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# Revenue Budget 2020/21

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<b>Committee considering report:</b>	Council on 3 March 2020 Executive on 13 February 2020
<b>Portfolio Member:</b>	Councillor Ross Mackinnon
<b>Date Portfolio Member agreed report:</b>	30 January 2020
<b>Report Author:</b>	Melanie Ellis
<b>Forward Plan Ref:</b>	C3812

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## 1. Purpose of the Report

- 1.1 The purpose of this paper is to consider and recommend to Council the 2020/21 Revenue Budget, which proposes a Council Tax requirement of £102.06m, requiring a Council Tax increase of 1.99% and a 2% adult social care Council Tax Precept. The Council Tax increase will raise £2.1m and the precept will raise a further £2.1m ring-fenced for adult social care.
- 1.2 This report also proposes the Fees and Charges for 2020/21 as set out in Appendix F and the Parish Expenses as set out in Appendix G and recommends the level of General Reserves as set out in Appendix E.

## 2. Recommendations

The Council is recommended to resolve as follows:

- (1) That Council approves the 2020/21 Council Tax requirement of £102.06 million, requiring a Council Tax increase of 1.99% with a 2% Council Tax Precept ring-fenced for adult social care.
- (2) That the Fees and Charges are approved as set out in Appendix F and the appropriate statutory notices be placed where required.
- (3) That the Parish Expenses of £xxxx are approved as set out in Appendix G.
- (4) That it be noted that the following amounts for the year 2020/21 in accordance with regulations made under Section 31B of the Local Government Finance Act 1992, as amended (by the Localism Act 2011):-
  - (a) 65,205.90 being the amount calculated by the Council, (Item T) in accordance with regulation 31B of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended by the Localism Act 2011), as its council tax base for the year (the number of properties paying council tax).
  - (b) Part of the Council's area as per Appendix K being the amounts calculated by the Council, in accordance with regulation 6 of the

Regulations, as the amounts of its council tax base for the year for dwellings in those parts of its area to which a Parish precept relates.

- (5) Calculate that the Council Tax requirement for the Council's own purposes for 2020/21 (excluding Parish precepts) is £xxxxxxx.
- (6) That the following amounts be now calculated by the Council for the year 2020/21 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992, amended by the Localism Act 2011:-
  - (a) £xxxxxxx being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2), (a) to (f) of the Act taking into account all precepts issued to it by Parish councils.
  - (b) £xxxxxxx being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3), (a) to (d) of the Act.
  - (c) £xxxxxxx being the amount by which the aggregate at 7(a) above, exceeds the aggregate at 7(b) above, calculated by the Council, in accordance with the Section 31A(4) of the Act, as its Council Tax requirement for the year (Item R).
  - (d) £xxxx being the amount at 7(c) above (Item R), all divided by 5(a) above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the 'basic amount of its Council Tax for the year (including Parish precepts)'.
  - (e) £xxxxx being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per Appendix K).
  - (f) £1565.26 being the amount at 7(d) above less the result given by dividing the amount at 7(e) above by the amount at 5(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relates.
- (7) That it be noted that for the year 2020/21, Police and Crime Commissioner for Thames Valley & The Royal Berkshire Fire and Rescue Service have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Councils area as indicated in Appendix K.
- (8) That the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables in Appendix K as the amounts of Council Tax for 2020/21 for each part of its area and for each of the categories of dwellings.

### 3. Implications and Impact Assessment

Implication	Commentary			
<b>Financial</b>	These are contained in further detail within the report. The key implication is the proposed 1.99% Council Tax increase and a Council Tax Precept of 2% ring-fenced for adult social care, which leads to a savings and income generation programme of £3.24m in 2020/21. The Council has a good track record of delivering past savings programmes and monitors and reports on progress on a monthly basis.			
<b>Human Resource:</b>	There may be some implications for staff which have been highlighted in a separate report to the Executive. The trade unions have been consulted and any reductions in staffing will be handled in accordance with the Organisational Change Procedure.			
<b>Legal:</b>	<p>There is a requirement to produce a Revenue Budget under the various Local Government Finance Acts.</p> <p>The savings proposals have been consulted upon as appropriate, and further consultations may be required prior to implementing certain proposals.</p> <p>The Public Sector Equality Duty (149 (1) requires a Local Authority in exercise of its functions to have due regard to the need to:</p> <ul style="list-style-type: none"> <li>(a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.</li> <li>(b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.</li> <li>(c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li> </ul> <p>Decision makers must keep the above requirements in mind when making decisions.</p>			
<b>Risk Management:</b>	As part of the 2020/21 financial monitoring, savings proposals will be kept under monthly review to ensure they are deliverable. Appendix E sets out how the impact of increased volatility in Local Government finance will be managed and considers the impact on levels of reserves.			
<b>Property:</b>	None – significant amendments to the property and infrastructure portfolio are included as part of the capital strategy which is funded through revenue financing.			
<b>Policy:</b>	Specific investment in the Council Strategy is included as part of this budget. These areas are highlighted separately in the budget paper.			
<b>Implication</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equalities Impact:</b>				
Are there any aspects of the proposed decision, including how it is	Y			Any impacts have been assessed and publicly consulted upon where necessary.  Specific investment in equality and

delivered or accessed, that could impact on inequality?				diversity co-ordinator to enhance the Council's responsiveness and commitment to equalities and diversity.
Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		Y		Any impacts have been assessed and publicly consulted upon where necessary.
<b>Environmental Impact:</b>	Y			Investment detailed in this report in delivering the Environmental Strategy
<b>Health Impact:</b>		Y		
<b>ICT or Digital Services Impact:</b>		Y		
<b>Council Strategy Priorities or Business as Usual:</b>	Y			As detailed in the report over £1m of specific investment in priority areas has been identified separately
<b>Other</b>				
<b>Data Impact:</b>		No		
<b>Consultation and Engagement:</b>	Business meeting comments to follow			

#### 4. Executive Summary

- 4.1 The purpose of this paper is to consider and recommend to Council the 2020/21 Revenue Budget, which proposes a Council Tax requirement of £102.06m, requiring a Council Tax increase of 1.99% and a 2% adult social care Council Tax Precept. The Council Tax increase will raise £2.1m and the precept will raise a further £2.1m ring-fenced for adult social care. There are some appendices to be completed that are specifically for the full Council papers, e.g. parish precepts.
- 4.2 In order to arrive at a balanced budget for 2020/21, £3.24m of savings and income generation proposals have been recommended.
- 4.3 Proposals
- (1) That Council approve the 2020/21 Council Tax requirement of £102.06 million, requiring a Council Tax increase of 1.99% and a 2% Council Tax Precept ring-fenced for adult social care.

- (2) That the Fees and Charges be approved as set out in Appendix F and the appropriate statutory notices be placed where required.
- (3) That the Parish Expenses be approved as set out in Appendix G.

4.4 The Council is forecasting a small over spend in 2019/20 which will preserve the level of reserves. The ongoing effect of any budget pressures and future investment in the Council Strategy priorities has been factored into the 2020/21 budget. In order to fund this the Council has chosen to increase Council Tax by 1.99%, raise a 2% adult social care Council Tax Precept and find savings or income generation of £3.24m. West Berkshire Council has a strong track record of delivering on its savings proposals and of reacting to ongoing pressures in order to minimise the budgetary impact.

## 5. Introduction

- 5.1 The purpose of this paper is to consider and recommend to Council the 2020/21 Revenue Budget, which proposes a Council Tax requirement of £102.06m, requiring a Council Tax increase of 1.99% and a 2% adult social care Council Tax Precept. The Council Tax increase will raise £2.1m and the precept will raise a further £2.1m ring-fenced for adult social care.
- 5.2 In order to arrive at a balanced budget for 2020/21, £3.24m of savings and income generation proposals have been recommended. Staff implications are detailed in a separate report.
- 5.3 This report also proposes the Fees and Charges for 2020/21 as set out in Appendix F, the Parish Expenses of £xxxxx as set out in Appendix G, and recommends the level of General Reserves as set out in Appendix E.

## 6. 2019/20 In-Year Position

- 6.1 At Quarter Three of 2019/20, the forecast year end position is a small over spend of over £100k. The People Directorate is forecasting an under spend of £570k, with over spends of £420k in the Place Directorate and £360k in Resources.
- 6.2 The 2019/20 budget was set with a risk management budget and service specific risk reserves. This was in response to the volatility of some of the Council's budgets and because the Council was facing a number of risks that could not be quantified at the time of budget setting, including increased demand for services over and above budget assumptions, inflationary pressures, income risks and risk to delivery of savings plans. The Quarter Three position is after the proposed release of £144k from the risk reserves.
- 6.3 For the 2020/21 budget setting, provision has been made for the ongoing pressures that have arisen during 2019/20 as well as to adjust the budget for any known changes to the in-year savings position and the impact that this might have in the longer term.

## 7. The 2020/21 Local Government Finance Settlement

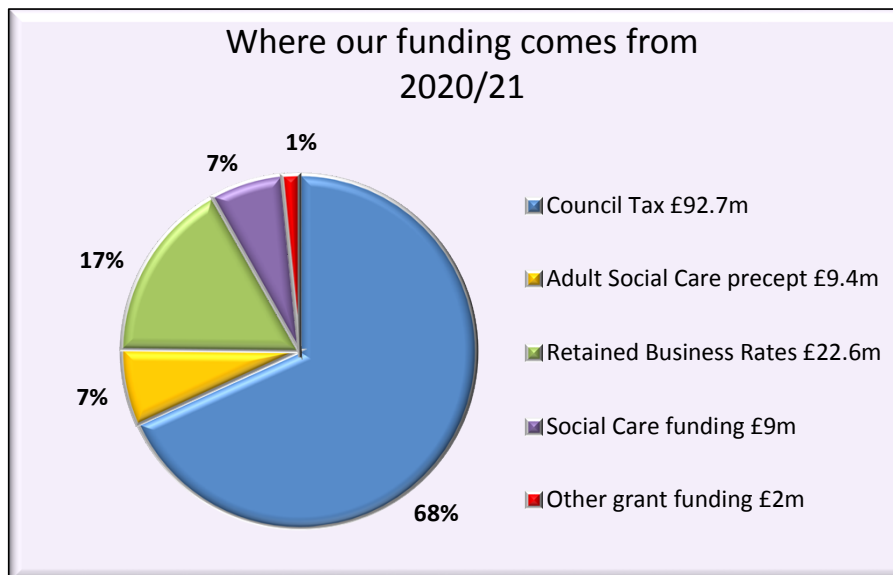
The final settlement figures are still awaited, with a draft finance settlement announced on the 20<sup>th</sup> December with subsequent individual notifications of specific

grant allocations. The 2019 Spending Round was announced in September 2019 and a consultation took place in October. The key points are:

- (1) The Berkshire business rates retention pilot, under a 75% retention scheme, will cease. Being part of a pilot generated additional funding for West Berkshire of £1.5m. Berkshire will now revert to the 50% retention scheme, where, from the £86m collected in business rates locally, the Council retains £22m. This is because the Council pays 50% to central government, 1% to the Fire Authority and a further 25% to central government in the form of a tariff and a levy on growth (a local authority must pay a tariff if its individual authority business rate baseline is greater than its baseline funding level).
- (2) The Government has proposed to protect all social care grants from 2019/20 as well as providing one-off grant funding for 2020/21 to spend on social care services for children and adults.
- (3) For Council Tax, a core principle of up to 2% increase was announced, together with a further 2% increase in council tax through the Adult Social Care precept.
- (4) It has been announced that negative Revenue Support Grant will not be charged in 2020/21. Negative RSG is the name given to a downward adjustment of a local authority's business rates tariff, as a consequence of changes to distribution methodology adopted in 2016/17.
- (5) The New Homes Bonus will fund all legacy payments associated with previous allocations, and there is a proposed new round of allocations for 2020/21. The Government will be explore other ways to incentivise growth, and any new 2020/21 allocations will not result in legacy payments in future years.
- (6) The Public Health grant will increase in line with inflation.
- (7) A number of other grants have been announced to combat rough sleeping, homelessness and improved building safety.

## 8. Revenue Funding

8.1 The main sources of funding for the 2020/21 revenue budget are shown in the following chart.



- 8.2 West Berkshire Council’s main source of funding is from Council Tax (68%). Council Tax is collected from local residents based on the value of the property in which they live. This report recommends a Council Tax increase of 1.99% for 2020/21 which will raise an additional £2.1m with a 2% Council Tax Precept ring-fenced for adult social care which will raise a further £2.1m. The precept, along with the social care support grant, will enable us to support investment of £3.2m in Adult Social Care, £1.3m in Children and Family Services and £300k in other social care for children with disability. This will cover both demand and cost increases. The adult social care precept now raises annual funds of £9.4m. Adult social care makes up over a third of the Council’s net revenue budget. Whilst efficiencies are being made in the way the Council operates this Service, the precept has helped to fund the mounting pressures faced in the areas of learning disability, demographic increases, increased costs and additional staffing requirements.
- 8.3 Income from Council Tax is also expected to increase by a further 0.3% as a result of growth in the tax base (the number of properties paying Council Tax). This is based on a collection rate of 99.6%.
- 8.4 Retained Business Rates represents the Council’s share of the actual business rate collected in West Berkshire. For 2020/21, the Council will no longer be part of the Berkshire business rates pilot under a 75% retention scheme, which generated additional funding for West Berkshire of approximately £1.5m. From 2020/21, all pilot schemes have ceased, and returned to the 50% retention.
- 8.5 Social care funding via the Better Care Fund (BCF) and Improved Better Care Fund (iBCF) is to be spent locally on health and care with the aim of achieving closer integration and improved outcomes for patients and service users and carers. For 2020/21, additional funding has been announced: iBCF funding including Winter Pressures Grant of £782k and a Social Care Grant of £2.63m.
- 8.6 Other grant funding consists of New Homes Bonus and other non ring-fenced grants. West Berkshire Council no longer receives any Revenue Support Grant. In addition to the funding above, the Council also receives ring-fenced funding which must be spent on specific areas, and raises fees and charges. These income streams are shown within individual service budgets where the expenditure occurs. The largest of these are detailed below:

- (1) **Dedicated Schools Grant (DSG).** The DSG is a ring-fenced grant which can only be spent on school/pupil activity. The DSG consists of four funding blocks: Schools, Central Schools Services, Early Years and High Needs.

The DSG settlement was announced by Government on 19 December 2019. The following table sets out the 2020/21 DSG settlement for each block.

Categories	(£'m)
Schools block	105.311
Central school services block allocation	0.959
High needs block allocation	21.667
Early years block	9.652
<b>Total DSG allocation</b>	<b>137.589</b>

- (2) **Public Health Grant.** West Berkshire Council receives a ring-fenced grant to fund public health functions. The grant is to remain ring-fenced until 31 March 2020. In 2020/21 the grant totals are to be confirmed by Government (2019/20: £5.698m).
- (3) **Fees and Charges:** There are generally two types of fees and charges; statutory and discretionary. The rationale behind the proposed increases to each Directorates' fees and charges are included in detail in Appendix F. The Council also continues to invest in commercial property, which is scheduled to generate £1.1m per year.

## 9. Revenue Expenditure

The Revenue funding outlined above, funds the 2020/21 revenue budget as follows:

Directorate	Base budget	Budget growth and inflation	Budget increases and investment	Savings & income generation	Annual budget requirement 2020/21
	£m	£m	£m	£m	£m
People	72.05	4.01	1.26	-1.36	75.97
Place	29.83	1.15	0.67	-0.80	30.84
Resources/Chief Executive	11.59	0.61	1.10	-1.08	12.21
Capital Financing	10.69	0.00	0.50	0.00	11.19
<b>Total</b>	<b>124.15</b>	<b>5.77</b>	<b>3.53</b>	<b>-3.24</b>	<b>130.22</b>

- 9.1 **Base budget £124.15m:** This is the ongoing budget requirement for the three Directorates together with the ongoing revenue cost of the capital programme.
- 9.2 **Budget growth and inflation £5.77m:** This is the budget increase required for the Council to perform exactly the same functions year on year. As part of the budget setting process, the Council provides for general inflationary pressures such as salary increases (2% assumption) based on the established number of posts, together with salary increments and increases to National Insurance and pension contributions.



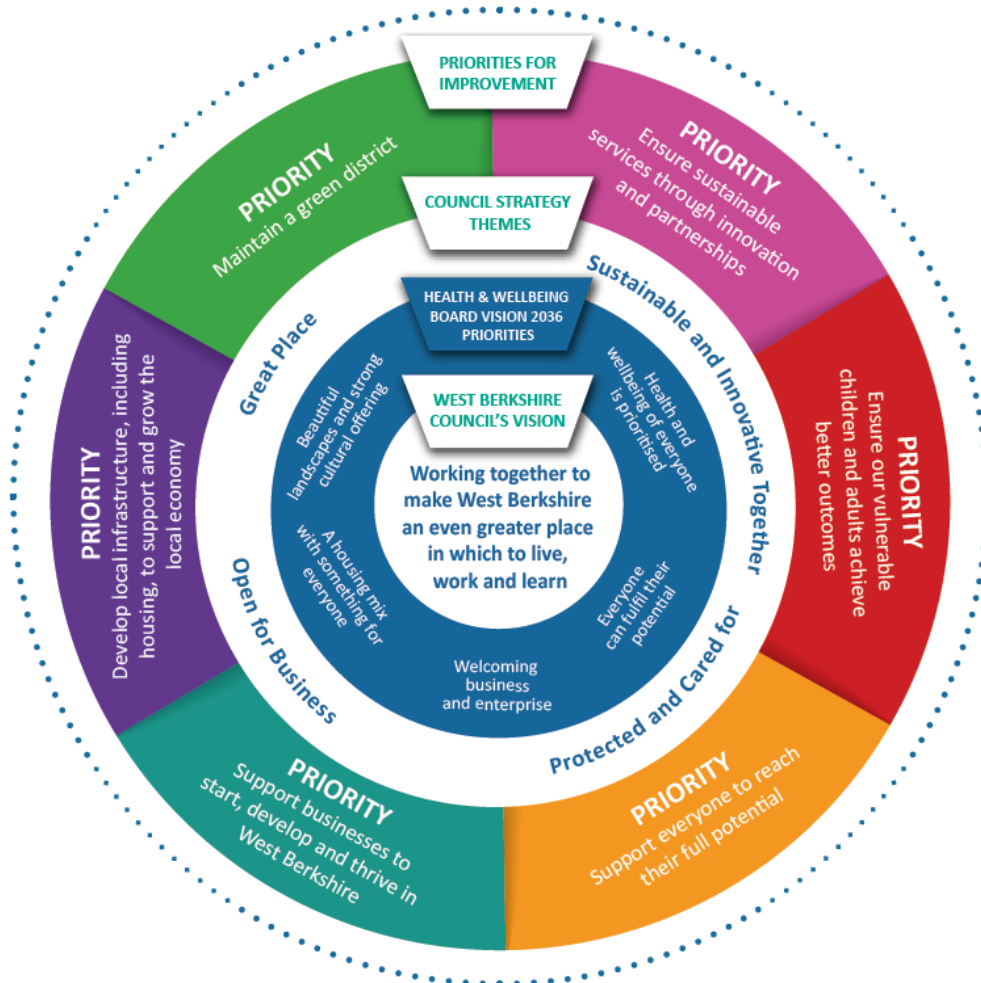
Budgets are inflated where a contract is in place and is subject to annual inflationary increases. The largest single item of contract inflation is from the waste PFI contract. This contract increase is based on the RPIx measure in January of each year and is estimated to be £442k (2.5%) for 2020/21. Full details of contract inflation and modelled growth are given in Appendix A.

The majority of growth has arisen in supporting social care, and it has been necessary to invest £3m into the budget due to rising demand and price increases. Financial modelling has been undertaken in demand led budgets which tracks client numbers, demand for services and pricing. Extracts from the models are shown in Appendix B.

Investment in the Council’s operational assets is funded from external borrowing and this requires an annual increase of £500k in the revenue budget in order to satisfy capital financing requirements.

9.3 **Budget increases and investment £3.53m:** Each year new unavoidable service pressures arise and need to be built into the revenue budget. Full details of the Council pressures are given in Appendix C. The Council has approved a new Council Strategy for the period 2019-23 and is investing £1.1m to support the strategy.

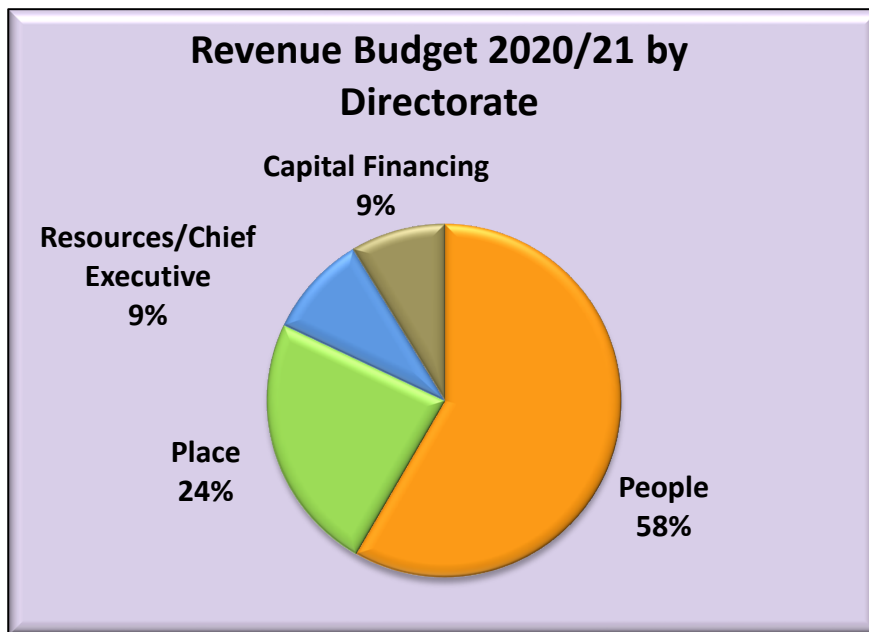
### West Berkshire Council Strategy 2019-2023



- 9.4 As part of this strategy, the Council is setting to more closely align financial resources to invest in the priority outcomes included in the strategy (see the Medium Term Financial Strategy for an overview). This investment starts from 2020/21 and includes a number of items below that closely align to the Council Strategy or are supported core Business As Usual functions that support the wider organisation:

No	Council Strategy priority	Item	Amount / £m
1	Maintain a green district	Delivery of the Environment Strategy document and scoping work packages	0.11
2	Support businesses to start, develop and thrive in West Berkshire	Investment in economic development support	0.08
3	Develop local infrastructure, including housing, to support and grow the local economy	Delivery of the preventing homelessness strategy and rough sleeping initiatives	0.21
4	Develop local infrastructure, including housing, to support and grow the local economy	Master plan for Newbury Town Centre	0.13
5	Ensure our vulnerable children and adults achieve better outcomes	Family safeguarding model	0.30
6	Support everyone to reach their full potential	Roll out of further targeted apprenticeships	0.12
7	Ensure sustainable service through innovation and partnerships	Commence delivery of the workforce strategy	0.05
8	Business as Usual	Increase internal audit resource	0.06
9	Business as Usual	Investment in equality and diversity support for the Council	0.04
10	Business as Usual	Investment in strategic support function	0.01
	<b>TOTAL INVESTMENT</b>		<b>1.11m</b>

9.5 The following chart shows how the budget is split by Directorate.



9.6 In order to achieve a balanced budget, £3.24m of savings and income generation proposals have been made.

**10. Reserves**

10.1 As part of the financial planning process, the Council considers the establishment and maintenance of reserves. Reserves are categorised into unusable and usable reserves. Unusable reserves includes those reserves which are kept to manage the accounting processes for non-current assets, retirement and employee benefits. These do not represent usable resources for the council. Usable Reserves consist of the General Reserve and Earmarked Reserves.

10.2 The General Reserve exists to cover a number of non-specific items and risks. The Council s151 officer recommends that the General Reserve is a minimum £6.5m. Earmarked Reserves are held for specific future projects or service risks.

<b>Usable Reserves</b>	<b>1.4.2019</b>	<b>1.4.2020</b>
	<b>Actual</b>	<b>Estimate</b>
	<b>£m</b>	<b>£m</b>
General Reserve	8.16	7.97
Earmarked Reserves	19.77	13.38
<b>Total Usable Reserves</b>	<b>27.93</b>	<b>21.35</b>

10.3 During 2019/20, earmarked reserves are expected to reduce by £6.3m. This will fund investment in the Council Strategy, use of the Commercial Property reserve and to fund the Collection Fund deficit. The Collection Fund covers Council Tax and Business Rates. The Council’s share of the estimated Council Tax deficit is £1.47m which will be recovered in 2020/21. This has arisen as a result of the estimated growth of the number of properties in the district not reaching expected levels during 2019/20. The Council’s share of the estimated Business Rates deficit is £3.9m. This has arisen due to a combination of lower business rates growth than forecast and a higher rate of business rates appeals. Business rate income is an unpredictable area to forecast with fluctuating valuations, appeals and reliefs. As a result funds have been put aside in previous years arising from additional S31 grants and gains

from pilot status. As a result the deficit is fully funded from reserves specifically set aside for this financial forecasting volatility in previous years. Reserves are detailed in Appendix E.

## 11. Funding Statement

The Funding Statement for 2020/21 shows the funding available to the Council which can be used to fund the budget requirement.

2020/21 Funding Statement			
Income	£m	£m	Appendix
Council Tax	92.67		
Adult Social Care precept	9.39		
<b>Council Tax income</b>		<b>102.06</b>	
<b>Retained Business Rates</b>	<b>22.61</b>	<b>22.61</b>	
Adult Social Care BCF and iBCF	6.40		
Social Care grant	2.63		
<b>Social Care funding</b>		<b>9.03</b>	
Other non-ringfenced grants	0.22		
New Homes Bonus	1.82		
<b>Other grant funding</b>		<b>2.04</b>	
Collection Fund deficit (-)/ surplus - Council Tax	-1.47		H
Collection Fund deficit (-)/ surplus - NNDR	-3.71		
<b>Collection fund deficit</b>		<b>-5.19</b>	
<b>Funds Available</b>		<b>130.56</b>	
Expenditure	£m	£m	Appendix
Expenditure budget (net of ring-fenced grants)	151.89		
Fees, charges and commercial income	-27.74		
<b>Opening base budget</b>		<b>124.15</b>	
Inflation	2.06		
Contract inflation	0.69		A
Modelled growth	3.02		B
<b>Budget growth and inflation</b>		<b>5.77</b>	
Increased budget requirement (pressures)	1.92		C
Investment in Council Strategy priorities	1.11		
Increase in capital financing costs	0.50		
<b>Budget increases and investment</b>		<b>3.53</b>	
Savings proposals	-2.33		
Commercial income	-0.44		
Capitalisation	-0.47		
<b>Savings and income generation</b>		<b>-3.24</b>	D
<b>Annual Budget Requirement</b>		<b>130.22</b>	
Adult Social Care BCF and iBCF	6.40		
Use of Council Strategy reserve	-0.68		E
Use of Collection Fund and Business Rates reserves	-5.37		E
<b>One off funding</b>		<b>0.35</b>	
<b>Budget Requirement</b>		<b>130.56</b>	

£10k roundings may apply

## 12. Proposals

- (1) That Council approve the 2020/21 Council Tax requirement of £102.06 million, requiring a Council Tax increase of 1.99% with a 2% Council Tax Precept ring-fenced for adult social care.
- (2) That the Fees and Charges be approved as set out in Appendix F and the appropriate statutory notices be placed where required.
- (3) That the Parish Expenses be approved as set out in Appendix G.

## 13. Consultation and Engagement

All savings and income generation proposals have been reviewed and all required public consultation has taken place. Individual groups affected by specific proposals were consulted as required. If any proposals require consultation at a later stage, this will be undertaken when appropriate.

## 14. Other options considered

The budget proposal is to increase Council Tax by 1.99% with a 2% Council Tax Precept ring-fenced for adult social care. If these options were not taken, the savings requirement would be £4.2m higher. All options have been considered to keep the savings requirement to the level it is.

## 15. Conclusion

The Council is forecasting a small over spend in 2019/20 which will preserve the level of reserves. The ongoing effect of any budget pressures and future investment in the Council Strategy priorities has been factored into the 2020/21 budget. In order to fund this the Council has chosen to increase Council Tax by 1.99%, raise a 2% adult social care Council Tax Precept and find savings or income generation of £3.24m. West Berkshire Council has a strong track record of delivering on its savings proposals and of reacting to ongoing pressures in order to minimise the budgetary impact.

## 16. Appendices

- 16.1 Appendix A – Contract inflation
- 16.2 Appendix B – Modelled growth
- 16.3 Appendix C – Increased budget requirement (pressures)
- 16.4 Appendix D – Savings and income proposals
- 16.5 Appendix E(i) – Reserves Statements
- 16.6 Appendix E(ii) – Adequacy of reserves and robustness of budget
- 16.7 Appendix F – Fees and charges
- 16.8 Appendix G – Parish Expenses (for Council meeting)

16.9 Appendix H – Council Tax Collection Fund (for Council meeting)

16.10 Appendix I – Unison comments (tbc – for Council meeting)

16.11 Appendix J – Briefing paper for Ratepayers (for Council meeting)

16.12 Appendix K – Council Tax Resolution (for Council meeting)

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## Contract Inflation

Contract Inflation			2020/21
Directorate	Service	Description	£000
People	ASC	Birchwood Lease	20
<b>People</b>		<b>Total</b>	<b>20</b>
Place	T&C	Waste contract (at 2.5% RPIX)	442
Place	T&C	Waste - Tax Base adjustment	35
Place	T&C	Henwick Worthy sports ground (CPI)	4
Place	T&C	Winter service licence uplift	2
Place	T&C	Pay and Display maintenance contract	10
Place	T&C	Street Lighting - energy costs	30
Place	T&C	BBOWT partnership (CPI)	10
Place	T&C	Grounds Maintenance (CPI)	10
Place	T&C	Highways term maintenance contract (%)	88
Place	PP&C	Bone Lane Rent	2
<b>Place</b>		<b>Total</b>	<b>633</b>
Resources	SSU	Citizen's Advice	2
Resources	F&P	Corporate insurance	24
<b>Resources</b>		<b>Total</b>	<b>26</b>
<b>Total contract inflation</b>			<b>678</b>

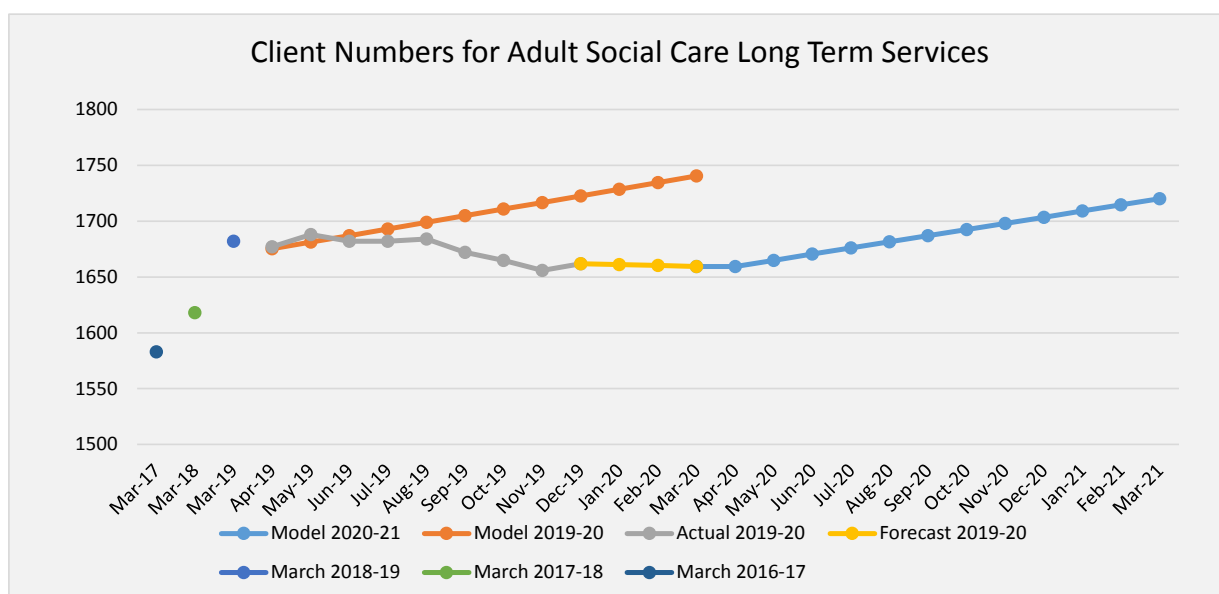
n.b. roundings may apply to £10k



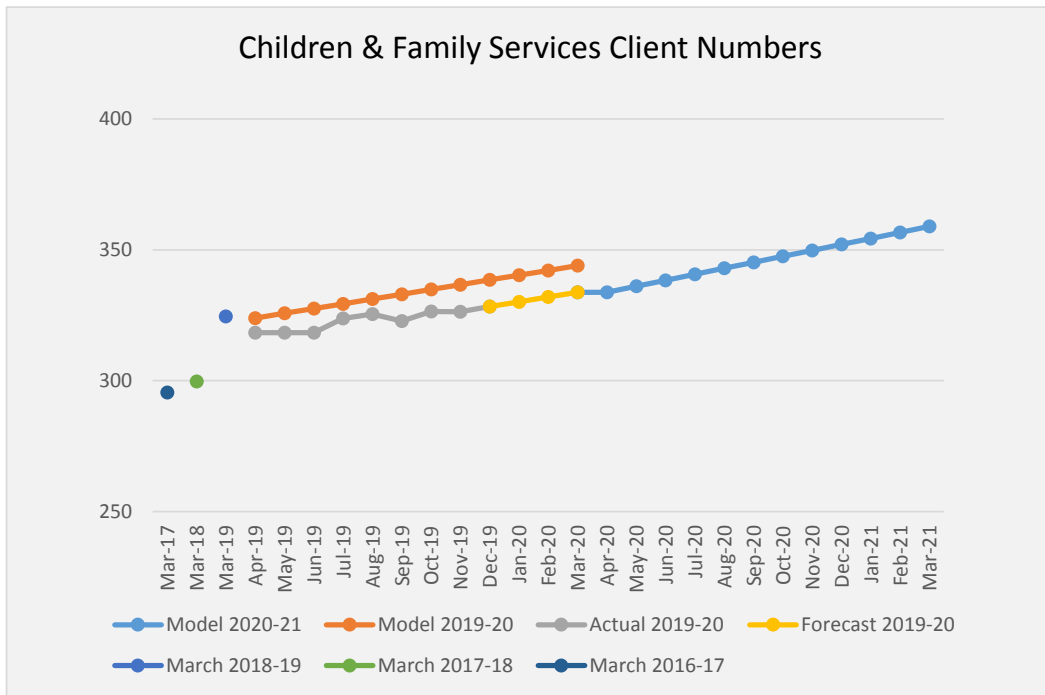
## Modelled Growth

The table below shows the amount of budget growth required for 2020/21 from the modelling undertaken in Adult Social Care, Children & Family Services and Education. A graph for each model is shown below.

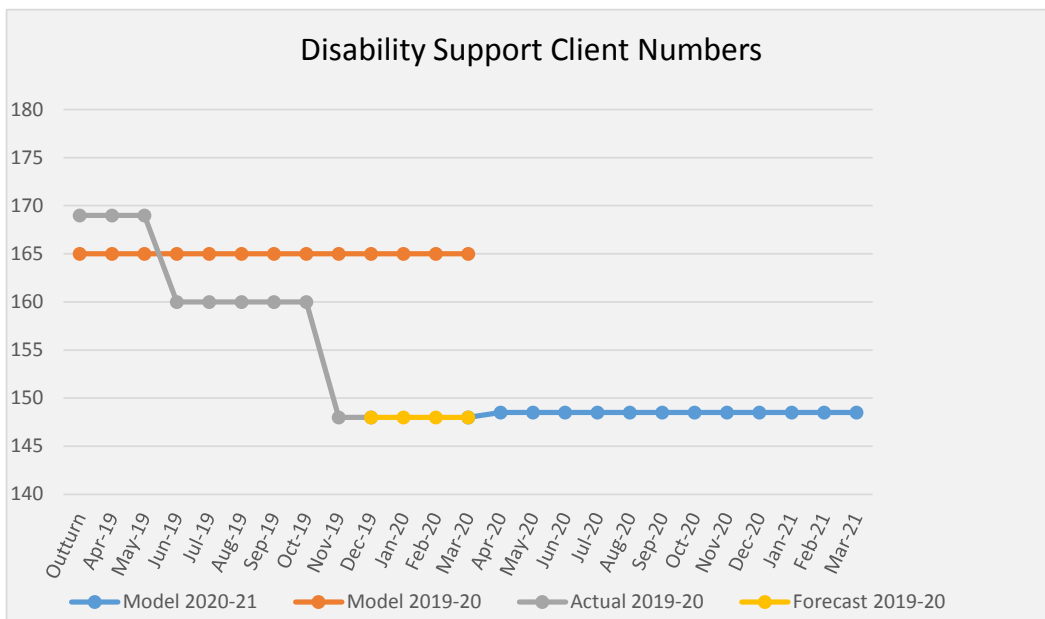
Directorate	Service	Description	£000
<b>Corporate</b>		<b>Total</b>	<b>0</b>
People	ASC	Commissioning Budgets demographic increases - long term services	2000
People	ASC	Commissioning Budgets demographic increases - short term services	110
People	CFS	Placement budget modelled increased demand	643
People	ED	Disabled Children's budgets modelled increased demand	270
<b>People</b>		<b>Total</b>	<b>3,023</b>



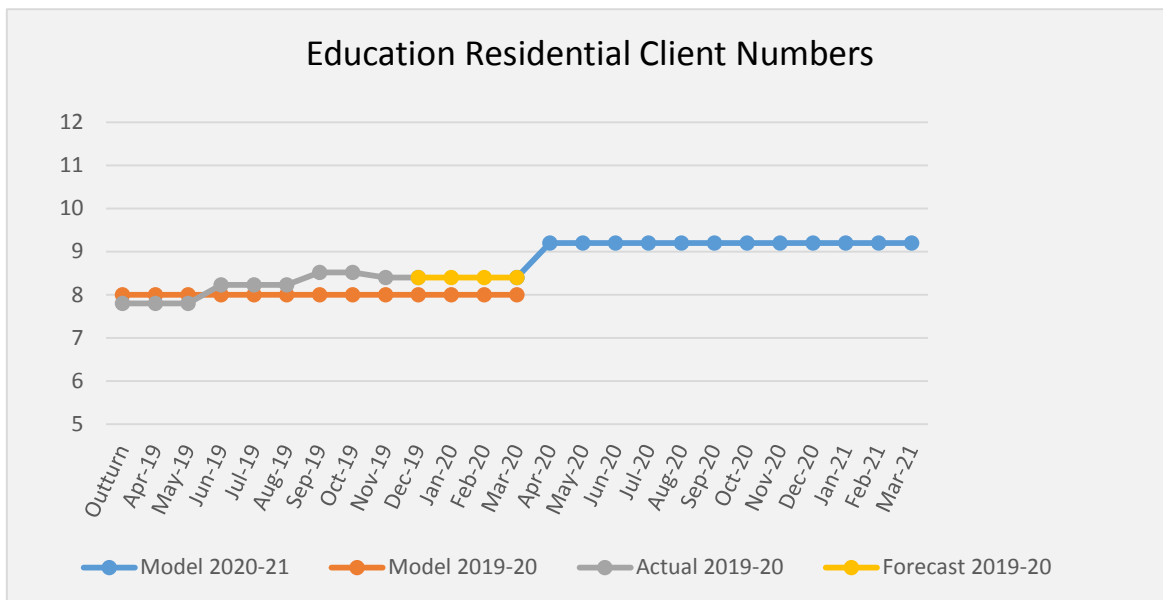
The graph shows that client numbers in Adult Social Care rose significantly from March 2017 to March 2019 (3 dots). During 2019/20, there has been an overall fall in numbers. Nursing and residential numbers have remained static, but there has been a fall in community client numbers. The model is built on using the previous three years of data to try to eliminate short term trends.



In Children & Family Services, client numbers have been increasing since 2017. Within the overall increase, there has been an increase in Independent Fostering numbers but a decrease in residential placements.



Disability support is within the Education Service. Numbers have fallen during 2019/20 and are forecast to remain steady at the lower level. The Disabled Children’s team have been making greater use of equipment and personal budgets to support families at home, instead of commissioning support for the families. In addition, Castle Gate has provided enhanced respite packages which has reduced the use of commissioned respite services supporting families.



Education residential numbers have remained steady over the last year and the trend is forecast to continue. The cost avoidance work carried out by Castle Gate through the provision of enhanced respite packages to delay or prevent the need for residential placements has helped prevent significant increases in the number of children moving into a residential setting.

## Increased Budget Requirements

		2020/21 Increased Budget Requirements (Pressures)	Unavoidable	Unmet Savings	Unachievable Income	Total
Directorate	Service	Description	£000	£000	£000	£000
<b>Corporate</b>		<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
People	ASC	Learning Disability Transitions - the pressure is based on individual clients known to be transitioning from childrens services during 2020/21 and other young adults who may already be 18, but their transitional arrangements are changing (leaving education settings).	465			465
People	ASC	Funding for Technical Development Officer	42			42
People	ASC	Safeguarding Adults Board	3			3
People	CFS	Children's Services Management. Income target allocated to the Head of Service of the disbanded Prevention & Safeguarding service.			20	20
People	CFS	Additional placement costs for Adoption Thames Valley (ATV). The service has ambitions to try and place each child needing adoption with an 'in house' recruited adopter. The national performance figure is 75% of children being placed 'in house'. ATV perform a little better than this, and manage to place 100 children for adoption each year. Inevitably there will always be a need to purchase adoptive placements from other regional or national providers who have adopters available to meet that child's needs. The purchase of each adoption placement incurs a fee circa £32k. As it is a statutory demand led service, placement costs are likely to vary from year to year.	59			59
People	CFS	Family Group Conferencing (FGC) unachievable income target relating to the commissioning of FGC to neighbouring authorities.			8	8
People	CFS	Family Placement Team post	44			44
People	CFS	LSCB Budget/ Berks West Safeguarding Arrangements	3			3
People	ED	SEND grant. The recently removed SEND Grant enabled the LA to meet statutory duties. Reduced staffing would impact on the co-production of EHCPs within statutory timescales. Numbers with an EHCP have risen from 770 in 2014 to 971 in 2019. As well as being out of time, this would create a significant backlog, leave us with poor performance data and potential legal challenge. We would also need to cease Parent and Youth Forums and our Supported Employment Scheme (with a negative knock-on impact on Adults). Our ability to update and maintain our Local Offer website would be compromised.	115			115
People	ED	Early Years Team - staffing increase by 0.2FTE to enable the continued work in the MASH (Multi Agency Safeguarding Hub) with Children Services. If unfunded, Education Services would need to look at removing support in the MASH, this would cause pressures on the front door service and would be a backwards step in the joined up working approach.	14			14
People	ED	Emotional Health Academy - Commercialisation Income Target / reduction of funding streams.			70	70
People	ED	HTST - Public Service Vehicles Accessibility Regulations (PSVAR). Change in vehicle requirements providing HTST	100			100
People	P&S	Unachievable income target - consultancy			20	20
<b>People</b>		<b>Total</b>	<b>846</b>	<b>0</b>	<b>118</b>	<b>964</b>

# Revenue Budget 2020/21

		2020/21 Increased Budget Requirements (Pressures)	Unavoidable	Unmet Savings	Unachievable Income	Total
Directorate	Service	Description	£000	£000	£000	£000
Place	PP&C	Building Control - reduced accommodation re-charge from other councils			24	24
Place	PP&C	Head of Service - Digitisation savings have not been achieved as it has not been practically possible to reduce staffing levels.		23		23
Place	T&C	Closed landfill site - this recharge from from Bracknell Forest relates to the council's share (18.34%) of the costs of maintaining the closed land fill site at London Road, Bracknell. The cost for this council is estimated to rise to £54k in 20/21 from £48k this year. The current budget of £25k has been insufficient for a number of years, and this can no longer be mitigated within the service. The pressure is £29k.	29			29
Place	T&C	Flood and Water Management Grant Removal. If not funded, we would be unable to provide statutory functions under the FAWMA. Until last year the Council received £25k funding for statutory duties under the Act including investigating flood incidents, assessing Sustainable Drainage aspects of planning applications and maintaining flood risk assets. Loss of this funding would mean less maintenance of flood risk assets and would limit our ability to employ expert consultants for the assessment of flood risk on complex developments.			25	25
Place	T&C	New Blue Badge criteria	40			40
Place	T&C	Reduction in Recycling Income			130	130
<b>Place</b>		<b>Total</b>	<b>79</b>	<b>23</b>	<b>179</b>	<b>281</b>

# Revenue Budget 2020/21

		2020/21 Increased Budget Requirements (Pressures)	Unavoidable	Unmet Savings	Unachievable Income	Total
Directorate	Service	Description	£000	£000	£000	£000
Resources	COM	Changes to the contract model leading to reduced income.	69			69
Resources	F&P	Transfer of post into revenue funding	35			35
Resources	F&P	West Point - rental income no longer being received as WBC occupies	20			20
Resources	F&P	Agresso upgrade to cloud	83			83
Resources	F&P	Commercial income - lack of properties coming through for acquisition leading to a significant risk that we will not achieve the current income budget.			347	347
Resources	F&P	Income from Traded service with schools for maintenance services not expected to align with expenditure			9	9
Resources	F&P	Reduced property income			5	5
Resources	HR	Lease car administration	7			7
Resources	HR	Unachievable income from training. Bid to reduce the targets to more accurately reflect achievable income levels.			66	66
Resources	L&SS	Coroners service	47			47
<b>Resources</b>		<b>Total</b>	<b>261</b>	<b>0</b>	<b>427</b>	<b>688</b>

## Savings and Income Generation

Summary of Savings/Income Proposals							
Directorate	Ref	Service	Description	Current Budget £k	Total saving/income £k	Type	Implications
Corporate	C1	HR	Essential car user savings		139	Efficiency	None

Summary of Savings/Income Proposals							
Directorate	Ref	Service	Description	Current	Total	Type	Implications
People	P1	ASC	Reducing the need for double handed care	1,338	223	Efficiency	None
People	P2	ASC	Learning Disability (LD) reviews of existing care packages	11,070	204	Efficiency	Targeted reviews to ensure appropriate levels of care making best use of resources.
People	P3	ASC	Learning Disability reviews of over 65 clients	1,574	50	Efficiency	Looking at current placements and review to see if mainstream elderly provision is more appropriate than a specific LD placement.
People	P4	ASC	Develop a new unit as Supported Accommodation for Learning Disability clients	897	51	Transformation	None
People	P5	ASC	Health funding - review shared funding for clients with Mental Health needs (S117) and Continuing Healthcare (CHC)	TBC	200	Efficiency	Subject to discussion with Clinical Commissioning Group (CCG).
People	P6	ASC	Market Management	TBC	150	Transformation	Resource required. The resource allocated to this work will allow for focused activity to grow and shape care and support markets to ensure access to value for money services that meet eligible social care needs.
People	.	<b>Total ASC</b>			<b>878</b>		
People	P7	CFS	Remove Administrative Officer Post Quality And Assurance Service	9	9	Efficiency	Post is a bucket post 0.33 vacant element for the past 3 years
People	P8	CFS	Reduce recruitment and advertising budget	55	15	Efficiency	None
People	P9	CFS	LSCB Systems Change Manager post Old Family Group Conference	28	28	Efficiency	We are no longer providing this service to other Local Authority's (LAs)
People	P10	CFS	Unaccompanied Asylum Children increase in grant funding	879	100	Income	None
People	P11	CFS	Staffing Realignment		30	Efficiency	None
People	P12	CFS	Staffing reconfiguration	12	12	Efficiency	None
People	.	<b>Total CFS</b>			<b>194</b>		
People	P13	Education	Home To School Transport (HTST) - review available routes and fee payers subsidy	3,041	100	Transformation	If walking routes can be deemed available/safe, free transport can be withdrawn. There may also be some potential to rationalise Brookfield routes and increase the use of parental mileage & personal budgets.
People	P14	Education	Virtual school - new grant rate & benchmarking review	255	20	Efficiency	Virtual School would need to assess where savings could be made, such as reduced staffing or perhaps funding fewer activities, the latter potentially being supported by Pupil Premium Plus Grant (PPPG)
People	P15	Education	Early Years (EY) & Family Hubs - Reduction in staffing costs / funding and review of supplies & services.	527	45	Efficiency / Income	Some potential for additional income, though further efficiencies would be sought, incl. staffing reductions. No reduction in Public Health funded activity. Also potential appropriate use of Dedicated Schools Grant (DSG) funding to support vulnerable children in EY settings, especially vulnerable 2yr olds.
People	P16	Education	Castle Gate staffing restructure	49	20	Efficiency	Rationalisation to get a better balance of management & night coverage. Potentially involves redundancies. No reduction in service to Children / Young Persons
People	P17	Education	Deletion of vacant Service Manager Post	50	50	Efficiency	Vacant Service Manager role responsibilities have been distributed among the current Education Service Managers.
People	P18	Education	Premature Retirement costs	346	5	Efficiency	Expected fall in annual cost
People	P19	Education	Health funding for Disabled Childrens Team		50	Income	Seeking greater financial contribution from Health. Subject to planned discussions with the CCG.
People	.	<b>Total Ed</b>			<b>290</b>		
People	.	<b>People Directorate</b>			<b>1,362</b>		

# Revenue Budget 2020/21

Summary of Savings/Income Proposals							Implications
Directorate	Ref	Service	Description	Current Budget £k	Total saving/ income £k	Type	
Place	E1	D&P	Capitalise Housing Development post	587	40	Capitalisation	Funding will come from developers contributions and will not require the council to borrow for the foreseeable future.
Place	E2	D&P	Planning Pre-applications charges	(89)	5	Income	5% increase in pre-application planning charges.
Place	E3	D&P	Review Community Infrastructure Levy (CIL) Income	(174)	10	Income	Legislation limits the administration charge to 5% of CIL receipts. Income is now used to 'self fund' the CIL Team.
Place	E4	D&P	Paperless Planning	TBC	15	Efficiency	Digital planning project has reduced the need to create hard copy files, print and re-key data saving.
Place	.	<b>Total D&amp;P</b>			<b>70</b>		
Place	E5	PP&C	Marriage income fee increase	(327)	2	Efficiency	Benchmarking data analysed, fees to increase by 10%.
Place	E6	PP&C	Energy – estate management phase 2	881	68	Efficiency	Based on getting an approved capital business case for solar PV installations on council estate (roof mounted systems).
Place	E7	PP&C	Energy – white label project phase 1	881	5	Efficiency	Based on getting an approved partnership with multiple local authorities to sell electricity. Income from commission on sales.
Place	E8	PP&C	Museum income volume increase	(22)	3	Income	Assumption of continuing increase in footfall and sales.
Place	E9	PP&C	Shaw House repairs & maintenance budget reduction	25	10	Efficiency	Risks to be managed through capital budget.
Place	.	<b>Total PPC</b>			<b>88</b>		
Place	E10	T&C	Garden Waste income - volume increase	(1,409)	110	Income	Based on anticipated uptake of service
Place	E11	T&C	Restructure (various teams)	5,041	22	Efficiency	None anticipated
Place	E12	T&C	Street Lighting Energy Efficiency Programme	374	15	Efficiency	On-going review of illumination levels on residential roads and move to lower levels of illumination between the hours of 10pm and 6am. Continued investment in LED technology on illuminated signs supported by Capital Programme.
Place	E13	T&C	Streetworks additional charges for minor works	(139)	60	Income	No operational implications
Place	E14	T&C	Berkshire, Buckinghamshire & Oxfordshire Wildlife Trust (BBOWT) - capitalisation	420	75	Capitalisation	None anticipated, this will be funded from developers contributions so no borrowing will be required to fund.
Place	E15	T&C	Civil Enforcement Officer (CEO) accommodation saving	7	5	Disinvestment	No operational implications
Place	E16	T&C	Capitalisation of Structures Revenue budget	207	25	Capitalisation	Capitalisation of the Countryside footbridge repairs and replacements.
Place	E17	T&C	Capitalisation of the Highways Reactive Maintenance budget	118	118	Capitalisation	Kerbing and street furniture repairs to be capitalised.
Place	E18	T&C	Capitalisation of the emergencies budget.	446	132	Capitalisation	Capitalisation of the Highway repair elements of the Highway Emergency budget.
Place	E19	T&C	Capitalisation of the Traffic Signal Maintenance support budget	101	20	Capitalisation	Traffic signal equipment replacement element of the service to be capitalised.
Place	E20	T&C	Restructure - Countryside	53	53	Disinvestment	Reduced capacity in the Countryside Team.
Place	E21	T&C	Cease cleaning / maintaining bus shelters at Beenham Turn, Theale and Calcot.	6	6	Disinvestment	Opportunities to be taken through devolution to Parish and Town Councils
Place	E22	T&C	Remove standby duty for Transport Services Officers	3	3	Efficiency	Reduced ability of the Transport Team to cover fleet breakdowns out of hours.
Place	.	<b>Total T&amp;C</b>			<b>644</b>		
Place	.	<b>Place Directorate</b>			<b>802</b>		



# Revenue Budget 2020/21

Summary of Savings/Income Proposals							Implications
Directorate	Ref	Service	Description	Current Budget £k	Total saving/income £k	Type	
Resources	R1	CSI	Increase external Print Room income	10	10	Income	None anticipated
Resources	R2	CSI	Reduce Contact Centre staffing by 1 FTE (if demand reduces e.g. through digitisation)	28	23	Disinvestment	Reduced capacity in Contact Centre. Inability to achieve service level agreements if digitisation does not reduce demand as anticipated.
Resources	R3	CSI	Deletion of vacant post	49	41	Disinvestment	None anticipated
Resources	R4	CSI	Reduction in corporate call costs through contract renegotiations	64.7	10	Efficiency	None anticipated
Resources	R5	CSI	Printing cost reductions	91	20	Efficiency	May impact our ability to renew printers as they wear out/fail
Resources	R6	CSI	Postage costs reduction	159	14	Efficiency	None anticipated
Resources	R7	CSI	Citrix Licence cost reduction	194	12	Efficiency	Can only be achieved by moving staff to other methods of remote access.
Resources	R8	CSI	Capitalisation of some Application Team salaries	612	55	Capitalisation	None anticipated, borrowing will be required to fund this post within capital and the saving here is net of borrowing costs.
Resources	.	<b>Total CSI</b>			<b>185</b>		
Resources	R9	Commissioning	Comensura contract savings / staff reductions	1,100	76	Efficiency	Net saving includes elimination of a post
Resources	.	<b>Total Commissioning</b>			<b>76</b>		
Resources	R10	F&P	Alternative funding model - Financial Planning and Treasury team	163	163	Efficiency	None
Resources	R11	F&P	Annual Council Tax and Non-Domestic Rate billing - contract savings	50	20	Efficiency	None
Resources	R12	F&P	New folder/insert machine lease (Revs&Benefits)	50	2	Efficiency	None
Resources	R13	F&P	Vat reclaim on mileage	-	40	Efficiency	None
Resources	R14	F&P	Efficiency Savings		17	Efficiency	None
Resources	R15	F&P	Introduce digital technology to make existing Council Tax and Housing Benefits processes more efficient.	1,300	147	Efficiency	£170k saving split between CSI and FIN
Resources	.	<b>Total F&amp;P</b>			<b>389</b>		
Resources	R16	HR	Deletion of Apprenticeship Coordinatiior post	33	33	Disinvestment	Workload will be redistributed within the team as this function enters a business as usual phase.
Resources	.	<b>Total HR</b>			<b>33</b>		
Resources	R17	L&SS	Income generation including reduction in counsels fees for preliminary hearings in Crown Court	-143	45	Income	Legal Services have embarked upon a range of activities with a view to generating additional income. This has included: Maximising cost recovery on existing work, PPP prosecution work which is undertaken on behalf of Wokingham and Bracknell Forest BC, trading with 3rd parties such as academy schools and local authorities and providing training and charging for this. It is considered that Legal Services at establishment will be in a position to deliver £50k additional income from 2019/20. One of our prosecution solicitors is part way through her higher rights course and once completed, in addition to the opportunities to reduce the cost of preliminary hearings in the crown court, this will provide additional opportunities to undertake traded work. This will apply particularly to POCA proceedings, which are undertaken in the Crown Court (and are therefore all outsourced at present) but which rarely result in contested hearings. It is considered therefore that we will be able to generate an additional £30k from further trading activities which will be undertaken from 20/21.
Resources	R18	L&SS	Corporate programme	184	40	Disinvestment	This proposal will mean that the Corporate Programme or elements of it (New Ways Of Working) will have to be completed over a longer timescale.
Resources	R19	L&SS	Reduction in Legal Library	37	5	Disinvestment	None
Resources	R20	L&SS	Restructure in Legal and Strategic Support		40	Disinvestment	None
Resources	R21	L&SS	Training income from GDPR and FOI	-	10	Income	Training income, will be generated via training on GDPR and FOI, provided to Schools, Parish Councils, BALC and Health, providing an estimated 4 courses over the year. The resources required to provide this would be officer time, which will reduce after the first course when the bulk of the work required to prepare for the training will be undertaken.
Resources	.	<b>Total Legal &amp; SS</b>			<b>140</b>		
Resources	R22	CE	Training budget savings	52	20	Disinvestment	None
Resources	R23	DIR	Directorate efficiency review	-	56	Efficiency	None
Resources	R24	DIR	Support costs to enable asset disposal – funded by capital receipts	-	40	Income	The Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010- "To meet the costs of or incidental to a disposal of an interest in land other than housing land, provided these do not exceed 4% of the capital receipt arising from the disposal"
Resources	.	<b>Total CE/DIR</b>			<b>116</b>		
Resources	.	<b>Resources Directorate</b>			<b>939</b>		