Pensions	Reflects the Council's share of the Royal County of Berkshire Pension Fund's assets and liabilities. Contributions will be adjusted to ensure any projected deficit is funded.	This balance is held for specific accounting reasons.	March 20 -£245.019m March 21 -£354.422m March 22 -£314.696m March 23 -£314.696m March 24 -£314.696m
Dedicated Schools Grant Adjustment Account	This is a new unusable reserve required under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2020.	If the Schools Budget is in a deficit position for the financial years 2020/21 to 2022/23 the balance is held against this account per the new legislation	March 21 -£2.626m March 22 -£9.340m March 23 -£17.194m March 24 -£24.320m

Annexe G

PROVISIONAL BUDGET SUMMARY STATEMENT
Subject to amendment in the light of final budget decisions

Line		2023/24	2022/23
		£'000	**£'000**
	Bracknell Forest's Expenditure		
1	Central	23,389	21,441
2	Delivery	20,959	17,459
3	People	99,627	96,032
4	Corporate Wide Items (to be allocated)	70	657
5	**Sub-Total**	**144,045**	**135,589**
6	**Non-Departmental Expenditure**		
7	Contingency provision	2,750	1,900
8	Debt Financing Costs (Minimum and Voluntary Revenue Provisions)	2,465	2,242
9	Levying Bodies	131	124
10	Interest	1,804	1,644
11	Pension Interest Cost & Administration Expenses	7,137	7,137
12	Other Services	223	230
13	Business Rates Growth	(10,561)	(9,537)
14	Contribution from Capital Resources	(200)	(200)
15	Capital Charges	(15,796)	(15,796)
16	Contribution from Pension Reserve	(25,582)	(25,582)
17	Contribution to/(from) Earmarked Reserves	<<<<<<	1,529
18	Contribution from DSG Adjustment Account	(7,166)	(7,500)
19	New Homes Bonus grant	(786)	(2,294)
20	Flood and Travel Related Grants	(14)	(15)
21	Lower Tier Services Grant	0	(199)
22	Services Grant	(654)	(1,160)
23	**Net Revenue Budget**	**<<<<<**	**88,112**
24	Movement in General Fund Balances	0	(775)
25	**Net Revenue Budget after use of balances**	**<<<<<**	**87,337**
26	Less - External Support		
27	Business Rates	(17,462)	(16,832)
28	Revenue Support Grant	(2,148)	(1,837)
29	Collection Fund Adjustment – Council Tax	396	(354)
30	Collection Fund Adjustment – Business Rates	4,980	2,428
31	**Bracknell Forest's Council Tax Requirement**	**<<<<<**	**70,742**
32	**Collection Fund**		
33	Bracknell Forest's Requirement	<<<<<	70,742
34	divided by the Council Tax Base ('000)	48.756	48.249
35	**Council Tax at Band D (excluding Parishes)**		
36	Bracknell Forest	£<<<<<	£1,466.19

Virements between Directorates

Total	Explanation
£'000	
	Central
421	Additional cost of the 2022/23 Pay Award met from the Inflation Reserve
	Delivery
300	Additional cost of the 2022/23 Pay Award met from the Inflation Reserve
4	Carbon Reduction Initiatives - allocation to Delivery
	People
779	Additional cost of the 2022/23 Pay Award met from the Inflation Reserve
	Non Departmental / Council Wide
-1,500	Additional cost of the 2022/23 Pay Award met from the Inflation Reserve
-4	Carbon Reduction Initiatives - allocation to Delivery
0	**Total Virements**

Annexe I

Initial Equalities Screening Record Form

Date of Screening: **23rd November 2022**	**Directorate:** **People**	**Section:** **Children's Social Care**
1. Activity to be assessed	Removal of the Early Help Development Worker (.5FTE) post from MASH/ First Response within Children's Social Care, as part of the budget savings proposals for 2023/2024. This role is not customer facing – the role provides advice and capacity building with our partners in helping them make appropriate referrals into the MASH using the Common Assessment Framework (CAF). The main partner agencies which the post engages with are schools / education, health partners and adult services such as drug and alcohol, mental health etc.	
2. What is the activity?	☐ Policy/strategy ☐ Function/procedure ☐ Project ☐ Review ☐ Service ☒ **Organisational change**	
3. Is it a new or existing activity?	☒ **New** ☐ Existing	
4. Officer responsible for the screening	Steve Bailey	
5. Who are the members of the screening team?	Steve Bailey and Jo Lillywhite	
6. What is the purpose of the activity?	We have reviewed and transformed our Front Door functionality and streamlined processes, making better use of the online portal for making referrals. There are a low number of CAFs and a reduction in the workflow of the Early Help Development Worker; so an opportunity to review the need for this role and consider as part of the department's cost efficiencies.	
7. Who is the activity designed to benefit/target?	There will be c £22K cost savings benefit to the council to contribute towards savings activities.	

Protected Characteristics	**Please tick yes or no**		**Is there an impact?** What kind of equality impact may there be? Is the impact positive or adverse or is there a potential for both? If the impact is neutral please give a reason.	**What evidence do you have to support this?** E.g equality monitoring data, consultation results, customer satisfaction information etc Please add a narrative to justify your claims around impacts and describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making, include consultation results/satisfaction information/equality monitoring data
8. Disability Equality – this can include physical, mental health, learning or sensory disabilities and includes conditions such as dementia as well as hearing or sight impairment.		N	Neutral	The role provides for children and families of all abilities. The main referrer into the MASH for children with disabilities are our partners in special needs schools and it is these settings which may, from time to time, require advice or support in how to / when to make a referral into the MASH. Over the last year, the MASH

				has been allocated 10 hours of time a week from 'Safeguarding Our Schools' who will be able to provide information and advice instead of this specific post. Therefore I have screened this change as having a neutral impact as other resourcing will have capacity to absorb this work, this that resource holding specific expertise in safeguarding and the roles and duties of schools.
9. Racial equality		N	eutral	his role does not have specific outreach to Global ajority focussed organisations as part of it's function. here is no identified impact on racial equality and access services in the MASH by deletion of this post.
10. Gender equality		N	Neutral	No impact identified
11. Sexual orientation equality		N	Neutral	No impact identified
12. Gender re-assignment		N	Neutral	No impact identified
13. Age equality		N	Neutral	Whilst this role predominantly provides services for school age children, the MASH (the team in which this role is based) has seen a cost neutral addition of 10 hours of staff support from Safeguarding our Schools into the MASH, meaning that the deletion of this post will not negatively impact on school aged children.
14. Religion and belief equality		N	Neutral	No impact identified
15. Pregnancy and maternity equality		N	Neutral	The pre-birth safeguarding protocol is closely managed by the MASH Team Manager and not through this specific post. There has been particular work done by the team manager to develop our responses to pre-birth referrals and their pregnant mothers to ensure timely and effective referrals by midwifery. This post is not involved with this activity in the MASH and therefore no impact has been assessed in this screening.

16. Marriage and civil partnership equality		N	Neutral	No impact identified
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders, armed forces communities) and on promoting good community relations.	This post also undertakes auditing activity and training delivery to external partners, helping them understand the role of the MASH and how to make a good referral using the online portal. This work was predicated on the transformation work which took place 2 years ago when we created the online portal for referrals – and this role has played a part in supporting partners to use the portal effectively. The program of multi-agency training which has been delivered is now complete and the use of the online portal is now Business as Usual for our partners who will now take the ownership of their own QA activity on the referrals which they make.			
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	No adverse or negative impacts have been identified through this screening process.			
19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	N/A			
20. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?		N	This is not unlawful; and the process will be subject to adherence to established HR processes and consultation.	
21. What further information or data is required to better understand the impact? Where and how can that information be obtained?	None recommended			
22. On the basis of sections 7 – 17 above is a full impact assessment required?		N	No adverse or negative impacts have been identified to any member of groups within our community who hold a protected characteristic under the Equalities Act.	

23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.

Action	Timescale	Person Responsible	Milestone/Success Criteria

24. Which service, business or work plan will these actions be included in?	N/A		
25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?	N/A		
26. Assistant Director/Director signature.	Signature:		Date: 5/12/22