

To Schools Forum
Date 11 January 2024

**2024/25 Proposals for the Local Authority Budget
Executive Director: Resources**

1 Purpose of report

- 1.1 To present to the Forum for comment a summary of the Council's draft budget proposals for 2023/24 as agreed by the Executive on 13 December 2022, with a particular focus on the impact expected on the People Directorate.
- 1.2 The papers for the Executive meeting had to be published before the Provisional Local Government Financial Settlement had been announcement. This sets out individual authority funding calculations for 2024/25. Therefore, in the absence of the Provisional Settlement, the figures in this report can only be based on high-level assumptions regarding government funding.
- 1.3 All comments received on these draft budget proposals will be submitted to the Executive on 6 February 2024 alongside any impact from the announcement of the Finance Settlement. This will allow the Executive to determine its final budget package and recommend the appropriate Council Tax level to Council, which will formally approve the 2024/25 budget and Council Tax on 21 February 2024.

2 Recommendations

- 2.1 **That the Schools Forum comments on the 2024/25 budget proposals of the Executive for the People Directorate in respect of:**
 - i. **The revenue budget (Annexes A to C), and**
 - ii. **The capital programme (Annexe D).**

3 Reasons for recommendations

- 3.1 The Executive seeks the views of the Schools Forum as an interested party.

4 Alternative options considered

- 4.1 The range of options being considered are set out in the main reports on the public access website.

5 Supporting information

Introduction

- 5.1 This report presents a summary of the Council's revenue and capital budget proposals for 2024/25 that were prepared on information and assumptions available at the end of November 2023 and are therefore subject to change as more information emerges or changes occur as part of the consultation process. The focus of this report is proposals from the People Directorate, with full details of the budget proposals available at:

[Agenda for Executive on Tuesday, 12 December 2023, 5.30 pm | Bracknell Forest Council \(bracknell-forest.gov.uk\)](#)

Revenue Budget

Commitment budget

- 5.2 Initial preparations for the 2024/25 budget have focussed on the Council's Commitment Budget for 2024/25 – 2026/27. This brings together the Council's existing expenditure plans, taking account of approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the 2023/24 budget was set.
- 5.3 A number of changes are proposed to the Commitment Budget since it was last considered by the Executive in February 2023. The most significant changes relate to:
- Removal of one-off initiatives agreed for 2023/24 only, relating to additional Council Tax Support, Town Centre events and an additional Housing and Welfare Officer (cost neutral on the budget as they were met from Earmarked Reserves or one-off grants).
 - The full year effect of savings relating to the transfer of housing stock from Downshire Homes Limited (a wholly owned subsidiary) to the Council which were identified as part of the 2023/24 budget process (-£0.240m).
 - An increase in the Minimum Revenue Provision for capital expenditure, primarily relating to the need to increase the annual provision for Commercial Property resulting from changes in government guidance (£0.249m).
 - An increase in the payments required to meet prior year pension deficits (£0.295m). This reflects the phased increase agreed with the Berkshire Pension Fund and the impact of schools converting to academies.
 - A pressure was included in the 2023/24 budget to give the Forestcare service the necessary capacity to move to a sustainable position. This was due to be reversed in 2024/25 but with the service not projecting a break even position in the current year that is no longer possible (£0.153m).
 - The full year effect on interest payments, of the use of balances in 2023/24 (£0.613m).

The overall impact of these changes is to increase the Council's Commitment Budget by £0.130m compared to the position reported in February 2022.

- 5.4 Taking account of these changes, Table 1 summarises the position and shows that base expenditure (excluding schools) is planned to increase by £0.915m to £90.748m next year, before consideration is given to allowances for inflation and the budget

proposals identified by individual services in 2024/25. The commitment budget relating to the People Directorate is shown in Annexe A.

Table 1: Summary Commitment Budget 2024/25-2026/27

Item	Planned Expenditure		
	2024/25 £000	2025/26 £000	2026/27 £000
Base Budget	89,287	90,202	90,445
<i>Movements in Year:</i>			
Central	-103	-7	-90
Delivery	-241	16	-15
People (excluding schools)	37	-20	0
Non Departmental / Council Wide	1,222	254	337
<i>Total Movements</i>	915	243	232
Adjusted Base	90,232	90,445	90,677

Provisional Local Government Finance Settlement 2024/25

- 5.5 On 12 December 2022, the Government published a policy statement which not only covered its high level intentions for the Local Government Finance Settlement in 2023/24 but also provided additional information relating to the 2024/25 settlement. It confirmed that the core settlement would continue in a similar manner for 2024/25. The major grants would continue as set out for 2023/24: Revenue Support Grant will continue and be uplifted in line with Baseline Funding Levels (i.e., linked to CPI and the Business Rates multiplier) and the Social Care Grant and other social care grants would increase as set out in the Autumn Statement 2022 (published on 17 November 2022).
- 5.6 The Autumn Statement 2022 confirmed the following increases in social care funding for 2024/25:
- Further repurposed money from delaying charging reforms of £612m (from £1.265 billion in 2023/24 to £1.877 billion in 2024/25). Based on the 2023/24 allocations this would increase Social Care Grant by a further -£0.682m.
 - An additional £400m distributed through the Better Care Fund to get people out of hospital on time into care settings and split 50:50 between Local Government and Health. Based on the 2023/24 allocations this would increase the Adult Social Care (ASC) Discharge Fund by -£0.143m.
 - An additional £283m to help support capacity and discharge. Based on the 2023/24 allocations this would increase the ASC Market Sustainability and Improvement Fund by a further -£0.427m.
- 5.7 The policy statement also referred to a potential new funding stream in 2024/25, subject to successful delivery of the Extended Producer Responsibility for packaging (EPR) scheme in 2023/24. Under the EPR regulations, retailers and packaging suppliers would have to pay for the full cost of recycling and disposing of their packaging. Implementation of the proposals has now been deferred until October 2025 with first payments to councils now expected to be made between then and December

2025. As a result, any impact on the finance settlement will be pushed back until 2025/26.

- 5.8 The Autumn Statement 2023 (published on 12 November 2023) provided some additional information on Business Rates for 2024/25. The small business multiplier will be frozen for a fourth consecutive year whereas the standard multiplier will be updated in line with September CPI inflation (6.7%). The 75% Business Rates discount for retail, hospitality and leisure sites has also been extended for another year. It is expected that, as in previous years, additional Section 31 grant will be provided to compensate for the loss of income from the freezing of the small business multiplier and the granting of additional reliefs.
- 5.9 In terms of the local government funding system and the long-term Fair Funding and Business Rate Retention System reviews, it seems very unlikely that any changes will be introduced until 2026/27 at the earliest.
- 5.10 Each of these issues are discussed in more detail below, insofar as this is possible before the announcement of the Provisional Local Government Financial Settlement. A policy statement on the Department for Housing, Levelling Up and Communities' (DLUHC's) approach to the Provisional Settlement is also expected, but it is unclear what form this will take.
- 5.11 Each of these issues are discussed in more detail below, insofar as this is possible before the announcement of the Provisional Local Government Financial Settlement.

Revenue Support Grant (RSG)

- 5.12 Funding from central government is currently received through Revenue Support Grant (RSG), a share of Business Rates and Specific Grants. For planning purposes, it has been assumed that RSG will increase by -£0.043m (2%) to -£2.191m in 2024/25.

Business Rates

- 5.13 Business Rates is an important income stream for the Council with a proportion being retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), periodic revaluations, the impact of appeals and local growth or decline as local businesses and economic conditions expand or contract. The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government. The baseline tends to be linked to the change in the Business Rates multipliers which are in turn linked to September CPI. It has been assumed that the baseline will only increase by -£0.349m (2%) to -£17.811m in 2024/25. This assumption will be revisited when the finer details of the decision to freeze the small business multiplier but inflate the standard multiplier have been published.
- 5.14 There are a number of other factors that can impact on the overall level of Business Rates income that the Council can expect and the final budget position.
- A revaluation exercise was carried out in 2023/24 where changes in business rates collectable were typically matched by compensating adjustments to grant funding to ensure no impact (at least immediately) on local authorities' resources. This will now be updated in 2024/25.
 - The Council receives section 31 income to cover the loss of income resulting from the capping or freezing of Business Rates increases in several previous

years and the impact of several Business Rate Reliefs. The changes announced in the Autumn Statement 2023 will impact on the level of this income, but that impact has still to be determined.

- In January 2023 a large deficit of £4.980m was projected on the Business Rates element of the Collection Fund for 2022/23. At this stage a significant deficit is expected, which is primarily linked to the VOA's decision to reduce the rateable values of a number of properties within the Lexicon and to backdate this to 2017. With any deficit on the Collection Fund needing to be recovered in the next year's budget, this will need to be met either by reducing spending by an equal sum in 2024/25 or from the Council's reserves. A sum of £6.26m is included in the Council's Earmarked Reserves for Business Rates Revaluations.
- Successful appeals in the Lexicon will also impact on the level of Business Rates income receivable by the Council in 2024/25 and future years. At this stage a net ongoing reduction of £0.5m has been assumed.

The overall impact on the Council's budget will not be known until the provisional settlement is published, the deficit on the Collection Fund for 2023/24 has been finalised, and the Council has completed its estimate of the Business Rates collectible for the year and the impact of any reliefs and grant income receivable

- 5.15 While the Government has signalled for many years that it would like to make fundamental changes to the current Business Rates retention system of local government funding, it is unlikely that this will happen until 2026/27 at the earliest. To coincide with this, it is expected that a Fair Funding review will be used to calculate new baseline funding levels for individual councils based on an up-to-date assessment of their relative needs and resources. It has been envisaged that existing grants including RSG and most likely the Public Health Grant will be incorporated into the revised baseline and more responsibilities are likely to be transferred to Local Government to ensure that the new system is fiscally neutral overall when it is introduced. The outcome of these deliberations is impossible to determine, although it will almost certainly have a significant long-term detrimental impact on the funding of the Council.

Specific Grants

- 5.16 The Council also receives substantial external funding through several specific grants. The future of these is currently unclear and assumptions have had to be made in projecting the Council's grant funding, as follows:

1. *New Homes Bonus (NHB)*. This is used to reward local authorities for net additional homes added to the Council Tax Base, thereby seeking to incentivise authorities to encourage housing growth in their areas. It is unringfenced and can therefore be used for local priorities.

A consultation was launched in February 2021 on changes to the allocation which are expected to result in reduced funding to the council. At this stage it is expected that NHB grant will reduce by £0.300m. The actual grant amount will be confirmed in the Provisional Settlement.

2. *Services Grant*. This grant provides funding to all tiers of local government in recognition of the vital services delivered at every level of local government. It has been assumed that the grant will be maintained at the same level in 2024/25.
3. *Other Specific Grants* Some of the largest specific grants received by the Council are for Public Health and Social Care. The 2022 Autumn Statement

confirmed further increases to social care grants in 2024/25 and this has been covered in paragraph 5.6.

The Better Care Fund (BCF) is a pooled budget which consists of several schemes, some of which are managed by the Council and some by the Clinical Commissioning Group. The NHS contribution to adult social care through the BCF is expected to increase in real terms in 2024/25, in line with the overall NHS long-term settlement. It has been assumed that this will be cost neutral for the Council at this stage.

The ring-fence on Public Health is likely to be retained in 2024/25 but there have been no indications of funding levels for 2024/25 at a national or local level.

Information on several other smaller grants normally follows several days or weeks after the Provisional Settlement and changes from these announcements will be incorporated into the February budget report to the Executive.

Council Tax

- 5.17 Council Tax at present levels will generate total income of -£75.053m in 2024/25, before any change to the Tax Base is factored in. It was expected that the number of properties paying Council Tax would increase significantly over the coming years and to date the Council Tax Base has remained broadly in line with predictions. The Council Tax Base for 2024/25 has been calculated as 49,6946 Band D equivalents which at current levels would generate total income of -£76.497m in 2024/25. This represents a net increase of 725 (-£1.116m) arising from the occupation of new properties during 2024/25, partly offset by a 7% decrease in the take-up of the Local Council Tax Benefit Support Scheme (-£0.328m).
- 5.18 The surplus/deficit on the Council Tax element of the Collection Fund in 2023/24 will need to be assessed by the 15 January 2022 and reflected in the final budget proposals. Indications at this time are that a small deficit may be expected.
- 5.19 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases equal to or more than a threshold percentage which is normally included in the Local Government Financial Settlement. The Government's December 2022 Policy Statement confirmed that for 2024/25 the core council tax referendum principles would be the same as 2023/24. The referendum limit for increases to council tax will remain at 3% per year and in addition, councils with social care responsibilities will be able to increase the adult social care precept by up to 2%. The maximum Council Tax increase that could be agreed without a referendum in 2024/25 would therefore be 4.99%. Each 1% increase in Council Tax would generate approximately -£0.765m of additional income.
- 5.20 The Executive at its meeting in February will recommend to Council the level of Council Tax considering the Local Government Finance Settlement, the results of the budget consultation and the final budget proposals.

Budget Proposals for 2024/25

- 5.21 The Council's medium-term financial strategy is underpinned by an assumption that any new service pressures and developments will be funded by identifying an equivalent level of economies and savings. This recognises that additional grant and council tax income is normally sufficient to fund only inflationary cost pressures. The draft budget proposals set out in this report for consultation broadly achieve this, with proposed pressures and economies both totalling around £5.6m.

Service pressures and Developments

- 5.22 In preparing the 2024/25 draft budget proposals each directorate has evaluated the potential pressures on its services and those related to the People Directorate set out in Annexe B. Table 2 summarises the pressures by directorate.

Table 2: Service Pressures/Development

Directorate	£'000
Central	1,504
Delivery	1,296
People (excluding schools)	2,585
Non-Departmental / Council Wide	270
Total Pressures/Developments	5,655

- 5.23 Many of the pressures are simply unavoidable as they relate to current levels of demand or legislation changes. They do, however, also support the three borough priorities included in the new Council Plan in the following way:
- Engaged and healthy communities (£2.956m);
 - Thriving and connected economy (£0.219m);
 - Green and sustainable environment (£1.117m).
- 5.24 Service pressures will be kept under review throughout the budget consultation period. There is always the risk, in particular in Social Care services, that the numbers of people requiring care packages, the content of existing care packages and contract inflation will vary considerably from the assumptions included in these draft budget proposals. Any revisions to service pressures will be reported to the Executive in February.
- 5.25 In addition to these revenue proposals the Council continues to invest in its priorities through targeted capital expenditure. Details are contained in the capital programme report, but any revenue cost implications arising from the capital proposals are included in these draft budget proposals.

Service Economies

- 5.26 Members and officers have held regular meetings to determine options for savings and a list of potential draft budget savings has been developed. This list totals -£5.490m and is summarised in Table 3 with areas relating to the People Directorate set out in more detail in Annexe C. As in previous years, savings have focused as far as possible on increasing efficiency, income generation and reducing central and directorate support rather than on front line services. There will potentially be some impact on services, although this has been minimised to a large degree.

Table 3: Summary Service Economies

Directorate	£'000
Central	-1,224
Delivery	-874
People (excluding schools)	-2,601
Non-Departmental / Council Wide	-791
Total Savings	-5,490

Significant Budget Decisions

- 5.27 Consideration and approval of the budget is a major policy decision. However, the budget, by its nature, includes a range of proposals, some of which in themselves represent important policy decisions.
- 5.28 As the budget report is a policy document and is subject to at least six weeks consultation, the identification of these issues within the budget report facilitates detailed consultation on a range of significant policy decisions.

Council Wide Issues

- 5.29 Apart from the specific budget proposals contained in Annexes B and C there are some Council wide issues affecting all directorates' budgets which need to be considered. The precise impact of these corporate budgets is likely to change before the final budget proposals are recommended, however the current view on these issues is outlined in the following paragraphs:

a) Capital Programme

The scale of the Council's Capital Programme for 2024/25 will impact upon the revenue budget and is itself subject to consultation. All new spending on services will need to be funded from new capital receipts (including Community Infrastructure Levy receipts), government grants, developer contributions or borrowing. Current proposals are set out further below from paragraph 5.43 and will present additional revenue costs £0.163m in 2024/25 and £0.295m in 2025/26.

b) Interest and Investments

The Council reviews the annual Treasury Management Strategy Statement under the requirement of the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. This ensures compliance with government requirements for the Council to "have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the capital investment plans are affordable, prudent and sustainable".

Interest rates have continued to rise during the first half of 2023/24 to 5.25%. Whilst reducing from 8.7% in April to 4.7% in October, its lowest rate since February 2022, the Consumer Price Index (CPI) is still significantly above the Bank of England's target of 2%. Furthermore, a cooling in labour market conditions has not led to any easing of wage growth, which is still rising at over 7%. These factors influence interest rates, which are rising, which in turn increase the cost of borrowing to the Council.

c) Provision for Inflation and Pay Awards

Although inflation has reduced in the current year it remains well above the 2% target for the CPI. It is therefore inevitable that the allowance for inflation will need to be significantly higher than the typical provision of £2m - £3m, albeit not at the elevated level of nearly £10m required in 2023/24.

At this stage the inflation provision is not finalised. For planning purposes, a total sum of £5.280m (£9.761m in 2023/24) has been added to the draft budget proposals on these assumptions:

- This year the national employers' body offered a flat rate pay rise of £1,925 or 3.88% for employees on scale points 43 and above and this has been accepted. For Bracknell Forest the cost is £0.531m more than the 4% built into the budget. This will need to be reflected in the 2024/25 inflation provision, in addition to an allowance for next year's pay offer. At this stage a 3.5% pay award has been assumed for 2024/25 resulting in a total provision for pay of £3.14m;
- For non-pay costs it is proposed that a number of budgets will not be inflated at all for 2024/25 and directorates have been asked to restrict contract inflation to 4.7% (September CPI less 2%). This is unlikely to cover the full price rise implicit in all contracts and consequently discussions may need to focus on service levels as well as pricing. It is recognised that it may not be possible to negotiate smaller increases or flex service levels in all cases and a further 1% has been set aside for priority areas. A case will need to be made for any increases above the 4.7%. The overall non-pay provision (excluding gas and electricity) has been set at £4.94m.
- Energy prices have begun to reduce in comparison to the all-time highs experienced in 2023/24. The Council has arrangements in place to forward purchase these commodities and over half of the predicted energy required in 2024/25 has been secured to date. This allows the impact of energy inflation to be estimated with some accuracy. The expectation is that electricity and gas prices will reduce by 25% next year and this combined with actual costs being less than budgeted in the current year has meant that a reduction of £1.16m can be built into the inflation provision. This figure will be refined as further forward purchases are made.

The Council will need to consider in detail where it is appropriate and necessary to provide for inflation over the coming weeks so that the actual inflation provision can be added to the final budget report in February 2024.

d) Fees and charges

Increases in fees and charges are determined by the overall economic conditions, the willingness of customers to pay the higher charges and continued demand for Council services. Although directorates have been asked to work towards increases of 5%, Council policy requires the level of charges to be considered against the following criteria:

- fees and charges should aim, as a minimum, to cover the costs of delivering the service;

- where a service operates in free market conditions, fees and charges should at least be set at the market rate;
- fees and charges should not be levied where this is an ineffective use of resources, i.e. the cost of collection exceeds any income generated.

Certain other fees will attract the percentage determined by statute.

e) Contingency

The Council manages risks and uncertainties in the budget by way of a general Corporate Contingency added to the Council's budget. Every year the Council faces risks on its budget in relation to demand led services, Business Rates and the general economic climate. At this stage the Contingency has been increased by £0.250m to £3.0m. The level of Contingency will be kept under review as further information becomes available.

The Executive will need to make a judgement on the appropriate level of contingency at its February meeting, taking advice from the Executive Director: Resources who will need to certify the robustness of the overall budget proposals in the context of the latest performance data, continuing progress on the Business Change Programme and the Council's remaining general and earmarked reserves. All the reserves will be reviewed to ensure that they are sufficient to manage the financial risks facing the Council in the coming years. Of particular significance is the Council's expected participation in the Department for Education's Safety Valve programme.

Spending on schools

- 5.30 Schools and education services in general are funded through the Dedicated Schools Grant (DSG). This is a specific grant allocated to local authorities through a national formula by the Department for Education (DfE). Separate calculations are made for school budgets, pupils with special educational needs and disabilities (SEND) from age 0-24 which is generally referred to as the High Need Block (HNB), Early Years funding for 0-4 year olds, and a small number of services that support schools and pupils which councils are permitted to manage centrally.
- 5.31 Other than for Early Years functions, provisional funding allocations have been published for 2024/25 and as usual, proposals will be developed with the Schools Forum to agree relevant budgets. Of the main published grant allocations, delegated school budgets are expected to increase by 1.7%, which has reduced from the initial announcement of 2.6% following a recalculation by the DfE, with a 3% increase in funds for pupils with SEND.
- 5.32 Taking account of this information, -£139.272m of grant income is estimated to be available to the Council for 2024/25 through the specific ring-fenced Dedicated Schools Grant (DSG). This comprises -£96.231m for the Schools Block, -£16.589m for the Early Years Block, -£25.604m for the High Needs Block and -£0.848m for the Central Schools Services Block.
- 5.33 In addition to the DSG, schools also receive revenue funding from other specific grants, which for maintained schools includes School Sixth Forms (2024/25 estimate - £1.269m), the Pupil Premium (-£1.876m), Primary PE and Sports Premium (-0.345m), the Universal Infant Free School Meals Grant (-£0.630m) and Teachers' Pay Addition Grant (-£0.673m). All these amounts are subject to change in 2024/25.

Spending on the High Needs Block and Safety Valve Programme

- 5.34 It is widely known that for many councils, the cost of supporting pupils with SEND is significantly above the amount of DSG funding allocated by the DfE. For Bracknell Forest, an £8.928m overspend on HNB is currently forecast for 2023/24. Recognising the scale of this issue across the country, the Government introduced regulations to ensure that any accrued deficit is not a liability on councils but remains a DfE responsibility, initially until 31 March 2023, recently extended to 2026.
- 5.35 Alongside this, the DfE has also introduced a more rigorous monitoring and intervention regime where council areas are accruing large deficit balances or experiencing a significant reduction in a surplus. It has previously been reported to the Executive that Bracknell Forest was invited to join this regime – called the Safety Valve programme - in July 2023 and through this is expected to agree plans to bring spending back in line with grant levels over the coming years. Should this be achieved to the DfE's satisfaction, the Government will make a contribution to help write off the deficit that has accumulated up to the point of that equilibrium being reached.
- 5.36 The Safety Valve process is initially focused on options to reduce spending on SEND services, predominantly by investing in more local provision to enable a significant reduction in the current reliance on expensive out-of-borough schools, with limited immediate impact on the Council generally. However, the need to identify funding to write off the Council's share of the accumulated deficit, that is expected to be around £30m by the end of the current financial year and will continue to grow for some time in the years ahead, presents an enormous financial challenge for the Council. While its balance sheet is currently healthy, with a higher level of usable general and earmarked reserves than many local authorities, the total of these may not be sufficient. Moreover, if the Council's reserves were to be reduced to a bare minimum level, there would be no protection against spending pressures and rising demand that all local authorities typically face. The Council has therefore requested that consideration be given to allowing it to access financial flexibilities that have been offered to local authorities experiencing extreme financial difficulties, to help ensure it can avoid reaching this position.

Reserves

- 5.37 The Council has an estimated £11.08m available in General Reserves as at 31 March 2024, if spending in the current year matches the approved budget. Details are contained in Table 4.

Table 4: General Reserves as at 31 March 2024

	£m
General Fund	11.08
Planned use in 2023/24	0.00
Estimated Balance as at 31 March 2024	11.08

- 5.38 The Council has, in the past, planned on maintaining a minimum prudential balance currently assessed to be £4.5m. This assessment is based on the financial risks which face the Council and the Executive Director: Resources considers these in the February report to the Executive at which a final decision on the use of balances can be taken, taking account of the financial position likely to face the Council over the next five years.

5.39 The Council used a one-off contribution of £3.590m from the Future Funding Reserve to balance the budget in 2023/24. This reserve was deliberately established to help manage the Medium Term financial position and is expected to have a balance of £16.3m available at the 31 March 2024.

Summary position on the Revenue Budget

5.40 Adding the draft proposals to the Commitment Budget and taking account of the corporate issues identified above would result in total expenditure of £97.725m as shown in Table 5.

Table 5: Summary of proposals:

	£'000
Commitment Budget	90,202
Reversal of the one-off transfer from the Business Rates Reliefs Reserve used to fund the estimated Collection Fund - Business Rates deficit for 2022/23.	4,480
Reversal of one-off transfer from the Future Funding Reserve used to balance the budget in 2023/24.	3,590
Reduction in Business Rates income	500
Reduction in New Homes Bonus	300
Increase in Social Care Grants	-1,251
Budget Pressures (including increase in Contingency)	5,655
Budget Economies	-5,490
Capital Programme	163
Inflation Provision	5,280
Draft Budget Requirement 2024/25	103,429

5.41 Without the Provisional Finance Settlement, assumptions have had to be made on the level of grant income. It has been assumed that the Council can anticipate income of up to -£96.499m. This arises from Revenue Support Grant (-£2.191m), Business Rates baseline funding (-£17.811m) and Council Tax at 2023/24 levels (-£76.497m).

5.42 With the potential overall cost of the budget package being consulted on in the region of £103.429m, this leaves a potential gap of around £6.930m. Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:

- an increase in Council Tax;
- an appropriate contribution from the Council's revenue reserves, bearing in mind the Medium Term financial position;
- identification of further savings

Capital Programme

Introduction

- 5.43 Each year the Council agrees a programme of capital schemes. These schemes are mainly funded from:
- the Council's capital receipts
 - Government Grants
 - other external contributions
 - internal and external borrowing
- 5.44 The Council's total usable capital receipts generated from disposing of assets at 31st March 2023 are zero as all receipts have been applied to fund prior capital investment. Similarly, all receipts realised during the current financial year will be used to finance the 2023/24 Capital Programme. The Council is partly reliant on capital receipts and other contributions to fund its capital programme, although interest generated from capital receipts can also help support the revenue budget in the short term. However, with borrowing rates at historically high levels it is advantageous to use capital receipts to reduce the level of external borrowing.
- 5.45 The proposed capital programme for 2024/25 has been developed, therefore, on the assumption that it will be funded by a combination of Government grants, other external contributions, capital receipts and borrowing only if required. Community Infrastructure Levy (CIL) contributions and some small miscellaneous property sales should enable £2.0m of the capital programme to be funded from receipts. Additionally, the one-off capital receipts from the Coopers Hill site being developed by the Council's Joint Venture with Countryside properties UK can be used to minimise the level of borrowing resulting from these proposals. Internal resources will be used in the first instance and borrowing from external sources (e.g. the PWLB) will be used only when necessary. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans which are set out above.

New Schemes

- 5.46 Within the general financial framework outlined above, Service Departments have considered priority schemes for inclusion within the Council's Capital Programme for 2024/25 – 2026/27. Given that both capital and revenue resources are under pressure, each Department has evaluated and prioritised proposed schemes into broad categories in line with the Council's agreed Asset Management Plan approach. Having done this, only the very highest priority schemes and programmes are being recommended for inclusion in the Capital Programme.

Elements of the capital programme

- 5.47 The capital programme is structured into categories of spend as follows:
- *Unavoidable and committed schemes*; these are required to ensure that the Council is not left open to legal sanction and includes items relating to health and safety issues, new legislation etc. Committed schemes also include those that have been started as part of the 2023/24 Capital Programme and have not yet completed. Schemes in this category form the first call on the available capital resource.

- *Maintenance (Improvements and capitalised repairs)*; an assessment is made of the state of each building and highways element and its repair priority with a condition rating and repair urgency to inform spending requirements which are intended to address the most pressing high priority works. There are also Landlord liabilities left with the Council with regard to the Leisure sites. Maintenance of school buildings is financed from DfE School Condition Grant, with the expenditure budget set at the equivalent amount to the grant income.
- *ICT Schemes*; The Council will be required to invest in technology and IT infrastructure over the coming years as exiting hardware and infrastructure becomes obsolete. The two key areas requiring funding in 2024/25 are hardware and Infrastructure assets.
- *Rolling programmes*; cover more than one year and give a degree of certainty for forward planning schemes to improve service delivery. They make an important contribution towards the Council's established Asset Management Plans.
- *Other desirable schemes*; are other high priority schemes that meet the needs and objectives of their service.
- *Invest to save schemes*; these are schemes where the additional revenue income or savings arising from their implementation exceeds the Council's borrowing costs.

Summary

- 5.48 A summary of the cost of schemes proposed by directorates is set out below in Table 6. A detailed list of new schemes from the People Directorate is included in Annexe D. The schools investment programme included in this report reflects the highest priority schemes identified by the People Department and the Education Capital Programme Board. Total requested Council funding for schemes amounts to £8.328m, which includes £0.660m for schemes that have commenced in the current year or are committed on an annual basis and will continue into 2024/25.

Table 6: Capital Programme 2024/25 to 2026/27

	2024/25	2025/26	2026/27
Service Area	£000s	£000s	£000s
Delivery	3,937	2,062	490
People	1,790	1,695	250
Central Directorates	7,155	6,110	6,110
Total Capital Programme	12,882	9,867	6,850
Less Externally Funded	4,554	4,675	3,230
Council Funded Programme	8,328	5,192	3,620

Funding options

- 5.49 Following the introduction of the Prudential Borrowing regime local authorities are able to determine the level of their own capital expenditure with regard only to affordability on the revenue account. In practice this represents the amount of borrowing they can afford to finance and will necessitate taking a medium-term view of revenue income streams and capital investment needs.
- 5.50 The proposed capital programme for 2024/25 has been developed on the assumption that it will be funded by a combination of approximately £2m of capital receipts,

Government grants, other external contributions and borrowing. The financing costs associated with the Capital Programme have been provided for in the Council's revenue budget plans, as set out in paragraph 5.29.

- 5.51 To achieve its aim of ensuring that capital investment plans are affordable, prudent and sustainable, the Local Government Act requires all local authorities to set and keep under review a series of prudential indicators included in the CIPFA Prudential Code for Capital Finance in Local Authorities. The Capital Programme recommended in this report can be sustained and is within the prudential guidelines. Full Council will need to agree the prudential indicators for 2024/25 to 2026/27 in February 2024, alongside its consideration of the specific budget proposals for 2024/25 and the Council's medium-term financial prospects.

6 Advice received from statutory and other officers

Borough Solicitor

- 6.1 The Council is legally obliged to calculate the Council Tax Base for 2024/2025 by 31 January 2024. Section 31B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011, imposes a duty on the Council, as a billing authority, to calculate its Council Tax by applying a formula laid down in that Section. The formula involves a figure for the Council Tax Base for the year, which must itself be calculated. The Local Authority (Calculation of Council Tax Base) (England) Regulations 2012 require a billing authority to use a given formula to calculate the Council Tax Base.
- 6.2 The authorisation for incurring capital expenditure by local authorities is contained in the legislation covering the service areas. Controls on capital expenditure are contained in the Local Government Act 2003 and regulations made thereunder.

Executive Director: Resources

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

Equalities Impact Assessment

- 6.4 The Council's final budget proposals will potentially impact on all areas of the community. A detailed consultation process is planned in order to provide individuals and groups with the opportunity to comment on the draft proposals. This will ensure that in making final recommendations, the Executive can be made aware of the views of a broad section of residents and service users. Several of the budget proposals require specific equality impact assessments to be carried out. Consultation with equalities groups that are likely to be affected by the proposal is part of the assessment process. . Where necessary, impact assessments on specific schemes within the capital programme will be undertaken before work commences.

Strategic Risk Management Issues

- 6.5 A sum of £3.000m is currently included in the draft proposals to meet the costs of unpredictable or unforeseen items that would represent in year budget risks. The Executive will need to make a judgement on the level of Contingency at its meeting in February.
- 6.6 The Executive Director: Resources, as the Council's Chief Finance Officer (Section 151 Officer), must formally certify that the budget is sound. This will involve identifying

and assessing the key risk areas in the budget to ensure the robustness of estimates and ensuring that appropriate arrangements are in place to manage those risks, including maintaining an appropriate level of reserves and Contingency. This formalises work that is normally undertaken each year during the budget preparation stages and in monthly monitoring after the budget is agreed. The Executive Director: Resources will report his findings in February, when the final budget package is recommended for approval.

- 6.7 The scale of the Council's Capital Programme for 2024/25 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts or borrowing. The generation of capital receipts in future years may mitigate the impact on the revenue budget, but as the timing and scale of these receipts is uncertain their impact is unlikely to be significant.
- 6.8 There are also a range of risks that are common to all capital projects which include:
- Tender prices exceeding the budget
 - Planning issues and potential delays
 - Uncertainty of external funding
 - Building delays due to unavailability of materials or inclement weather
 - Availability of staff with appropriate skills to implement schemes
- 6.9 These can be managed through the use of appropriate professional officers and following best practice in project management techniques. The report also identifies the risk associated with the shortfall in maintenance expenditure compared to that identified by the latest condition surveys. With only those highest priorities receiving funding in 2024/25, there will be a further build up in the maintenance backlog and a risk that the deterioration in Council assets will hamper the ability to deliver good services.

Climate Change Implications

- 6.10 There are no implications arising from the revenue proposals in this report, which are presenting draft budget options for consultation.
- 6.11 For the proposed capital programme, the recommendations will have no immediate impact on emissions of CO₂. Detailed consideration will be given to the impact of the final capital budget proposals in February 2024, although in general terms improvements to current assets and the construction of new facilities using modern designs and construction techniques are expected to have positive climate change implications.

7 Consultation

Principal Groups Consulted

- 7.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal

included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal> and it is intended that [consultation events will be organised in local community settings during January](#). There will also be a dedicated mailbox to collect comments.

7.2 The timetable for the approval of the 2024/25 Budget is as follows:

Executive agrees proposals as basis for consultation	12 December 2023
Consultation period	13 December 2023 - 23 January 2024
Executive considers representations made and recommends budget.	06 February 2024
Council considers Executive budget proposals	21 February 2024

Background Papers

None

Contacts for further information

Paul Clark, Finance Business Partner - CYPL
paul.clark@bracknell-forest.gov.uk

(01344 354054)

Doc. Ref. [https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/\(121\) 110124/2024-25 LA Budget Proposals from the council - Schools Forum.docx](https://bfcouncil.sharepoint.com/sites/fina/bpm/FIBPSCB-FIN9.6/Schools Forum/(121) 110124/2024-25 LA Budget Proposals from the council - Schools Forum.docx)

Description of Commitment Budget Items for 2024/25 to 2026/27

Department and Item	Description	2024/25 £000	2025/26 £000	2025/26 £000
People Directorate				
Suitability surveys	Suitability and access surveys are undertaken every three years to update the Asset Management Plan so that up to date information is available to inform investment decisions on the capital programme.	20	-20	
Schools Budget - High Needs deficit	Bracknell Forest along with many other councils has had to set a deficit budget for the High Needs Block. 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 DSG over the medium term.	TBC		
Foster Care Allowances - Enhanced	This scheme focused on a six-month pilot that has proved successful and is now part of an enhanced and improved Foster Care offer from the council	86		
Invest to Save - Carbon Reduction Initiatives	Implementation of several projects to help reduce the Council's energy costs and its carbon footprint. All schemes deliver savings at least equal to the cost of interest and the Minimum Revenue Provision resulting from the capital expenditure.	-26		
Housing and Welfare Officer	Removal of the post funded for one year only from the Covid-19 Reserve to support welfare work.	-43		
Total		37	-20	0

Revenue budget: proposed PRESSURES for the People Directorate

Description	2024/25 £'000	2025/26 £'000	2026/27 £'000
<p>Adult Social Care Costs This pressure represents the current cost of care packages and population data on the increase in population and therefore the likely increases in number requiring Social Care particularly in the over 65s cohort. It also includes an estimate of the costs arising from young people turning 18 and transferring into Adult Social Care.</p>	2,090	1,585	997
<p>Housing and Welfare Updating of Software systems.</p>	37	25	25
<p>Welfare Service Creation of Financial Inclusion Service The team currently delivering financial hardship advice and support are funded by one off grants and previously allocated hardship funds. It is currently unclear whether any such funding will be made available by the Government in 2024/25.</p> <p>A proposal has been made to provide £0.100m of funding next year from the Community Outbreak Management Fund (COMF) grant, which will enable a service to be maintained for a further 12 months, although at a reduced level than the current offer.</p>	0	100	0
<p>Special Education Needs (SEN) Team: Restructure This is a provisional estimate subject to an on-going Business Case which considers demand pressures and statutory timescales. It will also consider the need to make permanent a number of posts that are currently funded on a time limited, temporary basis.</p>	100	0	0
<p>Early Help Youth Service Review Provision of an educational youth programme for young people with mild to moderate SEND from year 9, in line with preparing for adulthood, to age 25, offering a series of life skills workshops alongside enrichment activities.</p>	0	32	0
<p>Home to School Transport / Fleet An initial estimate of likely costs of providing pupil transport requirements in accordance with the provisions of Council policy. The increasing numbers of SEND pupils, in particular, indicates a cost pressure.</p>	150	0	0
<p>Children's Social Care - Section 17 Payments. There has been an increase in demand and complexity of assessed need to safeguard and promote the welfare of children within their family settings.</p>	50	0	0

Description	2024/25 £'000	2025/26 £'000	2026/27 £'000
Children's Social Care - Preplacement support Additional staffing support to enable placements to be stable and safe and reduce risks of escalation to residential.	40	0	0
Children's Specialist Support Team - Direct Payments Budget. This is a growing client group with a 15% increase in demand for social care support from the team since June 2020. Direct payments are part of the offer that enables children with disabilities to remain at home.	35	0	0
Children's Social Care - Foster Panel. Increased number of foster panels, undertaken by independent assessors. It relates to improved practice so that all foster home reviews return to panel every three years.	17	0	0
Children's Social Care - Support to Mosaic Interface. Ongoing maintenance of the interface by The Access Group, enabling the business improvements associated with using the financial module.	8	0	0
Funding contribution from maintained schools For statutory education related services. Income to support statutory education related duties is automatically lost from schools that convert to an academy.	25	25	25
Historic commitments in the Schools block A range of defined services that support vulnerable young people are currently jointly funded by the Council and the grant funded Schools Budget. Funding is being reduced which increases the element met by the Council.	33	26	21
PEOPLE TOTAL	2,585	1,793	1,068

Annexe C

Revenue budget: proposed ECONOMIES for People Directorate

Description Impact	2024/25 £'000	2025/26 £'000	2026/27 £'000
Adult Social Care - Promoting Independence Our new way of working (The Target Operating Model) has been developed with a focus on building independence for adults through early intervention and prevention to ensure people achieve their optimum level of independence. This is being achieved by providing effective information, advice and guidance, the use of equipment and Assistive Technology and rehabilitation / reablement. It will also look at supporting people within friendship groups and activities to improve outcomes.	948	458	0
Adult Social Care-Managing the Market Review of provider market unit costs with a view to achieving efficiencies and effectively managing cost.	300	0	0
Adult Social Care- Maximising external grants The service is supported by a range of grants The objective of this approach will facilitate timely discharge from hospital and maximising independence through a focus of returning home rather than entering residential or nursing care which is much more expensive. The objective will be achieved through focusing an increased level of Better Care Funding to support this process.	500	0	0
Housing Temporary Accommodation Rental income from additional units purchased through the Local Authority Housing Fund.	85	85	131
Children Looked After Practice continues to see the number of Children Looked After reducing. The average for the last 2 years has reduced to 114 placements compared to 121 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.	390	0	0
Public Law Outline Assessments (pre court process) Costs have reduced and this is expected to be permanent.	24	0	0
School Places, Property and Admissions Due to underspends in previous years, it is proposed to remove the budget for the fees for brought in-services.	13	0	0
Standards and Effectiveness Reduction in capacity can be managed as schools that convert to an academy are no longer supported.	34	24	0
PRC / Dismissal Cost Former teacher pension liabilities continue to reduce as a result of mortality rates with no new commitments being made.	54	30	30

Description Impact	2024/25 £'000	2025/26 £'000	2026/27 £'000
<p>Early Years Services Government reforms of the early years entitlements will result in significantly more income being received. This enables more grant to be applied to council funded expenditure where this is incurred to support providers. This will need to be reviewed for subsequent years once longer term government plans are confirmed.</p>	253	-253	0
PEOPLE TOTAL	2,601	344	161

CAPITAL PROGRAMME - PEOPLE

		2024/25 £000	2025/26 £000	2026/27 £000	TOTAL £000
Committed					
No Schemes		-	-	-	-
		-	-	-	-
Unavoidable					
No Schemes		-	-	-	-
		-	-	-	-
Rolling Programme / Other Desirable					
Non-Schools					
Housing Planned Maintenance	13	250	250	250	750
Waymead Air Conditioning	14	115	-	-	115
Waymead Refurbishment	15	24	-	-	24
Departmental Bids:					
College Hall Security	16	20	-	-	20
Larchwood	17	57	-	-	57
Total		466	250	250	966
TOTAL REQUEST FOR COUNCIL FUNDING		466	250	250	966
External Funding - Other					
Non-Schools					
No Schemes		-	-	-	-
Schools					
DfE Grant: Schools Capital Maintenance	24	1,324	147	-	1,471
DfE Grant: Basic Needs Grant	24	-	1,298	-	1,298
DfE Grant: Devolved Formula Capital	24	<i>tba</i>	<i>tba</i>	<i>tba</i>	-
		1,324	1,445	-	2,769
TOTAL EXTERNAL FUNDING		1,324	1,445	-	2,769
TOTAL CAPITAL PROGRAMME		1,790	1,695	250	3,735

PEOPLE DIRECTORATE

Summary of New Schemes – 2024/25 Capital Programme

13. Housing Capital Programme (£0.25m)

Housings planned maintenance is an annual programme of repairs and maintenance to the Councils' housing stock. It encompasses a wide range of activities, but typically includes the repair or replacement of elements of building fabric, mechanical and electrical items, fixtures or fittings that are worn, obsolete or otherwise damaged. The purpose of the work is to improve and maintain the Councils' housing stock to a decent standard to provide a safe and appropriate environment for our residents to reside in and deliver the priorities set out in the Housing and Welfare Service Plan.

The works included in the current programme were identified through a series of Housing Health and Safety Rating System (HHSRS) and property condition surveys, which were undertaken on our behalf by external engineers and surveyors during 2019/20 on a five-year programme. The focus of the programme will remain on the modernisation of properties to maintain a Decent Standard with the balance of activity over the next twelve months concentrating on property components e.g., kitchens, bathrooms, electrical installations and heating systems. This will in future be replaced on a fixed life cycle.

The projected costs include an allowance for a higher-than-normal uplift for construction inflation and to introduce energy saving measures as part of overall project to improve thermal comfort and reduce fuel poverty supporting Health and Wellbeing.

14. Waymead Airconditioning (£0.115m)

Waymead Short Term Care is a registered CQC Green rated service that provides respite services for up to 5 guests per night with its adjoining Day Care providing up to 10 plus guests per day. The demand for respite care and day services for people with Learning Disabilities & Autism is very high in Bracknell Forest. This service is the only provision within Bracknell and surrounding boroughs. To supplement the demand for respite and day care services, the Council commissions private providers at high costs.

The rise in temperatures over the past few years have resulted in unprecedented heat and humidity levels and this trend is expected to continue. Heatwave Level 3/4 warnings, which means that temperatures are very likely to rise to levels that increase the risk of ill health among vulnerable people like those in Waymead, is now a reality. The previous use of fans to alleviate the heat is no longer viable.

The extreme heat experienced in recent years poses a high risk to all the guests of Waymead and staff and have impacted heavily on the running of services. In some cases, services had to be cancelled or relocated to other locations. The ability to add air conditioning (AC) to the Waymead Services is essential for the future of the day and respite services meeting registration requirements effectively. The request is based on a feasibility study on the inclusion of an air conditioning solution at Waymead which confirmed that it was possible to safely install AC at Waymead Services at a cost of around £115k. The installation will provide comfort cooling to 12 areas including bedrooms, the Day Centre and other regularly used areas of the building.

15. Waymead Refurbishment (£0.024m)

This related request to the works on Waymead is for the purchase and installation of a new bath which is needed in Room 3 and ancillary refurbishment. This specialist bath is no longer fit-for-purpose and due to its age cannot be repaired. The replacement is a highly versatile bathing system, ideal for patients with reduced posture control allowing easy patient access, and the high-low function prevents risk of caregiver back strain.

16. College Hall – Site Security (£0.020m)

The College Hall site is surrounded by 6ft high wooden fencing. Due to its age, the fence is rotting in places, and is easily damaged by students. Holes often appear, not only due to student damage but also due to animals digging under the fence to be able to cross the site. There have been several security incidents regarding access to the site due to the failure of the fencing. Given the vulnerability of the attending students, there is a significant safeguarding risk with the current perimeter fencing.

17. Larchwood – Site Security (£0.057m)

The perimeter fencing around Larchwood has been in situ since the unit was built. The fencing is standard wooden panels. The fencing needs replacement as it is no longer fit for purpose. The installation of an anti-climb fence would enable staff to focus on providing our children and young people a high-quality experience at Larchwood. This would also reduce the likelihood of staff having to use restraint and would facilitate staff to support our children and young people not only to have fun but to learn valuable life skills such as, self-regulation and risk identification whilst playing in the Larchwood garden. The external door entry system and access to office spaces is another area of identified risk, the current systems have become outdated and no longer fit for purpose. On three occasions children have been able to use their body size to override the current system and open the doors. The current open access arrangements necessitate a high staff ratio which could potentially be reduced through the addition of fob entry systems, enabling the support of additional children and young people dependent on their needs.