

BUDGET PROPOSALS 2020/21

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BARNSELY METROPOLITAN BOROUGH COUNCIL

**LOCAL GOVERNMENT ACT 2003, SECTION 25 REPORT ON THE
2020/2021 BUDGET PROPOSALS**

1. Purpose of the Report

- 1.1 To provide, in accordance with the requirements of Section 25 of the Local Government Act 2003, advice from the Authority's Chief Finance Officer (CFO) on aspects of the 2020/21 budget proposals.

2. Background

- 2.1 Part 2 of the Local Government Act 2003 contains a series of duties and powers that give statutory support to aspects of good financial management within local government.
- 2.2 Section 25 requires the CFO to report to an Authority, when it is making its decision on determining the council tax, providing advice on the following issues:
- The robustness of the estimates included in the budget; and
 - The adequacy of the reserves the budget will provide.
- 2.3 The CIPFA Prudential Code also requires consideration to be given to the affordability and prudence of future capital investment - given its impact on the revenue budget.
- 2.4 CIPFA's Financial Management Code also highlights the importance of the budget setting framework which operates within local authorities and the legal requirements under which this sits.

3. Advice of the Chief Finance Officer

- 3.1 This report is based on the Budget Recommendations (separately attached).

Robustness of the Estimates

- 3.2 As Members are aware, the setting of the 2020/21 Revenue and Capital budgets are part of the Council's Medium Term Financial Strategy that forms the framework for the budget for the period 2020-2023.
- 3.3 The Council's financial strategy has sought to clearly identify the risks associated with the budget so that properly informed and prioritised decisions are made. This is particularly relevant given the outcome of the recent election, the continuing uncertainty around certain aspects of the UK's exit from the EU and the impact this may ultimately have on local government finance.

- 3.4 Specifically, the Government has not yet indicated what resources local government is likely to receive beyond 2020/21. Whilst the Government announced a one year settlement in September, it has not outlined its long term spending plans as it originally intended, mainly because of Brexit and the subsequent December election. The Government's Comprehensive Spending Review is not now scheduled until late in 2020 and there are also delays to the Government's other intended reforms such as Fair Funding and the move to 75% Business Rate Retention. This general uncertainty makes it very difficult to assess the Council's future funding position beyond 2020/21 and this is identified as a key risk facing the Council moving forwards.
- 3.5 Moreover, there are other financial risks facing the Council that Members need to be aware of and, where necessary, provide for. One specific risk relates to the way the Council receives the majority of its income under the Business Rate Retention (BRR) model. Whereas previously, our funding used to be largely grant dependent, it is now much more localised and thereby increasingly reliant upon the actual rate of collection. This means our primary sources of income (e.g. Business Rates, Council Tax) are subject to greater volatility than prior to the introduction of the BRR model which, in turn, makes financial planning and forecasting more difficult to predict.
- 3.6 My Section 25 report reflects this changing financial environment in addition to the specific proposals contained within the budget. In terms of the estimates which are included in the proposed 2020/21 budget, I would offer the following comments:

(i) ***Council Tax Income Assumptions***

The estimates for Council Tax Income are based on a collection rate of 95%. This remains at the same level as in previous years and takes into account proposed policy changes including the recently revised Local Council Tax Support scheme and ongoing issues surrounding Universal Credit. At this stage I have no reason to believe that this is not a robust assumption, although given the aforementioned policy changes, the position will need to be closely monitored during the course of the year.

(ii) ***Business Rates Income Assumptions***

Under the current Business Rate Retention scheme, Barnsley retains 49% of the total income collected. As previously mentioned, there is the potential for volatility around this income source in relation to the impact of the UK's exit from the EU on the level of businesses in the Borough and in respect of any appeals that are already within the 'system' that fall on the Council to fund. At this stage the expected income of £23.6M from retained business rates included within the budget is, I believe, based on prudent assumptions although again the position will need to be closely monitored during the course of the year.

(iii) ***Pay Inflation Assumptions***

A provision for a pay award equating to a 2% increase has been included in the 2020/21 budget and the forecast for 2021-2023. The Trade Unions made an initial pay claim in July 2019 although the negotiations have stalled due to the recent election. As the pay claim is outside of the sums provided for within the budget, further consideration may need to be given to this provision on conclusion of the national pay claim negotiations.

A provision has also been made in relation to the potential impact of the increase in the National Living Wage on external contracts. The full impact will need to be monitored and managed during the year.

(iv) ***Interest Rate Assumptions***

A prudent view of interest rates has been taken in constructing estimates for interest charges in 2020/21 and future years. Whilst these estimates are currently considered to be adequate and take on board advice/forecasts from our treasury advisors, there is the potential for considerable volatility in relation to interest rates. This is due to the current economic uncertainty as a consequence of the ongoing EU exit negotiations but also reflects the recent unexpected 1% rise in PWLB rates. As such, interest rates will need to be closely monitored throughout the year and regular updates will be submitted into the Council's Treasury Management Panel and Cabinet, to ensure timely action is taken to optimise the Authority's position.

(v) ***Service/ Demand Pressures***

Both the budget for 2020/21 and the forecast for 2021-2023 contain some significant increases in expenditure that result from increasing demand for Council services. Changes in demand / demographics are already particularly acute in adult and children's services and create significant financial pressures. It is highly likely that our financial position may also be impacted by the promised Government review of social care, when this is eventually concluded. Moreover, similar impacts are being felt across other services, such as waste and home to school transport. Whilst these have been quantified as far as is possible, the nature of the services means that demand can be difficult to predict. I have no reason to believe that the current assumptions are not robust but it is vital that these areas are monitored closely during the year so that any action required can be taken in a timely manner.

Adequacy of Reserves

- 3.7 **Section 2c** of the 2020/21 Budget Proposals set out the Council's position in relation to the current level of provisions, reserves and balances available to the Authority.

- 3.8 As indicated in that paper, the current Minimum Working Balance held by the Authority remains at £15M as agreed last year. I consider that this level remains prudent.
- 3.9 As part of the 2019/20 budget proposals, I recommended that a further contingent reserve be set up to assist the Council in preparing for 'Brexit' and its potential impact on the Council's major economic regeneration schemes such as the Glassworks. As Brexit remains unresolved at the time of writing this report and significant uncertainty prevails, it is recommended that this contingent reserve is retained for 2020/21.
- 3.10 The review of the Council's reserves has also included an assessment of its earmarked reserves / provisions to ensure their continued validity and make additional earmarking's where appropriate. I consider the current levels to be adequate subject to my comment at paragraph 3.12 below.
- 3.11 The 2020/21 one-year settlement has enabled the release of additional resources to be used on the Council's strategic priorities. I recommend that this additional resource is treated as one off pending the full 3 year spending review which is expected to be announced in Autumn 2020.
- 3.12 It should also be noted that not all resources have yet been received and need to be 'banked' before being committed to future investments. I will ensure that this position is reviewed and reported through future monitoring reports. In addition, I also consider it appropriate and necessary to continually monitor reserve levels in the light of the changing circumstances facing the Council and as such, a further detailed review will be carried out as an integral part of the 2019/20 accounts closure.

Prudence and Affordability

- 3.13 The current Prudential Borrowing regime places a duty on the CFO to ensure that the financial impact of decisions to incur additional borrowing over and above that supported by Government, are affordable both in the immediate future and over the longer term.
- 3.14 Consideration of the revenue impact of all new capital schemes is therefore undertaken alongside other operational service issues to ensure that resources are allocated in accordance with the Authority's overall priorities and within the overall resources available.
- 3.15 The 2020/21 budget includes provision for £5.0M of prudential borrowing which has already been earmarked to support the Glassworks redevelopment. My advice is that due to the significant borrowing necessary to complete the scheme, that only prudent and modest additional borrowing be considered for the remainder of the planning period, in order that the Council can effectively manage its risk exposure over the life of the MTFS.

Financial Resilience and Sustainability

- 3.16 CIPFA has recently published their Financial Resilience assessment of the Council based on the 2018/19 financial year.
- 3.17 Following a detailed review of the results combined with the other internal governance and financial control measures in place, I conclude that the Council is on a sound financial footing and has sufficient resilience in place to ensure a sustainable financial position.
- 3.18 However, the assessment does highlight that the Council has high levels of debt compared to its statistical neighbours. Whilst these levels have been agreed on a prudent, affordable and sustainable basis, this overall position underpins my advice to limit additional significant borrowing over the planning period until such a time as the risks associated with the Glassworks scheme have been appropriately mitigated.

Medium Term Financial Strategy (MTFS) and Budget Reduction Measures

- 3.19 A balanced 2020/21 budget can be delivered through the agreement of the proposals within the budget papers. However, this view is contingent upon the additional matters identified at paragraph 3.6 above and paragraphs 3.20 to 3.23 below.
- 3.20 The draft budget for 2020/21 is again based upon a significant volume of budget reduction measures and there needs to be a strong and sustained focus on ensuring the timely and comprehensive implementation of these measures. This equally applies to the budget reduction measures proposed to deliver a balanced budget in 2021/22.
- 3.21 In addition and as mentioned at paragraph 3.4, there remains considerable uncertainty around the overall level of resources available to local authorities beyond 2020/21.
- 3.22 Although we have taken a prudent approach in relation to our medium term financial strategy and provided for known pressures over the planning period, any additional pressures will need to be considered as part of future budget processes. Members therefore need to be mindful that if these pressures cannot be contained, then the current balanced position (identified within the current MTFS paper at **Section 2**) is likely to deteriorate and necessitate an urgent review of both our MTFS and Reserves Strategy respectively.
- 3.23 The Council has a strong financial planning and control framework in place to deliver a balanced position both in 2020/21 and over the medium term. This has been evidenced through the Corporate Peer Review in May 2019 that concluded that the Council has a 'strong financial grip on both its expenditure and performance' and 'benefits from early forward thinking and planning'. As mentioned above, I have also reviewed the Council's position against CIPFA's Financial Resilience Index and can conclude that, in my opinion, the Council is a financially resilient authority. Furthermore I will be undertaking an assessment

against CIPFA's Financial Management Code during 2020/21 and will report back my findings on this in due course.

4. **Budget Recommendations**

- 4.1 As indicated in the 3 year forecast at **Section 2a (Appendix 1)** and based on the Budget Recommendations, a balanced budget will be set for 2020/21.
- 4.2 This would see the Minimum Working Balance being maintained at £15.0M and a further £16.8M set aside as a contingency in light of the economic and political uncertainty facing local government. This position also allows for new General Fund investment of £19.4M (**Sections 5 and 7 refer**).
- 4.3 The proposals identified within the budget papers also provide the foundation around which Barnsley's 2030 Plan can be developed whilst also providing the framework to deliver and a balanced position achieved for 2021/22 (in addition to 2020/21) based on current assumptions.
- 4.4 However, it is evident that these assumptions could change and therefore further action may be needed to ensure that the plan not only delivers a balanced position in 2020/21 but remains on track to deliver a balanced position over the full planning period.
- 4.5 **In summarising my advice, I would stress that the robustness of the estimates and adequacy of the reserves which the budget will provide are satisfactory. However, this is contingent upon the requirements outlined at paragraphs 3.19 – 3.23 and reiterated at paragraph 4.4 above being delivered.**

N Copley CPFA
Service Director Finance and S151 Officer

BARNSELEY METROPOLITAN BOROUGH COUNCIL

MEDIUM TERM FINANCIAL STRATEGY - EXECUTIVE SUMMARY

1. Purpose

- 1.1 This paper provides a summary of the Council Medium Term Financial Strategy (MTFS) updated to cover the period 2020/21 – 2022/23 maintaining the Council's rolling 3 year planning framework.

2. Background

- 2.1 On 28 February 2019, the Council approved the revised Medium Term Financial Strategy (MTFS) and supporting papers. This executive summary has been updated to cover the planning period 2020/21 to 2022/23. The full strategy is contained at **Paper 2a** in this budget pack.
- 2.2 This position is presented against the backdrop of continuing uncertainty in Local Government Finance. The Government have recently announced a one year spending review in order to provide funding certainty for 2020/21. The usual three year spending review has been put back to autumn 2020 to allow for further consideration of the economic impact of the UK exiting the European Union whilst allowing more time to consider the Fair Funding and Business Rates Retention reviews.

3. Updated 2020/21 – 2022/23 Position & Recommended Actions

- 3.1 The forecast financial position as at December 2019 is shown in Table 1.

Table 1 – Forecast Position as at December 2019

| | 2020/21 £M | | 2021/22 £M | | 2022/23 £M |
|--|----------------|--|---------------|--|---------------|
| Revised Forecast prior to efficiencies | 7.448 | | 8.713 | | 3.879 |
| Updated efficiencies proposals | (7.448) | | (8.682) | | - |
| Revised Forecast as at Feb 2020 (post efficiencies) | (0.000) | | 0.031 | | 3.879 |

- 3.2 The forecasted 2020-23 gaps have arisen as a result of the following provisions and assumptions:-

- Provision for pay awards @ 2%;
- Pension triennial increase @ 1.5%;
- Reduction in Government funding of £6.6M over 2020/21 – 2021/22;
- Delivery of efficiency proposals totalling £16.1M over 2020/21 – 2021/22;
- Contingency to address known underlying service pressures if required;
- Provision for demographic pressures including further specific investment in Adult Social Care (ASC);
- Additional investment in a number of front line services; and

- Council Tax income based on a 3.9% increase for 2020/21 (including an additional 2% ASC precept and 1.9% increase for general services thereafter).
- 3.3 The detailed forecast is provided at **Paper 2a (Appendix 1)**. A further paper on the options analysis on Council Tax and the impact each option has on the forecast is provided in **Paper 2b**.
- 3.4 Approval is sought for efficiencies totalling £7.4M, to address the deficit in 2020/21. A number of efficiencies totalling £8.7M are also presented “in principle” to address the forecast gap in 2021/22. Full details are provided in **Section 4**.
- 3.5 In relation to the outstanding deficit in 2022/23, it is proposed to delay any formalised approach for dealing with it until greater clarity is gained from the UK's exit from the European Union, the Government's Comprehensive Spending Review and its impending reforms around Fair Funding and Business Rates Retention. The overall level of uncertainty has also been exacerbated by the General Election as well as the economy contracting for the first time in 6 years which adds to the uncertainty surrounding future local government funding.

4. **2020/21 One Year Comprehensive Spending Review**

- 4.1 As mentioned above, Government have announced a one year spending review in order to provide funding certainty for 2020/21.
- 4.2 Key messages from the one year spending review include:
- Roll over of core funding and one-off grants from 2019/20;
 - Additional £1bn identified for Social Care;
 - Government consultations on a further 2% Adult Social Care precept;
 - An additional £0.7bn for SEND in 2020/21;
 - Real term inflationary increase in Public Health Grant; and
 - Better Care Fund resources to increase by 3.4%.
- 4.3 This has provided the council with a significant one-off betterment in terms of both general baseline resources as well as service specific ring-fenced grants. This is summarised in Table 2 below.

Table 2 Summary of Estimated One-Off Resources for 2020/21

| General Funding | 2020/21 £M | Notes |
|------------------------------|---------------|---|
| Revenue Support Grant | 4.310 | Previous MTFS assumed cut in RSG |
| Improved Better Care Fund | 1.750 | Previous MTFS assumed grant fall out in 2019/20 |
| Social Care Grant | 7.790 | Previous MTFS assumed grant fall out in 2019/20 |
| Total General Funding | 13.850 | |

| SEND Funding (earmarked for commitments) | 2020/21 £M | Notes |
|---|---------------|--|
| SEND Funding | 2.820 | BMBC Share of High Needs Block – earmarked to support the SEND deficit |
| Total SEND | 2.820 | |

| Other Specific Funding (earmarked for commitments) | 2020/21 £M | Notes |
|---|---------------|--|
| Winter Pressures | 1.200 | Earmarked to fund pressures in Adult Social Care |
| Troubled Families | 0.510 | Continuation of existing funding |
| Public Health | 0.400 | Increased in line with CPI. Earmarked to support delivery of the Public Health 4 year plan |
| Total Specific Funding | 2.110 | |

| | | |
|------------------------------|---------------|--|
| TOTAL ONE-OFF FUNDING | 18.780 | |
|------------------------------|---------------|--|

- 4.4 Of the £18.8M additional grant, £5M has been set aside to invest in the specific areas that the funding was provided for leaving £13.8M available for general schemes and initiatives. This is shown in Table 3 below:-

Table 3 One-Off Resources available for General Schemes

| | £M |
|--------------------------------|---------------|
| Additional One Off Funding | 18.780 |
| Less: Specific Funding – SEND | (2.820) |
| Less: Specific Funding – OTHER | (2.110) |
| Total | 13.850 |

- 4.5 On the basis of the above position, it is recommended that our current forecast assumptions remain in place over the planning period but are re-assessed when the Government's full three year spending review is released in 2020. This approach is also suggested on the basis that the savings proposals in place to bridge the previously anticipated budget gaps across 2020-2022 are, in the main, efficiency or productivity improvements that would otherwise be progressed in the normal course of events.
- 4.6 This allows for significant one-off investment in statutory Social Care and other services / priorities whilst also protecting the Council from any potential shocks that may stem from next year's spending review. A full list of proposed investment priorities (revenue and capital) is provided in **Section 5** of this budget pack for approval.
- 4.7 Depending on the extent of any variance in the assumptions made, this could also provide an opportunity to close the 2022/23 gap if the three year spending review is more favourable or if not, the Council can concurrently revisit the strategies/ contingencies previously set aside.

5. Updated Reserves Position

- 5.1 The Council's reserves position has been updated to reflect the closure of the 2018/19 accounts and the Government's single year spending review. The planning period has also been extended to 2022/23 to align with the Council's MTFS.
- 5.2 A review of available reserves has been undertaken. In addition to the £13.8M 'one off' funding identified from the single year spending review, a further £7.0M of general reserves is also available for investment. In addition, a review of housing reserves also identified a further £13.1M that can be freed up for housing related investment. Table 4 provides a summary breakdown of this review.

Table 4 Availability of Reserves/ One off Grants for Investment

| | £M |
|---------------------------------|---------------|
| General One Off Funding | 13.850 |
| Review of Strategic Reserves | 7.000 |
| Total | 20.850 |
| Review of Housing Reserves | 13.100 |
| Available for Investment | 33.950 |

- 5.3 The total level of reserve balances available to the Council through to 2022/23 is £ 251.0M. Previous Council decisions have already committed the vast majority of these balances. A summary of the approved earmarking's / investments is set out in Table 5 below which includes the £33.9M of balances available for investment over the planning period.

Table 5 Current Use of Available Reserves 2019/20 – 2022/23

| | Earmarked Under Statute £M | Earmarked - Invest to Save/ Future Commitments £M | Earmarked - Future Capital Investment £M | Capital Programme Reserve £M | Currently Available for Investment £M | Total Available Resources £M |
|----------------------------|-------------------------------|--|---|---------------------------------|--|---------------------------------|
| Sub Total – GF | 17.335 | 67.546 | 79.708 | 16.801 | 20.850 | 202.240 |
| Sub Total – Housing | 5.200 | 4.957 | 25.527 | - | 13.100 | 48.784 |
| GRAND TOTAL | 22.535 | 72.503 | 105.235 | 16.801 | 33.950 | 251.024 |

- 5.4 Further detail on the updated reserves position is provided in **Paper 2c**.

6 Capital Investment Strategy Update

- 6.1 Members will recall that the Council adopted a revised Capital Investment Strategy as part of the 2019/20 Budget process. This strategy provides a mechanism by which capital expenditure and investment decisions are aligned, over the medium term (five year) planning period, with the Council's Corporate Plan and its key priorities.

6.2 The strategy has been updated to reflect available resources. A number of revenue and capital proposals have also been considered that align with the Council corporate priorities to meet the following objectives:-

1. Supporting wellbeing and managing demand for statutory services;
2. Improve the efficiency of the Council / invest to save;
3. Positive environmental impact / zero carbon objectives;
4. Support the renaissance of the town centre and principal towns;
5. Support the growth of the digital sector in Barnsley; and
6. Make a visible difference in communities.

6.3 The detailed strategy is provided at **Paper 2d** with full details on the Council's investment proposals for consideration provided in **Section 5** in the pack. The proposed 2020 – 2025 Capital Programme is presented in **Section 7** for approval.

7. **Treasury Management Strategy**

7.1 The Treasury Management Strategy sets out the Council's:

- Treasury Management Policy - the key objectives for its treasury management activities;
- Capital expenditure plans – what resources are required to deliver agreed capital projects;
- Borrowing strategy - how the Council's borrowings are to be organised;
- MRP Policy - how its debt repayments will be provided for over time; and
- Annual Investment Strategy - the parameters on how investments are to be managed.

7.2 The TM strategy has been updated to reflect how the Council will manage the resources required to finance its capital expenditure plans and manage its cash flows to ensure that sufficient cash is available when needed to meet its spending obligations.

7.3 The full strategy is provided at **Paper 2e** in this budget pack.

8 **Fees and Charges**

8.1 The Council is required to update its Fees and Charges policy on an annual basis which includes approving the schedule of charges for the upcoming financial year.

8.2 Full details of the revised policy is provided at **Paper 2f** for consideration.

9 **CIPFA Financial Management Code of Practice**

9.1 CIPFA has recently introduced a Financial Management Code of Practice. The Code, to be implemented from April 2020, seeks to promote good financial management and assist local authorities in demonstrating financial sustainability. Further information on the Code is provided in **Paper 2g**.

- 9.2 The Section 151 Officer will undertake a detailed assessment against the Code during 2020/21 in preparation for full adoption from 1st April 2021. An update will be provided during 2020/21.
- 9.3 It should be noted, however, that the Corporate Peer Challenge, undertaken during 2019, highlighted that the Council already benefits from having “sound financial management” and that there is “a willingness to take reasonable risks to bring about change”.

10 Financial Resilience

- 10.1 Members will recall that CIPFA introduced the Financial Resilience Index at the start of 2019/20. The tool is designed to identify those councils displaying consistent and comparable features that highlight good practice, but crucially, also highlight areas that are associated with potential financial failure.
- 10.2 The S151 Officer has carried out an analysis against the index during 2019/20 the results of which have been reported to Cabinet via the quarterly Financial Performance report. As at Q3 the overall assessment shows that the Council is on a sound financial footing and has sufficient resilience in place to ensure a sustainable financial position.
- 10.3 CIPFA have recently updated the index and published their own assessment of the Council’s resilience in comparison to other local authorities. This also shows, overall, that Barnsley is on a sound financial footing.

**MEDIUM TERM
FINANCIAL STRATEGY
2020/21-2022/23**

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SECTION A – OVERVIEW

The financial future for local government remains decidedly uncertain. Whilst the Government's 2020/21 Comprehensive Spending Review has arrested some of the extensive funding cuts that local authorities have suffered since austerity commenced in 2010, there are, nevertheless, repeated headlines of local authorities facing severe financial difficulties. Northamptonshire County Council is the most high profile example but there are repeated reports of other local authorities facing financial difficulties and/or struggling to deliver adequate core services because of resource shortfalls.

In addition, the political and economic upheaval around the UK's exit from Europe and the ongoing Government reviews of local government funding are likely to impact on the Council's financial position. More details are provided in Section B but the key reviews include:-

- One year spending review for 2020/21;
- Comprehensive Spending Review (CSR) due to be released in autumn 2020;
- Fair Funding Review – due for implementation in 2021/22;
- 75% Business Rate Retention (from 50% currently) - due for implementation in 2021/22;
- Adult Social Care Green paper – originally due in the summer of 2018 but still not released.

Against this backdrop, the Council's Medium Term Financial Strategy (MTFS) is a vital tool in understanding our financial position and driving our financial strategy forward.

It is also a key document in identifying how the Council will align its existing and future resources to its agreed priorities.

Whilst this strategy covers a rolling three year period to 2022/23, it will be further updated and aligned to the Borough's 2030 Corporate Plan and Council's updated Corporate Plan which are due for publication later in 2020. The updated Corporate Plan will also continue to put in place a structure to ensure that, as a Council, we are effective, efficient, high performing and sustainable. By doing this, we will reduce any unnecessary costs, maximise our income and ensure we focus depleted resources on our key priorities.

The MTFS has been developed to put in place a solid financial platform to support and deliver our Corporate Plan against an uncertain financial outlook. As such, the following document sets out the context for our 3 year financial position and outlines our approach for ensuring that the Council can deliver its key priorities in a sustainable way.

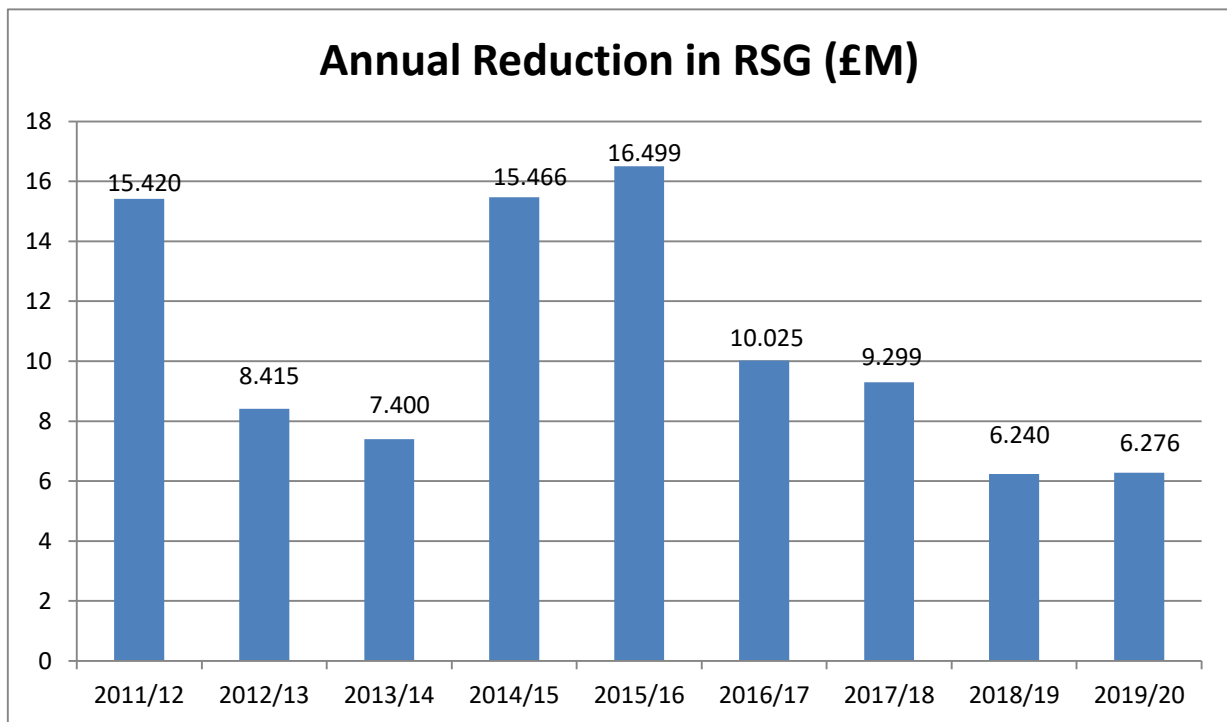
SECTION B – THE NATIONAL CONTEXT

Barnsley's 2021 – 2024 Corporate plan will seek to establish the Council as a sustainable organisation. We, nevertheless, remain dependent upon the national agenda and more specifically, central government decisions around our future funding.

As such, our MTFS is set within the context of the uncertainty surrounding BREXIT and the new Conservative's Government's public sector expenditure plans. These have had, and will continue to have, a fundamental impact on Local Government with the key issues set out in more detail below.

2020/21 Local Government Finance Settlement

In terms of cuts in Government funding, Barnsley has been one of the hardest hit. The chart below shows the year on year cuts which amount to our Revenue Support Grant (RSG) falling by some £95M since 2010 (equating to a 58% cash cut);



Government have recently announced a one year spending review to provide funding certainty for 2020/21. The Local Government financial settlement received in December 2019 confirmed the following:

- Roll over of core funding and one-off grants from 2019/20;
- Additional £1bn identified for Social Care;
- A further 2% Adult Social Care precept increase;
- An additional £0.7bn for SEND in 2020/21;
- Real term inflationary increase in Public Health Grant;
- Better Care Fund resources to increase by 3.4%.

Whilst the 2020/21 CSR provides a release from the funding cuts experienced over the previous 10 years, it remains to be seen whether this only provides temporary betterment in terms of our general baseline resources.

Nevertheless the 2020/21 CSR does provide the Council with an enhanced opportunity for significant one-off investment in statutory Social Care and other services / priorities. The table below summarises the financial impact of the one year settlement:

Summary of Estimated One-Off Resources for 2020/21

| General Funding | 2020/21 £M | Notes |
|------------------------------|-----------------------|---|
| Revenue Support Grant | 4.310 | Previous MTFS assumed cut in RSG |
| Improved Better Care Fund | 1.750 | Previous MTFS assumed grant fall out in 2019/20 |
| Social Care Grant | 7.790 | Previous MTFS assumed grant fall out in 2019/20 |
| Total General Funding | 13.850 | |

| SEND Funding | 2020/21 £M | Notes |
|---------------------|-----------------------|--|
| SEND Funding | 2.820 | BMBC Share of High Needs Block – earmarked to support the SEND deficit |
| Total SEND | 2.820 | |

| Other Specific Funding (earmarked for commitments) | 2020/21 £M | Notes |
|---|-----------------------|--|
| Winter Pressures Monies | 1.200 | Earmarked to fund pressures in Adult Social Care |
| Troubled Families | 0.510 | Continuation of existing funding |
| Public Health increase | 0.400 | Increased in line with CPI. Earmarked to support delivery of the Public Health 4 year plan |
| Total Specific Funding | 2.110 | |

| | | |
|------------------------------|---------------|--|
| TOTAL ONE-OFF FUNDING | 18.780 | |
|------------------------------|---------------|--|

The position for schools funding has also been updated and this includes details of the Dedicated Schools Grant (DSG) allocations and other schools / education related funding such as the Pupil Premium Grant (PPG). A summary of the funding headlines pertaining to schools is provided below:-

2020-21 Schools Funding Settlement

The position for schools funding has also been updated and this includes details of the Dedicated Schools Grant (DSG) allocations and other schools / education related funding such as the Pupil Premium Grant (PPG). A summary of the funding headlines pertaining to schools is provided below:-

- The Government confirmed (September 2019) detailed aspects of schools and high needs funding arrangements for 2020-21. The funding for schools and high needs will rise by £2.6 billion for 2020-21, £4.8 billion for 2021-22, and £7.1 billion for 2022-23;
- The funding settlement for 2020-21 includes £700 million extra for children with Special Educational Needs and Disabilities (SEND).
- The National Funding Formula (NFF) for schools and high needs has been updated and used to determine DSG funding allocations for 2020/21 (including the above additional funding).
- Total DSG allocation for Barnsley for 2020-21 (confirmed in December 2019) is £204.4M and includes the additional high needs funding. This equates to a £15.5M increase in funding compared to the updated 2019/20 baseline funding and is attributable to the increased schools settlement and changes in pupil numbers / data.
- The £15.5M increase in funding can be explained by the following: increase in direct funding to schools / academies (£11.2M); additional funding for high needs (£4.1M); early years funding increase (£0.3M); and a reduction in the funding for centrally retained schools expenditure (£0.1M).
- The Government has confirmed the continuation of the teachers' pay grant and teachers' pension employer contribution grant in the 2020-21 financial year. Other schools grants and applicable funding rates (e.g. pupil premium grant; PE sports grant, etc.) will be confirmed in the new year.
- The recommendation to approve the 2020-21 schools budgets, particularly the changes to the Barnsley funding formula following the consultation with schools and the transfer of funding to high needs, will be included in a separate report within the budget papers.

Beyond 2020/21, the funding outlook is far more uncertain especially as the Government are proposing some significant changes to the way local authorities receive their funding in future and these are outlined below.

Comprehensive Spending Review (CSR)

As mentioned, Government have announced a one year spending review for 2020/21. The Chancellor of the Exchequer has announced that there will be a full spending review across Government in autumn 2020. This is a comprehensive re-assessment of the Government's spending plans with the aim of setting the national fiscal context for the next five years.

It is expected that the spending review will set out the total level of public spending for the period from 2021 onwards as well as indicative spending allocations across Government departments.

Fair Funding Review

The Ministry for Housing, Communities & Local Government (MHCLG) is currently in the process of reviewing the formula that determines baseline funding levels for all local authorities. The results of this review are currently uncertain for the Council.

There are potential drawbacks to our position if parts of the formula that currently benefit the Council (e.g. the funding for population density) are, in the round, decreased in favour of less-advantageous measures to Barnsley (eg sparsity). This, of course, could work in reverse and changes may be to the Council's advantage.

Similarly the quantum of Government funding allocated to local authorities will also impact the Council's position irrespective of the final distribution formula/mechanism.

The new baseline funding model, currently under review, is now scheduled to be implemented in 2021/22. Officers are continuing to represent the Council during each phase of consultation.

Business Rate Retention (BRR)

The Local Government Finance Settlement for 2018/19 announced the Government's intention to increase the retention of business rates by local authorities from 50% to 75%. There has also been pressure to reform or even replace the current business rates system.

The Council's current MTFS prudently assumes that any growth in retained rates will be matched by reductions in Government grants or additional responsibilities i.e. a neutral effect. This is also in line with Government's announcements.

An increased retention rate does present the Council with the opportunity of benefitting from additional growth. However, the downside is that the Council would suffer a greater impact of any BRR decline as well as picking up a larger share of any successful appeals. An increase to 75% will make the Council's future income streams even more susceptible to volatility and make our financial projections even harder to predict.

It is also our experience that the new BRR system hasn't really benefitted the Council compared to other authorities in that we have experienced fairly low growth since the BRRS system was introduced in 2013. Whilst the new Glassworks development and other regeneration projects should help improve this position, the Council fundamentally believes that the Government's funding reforms should primarily ensure a Council's service needs are met rather than focused on rewarding growth. The Council has made / will be making this point as part of our Fair Funding consultation responses.

Adult Social Care Green Paper

The Government intended to publish a green paper on care and support for older people during 2019/20 but this has been further delayed. (The paper was originally scheduled for publication in the summer 2018).

The paper will set out plans for how the Government proposes to improve care and support for older people and tackle the challenge of putting in place long term sustainable solutions for an ageing population. The Government has also recognised the possible funding implications of this policy by stating that they intend to build on the funding they have already provided in the last 3 years.

Once the green paper is published, it will still be subject to a full public consultation.

Children Services

The Council has seen a significant increase in demand for children services over the past few years, e.g. rise in looked after children, children / families in need of support, children with special educational needs etc. This increasing demand is exerting pressure on our budgets (e.g. high needs, home to school transport) despite increased investment by the Council in children's safeguarding.

The budget submission by the Local Government Association identified a national funding gap for children services in the region of £2bn. Whilst the one year spending review has provided some specific funding to help meet the increasing demand in Children Services including an additional £0.7bn of funding for high needs, a long term funding solution is still required to address the funding gap.

Financial Management Code of Practice/ Financial Resilience

Currently there is significant attention on the financial health of local government as a result of the stringent cuts faced since 2010. This is specifically focused on how local authorities have dealt with the funding reductions from a financial management perspective. The National Audit Office produced a report on the 'financial sustainability of local authorities 2018' which highlighted a number of key conclusions such as:

- The funding position for local authorities has deteriorated since their previous report in 2014;
- The financial resilience of local authorities varies considerably with some authorities having much reduced reserve levels to deal with unforeseen events;
- The demands on local authorities have radically increased especially around adult and children's social care issues;
- The Government need to introduce longer term proposals to address the funding and demand issues rather than the short term measures currently being adopted.

CIPFA have recently introduced the Financial Management Code of Practice. The FM Code is designed to "support good practice in financial management and assist local authorities in demonstrating financial sustainability".

The code sets out 17 FM standards across 7 sections:

SECTION

- 1 The responsibilities of the Chief Finance Officer and Leadership Team.
- 2 Governance and financial management style.
- 3 Long to medium-term financial management.
- 4 The annual budget.
- 5 Stakeholder engagement and business plans.
- 6 Monitoring financial performance.
- 7 External financial reporting.

Local authorities are required to apply the requirements of the FM Code from 1st April 2020, with full compliance by 1st April 2021.

Full details of the content of the Code of Practice are provided in the 2020/2021 budget pack and the S151 Officer will undertake a detailed assessment against the Code during 2020/21 with full adoption being made from 1st April 2021. As context to this review, it should be noted that the Corporate Peer Review, undertaken in 2019, highlighted that the Council “benefits from strong financial management” and that there is “a willingness to take reasonable risks to bring about change”.

Financial Resilience

Linked to the above, there are more and more reports of local authorities reaching breaking point and only been able to deliver core statutory functions to maintain a balanced financial position. There is also an increasing trend in the number of authorities drawing down their reserves in an unsustainable manner placing them in financial difficulty.

As a result, the financial resilience of local government is under greater scrutiny than ever before, placing an increasing importance on each Council’s ability to provide assurance to local leadership in relation to ongoing financial sustainability and the ability to continue to deliver statutory responsibilities.

CIPFA introduced the Financial Resilience Index in 2019/20. As part of the 2019/20 Budget Setting Process the S151 Officer carried out a review of the Council’s financial health in line with CIPFA’s financial resilience indices and concluded that the Council is on a sound financial footing. An updated assessment has also been undertaken throughout the financial year and reported via the quarterly financial performance report. CIPFA have recently updated their financial resilience analysis to incorporate information from 2018/19 and based on this and other wider control measures already in place across the organisation, the S151 Officer believes that the Council is still on a sound financial footing.

CIPFA have also published their own assessment of the Council’s financial resilience compared against other similar sized Local Authorities and this shows the Council is currently on a sound financial footing.

Full details are provided in the 2020/2021 budget pack.

SECTION C – THE COUNCIL’S KEY PRIORITIES

Barnsley 2030

The Council has continued to reshape its service delivery to ensure our model is both effective and adaptable and thereby capable of delivering our 4 key priorities:-

- A thriving and vibrant economy;
- People achieving their potential;
- Strong, resilient communities;
- One Council.

Our key priorities also currently seek to deliver 13 outcomes and these are the basis for determining our corporate objectives and re-aligning our budgets. The Council's budgets are set on both a service basis and an outcome basis and budget monitoring is reported into Cabinet quarterly on both bases. This allows Members to review spend against key priorities and re-align funding where necessary to enable our objectives to be delivered (see section F).

The next phase of our transformation journey is to create a strong and compelling vision and ambition for Barnsley in 2030.

The whole project will take approximately ten months with the new vision and ambition for Barnsley ready to launch next September. Between now and then the key milestones will be:

- Phase one: August to September 2019 - developing a good understanding of what Barnsley is like now using local and national data.
- Phase two: October 2019 – February 2020 - developing a shared vision and set of ambitions about what we want Barnsley to become.
- Phase three: March – May 2020 - what is the feedback telling us?
- Phase four: June – August 2020 - creating a bold and compelling vision for Barnsley.
- Phase five: September 2020 - showcasing Barnsley 2030 and how we will use it to create a bright future.

In the meantime, the Council's current 2017-2020 Corporate Plan will be extended by a further year to allow time to develop a new Corporate Plan to run from 2021 to 2024.

Our MTFS has also been developed on a similar flexible basis to incorporate any changes to our priorities as well as address the uncertain financial outlook. This is underpinned by key strategies that will deliver our priorities including for example, SEND, Carers, Community Engagement, Health & Well Being, Employment & Skills and Community Engagement amongst others.

Section E outlines how the financial forecast incorporates the priorities arising out of our key strategies and ensures that our future demands are managed effectively.

A number of key strategies that underpin the Council's modernisation agenda are outlined below:

- *Capital Investment Strategy*. The Council's Capital Investment Strategy has been prepared in accordance with the CIPFA Prudential Code 2017. The Strategy forms a key part of the Council's overall planning process by providing a mechanism by which capital expenditure and investment decisions are aligned over a medium term (five year) planning period with the Council's Corporate Plan and its core priorities.
- *Commercial Strategy*. Embedding a more business-like culture to continually improve Council services for our customers and residents. This approach not only seeks to increase income and deliver value for money but also instil a more commercial mind set across the organisation.
- *Asset Management Strategy*. As part of the national one Public Estate programme, we have established a five year programme that seeks to assess the best use of our assets. Working with Directorates and partners, the programme aims to review our assets to determine the most appropriate way to deliver services in future. A disposal programme has also been established to sell any surplus assets as a result of the review of our One Public Estate.
- *Digital First Programme*. This is a fundamental redesign of our existing technology to digitally empower our citizens and employees and build a more confident and capable Council. The Digital First programme aims to put 'digital' at the heart of everything we do.

Accompanying this framework is a clear principle that we match ongoing spending requirements with ongoing income. This means that we will use our reserves for one off revenue or capital investment that supports our priorities and strategies. Any use of reserves as a short term bridging strategy will only be used in very exceptional circumstances and this has not been necessary for a number of years.

In addition, services seek to identify and deliver efficiencies and/or commercial opportunities on an ongoing basis not just at budget setting times. This approach not only aims to ensure that all our business units spend within their resource envelopes but also identify ongoing savings that can be 'freed up' to fund our corporate priorities.

The Capital Oversight Board oversees the Council's capital programme, reviews business cases and recommends new capital investment priorities to SMT/Cabinet. The Commercial Board, set up to deliver the commercial strategy, reviews business cases for new commercial investment and the Authority's leadership team oversees delivery of the Council's efficiency proposals on an ongoing basis.

The framework, set out above, seeks to ensure that we maximise our overall resources in support of our priorities. The Asset Management Strategy is a key facet of this approach but in addition, we are also developing the Council's external funding strategy to be launched in 2020. This will focus on funding opportunities that will support our priorities especially funding that has been allocated to other partnership groups. Building on our successes to date, we will continue to have a strong focus on influencing and accessing resources that will become available to bid into especially in relation to devolution and health funding. This will include identifying/ establishing our investment priorities to be able to attract funding from these available sources as well as leveraging in other funding streams (eg private/ third party contributions).

Finally, a key principle of our financial planning framework is that all our capital and revenue decisions are fully integrated and made simultaneously. This is an important strand of our strategy since it ensures that Members understand and prioritise competing commitments irrespective of whether they are of a revenue or capital nature.

SECTION D – THE COUNCIL’S RESOURCES

Core Resources

The introduction of the Business Rate Retention (BRR) model in 2013/14 changed the way that local authorities receive their funding. Whereas business rates were previously pooled nationally and redistributed to local authorities based on need, the new system allows local authorities to retain 50% of locally collected business rates.

From 2013/14, Barnsley has received its core funding in 3 ways:-

- Government funding through the BRR model;
- Retained Business Rates; and
- Council Tax.

Our ‘core’ resource totals for the next 3 years are shown in the table below and covered in more detail in the following sections:-

| | 2020/21 £M | 2021/22 £M | 2022/23 £M |
|--|---------------|---------------|---------------|
| Government Funding (BRR) | | | |
| - RSG | 8.5 | 6.1 | 6.1 |
| - Top Up Grant | 33.4 | 34.0 | 34.6 |
| - S31 Grant | 3.1 | 3.1 | 3.1 |
| Retained Business Rates | 23.6 | 24.6* | 25.6* |
| Council Tax | 104.0 | 108.2 | 111.7 |
| Sub Total | 172.6 | 176.0 | 181.1 |
| | | | |
| One - off resource announced as part of one year settlement- (see below) | 18.8 | 2.8** | 2.8** |
| Total | 191.4 | 178.8 | 183.9 |

*assumes a neutral impact of the 75% retention proposals

** assumes funding for High Needs block continues for 3 years

Government Funding (BRR model)

Government funding is received in line with calculations through the BRR model. The model makes an assessment of how much business rate income each local authority will raise and allocates grant on the following basis:-

- Revenue Support Grant (RSG);
- Top Up Grant; and
- Section 31 Grant.

Revenue Support Grant (RSG): This is the traditional way that Government has supported local authorities.

Assumptions: Government have confirmed that RSG remains unchanged from the level awarded in 2019/20. The S151 officer will

review the assumptions on RSG in future years in line with release of the three year CSR in late 2020.

Top Up Grant: When the BRR model was introduced in 2013/14 the new system benefitted some authorities at the expense of others. A self-financing mechanism was introduced to ensure that the introduction of the new scheme would be broadly neutral with 'losing' authorities such as Barnsley receiving 'top up' payments from 'gaining' authorities who pay a tariff.

Assumption: Top up grant is inflated based on September CPI figures. Estimates of 2% have been made for 2021/22 and 2022/23. It is expected that top up grant will be reset as part of the ongoing Fair Funding and Business Rates Retention reviews.

Section 31 Grant: This largely relates to compensation payments from Government when they introduce a policy change that leaves a local authority in a worse financial position than it would otherwise be in e.g. awarding business rate reliefs to small businesses.

Assumption: No changes to the allocation assumed over the planning period. It is expected that this grant will be rolled into the Business Rates re-set.

Retained Business Rates

Barnsley currently retains 50% of its locally collected business rates (including 1% that is paid over to the SY Fire and Rescue Authority) with the remaining 50% paid over to Central Government. Although the Government make an assessment around how much they expect the Council to collect, this is only undertaken to assess how much RSG to pay to local authorities. Our business rates income is derived from what we actually collect not via Government grant.

Compared to government grant, business rates income represents a much more volatile income stream for the Council.

The Council benefits if we collect more than we are estimated to (based on Government forecasts) although this has not been our experience since the BRR model was first introduced in 2013. We have witnessed very little growth in that time and had to contend with issues that affect how we plan for future business rate income. These include academies (and potentially NHS trusts) receiving charitable relief from paying business rates and appeals by businesses against their bills which can be backdated over a long period of time.

So not only have we failed to benefit from this system to date, it has made planning for our future resources much more difficult to forecast as a result of the issues outlined above. That said, the forecast does include some growth within this planning period to reflect the opening of the Glassworks scheme and other major economic regeneration schemes.

Assumptions: Limited growth in the business rate tax base and overall income assumed to be rising in line with inflation (calculated on the same basis as Top Up grant as above).

Council Tax

The revised projections in the updated forecast reflect the national context that the Government has set for Council Tax increases.

The Government establish a threshold to limit the level of future Council Tax increases by requiring local authorities to carry out referendums above a certain level of increase. The referendum threshold set by the Government for 2020/21 is 2%. This is lower than the threshold in 2019/20 at 3%.

As part of the one year settlement, Government also announced that they would allow Authorities with Adult Social Care (ASC) responsibilities to raise Council Tax by a further 2% in 2020/21. It proposed that the Council takes advantage of this flexibility in 2020/21.

For illustrative purposes the current forecast assumes:-

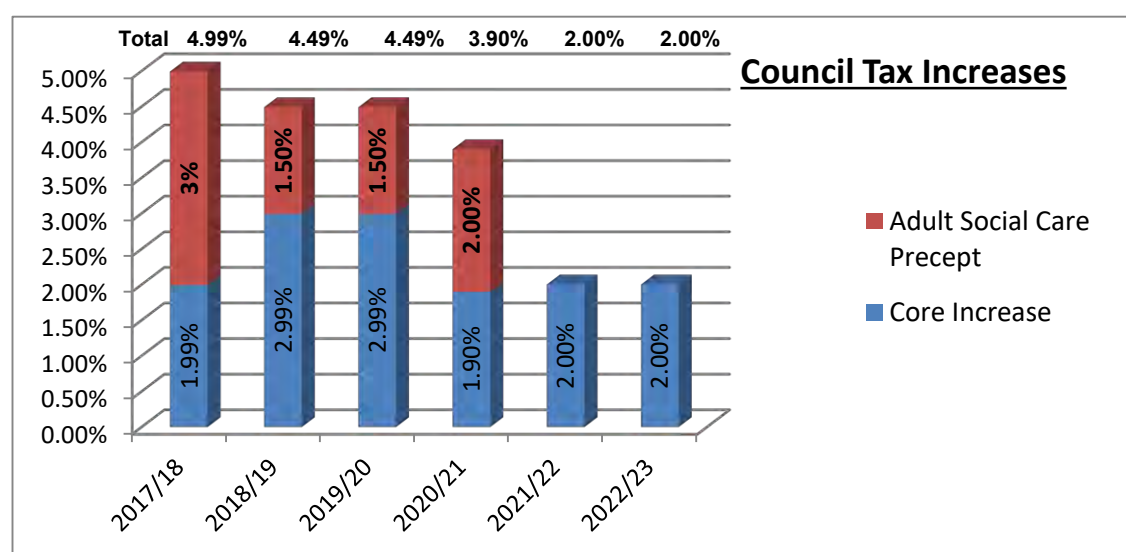
2020/21 3.9% (1.9% Core Services / 2.0% Adult Social Care);

There has been no further Government guidance for the following two years of the forecast and therefore as a prudent approach, the forecast assumes the following increases which are for Core Services only:-

2021/22 2.0%

2022/23 2.0%

The chart below shows the council tax increases forecast over period from 2017-2023



A review of the Council's tax base has been carried out and the forecast assumes an increase of 1300 Band D equivalent properties in 2020/21 and 2021/22 with a further growth of 800 Band D equivalent properties in 2022/23.

This is deemed prudent especially in light of the recently adopted Local Plan which releases further development land for housing. The estimates for Council Tax Income are based on a collection rate of 95%.

In addition, a review of the Collection Fund Reserve has also been undertaken and it is recommended that the following sums can be prudently released into the forecast;

| | |
|---------|---------|
| 2020/21 | £3.200M |
| 2021/22 | £3.200M |
| 2022/23 | £3.200M |

A paper on the different council tax options is provided in the 2020/21 budget pack for information.

Assumptions: The forecast assumes a 3.9% Council Tax increase in 2020/21 and 2% thereafter. The Council Tax base assumes an increase of 1300 Band D equivalent properties in 2020/21 and 2021/22 and 800 properties thereafter. The Collection Fund Reserve assumptions are as set out above.

Social Care (Better Care) Funding

The NAO report (previously mentioned under the Financial Management Code of Practice section) stated that Central Government's approach of allocating short term funding to address ongoing demands was a particular problem for local authorities.

The best example of this is the way the Government has funded Social Care over recent years that has repeatedly been one off in nature.

For 2019/20 the Chancellor announced that £650M of funding for social care demands covering winter pressures and general adult and children's social care issues would be made available. This equated to some £3.3M for Barnsley in 2019/20.

The one year settlement confirmed that this funding would carry forward into 2020/21 but also confirmed a further £1bn for Social Care. This equates to an additional estimated £5.8M for Barnsley; bringing the total funding for Social Care to £9.1M. In addition, as mentioned earlier Councils can also levy a further adult social care precept of upto 2%.

We have assumed this funding is for one year only and the Council has drawn up plans on how this resource will be invested.

The biggest single grant from the Government for ASC is the improved Better Care Fund (iBCF). The Government has awarded iBCF to local authorities to address adult social care pressures in two tranches with the second tranche effectively front loading the initial allocations to take account of immediately pressing ASC requirements. IBCF funding has only been announced upto 2020/21 to coincide with Government planning cycles.

Assumptions: The Council's current forecast assumes the first tranche of grant (awarded in 2017/18) will continue beyond 2019/20 but that the second tranche will fall out beyond 2020/21. This assumption is in line with other local authorities that we have consulted with but remains a risk pending further spending announcements by the Government.

Fees and Charges & Other Non Core Income

The Council's fees and charges policy sets a corporate framework within which all decisions on the implementation and/ or changes to the levels of fees and charges can be considered and approved.

Fees and charges are either used to bridge the deficits in the MTFS or used for service mitigations. The 2020/21 Fees and Charges policy is included within the 2020/21 Budget setting pack.

SECTION E – THE COUNCIL’S SPENDING PLANS

The Council reviews its spending plans on a rolling basis. At a corporate level, it categorises future spend in three ways:-

- Fixed and ongoing commitments;
- Policy or investment decisions; and
- Demographic and/ or demand factors.

The incremental increases are shown below:-

| | 2020/21 £M | 2021/22 £M | 2022/23 £M |
|------------------------|-----------------------|-----------------------|-----------------------|
| <i>Base Budget b/f</i> | <i>169.0</i> | <i>180.0</i> | <i>192.1</i> |
| Fixed & Ongoing | 5.4 | 6.0 | 4.9 |
| Demographic & Demand | 5.1 | 2.0 | 2.5 |
| Policy / Investment | 0.5 | 4.1 | 1.5 |
| Sub Total | 180.0 | 192.1 | 201.0 |

Fixed and Ongoing Commitments

The Council has a number of ongoing commitments. These are largely linked to the inflationary impact of our spending commitments. The assumptions underpinning fixed and ongoing changes are as follows:-

- Pay award & contractual inflation 2% over the next 3 years;
- National living wage average increases assumed of 3.5% for residential care and 2.8% for non-residential care over the period 2020-2023;
- Pension increases reflecting the anticipated actuarial assessment;

Policy & Investment Decisions

Whilst our resources have been significantly cut, it remains necessary to invest in our priorities to make sure that as a Council and as a Borough we are in the best possible place to deal with the future financial landscape (eg the funding reforms proposed by Government).

The most significant investment in our MTFS is to our town centre and our renowned markets. The Glassworks scheme will alter and significantly improve our town centre ‘offer’ with the aim of not only giving our residents a 21st market place but encouraging new businesses into the area. This is an investment that prepares us for the Government’s plan to allow local authorities to retain 75% of business rates from 2021/22 and will help us to become more financially sustainable in future.

Demographic and Demand

In addition to fixed and ongoing commitments, there are a number of demand led costs that we need to provide for in the forecast. Such costs generally relate to population changes (eg no. of elderly people, no. of children in care

and requiring transport etc) but can also arise from global market changes that are incredibly difficult to foresee (eg income from recycled products).

The Council assesses these issues in a systematic, strategic way with plans in place to address their predicted impact. These plans include a financial impact assessment and an outline of our approach to mitigate key demographic issues. The process that is followed for the key demographic pressures is provided at Appendix 2

SECTION F – THE COUNCIL’S FINANCIAL PLANNING FRAMEWORK

Having set out all the key assumptions around our future core resources and spending plans (see Sections D & E above) the revised financial forecast shows the following gaps:-

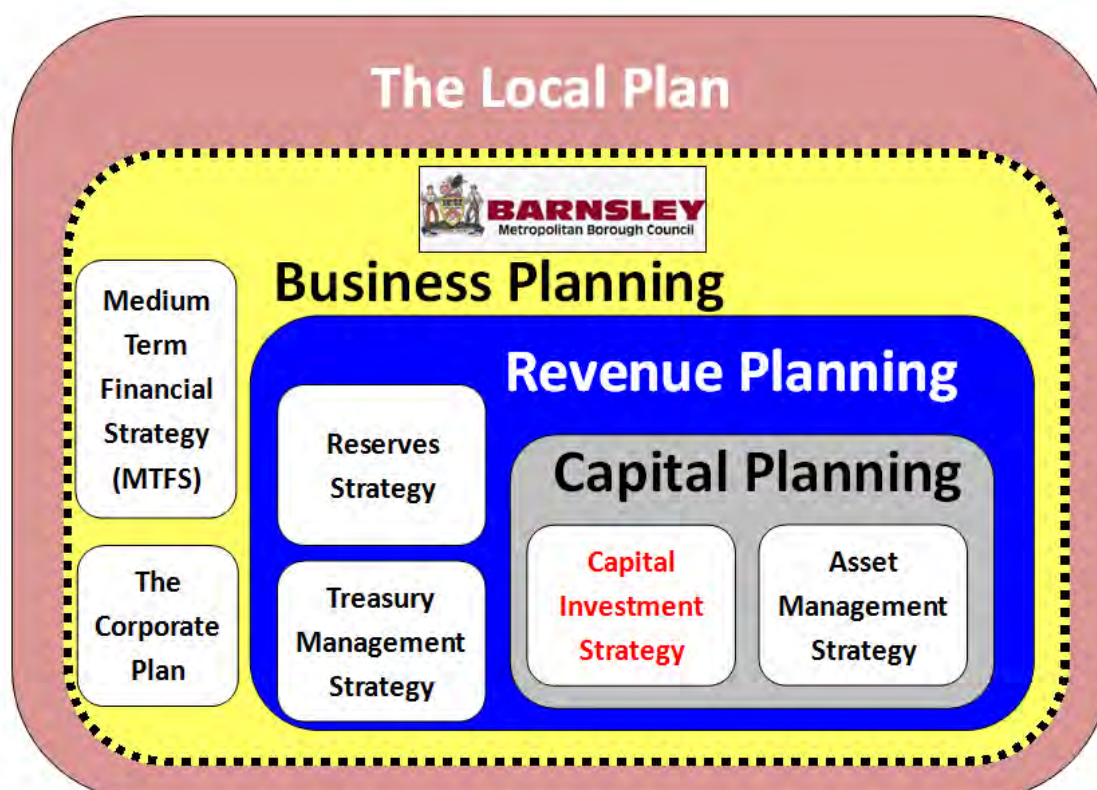
| | 2020/21 £M | 2021/22 £M | 2022/23 £M |
|-----------------------------------|---------------|---------------|---------------|
| Core Spending (Section E) | 180.0 | 192.1 | 201.0 |
| Core Resources (Section D) | -172.6 | -176.0 | -181.1 |
| Deficit – prior to savings | 7.4 | 16.1 | 19.9 |

The following section describes our financial planning framework and the process for delivering a balanced position both in the short and medium term.

Our Financial Planning Framework

The Council has a strong financial framework in place that aligns ongoing resources to priorities. It is a fully integrated process that considers and approves our key financial strategies / budgets (capital and revenue) at the same time so the impact of considering relative priorities is transparent to members.

The process has been outlined in previous sections which the diagram below summarises:-



The forecast is rolled forward as soon as the previous year's budget has been approved. This commences an iterative process to identify issues and pressures along with a plan to deal with them.

Integral to the financial planning process is a robust budget monitoring process where we report our financial and non-financial performance into Cabinet on a quarterly basis. This also includes a 'Financial Outlook' section to report any underlying issues.

This is a vital and, to date, successful process for ensuring that our underlying position is robust and where issues or overspends arise, a project focused approach is put in place.

A further reflection of our financial health is the external scrutiny we receive. This is ultimately embodied in the external audit opinion. We have had unqualified opinions on both our accounts and VFM statements for a number of years which is again reflective of a robust financial planning framework. As mentioned previously CIPFA's financial resilience assessment also shows the Council's is currently in a stable financial position.

Balancing the MTFS

Since 2015/16 the financial strategy has sought to put in place a balanced position for, at least, a minimum 2 year period. This is no different for this planning period and actions have been put in place to ensure that the 2020/21 budgets are balanced with plans in place to address the outstanding 2021/22 deficit too.

As mentioned in the Overview section, a key feature of our strategy is to ensure that there are ongoing resources/ savings to fund ongoing spending commitments. The Council's strategy for delivering 2020-2021 efficiencies is split into two key facets:-

- Cross cutting programmes such as digitalisation, commercialisation and accelerated growth programmes that span most services and are key themes for our Future Council model; and
- Service efficiencies that reflect the outcome framework / transformational programmes.

As a result of the above process, proposals have been identified to effectively bridge the forecast deficits in the next two years. These proposals are subject to extensive challenge and scrutiny.

The revised forecast position, following the approval of the savings proposals, is set out below:-

| | 2020/21 | 2021/22 | 2022/23 |
|---|-------------|--------------|--------------|
| | £M | £M | £M |
| Deficit (prior to efficiencies) | 7.4 | 16.1 | 19.9 |
| <i>2020/21 Efficiencies</i> | -7.4 | -7.4 | -7.4 |
| <i>2021/22 Efficiencies</i> | 0.0 | -8.7 | -8.7 |
| Sub Total – Efficiencies | -7.4 | -16.1 | -16.1 |
| Revised Forecast (post efficiencies) | 0.0 | 0.0 | 3.8 |

SECTION G – KEY ASSUMPTIONS & RISK ASSESSMENT

Key Assumptions

As outlined in the body of this report, the forecast is underpinned by a number of key assumptions for the planning period 2020/21 – 2022/23. These are subject to change particularly in light of the uncertain economic landscape and the proposals to reform local government funding.

The key assumptions are outlined in the table below:-

| Forecast Item | Assumption |
|---|--|
| <i>Expenditure Items</i> | |
| Pay Awards & Contracts | Pay and contractual inflation is included at 2% over the full planning period. All other inflation is contained by services. |
| Interest Rate Fluctuations | Currently interest rates are very low and are only likely to increase. Whilst some protection has been awarded by locking in rates, interest rate rises do pose a cost risk. |
| <i>Income Items</i> | |
| Business Rates | Inflated in line with actual and estimated inflation. Limited future growth assumed to reflect the Glassworks scheme. |
| Core Government Grant | 2021/22 based on the same trajectory of cuts (%) as the preceding 4 years (2016-2020) with a neutral effect in 2022/23. Subject to review following the 20/21 settlement. |
| Council Tax | Inflated by 3.9% in 2020/21 (1.9% core and 2.0% Adult Social Care) and 2% (core only) for 2021/22 and 2022/23. |
| Fees & Charges | Increased on a case by case basis within the Council's overall fees and charges framework |
| Improved Better Care Fund/ Social Care Grants | Continuation of the iBCF (at @£10.2M) into 2020/21 & onwards. Other social care grants are assumed to be one off and therefore fall out after 2020/21. |
| New Homes Bonus | Not included in MTFS. NHB is treated as one off funding and included in our reserves position / strategy. |

Sensitivity Analysis

A sensitivity / risk assessment of the 2020 - 2023 forecast has been produced which clearly identifies the key areas that may have a significant impact on the delivery of the Medium Term Financial Strategy.

2020/21 IMPACT (+ equals extra cost/- equals cost reduction)

| -5.00% Variation £M | -2.50% Variation £M | Forecast Item | +1.00% Variation £M | +2.00% Variation £M |
|--|--|----------------------------|------------------------------------|------------------------------------|
| EXPENDITURE | | | | |
| N/A as would assume pay cuts | N/A as would assume pay cuts | Pay Awards & Contracts | +1.605 | +3.210 |
| N/A - prevailing interest rates too low to bear a 5% reduction | N/A - prevailing interest rates too low to bear a 2% reduction | Interest Rate Fluctuations | +1.600 | +3.200 |
| INCOME | | | | |
| +1.180 | +0.590 | Business Rates | -0.235 | -0.470 |
| +0.425 | +0.212 | Core Government Grant | -0.085 | -0.170 |
| +5.020 | +2.510 | Council Tax | N/A as at referendum cap | N/A as at referendum cap |
| +2.200 | +1.100 | Fees & Charges | -0.440 | -0.880 |
| +0.510 | +0.255 | Improved Better Care Fund | -0.100 | -0.200 |

2021/22 IMPACT (+ equals extra cost/- equals cost reduction)

| -5.00% Variation £M | -2.50% Variation £M | Forecast Item | +1.00% Variation £M | +2.00% Variation £M |
|--|--|----------------------------|------------------------------------|------------------------------------|
| EXPENDITURE | | | | |
| N/A as would assume pay cuts | N/A as would assume pay cuts | Pay Awards & Contracts | +1.285 | +2.570 |
| N/A - prevailing interest rates too low to bear a 5% reduction | N/A - prevailing interest rates too low for a 2% reduction | Interest Rate Fluctuations | +2.000 | +4.000 |
| INCOME | | | | |
| +1.230 | +0.615 | Business Rates | -0.245 | -0.490 |
| +0.300 | +0.150 | Core Government Grant | -0.060 | -0.120 |
| +5.230 | +2.615 | Council Tax | -1.045 | -2.090 |
| +2.200 | +1.100 | Fees & Charges | -0.440 | -0.880 |
| +0.510 | +0.255 | Improved Better Care Fund | -0.100 | -0.200 |

2022/23 IMPACT (+ equals extra cost/- equals cost reduction)

| -5.00% Variation £M | -2.50% Variation £M | Forecast Item | +1.00% Variation £M | +2.00% Variation £M |
|--|------------------------------|----------------------------|---------------------------|---------------------------|
| EXPENDITURE | | | | |
| N/A as would assume pay cuts | N/A as would assume pay cuts | Pay Awards & Contracts | +1.205 | +2.410 |
| N/A - prevailing interest rates too low to bear a 5% reduction | -0.965 | Interest Rate Fluctuations | +2.400 | +4.800 |
| INCOME | | | | |
| +1.280 | +0.640 | Business Rates | -0.255 | -0.510 |
| +0.300 | +0.150 | Core Government Grant | -0.060 | -0.120 |
| +5.400 | +2.700 | Council Tax | -1.080 | -2.160 |
| +2.200 | +1.100 | Fees & Charges | -0.440 | -0.880 |
| +0.510 | +0.255 | Improved Better Care Fund | -0.100 | -0.200 |

Risk Assessment

The key risks underpinning the forecast (based on value) are shown in more detail below. However, it is considered that the underlying assumptions of the current MTFS are prudent given the level of future uncertainty and potential for change.

| Forecast Item | Budget £M | Comment/ Mitigation |
|----------------------------------|-----------|---|
| Future Council Budget Reductions | 16.1 | Delivery plans in place for 2020/21 and 2021/22 with a proposal to delay any formalised approach to dealing with the 2022/23 deficit until greater clarity is gained from the UK's exit from the European Union, the Government's Comprehensive Spending Review and its impending reforms around Fair Funding and Business Rates Retention. |
| Government Funding | 6.2 | Budget shown is the estimated position as at the end of 2023. Estimated government funding for 2020/21 has been released and future projections for 2021/22 and 2022/23 are included on a prudent basis. |
| Improved Better Care Fund | 10.2 | No indication to date that Government will reduce/remove this funding. More information expected during 2020/21 as part of the Fair Funding Review and green paper on ASC. |
| Council Tax | 108.1 | Budget shown is estimated position as at the end of 2023. Future years (2021/22 & 2022/23) council tax increases are assumed to be 2% together with a prudent assumption on tax base growth. |
| Pay Awards | 8.2 | Provision made for a 2% pay award in each year to 2023. |
| Demography / Demands | 9.2 | Budget shows provision made in MTFS over the full planning period through to 2023. Demography demands are monitored rigorously throughout each year with forecasts being updated as necessary and separate mitigations being put in place. |

SECTION H – THE COUNCIL’S RESERVE STRATEGY & CAPITAL SPENDING

Reserves Position/ Strategy

The Council builds up income streams that result from, for example, capital receipts (e.g. sale of assets) and/ or year-end underspends. Such resources tend to be 'one off' in nature and the Council has a specific strategy in place for using/ retaining this type of income.

The position on our level of reserves is regularly reviewed and updated. A report on our reserves position is submitted alongside the MTFS and will detail all funding streams (capital and revenue) that are available for strategic priorities across the 2020 -2023 period.

As outlined previously, our strategy for using one-off resources is split between:-

- Investing in priority one off / capital investment schemes that focus on delivering economic regeneration or social value;
- Revenue 'invest to save' priorities.

NB In very exceptional circumstances reserves may be used as an overall bridging strategy for the Council's budget however this has not been necessary for a number of years.

An updated reserves position reported to Cabinet shows the following position.

| | £M |
|--|-------------|
| General Fund Resources: | |
| General Fund Resources | 202.2 |
| Existing Capital / Revenue Commitments | (164.6) |
| Capital Programme Reserve | (16.8) |
| General Fund Resources Available for Immediate Investment | 20.8 |
| HRA / Berneslai Homes Surpluses | 13.1 |
| General Fund / Housing Resources Available for Immediate Investment | 33.9 |

The above position includes:

- Review of General Fund reserves which has enabled the release of **£7.0M**; and
- Additional one off funding announced in the 2020/21 finance settlement of **£13.8M**;

It should also be noted that there are currently a number of funding bids that are currently being progressed particularly in relation to submissions into

Sheffield City Region/MHCLG. It is intended to incorporate the outcome of these funding bids into the ongoing review of the MTFS and reserves strategy which is regularly reported into Cabinet.

Prior to releasing these balances for use, the Council (on the advice of the S151 officer) establishes an appropriate level of retained balances. In advising on an appropriate level there are a number of issues that need to be taken into consideration:-

- Excessive balances can be an opportunity cost to the tax payer with additional spending on services not taking place or Council Tax increases being higher than they would otherwise be;
- Retained balances earn income and can provide internal funding for capital expenditure rather than borrowing;
- Balances that are too low may put the organisation at risk if unexpected demands occur at short notice.

The Council has already established a Minimum Working Balance (MWB) of £15M for General Fund services. It is recommended that the MWB remains at £15M especially in light of the future uncertainty facing the Council (as outlined throughout this document) as well as the increasing difficulty of implementing the scale and nature of savings required to balance the forecast. This leaves the full £33.9M available for strategic use.

Capital Strategy

The approach for utilising available reserves is captured in our Capital Strategy.

The Capital Strategy forms a key part of the Council's overall planning process. It provides a mechanism by which capital expenditure and investment decisions are aligned over the medium term (five year) planning period with the Council's [Corporate Plan](#) and its key priorities.

This Strategy sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring. This also links to the Council's other strategies and plans e.g. Treasury Management and Reserves Strategies.

On the basis of this strategy, services have submitted outline capital investment proposals for consideration against the total resource available. To assist with the prioritisation process, these proposals have been organised into six main categories.

The six categories are:-

1. Supporting wellbeing and managing demand for statutory services:

- a) SEND Investment Early identification and support, quality of provision for young people and where appropriate transition them back into local provision, the quality and timeliness of the EHC

process and annual review process, improve school attendance and educational outcomes.

- b) Early Help Early identification and support, quality of provision for young people and where appropriate transition them back into local provision, the quality and timeliness of the EHC process and annual review process, improve school attendance and educational outcomes.
 - c) Placement Sufficiency and Quality (Looked After Children) Safeguard and improve outcomes and placement stability for children in care, particularly older children with complex needs and reduce the use and cost of external placement provision.
 - d) Population Level Mental Health. A population mental health approach to keep people healthy and providing early intervention when problems arise. We will work upstream, with and at a community level, to build individual resilience and improve wellbeing.
 - e) Children and Young People's Health. A range of early intervention and prevention programmes that will positively impact on emotional and mental health and wellbeing of CYP and families, increase resilience, reduce isolation, prevent adverse childhood experiences in future generations and reduce the need for more specialist interventions through the life course.
 - f) Cardio Vascular Disease prevention. Provide advice, support and training to our at risk communities in order to raise awareness of CVD alongside a greater understanding of where to go for help and support. This will impact on population health by contributing to reducing CVD premature mortality and associated morbidity.
 - g) Healthy Environment. Improve population health through the delivery of cost effective health enhancing policies and actions at a place level. Using World Health Organisation evidence, we will create healthy environments where residents can thrive.
 - h) Excellence in Care Excellence in Care Tackling Pay and Conditions across homecare & residential care; Improving the quality of residential care; Commissioning sustainable & effective homecare; Valuing Care through campaigns / awards; Development of career pathways (recruit / retain / grow staff); Development of Community of Practice; Greater use of technology in care; Living a good life - connecting care to our communities; Market shaping – defining what we need, why and when.
- 2. Improve the efficiency of the Council / invest to save:** Various efficiency / productivity proposals including dealing with customer enquires more effectively; Reduce the need for reactive tree maintenance; Improved vehicle fleet management; Improved throughput & enforcement of Traffic Regulation Orders; Maximising external funding opportunities; and Improving employee wellbeing.

3. Positive environmental impact / zero carbon objectives:

Improvements to help tackle the climate change agenda such as increasing active travel, planting of more trees, improved levels and types of recycling and seeking to investigate the switch away from fossil fuels to electric and hydrogen fuelled industries and vehicles.

4. Support the renaissance of the town centre and principal towns:

- a) Initiatives to help make the town centre / principal towns feel safer and reduce anti-social behaviour. Overall impact would include improvement in public perception of town centre safety, reduction in crime, prevention of escalation of incidents, reduction in environmental blight in key areas and protection of key assets. The resulting increased public and business community confidence will help to support the renaissance of the town centre / principal towns.
- b) Improvements in promoting and marketing the town centre / principal towns to help drive footfall. Improvements in the offer within the market such as including town centre events, food hall and incubation space in the market. Additional funding to support the development of the Dearne Valley rail plan to significantly improve connectivity for our towns and cities in the region

5. Support the growth of the digital sector in Barnsley: Increasing the roll out and take up of fibre broadband and developing the case for 5G infrastructure investment. Increase the adoption of digital technology and skills within the SME business sector to help improve productivity.

6. Make a visible difference in communities:

- a) Borough wide investments to make a difference in communities through enhanced community capacity building, improved support to vulnerable and disadvantaged residents, promotion of social inclusion and improvement in public perceptions of the environment across neighbourhoods.
- b) A range of initiatives to improve management of greenspaces and cleanliness. This includes additional support for weeds and graffiti removal, covert cameras to assist with enforcement, cleansing of kerbs and gullies and building on the success of the Dearne Valley landscape partnership.

Cabinet have put forward the following priority schemes for approval in principle as set out below:

| General Fund - Proposal Themes | Total Investment £ |
|---|-------------------------------|
| Supporting Wellbeing and Managing Demand for Statutory Services | 3,856,000 |
| Improve the efficiency of the Council / Invest to Save | 905,000 |
| Positive environmental impact / Zero Carbon objectives | 780,000 |
| Support the growth of the Digital sector in Barnsley | 400,000 |
| Support the renaissance of the Town Centre and Principal Towns | 1,421,850 |
| Making a visible difference in communities | 1,641,000 |
| Emerging Capital Priorities | 10,426,000 |
| TOTAL | 19,429,850 |
| Total GF Funding Available | (20,850,000) |
| REMAINING / CONTINGENCY | (1,420,150) |

| Housing - Proposal Themes | Total Investment £ |
|------------------------------------|-------------------------------|
| Independent Living | 1,000,000 |
| Service Transformation | 2,000,000 |
| Inclusive Growth | 635,000 |
| Zero 2045 | 1,000,000 |
| Housing Growth | 7,215,000 |
| TOTAL | 11,850,000 |
| Total HRA Funding Available | (13,100,000) |
| REMAINING / CONTINGENCY | (1,250,000) |

SECTION I APPENDICES

Appendix 1 – Detailed Medium Term Financial Forecast

Appendix 2 - Process for Addressing Demographic Pressures

MEDIUM TERM FINANCIAL FORECAST 2020 – 2023

| | FORECAST 2020/21 £m | FORECAST 2021/22 £m | FORECAST 2022/23 £m |
|--|------------------------|------------------------|------------------------|
| EXPENDITURE: | | | |
| 1. Base Net Expenditure (Net of Schools) | | | |
| Revised Base Position | 169.064 | 172.577 | 176.011 |
| 2. Fixed and Ongoing (already reported) | | | |
| Pay Award, National Insurance and NJC Pay Review in 20/21 | 2.457 | 2.059 | 2.121 |
| Increments | 0.755 | 0.510 | 0.290 |
| Pension - Actuarial Assessment 2020-2023 | 0.621 | 0.380 | |
| Other Inflation (inc BSF) | 0.565 | 0.965 | 0.965 |
| Financing Capital New Starts Programme & MRP | 0.570 | 1.070 | 0.570 |
| Childrens - Contingency | 1.000 | 1.000 | 1.000 |
| Catering | 0.260 | | |
| Base budget review | -0.794 | 0.000 | 0.000 |
| | 5.434 | 5.984 | 4.946 |
| 3. Demographic and Demand | | | |
| Waste | 0.545 | 0.200 | 0.200 |
| Home To School | 0.200 | 0.200 | 0.200 |
| Adults Social Care (Demographics and other pressures) | 0.605 | 0.605 | 0.605 |
| Children's Social Care (Demographics/base issues) | 0.195 | 0.195 | 0.195 |
| National Living Wage /Inflationary Increases Adult Social Care | 1.020 | 1.832 | 1.832 |
| Cost of Care (Residential Fees) | 0.750 | | |
| Demographics Contingency | 1.732 | -1.000 | -0.500 |
| | 5.047 | 2.032 | 2.532 |
| 4. Investment & Other Policy Issues | | | |
| Town Centre Issues (Glassworks - Shortfall in Income) | | 2.300 | |
| Provision for Youth Zone | | 0.300 | |
| Town Centre Wardens | 0.100 | | |
| Weed Control | 0.110 | | |
| Zero 40/45 | 0.200 | | |
| Care Leaver Apprentices | 0.070 | | |
| Glassworks Pressure | | 1.500 | 1.500 |
| | 0.480 | 4.100 | 1.500 |
| 5. One-Off investment | | | |
| One-off investment priorities across the Council | | | |
| TOTAL EXPENDITURE BEFORE EFFICIENCIES | 180.025 | 184.693 | 184.989 |
| 5. Efficiency Proposals | | | |
| 2020 Efficiency Programme | -6.848 | -6.484 | |
| Debt Costs - Glassworks | | -0.700 | |
| HRA Capital Receipts | -0.200 | -0.300 | |
| Westgate b/f | -0.100 | 0.100 | |
| Pension Deficit | | -1.300 | |
| Change in KLOE's | 0.150 | 0.102 | |
| Additional Savings | -0.450 | -0.100 | |
| | -7.448 | -8.682 | 0.000 |
| TOTAL EXPENDITURE | 172.577 | 176.011 | 184.989 |
| RESOURCES: | | | |
| 8. Core Resources | | | |
| <u>Council Tax</u> | | | |
| Council Tax Income inc Base | 95.063 | 100.797 | 104.947 |
| Council Tax Collection Fund Surplus | 2.615 | 3.200 | 3.200 |
| | 97.678 | 103.997 | 108.147 |
| <u>Business Rates Retention (BRR) scheme</u> | | | |
| Local Share - Business Rates (net 75% share) | 22.814 | 23.614 | 24.614 |
| Local Share - Top Up Grant | 32.240 | 32.840 | 33.455 |
| S31 Grant for 2% Capping - Top Up | 0.552 | 0.552 | 0.552 |
| Revenue Support Grant (RSG) | 12.745 | 8.539 | 6.177 |
| | 68.351 | 65.545 | 64.798 |
| <u>S31 Grant Per NNDR1 form (Business Rates)</u> | | | |
| S31 Grant for Small Business Rate Relief | 3.035 | 3.035 | 3.035 |
| | 3.035 | 3.035 | 3.035 |
| Core Resources b/f | 169.064 | 172.577 | 175.980 |
| 9. Change in Resources | | | |
| <u>Council Tax</u> | | | |
| Council Tax increase in tax base | 1.950 | 2.050 | 1.300 |
| Council Tax Collection Fund Surplus | 0.585 | | |
| Council Tax increase (@ 3.9% + 2% in future years) | 3.784 | 2.100 | 2.200 |
| | 6.319 | 4.150 | 3.500 |
| <u>Business Rates Retention (BRR) scheme</u> | | | |
| Local Share Business Rate Growth move to 75% share | 0.800 | 1.000 | 1.000 |
| Top Up Grant inflation @ 2% | 0.600 | 0.615 | 0.630 |
| Cuts in Top Up Grant | -4.206 | -2.362 | |
| | -2.806 | -0.747 | 1.630 |
| TOTAL RESOURCES | 172.577 | 175.980 | 181.110 |
| NET SHORTFALL | 0.000 | 0.031 | 3.879 |

PROCESS FOR ADDRESSING DEMOGRAPHIC PRESSURES

Adult Social Care – Older People (OP)

Overview

Barnsley's population of adults aged 65+ has grown over recent years. There is an increasing demand and greater reliance on adult social services. Whilst the numbers receiving support may not increase significantly, the cost of care packages are rising due to complexity of needs.

Strategy/Plan to manage demand

The demand for adult social care services (based on current and future needs) and the service provision to meet such needs is outlined in the Council's *Market Position Statement*. This is informed by other corporate strategies/plans such as the: *Health & Wellbeing Board strategy* and the *Joint Strategic Needs Assessment (JNSA)*.

Approach to forecasting demand

The following approach has been used to project future demographic changes and costs namely:-

- population projections analysed by age ranges;
- a trend analysis of numbers of OP supported with care packages; and
- actual spend by the Council including changes in the average cost of care packages to reflect the complexity of needs.

Allowable cost (& tolerances)

Demographic growth has been calculated and broadly applied against OP's net spend (i.e. residential / nursing, homecare and direct payments). It takes into account the level of client contributions and health funding. The impact of interventions has also been allowed for by using spend and activity data rather than ONS population analysis.

Adult Social Care – Learning Disabilities

Overview

There is a rise in the number of children with significant learning disabilities (LD) living longer and transitioning into adult services. Life expectancy of people with significant learning disabilities has increased. The complexity of needs is a challenge as it results in very high cost care packages.

Strategy/Plan to manage demand

Whilst the Council's *Market Position Statement* broadly outlines the service provision to meet identified needs of adults with learning disabilities, the *Transforming Care Plan / Strategy* specifically details the approach to

addressing the long term care needs of adults with very complex / significant learning disabilities within a community based setting.

Approach to forecasting demand

Population projections together with trend analysis of activity and spend data has been used as a basis for projecting future demographic impact. Changes in average cost of care packages over the years are a good indicator of complexity of needs.

Allowable cost (& tolerances)

Demographic growth has been calculated and broadly applied against LD's net spend which incorporates significant contributions from the Health Service (e.g. S117) towards high cost care packages. The impact of specific interventions has been incorporated (e.g. supported living, high cost placement reviews, step-down enablement provisions etc).

Children's Social Care – Looked After Children (LAC)

Overview

There is an increasing demand for children services partly driven by growth in population (aged 0 – 17). However, the main financial pressures facing the Council in relation to children social care results from the rising number of children in care and associated placement costs. A residential care placement (e.g. secure welfare) could cost anything between £2k to £5k per week (ie upto £250k in a full year for a single case).

Strategy/Plan to manage demand

The *Looked after Children Placement & Sufficiency Strategy* details the council's approach to addressing the current/ future accommodation and support needs of children in care in the most efficient / cost effective way possible. A copy of the current strategy can be found in the attached link: <https://barnsleymbc.moderngov.co.uk/documents/s34726/Appendix%201.pdf>

Approach to forecasting demand

Assumptions around the Council's LAC population in future years are forecast based on local (and regional) context, needs and trends. The strategy equally sets out an approach / action plan for managing LAC numbers with clear targets for the different placement types. Cost is forecast using average unit cost (local and benchmarking data).

Allowable cost (& tolerances)

Demographic growth has been applied to specific LAC placements e.g. residential care, fostering and other low cost placements. It takes into account the interventions / agreed actions to manage LAC numbers.

Special Educational Needs (SEN)

Overview

The Council continues to face increasing financial pressures (against the schools budget) in relation to SEN provision due to rising demand. There are increasing numbers of pupils with Education Health and Care (EHC) plans requiring additional educational support as well as a rising number of SEN pupils in 'Out of Authority' specialist placements.

Strategy/Plan to manage demand

The *SEN Pupils' Placement & Sufficiency Strategy* details the Council's approach to developing a more sustainable system for commissioning placements for pupils with EHC plans through investing in and improving the capacity of mainstream and specialist schools.

Approach to forecasting demand

Assumptions of the Council's future SEN needs are set out in the strategy based on local (and regional) context, needs and trends. The strategy equally sets out the commissioning actions for managing SEN numbers. This has also informed the assessment of the funding gap in future years.

Allowable cost (& tolerances)

Current / future funding from the Government and contributions from schools have been taken into account in assessing the funding gap facing the Council. Commissioning actions / interventions have been costed and the impact reflected in the financial forecasts for SEN.

Homelessness

Overview

Homelessness and rough sleeping is on the increase both nationally and locally. Prevention is key in reducing homelessness but this is reliant on people seeking assistance at an early stage as well as workers/ officers identifying the risk of homelessness and putting in place appropriate support plans before people actually lose their homes. This is the focus of the new Homeless Reduction Act that came into force in April 2018.

Strategy/Plan to manage demand

Barnsley's new Homeless Prevention and Rough Sleeping strategy has recently been approved at:-

<https://www.barnsley.gov.uk/media/9406/homeless-prevention-and-rough-sleeping-strategy.pdf>

Approach to forecasting demand

The current forecast estimates the increasing demand for housing advice and support. This takes into account a significant rise in the use of temporary accommodation over the last couple of years. The projections also reflect an

increase in the numbers of single people presenting as homeless who have a range of complex needs (egs offending, mental health and substance misuse) which require a multi-agency response.

Allowable cost (& tolerances)

Spend on temporary accommodation is also set to increase next year although the Council is in the process of looking to potentially use vacant council house properties as a mitigation.

Travel Assistance/ Home to School Transport

Overview

The Council has a statutory duty under Section 508A and 508D of the Education Act 1996 to ensure travel assistance is made available to facilitate attendance at school for eligible children and students. Since 2016/17, there has been a significant increase in the number of children eligible for Home to School Transport which is linked directly with the increase in the number of SEN children.

Strategy/Plan to manage demand

As a result of the above and to fulfil its duty, Cabinet introduced an updated Home To School/College Travel Assistance Policy in February 2018 (link to the [Home to School Policy](#)).

This policy sets out the framework under which eligible children and students will be supported including the different travel options available for consideration to assist with managing demand.

Approach to forecasting demand

A detailed review of ongoing demand has been undertaken including a review of the following factors:

- Pupil school census;
- % of SEN pupils;
- Population data;
- % of pupils requiring travel assistance for SEN;
- Out of Borough Placements for SEN;
- Mileage Reimbursement numbers;
- Average travel cost per school day;
- Number of vehicles used per school day;
- Number of escorts used per school day.

The review has enabled the Council to accurately forecast future demand together with calculating an associated cost.

Allowable cost (& tolerances)

Different forms of Travel Assistance transport are considered and selected based on suitability, cost and availability. Route optimisation is regularly considered. The Council is also currently seeking to introduce a dynamic purchasing system for transport providers.

Other Demographic/ Demand - Waste Pressures

Overview

The Council, as part of its Local Plan, has housing growth aspirations to build additional properties within the Borough which will create additional demand for local services. Whilst some of this demand will be supported by the additional council tax income generated from these properties, additional investment is inevitably required for the services impacted by additional housing such as waste collection and disposal.

Strategy/Plan to manage demand

The Council in conjunction with three other South Yorkshire authorities, have adopted the South Yorkshire Municipal Waste Strategy. This strategy's has 5 key priorities covering; 1. educating South Yorkshire residents to recycle more; 2. providing a more reliable service; 3. delivering value for money; 4. improving technology and 5. influencing decision-making on waste at a European, national and local level in order to drive further investment into waste infrastructure in the Sheffield City Region economy.

Approach to forecasting demand

Using data gathered from a variety of sources (including current and forecast waste tonnage levels, recycling rates and current national policies such as plastic reduction), an annual assessment is made of the likely financial impact of the requirement for additional waste collection, disposal and recycling. A corresponding investment is made in the service to reflect the estimated demand.

Allowable cost (& tolerances)

The additional cost of waste collection and disposal is allowed for in the forecast.

BARNSELEY METROPOLITAN BOROUGH COUNCIL

2020/21 COUNCIL TAX OPTIONS

1. Introduction

- 1.1 This report considers the calculation and options for setting Council Tax levels for 2020/21.

2. Basis of Council Tax Calculation

- 2.1 The following stages are involved in determining options for setting the Council Tax:

- 1) Determining the Council Tax base;
- 2) A review of past performance in collecting Council Tax;
- 3) Identifying the potential impact on the Council's Medium Term Financial Strategy of various Council Tax increases; and
- 4) Options for setting the Council Tax in the context of national and local policy.

Step 1 – Determining the Council Tax Base

- 2.2 The Council Tax Base represents the estimated number of chargeable dwellings in the area, expressed in terms of Band D equivalent properties after allowing for disabled persons relief, discounts and other statutory adjustments.
- 2.3 The calculation of the tax base is further complicated by the Government's Local Government Finance reforms that took effect from 1st April 2013. These changes are summarised below.

Local Council Tax Support Scheme

- 2.4 The Local Council Tax Support Scheme (LCTS) was introduced in 2013/14. Funding for the scheme forms part of the overall resources allocated to the Council as part of the Local Government Finance Settlement.
- 2.5 Following a public consultation on the scheme in Autumn 2019, the Council approved a new scheme to be implemented from 1st April 2020.

Technical Changes to Council Tax

- 2.6 Since 2013/14, local authorities have been afforded discretion to charge Council Tax on second homes and empty properties. The Council's current policy is as follows:-

- A discount of 0% be applied to second homes and empty furnished homes;
- A discount of 25% be applied to properties that are vacant and undergoing repair or major structural alterations for up to 12 months, or 6 months after the completion of works, whichever is shorter;

- A discount of 8.3% (1 month) be applied to properties that are vacant and unfurnished from the date the property becomes empty;
- A 100% premium be charged on properties which have been empty and unfurnished for in excess of two years; and
- A 200% premium be charged on properties which have been empty and unfurnished for in excess of five years.

2.7 The 2020/21 Council Tax Base report approved in January 2020 (Cab.8.1.2020/6 refers) set a tax base of 65,405.74.

Step 2 - Review of Performance in Collecting Council Tax

2.8 Cabinet has received a regular update on the performance in Council Tax collection. As at the end of Quarter 3 in 2019/20, the current performance was meeting the stretch target set at the start of 2019/20 financial year. As such, no adjustments have been made to collection rate targets for 2020/21. Collection rates will continue to be monitored throughout 2020/21 and reported to Cabinet accordingly.

Step 3 – Potential Council Tax Yields 2020/21

2.9 Table 1 below provides information on the estimated Council Tax yields that could be generated based on the currently estimated Council Tax base at different levels of tax increase.

Table 1 – Council Tax Options (2020/21)

| % Increase | 0% £M | 1% £M | 1.50% £M | 2.00% £M | 2.50% £M | 3.00% £M | 3.50% £M | 3.90% £M |
|---------------------------------|------------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Council Tax Income | 97.013 | 97.983 | 98.468 | 98.953 | 99.438 | 99.923 | 100.408 | 100.797 |
| Collection Fund Surplus | 3.200 | 3.200 | 3.200 | 3.200 | 3.200 | 3.200 | 3.200 | 3.200 |
| Total Council Tax Income | 100.213 | 101.183 | 101.668 | 102.153 | 102.638 | 103.123 | 103.608 | 103.997 |

2.10 Each 1% increase in our Band D Council Tax generates additional income of approximately **£0.970M** per annum recurrently (0.5% = £0.485M).

2.11 Table 2 below provides an analysis of the impact of the various increases on the actual Council Tax for council services for each band.

Table 2 – Indicative 2020/21 Council Tax Levels for BMBC Services

| % Increase | 0.00% | 1.00% | 1.50% | 2.00% | 2.50% | 3.00% | 3.50% | 3.90% |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Band A- | 824.14 | 832.39 | 836.51 | 840.54 | 844.75 | 848.87 | 852.99 | 856.29 |
| Band A | 988.98 | 998.87 | 1,003.81 | 1,008.66 | 1,013.70 | 1,018.65 | 1,023.59 | 1,027.55 |
| Band B | 1,153.81 | 1,165.35 | 1,171.12 | 1,176.77 | 1,182.66 | 1,188.42 | 1,194.19 | 1,198.81 |
| Band C | 1,318.64 | 1,331.83 | 1,338.42 | 1,344.88 | 1,351.61 | 1,358.20 | 1,364.80 | 1,370.07 |
| Band D | 1,483.48 | 1,498.31 | 1,505.73 | 1,513.00 | 1,520.56 | 1,527.98 | 1,535.40 | 1,541.33 |
| Band E | 1,813.13 | 1,831.26 | 1,840.33 | 1,849.21 | 1,858.46 | 1,867.53 | 1,876.59 | 1,883.84 |
| Band F | 2,142.80 | 2,164.23 | 2,174.94 | 2,185.44 | 2,196.37 | 2,207.08 | 2,217.80 | 2,226.37 |
| Band G | 2,472.45 | 2,497.18 | 2,509.54 | 2,521.65 | 2,534.26 | 2,546.63 | 2,558.99 | 2,568.88 |
| Band H | 2,966.95 | 2,996.62 | 3,011.46 | 3,025.99 | 3,041.13 | 3,055.96 | 3,070.80 | 3,082.66 |

2.12 It must be noted that the final overall Council Tax increase for properties in the borough will also depend on the precepts levied by the Police and Fire Authorities. These are currently being discussed by the respective authorities. If the maximum increases are made during 2020/21 (assumed to be 2% for Police and 1.99% for Fire) it will equate to an additional 0.3% to the overall headline Council Tax increase.

Step 4 – Options for Setting Council Tax in the Context of National and Local Policy

Options for 2020/21

Council Tax Referendums and Council Tax Capping

General Services

2.13 Schedule 5 of the Localism Act introduced a new chapter into the 1992 Local Government Finance Act, making provision for Council Tax referendums to be held if an authority increases its Council Tax by an amount exceeding principles determined by the Secretary of State and agreed by Parliament.

2.14 The Secretary of State for Housing, Communities and Local Government announced as part of the 2020 Local Government Settlement, that the referendum principles would be set allowing for up to a 2% increase in Council Tax for general (core) services, before the requirement to hold a referendum. There remains the option to increase Council Tax above 2% and thus hold a referendum. The cost of holding a referendum is estimated to be around £0.4M so any additional income received for increases above 2% would be needed to cover this cost.

2.15 The Council could agree an increase in Council Tax of say 1.90% without the requirement to hold a referendum. This would result in additional **permanent** base resources of £1.844M per annum.

Additional Flexibility for Adult Social Care Pressures

- 2.16 Members will recall the further flexibilities Government made to local authorities around the Adult Social Care (ASC) precept. This flexibility was offered in recognition of the increasing demand for ASC services arising from demographic pressures and the consequential impact on Council budgets and permitted authorities to introduce total increases of 6% over the period 2017-2020.
- 2.17 Such pressures have clearly impacted on Barnsley over the last three years and continue to increase moving forwards. The Council took the decision to implement the full 6% increase over the period (3% in 2017/18, 1.5% in 2018/19 and a further 1.5% in 2019/20).
- 2.18 As part of the one year settlement the Chancellor of the Exchequer announced a consultation process to allow a further ASC precept of upto 2% during 2020/21. If Members choose to take up the option of implementing a further 2% for ASC this would generate an additional £1.940M per annum over and above any agreed increase for general services.
- 2.19 Table 3 below provides an analysis of the impact of an additional 3.90% increase (1.90% for Core Services plus 2.0% for ASC) on the actual Council Tax for our residents for each band.

Table 3 – Indicative 2020/21 Council Tax Levels at 3.9%

| | | GENERAL INCREASE | | ADULT SOCIAL CARE PRECEPT | | CUMULATIVE INCREASE | | 2020/21 TOTAL | |
|------------|-----------------------|------------------|-----------------|---------------------------|-----------------|---------------------|-----------------|---------------|-------------|
| % Increase | 0.00% | 1.90% | | 2.0% | | 3.90% | | | |
| BAND | Current Annual Charge | Annual Increase | Weekly Increase | Annual Increase | Weekly Increase | Annual Increase | Weekly Increase | Annual Cost | Weekly Cost |
| Band A- | 824.14 | 15.66 | 0.30 | 16.48 | 0.32 | 32.14 | 0.62 | 856.29 | 16.47 |
| Band A | 988.98 | 18.79 | 0.36 | 19.78 | 0.38 | 38.57 | 0.74 | 1027.55 | 19.76 |
| Band B | 1,153.81 | 21.92 | 0.42 | 23.08 | 0.44 | 45.00 | 0.87 | 1198.81 | 23.05 |
| Band C | 1,318.64 | 25.05 | 0.48 | 26.37 | 0.51 | 51.43 | 0.99 | 1370.07 | 26.35 |
| Band D | 1,483.48 | 28.19 | 0.54 | 29.67 | 0.57 | 57.86 | 1.11 | 1541.33 | 29.64 |
| Band E | 1,813.13 | 34.45 | 0.66 | 36.26 | 0.70 | 70.71 | 1.36 | 1883.84 | 36.23 |
| Band F | 2,142.80 | 40.71 | 0.78 | 42.86 | 0.82 | 83.57 | 1.61 | 2226.37 | 42.81 |
| Band G | 2,472.45 | 46.98 | 0.90 | 49.45 | 0.95 | 96.43 | 1.85 | 2568.88 | 49.40 |
| Band H | 2,966.95 | 56.37 | 1.08 | 59.34 | 1.14 | 115.71 | 2.23 | 3082.66 | 59.28 |

Conclusion

- 2.20 Given the significant financial pressures that the Council continues to face, particularly in relation to Adult Social Care, Members will need to give careful consideration as to whether to:
- Increase Council Tax over and above the referendum cap and hold a referendum; or
 - Increase Council Tax up to the existing 2% referendum cap for general (core) services (proposal to increase by 1.90%);
 - Take up the flexibility of an additional increase of up to 2.0% to fund Adult Social Care pressures (proposal to increase by 2%).

BARNSELEY METROPOLITAN BOROUGH COUNCIL

RESERVES STRATEGY UPDATE

1. **Purpose of Report**

- 1.1 The purpose of the report is to update the Council's Reserves position from the last report in February 2019, following the closure of the 2018/19 accounts and the announcement of the Government's single year spending review. The planning period has also been extended to 2022/23 to align with the Council's Medium Term Financial Strategy (MTFS).
- 1.2 The report will provide:
- a reminder of the Council's current Reserves Strategy;
 - an updated Reserves position; and
 - the level of available reserves along with a recommended approach for future investment.

2. **Recommendations**

- 2.1 **Note the updated reserves position shown in Table 1 totalling £251.0M;**
- 2.2 **Note the reserves available for investment in Table 7 totalling £33.9M (£20.8M General Fund and £13.1M Housing);**
- 2.3 **That SMT work up detailed options for investing in revenue and capital schemes aligned with the Council's corporate priorities and objectives as outlined in Section 5 and 7 of the report.**

3. **Background**

Reserves Strategy

- 3.1 The Council has a medium term financial planning framework that incorporates a rolling 3 year forecast and reserves strategy.
- 3.2 One of the key components of the Council's Reserves Strategy is to maximise balances / one off resources. This is done through a range of strategies / activities including:-
- establishing a rolling 5 year Asset Management Strategy that supports the national One Public Estate programme and seeks to maximise capital receipts through the sale of appropriate Council assets;
 - implementing other strategies (e.g. External Funding, Commercial, Digital First) to ensure that we both maximise and efficiently use our available resources and in turn 'free up' the Council's balances for one off investments / commitments; and
 - Delivering year end underspends to bolster the Council's reserves position wherever possible.

- 3.3 The Council's strategy for using available one-off resources to deliver our objectives is broadly outlined in our MTFS and fully detailed in the Capital Investment Strategy. It is based on the clear principle that we match ongoing spending requirements with ongoing income. As such, we only use one off reserves as a bridging strategy in very exceptional circumstances; something which has not been necessary for a number of years.
- 3.4 The Capital Investment Strategy sets out the framework for utilising the Council's available reserves which reflects the following criteria:-
- Setting aside contingencies required by Statute (e.g. Minimum Working Balance);
 - Setting aside provisions to fund known, one off service pressures / commitments (e.g. redundancy and pension costs);
 - Investing in 'one off' expenditure that delivers ongoing efficiencies / service improvement e.g. the Council's Invest to Grow Fund and/or its Commercial Fund; and
 - Investing in priority development / regeneration schemes focusing on, for example, inclusive growth;

Updated Reserves Position

- 3.5 The closure of the 2018/19 accounts and the announcement of the Government's one year spending review for 2020/21 has resulted in an updated balances position for the Council as at January 2020.
- 3.6 The closure of the Council's 2018/19 accounts resulted in additional balances to reflect the following:-
- an underspend on the Council's 2018/19 General Fund (GF) of **£0.737M**; and
 - an underspend on the Council's 2018/19 Housing Revenue Account (HRA) of **£1.247M**.
- 3.7 The one year Government spending review for 2020/21 has also provided additional one-off General Fund reserves to the estimated value of **£6.0M**. Government also announced one-off general funding (Social Care) estimated to be in the region of **£7.8M**.
- 3.8 Further resources are also expected to be received which are to be earmarked for specific purposes including **£2.8M** for SEND and **£2.1M** for other specific service priorities (e.g. Public Health / Troubled Families).
- 3.9 As mentioned, the Council has also extended its planning period to 2022/23. This releases further resources that are expected to materialise in the extended period. These are prudently assessed and any 'release' is only made after ensuring that the Council's spending profiles remain within 'banked' resources.
- 3.10 By extending the planning period to 2022/23, a further **£7.6M** is available for future investment in line with the borrowing allocation and other unallocated resources already included in the Council's MTFS. This is a modest allocation that reflects the S151 Officer's overall approach to minimise and manage the risks attached to the Council's overall debt levels whilst still providing for necessary and prudent investment in the Borough.

- 3.11 In addition, an allocation for other unbudgeted funding such as New Homes Bonus (NHB) is usually included when the Council's Reserves Strategy is rolled forward. It is, however, recommended that future projections beyond 2021/22 exclude NHB allocations at this stage because of the general uncertainty that exists around this particular funding stream. This recommendation will be reviewed after the Government's 3 year Comprehensive Spending Review (CSR) is announced (currently scheduled for the autumn of 2020).
- 3.12 Table 1 below summarises the Council's total balances as at January 2020. The position is in line with the Council's 2018/19 Statement of Accounts together with an estimate of future resources likely to be available.

Table 1: Total Available Resources 2019/20 - 2022/23 (as at September 2019)

| | 1 st April 2019 £M | Anticipated Resources £M | Total Balances £M |
|--|----------------------------------|--------------------------------|-------------------------|
| Reserves and Balance | 145.184 | 43.206 | 188.390 |
| Reserves – 1 Year Settlement (inc. Social Care monies) | - | 13.850 | 13.850 |
| Sub Total - GF | 145.184 | 57.056 | 202.240 |
| Housing Reserves and Balances | 40.374 | - | 40.374 |
| Berneslai Homes Company Surplus | 8.410 | - | 8.410 |
| Sub Total - Housing | 48.784 | - | 48.784 |
| GRAND TOTAL | 193.968 | 57.056 | 251.024 |

- 3.13 It should also be noted that the Council has a proactive approach towards bidding for, and securing, external funding streams, most notably via Sheffield City Region. Maximising the Council's income streams is an integral part of our reserves strategy to support our capital priorities.
- 3.14 The current capital programme (2019-21) has some £43M of grants and third party contributions that help support our capital priorities. Some examples of the most significant contributions and funding sources are set out in Table 2 below.

Table 2: Major External Funding/ Contributions Supporting Capital Schemes

| Scheme Description | Amount £M | Funding Source |
|-------------------------------------|--------------|---|
| M1 Junction 36 – Phase 1 Hoyland | 9.8 | Sheffield City Region Investment Fund (SCRIF) |
| M1 Junction 36 – Phase 2 Goldthorpe | 7.0 | SCRIF |
| Disabled Facilities Grant | 6.7 | MHCLG |
| Penistone School Extension | 2.2 | Basic Needs Grant |
| Cannon Hall | 1.8 | Heritage Lottery Fund |
| M1 Junction 37 Phase 1 | 1.7 | SCRIF |
| Market Gate Bridge | 1.6 | Network Rail |
| Refurbishment of the Core Building | 1.3 | SCRIF |
| TOTAL | 32.1 | |

4. Current Use of Reserves

- 4.1 As shown at Table 1, the total level of balances available to the Council through to 2022/23 is £251.0M. However, previous Council decisions have already committed the vast majority of these balances. A summary of the approved earmarkings / investments is set out in Table 3 with further details provided at paragraphs 4.2 – 4.6.

Table 3: Current Use of Available Resources 2019/20 - 2022/23

| | Earmarked Under Statute (Para. 4.2) £M | Earmarked - Invest to Save/ Future Commitments (Para. 4.3) £M | Earmarked - Future Capital Investment (Para. 4.4) £M | Capital Programme Reserve (Para. 4.5) £M | Currently Available for Investment (Section 5) £M | Total Available Resources £M |
|----------------------------|---|--|---|---|--|--|
| Sub Total – GF | 17.335 | 67.546 | 79.708 | 16.801 | 20.850 | 202.240 |
| Sub Total – Housing | 5.200 | 4.957 | 25.527 | - | 13.100 | 48.784 |
| GRAND TOTAL | 22.535 | 72.503 | 105.235 | 16.801 | 33.950 | 251.024 |

Resources Earmarked Under Statute

- 4.2 Certain resources are required to be earmarked under statute or are recommended to support good financial practice e.g. Minimum Working Balance (MWB). Table 4 summarises this category of earmarkings.

Table 4: Earmarked Resources Under Statute (as at 1st April 2019)

| Investment | Amount £M | Description |
|----------------------------|------------------|---|
| <u>General Fund</u> | | |
| Minimum Working Balance | 15.0 | MWB set aside as a contingency for unforeseen events. |
| School Balances | 2.3 | Balances held for maintained schools. |
| Sub Total - GF | 17.3 | |
| <u>Housing</u> | | |
| Minimum Working Balance | 5.2 | MWB set aside as a contingency for unforeseen events. |
| Sub Total - Housing | 5.2 | |
| TOTAL | 22.5 | |

Resources Earmarked for Invest to Save/ Future Commitments

- 4.3 Cabinet has previously approved reserves to be set aside to fund Invest to Save schemes or to provide for known commitments / pressures such as future Social Care pressures. These types of earmarking tend to be revenue in nature. Table 5 below highlights the most significant examples under this category.

Table 5: Earmarked for Revenue Commitments/Investment (as at 1st April 2019)

| Investment | Amount £M | Description |
|--|------------------|---|
| Social Care | 10.0 | Resources set aside to fund future priorities/pressures in Social Care. |
| Capital Financing | 9.7 | Resources earmarked in accordance with the agreed Treasury Management Strategy (e.g. MRP/ BSF). |
| Budget Mitigation / Organisational Re-design | 7.6 | Reserves set aside to fund costs (e.g. redundancy & pensions) associated with planning for 2030. |
| Insurance Fund | 6.2 | Resources earmarked in accordance with the Council's Insurance Strategy. |
| Earmarked Grant Funding/Contributions | 7.5 | Specific funding where conditions are attached e.g. S75 NHS funding and Public Health Grant. |
| Directorate and Corporate investment / commitments | 26.5 | Investments / commitments approved for individual Directorate priorities e.g. Invest to Grow fund, District Libraries Review and Town Centre Estate Management. |
| Sub Total - GF | 67.5 | |

| | | |
|----------------------------|-------------|--|
| Welfare Reform | 3.0 | Resources set aside to manage the impact of rolling out the Government's welfare reforms and Universal Credit. |
| HRA Business Plan Review | 1.0 | Resources held pending a review of the 30 year HRA Business Plan. |
| Other | 1.0 | Various other investments |
| Sub Total - Housing | 5.0 | |
| TOTAL | 72.5 | |

Resources Earmarked for Capital Investments

- 4.4 Cabinet have previously approved capital investments and 'new start' programmes that have been funded from reserves. Such investments include the Glassworks project but other notable schemes are provided in Table 6.

Table 6: Earmarked for Capital Commitments/Investment (as at 1st April 2019)

| Investment | Amount £M | Description |
|---------------------------------------|--------------|--|
| Glassworks | 22.5 | This amount reflects the <u>remaining</u> reserves set aside to fund the completion of the development. Further funding of £109M has also been approved via prudential borrowing and other contributions. |
| Digital Campus | 15.3 | Resources set aside to progress the redevelopment of the Courthouse site into a Digital Campus. It is proposed to develop a Digital Media Centre PH2/3, provide a housing offer and replace the lost car parking spaces. |
| Property Investment Fund | 5.0 | Remaining resources to complete PIF 2 and commence PIF 3. |
| Principal Towns | 4.7 | Remaining resources set aside to complete the Principal Towns Programme |
| Street Lighting LED Replacement | 4.2 | Resources set aside to complete the replacement of Group A and the remaining Group B street lighting lanterns from energy inefficient HID lanterns to energy efficient LED units. |
| Digital First and Other IT Investment | 3.4 | Investment to ensure the efficient rollout of the Digital First Strategy. |
| Other | 24.6 | Various other capital priorities |
| Sub Total - GF | 79.7 | |
| Development at St Michaels Avenue | 4.7 | The scheme seeks to build 37 new housing properties of which 18 will be affordable. |
| Development at King Street Hoyland | 2.8 | Mixed housing development. |
| Empty Homes Strategy | 3.5 | A strategy to bring back long term empty houses into use by supporting landlords or compulsorily acquiring properties. |
| Other Housing Priorities | 14.5 | Various Housing development schemes including the Council's new build programme. |
| Sub Total Housing | 25.5 | |
| TOTAL | 105.2 | |

Capital Programme Reserve

- 4.5 As part of the 2019/20 budget setting process, the Council committed available balances to a number of capital investments including economic regeneration schemes. In light of this and the continuing uncertainty surrounding the UK's exit from the EU, the Council also agreed to set aside a reserve (**£16.8M**) to deal with any additional costs required to complete schemes already in delivery. It is already

evident that the purpose of the reserve is going to be realised as it appears increasingly likely that the Glassworks scheme, for example, will need to make a call upon it, to address an ever changing retail environment.

- 4.6 In addition, the current Capital Programme also includes a specific contingency of **£1.1M** for immediate, short term issues associated with existing schemes which can also be used to address any other urgent pressures that SMT / Cabinet identify. It is recommended that this is undertaken on a case by case basis.

5. **Future Use of Available Resources**

General Fund

- 5.1 As outlined at paragraph 3.7, a further **£6.0M** is available following the Government's 2020/21 Spending Review. Government have also announced one-off general funding for Social Care totalling **£7.8M**.
- 5.2 Additionally **£5.0M** of borrowing for modest and prudent Capital investment is also available from 2022/23.
- 5.3 A comprehensive review of the resources currently earmarked for commitments / investment purposes has also enabled the potential to release a further **£2.0M** of resources to be considered for future investments purposes.
- 5.4 This brings total general resources available for priority investment across the period to **£20.8M**.
- 5.5 The Council already has a framework in place for prioritising available resources. The prioritisation process, including establishing pipeline schemes, has been managed via the Capital Oversight Board and SMT with final proposals subsequently submitted to Cabinet for approval. These proposals and processes are considered in more detail in the Capital Programme report at Section 7.

Service Specific and SEND

- 5.6 Additional one off funding has also been announced for specific services. **£2.8M** is expected to be received to specifically support children with Special Educational Needs (SEND). This resource has been earmarked in line with the agreed SEND strategy. Further funding of **£2.1M** is also anticipated to support specific services (e.g. Public Health/Troubled Families) and has therefore been set aside to fund specific commitments in those areas.

Housing

- 5.7 The availability of funding for Council Housing totals **£13.1M**. This is comprised of £8.8M of available HRA reserves, derived from the total reserves set aside for housing growth priorities as at 1st April 2019. In addition to this, £1.0M of Berneslai Homes surpluses and £3.3M of Section 106 contributions specifically linked to housing are available for consideration.
- 5.8 It is recommended that available housing balances are set aside to specifically support the Council's Housing Strategy. Proposals for use of the available balance will be considered and submitted for approval in due course.

Table 7: Resources Available for Investment Purposes

| | Existing Provision £M | One- Off Resources CSR £M | TOTAL £M | Already Committed £M | Total Available for Investment £M |
|--|---------------------------------|------------------------------------|-----------------|--------------------------------|--|
| <i>Sub Total – GF</i> | 7.000 | 13.850 | 20.850 | - | 20.850 |
| <i>Sub Total – Service Specific (Revenue)</i> | - | 2.110 | 2.110 | (2.110) | - |
| <i>Sub-Total – SEND Resources</i> | - | 2.820 | 2.820 | (2.820) | - |
| <i>Sub Total – Housing</i> | 13.100 | - | 13.100 | - | 13.100 |
| GRAND TOTAL | 20.100 | 18.780 | 38.880 | (4.930) | 33.950 |
| | | | | | Table 3 |

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**THE CAPITAL INVESTMENT STRATEGY
2020/21**

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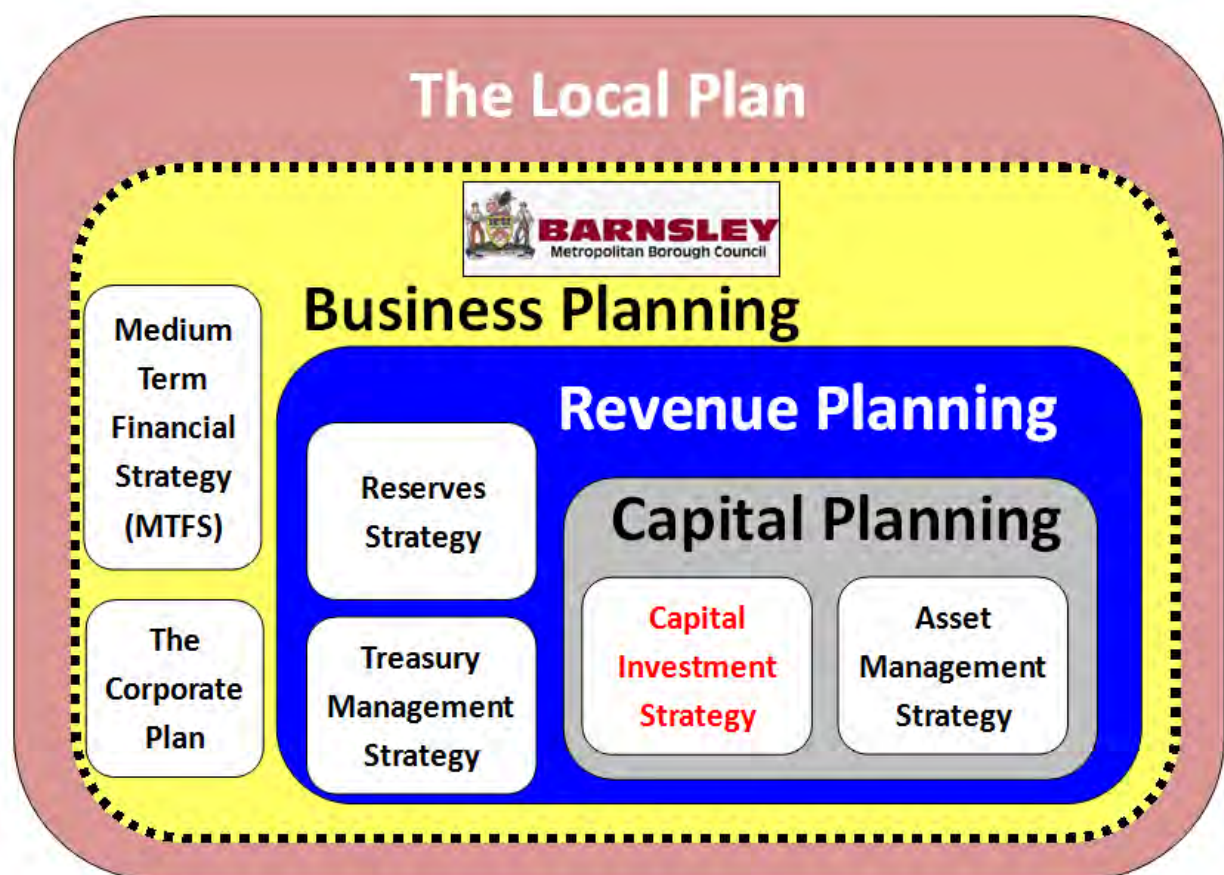
1 EXECUTIVE SUMMARY

- 1.1 This Capital Investment Strategy has been prepared in accordance with the CIPFA Prudential Code 2017 which local authorities must 'have regard to' when carrying out their duties in England under Part 1 of the Local Government Act 2003.
- 1.2 The Capital Investment Strategy forms a key part of the Council's overall planning process. It provides a mechanism by which capital expenditure and investment decisions are aligned over a medium term (five year) planning period with the Council's [Corporate Plan](#) and the four core priorities that it looks to achieve:
- thriving and vibrant economy;
 - people achieving their potential;
 - strong and resilient communities; and
 - one council.
- 1.3 This Capital Investment Strategy sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring. It is also linked and cross-referenced to the Council's other strategies and plans.
- 1.4 The objectives of the Capital Investment Strategy are to:
- Provide a framework together with a clear set of objectives, within the CIPFA codes and statutory legislation, by which new projects are evaluated to ensure that all new funding is targeted at meeting the priorities within the Council's Corporate Plan;
 - Set out how the Council identifies programmes and prioritises funding requirements and proposals arising from business plans submitted through its Capital Oversight Board. This process establishes a stringent gateway appraisal mechanism comprising of an Outline Business Case (OBC), progressing to Full Business Cases (FBC) before the necessary approval;
 - Link with the Council's revenue processes in respect of aligning available one off revenue resources to the Council's priorities. Ongoing investment proposals are dealt with through the Medium Term Financial Planning process;
 - Consider options available for funding expenditure and how resources may be maximised to generate investment in the area. To determine a prudent, affordable and self-sustaining funding policy framework, whilst minimising or mitigating the ongoing revenue implications of any such investment;
 - Identify the resources available for investment over the MTFS planning period;

- Ensure the strategy has an overall balance of risk on a range of projects over time, funding mechanism and rate of return; and establish effective arrangements for the management of expenditure including the assessment of project outcomes, budget profiling, deliverability, outcomes, value for money and security, liquidity and yield of investments.

2. STRATEGY FRAMEWORK

- 2.1 The framework established by the Prudential Code supports local strategic planning, local asset management planning and proper option appraisal.
- 2.2 This Capital Investment Strategy has been considered within the overarching context of the Council's adoption of the Local Plan, which sets out the long term, strategic plan for the Borough as a whole, delivered by the private sector, other public sector agencies and the Council.
- 2.3 The Local Plan considers the future use of all land within the borough, including Barnsley Town Centre, and establishes policies and proposals up to the year 2033. The Local Plan sets the framework that considers planning applications and coordinates investment decisions that affect the towns, villages and countryside of Barnsley.
- 2.4 The Local Plan includes policies to deliver:
- housing;
 - retail, leisure and commercial development;
 - education, health, police and community facilities;
 - support for transport, minerals, energy, telecoms, water supply and sewage treatment;
 - energy, including renewable sources;
 - the protection and improvement of historic and countryside areas; and
 - the protection of homes and properties from flooding.
- 2.5 The Capital Investment Strategy forms an fundamental part of the Council's overall planning process and, like the other budget papers, is formulated within the context of the overarching Future Council Strategy which establishes the principles by which the Council will achieve the overall Corporate Plan, including the Medium Term Financial Strategy framework
- 2.6 The Capital Investment Strategy is an integral part of the Medium Term Financial Strategy as it complements and informs various elements of the budget setting cycle, predominately the Treasury Management and Reserves strategies respectively.
- 2.7 The graph below shows how the Capital Investment Strategy fits into the wider planning framework and the links into the budget process.



- 2.8 There are extensive connections between the Council's various strategies and plans due primarily to the way they interrelate with and inform each other. Where applicable, these are cross-referenced throughout the Capital Investment Strategy and vice versa.

3 CAPITAL EXPENDITURE

What is Capital Expenditure?

- 3.1 An understanding of what constitutes capital expenditure is fundamental to realising the benefits that an authority can obtain under the Prudential Framework.
- 3.2 The Local Government Act 2003, which includes the legislation for the capital finance system, does not specify what precisely constitutes capital expenditure.

Instead it:

- Refers to "expenditure of the authority which falls to be capitalised in accordance with proper practices; and
 - Enables the Secretary of State to prescribe by regulation that the spending of a particular local authority shall, or shall not, be treated as capital expenditure.
- 3.3 The Council defines capital expenditure/investment as "Expenditure on the acquisition, creation, or enhancement of non-current assets". Non-current

assets include those items of land, property and plant/equipment, which have a useful life of more than one year.

3.4 The following categories of expenditure will require capital resources to fund their purpose:

- The acquisition, reclamation, enhancement or laying out of land exclusive of roads, buildings or other structures;
- The acquisition, construction, preparation, enhancement or replacement of roads, buildings and other structures;
- The acquisition, installation or replacement of movable or immovable plant, machinery, apparatus, vehicles and vessels;
- The making of advances, grants or other financial assistance towards expenditure or on the acquisition of investments;
- The acquisition of share capital or loan capital; and
- The acquisition of computer software, plus the in-house preparation of it, provided that the intention is to use the software for at least 1 year.

3.5 Enhancement of an existing fixed asset means:

- To lengthen the useful life of the asset; or
- To increase substantially the open market value of the asset; or
- To increase substantially the extent to which the asset can be used for the purposes of, or in connection, with the functions of the Council.

3.6 There are two additional situations where expenditure may be capitalised:

- The Secretary of State makes a direction that the expenditure is permitted to be treated as capital expenditure. For example, the Secretary of State issued a capitalisation direction to allow local authorities the opportunity to apply for redundancy expenditure to be treated as capital instead of revenue. These directions are only issued in exceptional circumstances; and
- Expenditure incurred on works to any land or building in which the Council has no future direct control or benefit from the resultant assets, which would be capital expenditure if the local authority had an interest in that land or building. This is commonly known as (Revenue Expenditure Funded by Capital Under Statute) (REFCUS).

3.7 Unless expenditure qualifies as capital, it will normally fall outside the scope of the framework and therefore be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of

capital, there may be an opportunity to finance the outlay from available resources (reserves / receipts) or by spreading the cost over future years' revenues (borrowing) where it is prudent to do so.

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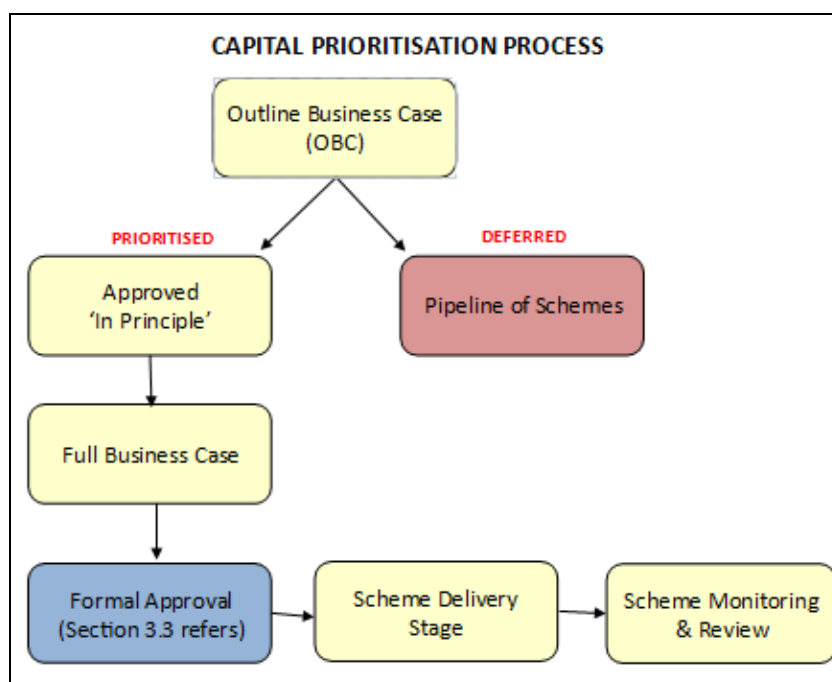
- 3.8 The Council operates a de-minimis limit of **£10,000**. This means that, whilst expenditure may meet the definition of capital expenditure, the Council will treat that expenditure as revenue, if the amount is below the de-minimis threshold.

Flexible Use of Capital Receipts

- 3.9 The Council also has the opportunity to utilise its capital receipts (which are ordinarily to be used on capital expenditure), on revenue expenditure relating to service transformation projects that are expected to generate revenue savings to the Council.
- 3.10 Some examples include: funding the cost of service reconfiguration, restructuring or rationalisation, sharing the costs of senior management, improving systems and processes to tackle fraud and corruption and setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue.
- 3.11 The Council has, at this time, not exercised this flexibility.

Capital Programme Governance & Prioritisation Process

- 3.12 The nature of capital schemes means that they are often, complex, high risk, high profile and are delivered over a multi-year period. Additionally, the implications and legacy of capital schemes are far reaching.
- 3.13 For these reasons, it is important that the Council adopts and maintains a consistent and robust approach to the development, prioritisation and delivery of capital schemes.
- 3.14 As part of the governance arrangements embedded within the One Council Framework, the Capital Oversight Board is an established body within that overall governance structure.
- 3.15 The main responsibility and focus of the Capital Oversight Board is to review, challenge and ultimately prioritise capital projects as they work through the capital framework (outlined in the paragraphs below), ensuring alignment to the Council's overall corporate priorities within the finite resources that are available.
- 3.16 The prioritisation process is shown in the figure below and each stage is explained in the subsequent paragraphs.



Outline Business Case

- 3.17 At this stage, services complete an outline business case, which demonstrates their proposal from a high-level point of view including, for example, the indicative financial requirements, the anticipated financial and non-financial returns and how the proposal would contribute to the Council's objectives.
- 3.18 Members of the Capital Programme Oversight Board then rank each outline business case based on the initial assessment against four scoring and three non-scoring criteria as described below:

| No. | Scored Criteria | Scoring Weighting | No. | Non-Scored Criteria |
|-----|---|-------------------|-----|--|
| 1 | Does the proposal deliver efficiency (financial and non-financial) and / or clear return on investment? | 30% | 1 | Impact on corporate priorities |
| 2 | Will the proposal lever in other funding sources and investment? E.g. voluntary sector, private sector, SCR | 30% | 2 | Is the investment required for staffing? |
| 3 | What are the measurable outputs / outcomes? | 20% | 3 | Timing of return on investment |
| 4 | Is there a clear and robust evidence base for doing the scheme? | 20% | 4 | Inclusive Economy Impact |

- 3.19 The Council's scoring process evolves over time to take account of the fluidity in respect of emerging priorities, providing flexibility in terms of aligning resources to those priorities at that time. The key themes in respect of the Council's priorities for 2020/21 are described in the table below:

| No. | Council Priority Area | Potential Proposals |
|-----|---|---|
| 1 | Supporting wellbeing and managing demand for statutory services | Initiatives to support children with SEND to stay in mainstream education and reduce waiting lists for CAMHS. Adult mental wellbeing and suicide prevention initiatives. Work with adolescents to reduce entry to care and reduce |

| | | |
|---|--|--|
| | | teenage pregnancy. A range of active travel and healthy environment initiatives including introduction of water fountains in public spaces. |
| 2 | Improve the efficiency of the Council / invest to save | Investment in digital marketing to promote council services (e.g. recycling), investing in the skills and wellbeing of the workforce; improve throughput of TRO's / review and implementing CHATBOTS to deal with simple customer enquiries. |
| 3 | Positive environmental impact / zero carbon objectives; | Increasing the range of recyclable materials; rolling out a tree-planting programme; improvements to cycling infrastructure and promoting the use of hydrogen as a fuel to help decarbonise the borough. |
| 4 | Support the renaissance of the town centre and principal towns | Removing barriers which prevent people benefiting from economic investment including: targeting ASB hotspots; employing additional town centre wardens; town centre cleanliness; continuing with the street pastor initiative; investment in a new town centre radio system and enhancing the town centre event offer. |
| 5 | Support the growth of the digital sector in Barnsley | Initiatives to grow the digital sector in Barnsley including: promoting digital connectivity in SME's; demand stimulation for South Yorkshire Superfast Broadband; promoting the use of 5G and supporting a third round of the Internet Of Things project. |
| 6 | Make a visible difference in communities | Borough wide investment supporting local communities including a further £10k per ward alliance; purchase of electric mobility bikes and mobile sensory equipment; additional seasonal grass cutting and planting; enhanced gully / kerb block cleansing and the continuation of the Rose Voucher Scheme. |

3.20 The Council's one off revenue investments are to be also considered against the same emerging Council priorities. Any ongoing investments will continue to be dealt with through the Council's Medium Term Financial Planning process.

3.21 The outline business cases are ranked into score order and considered against the total resources identified at that time which results in two lists:

- Pipeline of schemes; and
- Schemes approved in principle.

Pipeline of Schemes

3.22 The pipeline of schemes represents those schemes that are not currently prioritised under the above process and are in effect deferred in terms of progression at that point. Where future resources are identified, these schemes are considered together with all other identified schemes including any new emerging priorities to derive a live pipeline of schemes.

Approved 'in Principle' Schemes

3.23 Once schemes have been prioritised, they are deemed approved 'in principle' which means that, given the outline business case, the project is approved to progress through to the full business case stage. The terminology of 'approved in principle' is to distinguish between this and formal Cabinet approval.

- 3.24 Ordinarily, the 'approved in principle' schemes are included in the budget papers that are considered by Cabinet. At this stage, Cabinet would be provisionally approving the setting aside of the resources for such schemes whilst awaiting subsequent reports outlining the detailed business case and associated funding implications.
- 3.25 It should be noted that this list is not intended to be a static position, it is meant to be fluid to allow flexibility in terms of dealing with any unforeseen emerging priority that becomes apparent. A reprioritisation exercise would be undertaken to include the revised priority if it was deemed more of a priority than other schemes, obviously managed within the finite financial envelope at that point in time.

Full Business Case

- 3.26 Each scheme is then subject to a full and detailed business case, that gives further information around the particulars of the scheme. These business cases are presented to the Capital Oversight Board and SMT respectively, where they are scrutinised and challenged on their robustness and the assumptions therein. Any amendments are weaved in, where applicable, and subsequently signed off as approved to progress to the next stage by the Board.

Formal Approval

- 3.27 A formal approval report is then sought outlining the proposal to be considered by the appropriate approval level. The type of formal approval is dictated by the overall capital value of the scheme and follows the Authority's governance and approval arrangements, as outlined in paragraph 3.14.

Scheme Delivery Phase

- 3.28 Once approved, the scheme is consolidated into the Council's capital programme and budget assigned as per the approvals accordingly. Project managers can commence incurring expenditure against that budget and the scheme is in delivery phase.

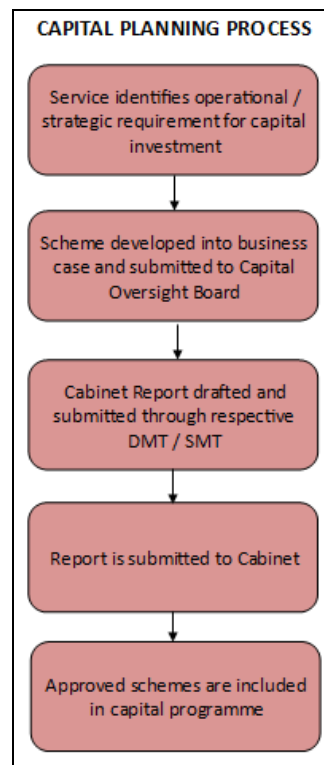
Scheme Monitoring & Review

- 3.29 During the delivery phase, project managers work closely with finance staff to monitor the financial position over the life of the scheme and identify any potential issues relatively early to allow mitigation actions to be implemented.
- 3.30 Updates on both the operational and financial performance of each scheme are given to the Capital Oversight Board on a quarterly basis as well as being included in the overall Council capital programme quarterly budget monitoring reports that are presented to Cabinet throughout the financial year.
- 3.31 Upon completion of the scheme, an investment benefits template is completed by the project manager and submitted to the Capital Oversight Board with the intention of presenting the realised benefits from the

scheme and any learning points, positive or negative, for consideration on future schemes.

Capital Planning & Approval Process

- 3.32 The Council's capital planning process is shown in the figure below and each stage is explained in the subsequent paragraphs. The process is continuous throughout the financial year with the main budget-setting element at the start of the financial year seen as the major component to it.



Service Identifies Requirement

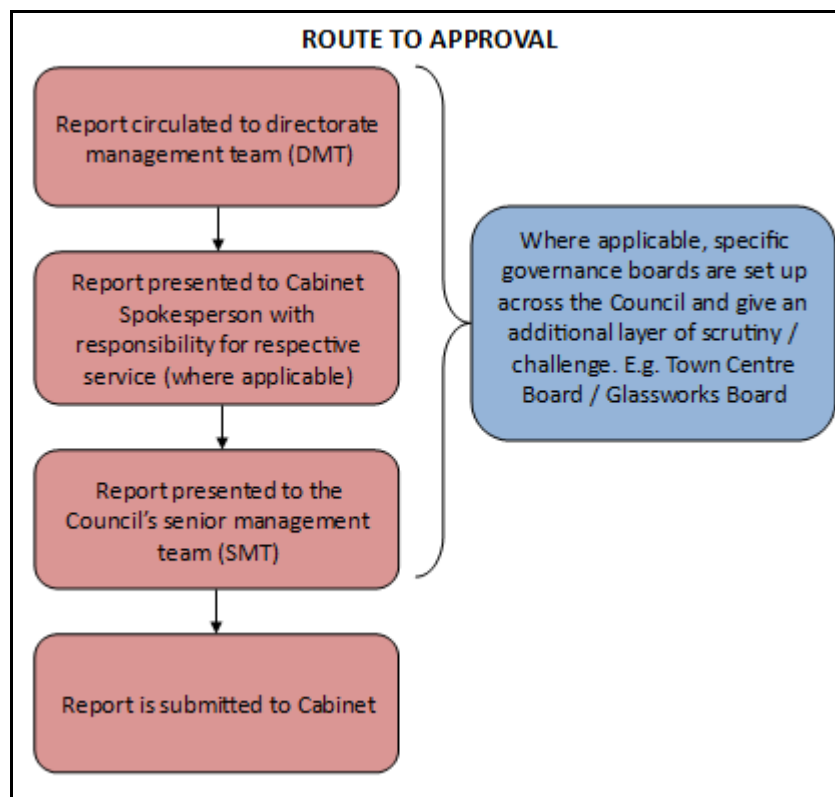
- 3.33 Through the Council strategic planning arrangements, individual business units are responsible for setting their own objectives, aligned to the Council's overall corporate plan. Where a requirement is identified, whether it be strategic or for service delivery, these requirements are built into both operational and financial plans and duly considered.

Scheme Developed to Business Case

- 3.34 Schemes that are deemed priority require the compilation of a business case irrespective of whether specific funding has been sourced or it requires a call on the Council's overall available resources (identified through the Reserves Strategy). A business case is compiled in conjunction with the process explained in paragraph 3.16. The implications from both capital and revenue perspectives are considered using a whole life cycle costing methodology.

Cabinet Report Produced

- 3.35 Once the business case is established, formal approval is sought and drafted for consideration through the Council's reporting framework, which ordinarily goes through the following route:



Reports Submitted for Approval

- 3.36 The annual budget papers for both the General Fund and the HRA are submitted to Cabinet for approval in January (HRA) and February (General Fund) respectively. These papers include indicative capital programmes for both areas, which include a combination of a high-level split between high-level work programmes and detailed schemes at this stage. Cabinet are, at this stage, approving the high-level resource allocations matched to the respective work programmes.
- 3.37 The budget papers incorporate both recurrent external resources that the Council receives, typically via government grants and the Council's own one off resources as identified through its Reserve Strategy and Borrowing Strategy. The Council updates its Reserves Strategy periodically throughout the financial year as the budget monitoring position develops and other issues emerge.
- 3.38 Where external funding bids are to be considered in the context of the above, the Council follows the principles set out in its Capital Funding Approach (section 5.38 refers) in respect of the holistic approach adopted. Furthermore, additional elected member consultation is sought at this point via the respective Cabinet representative for the service preparing the bid.
- 3.39 Individual services that are responsible for those work programmes then submit subsequent Cabinet reports that outline, on a more granular and

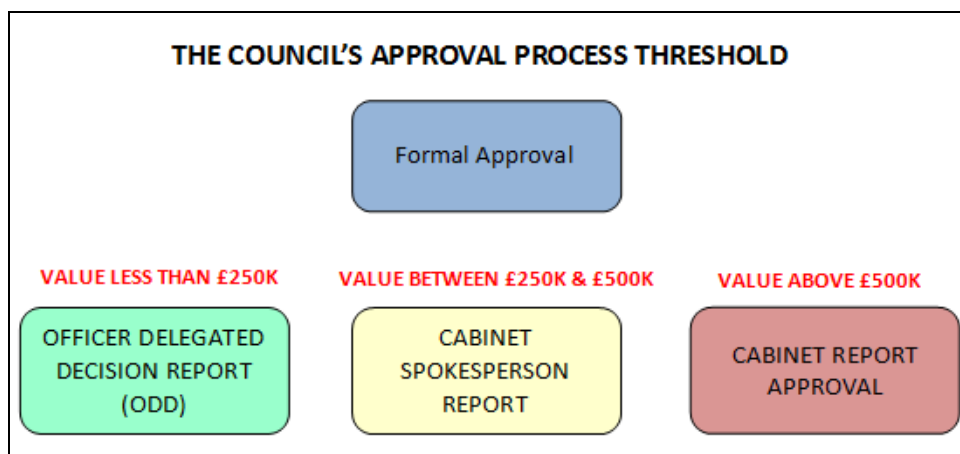
detailed basis, how the resources set aside intend to be used on a scheme by scheme basis. This is based on a business plan that has been through the capital oversight board process. Cabinet are, at this stage, approving the capital expenditure plans.

Approved Schemes Included in Capital Programme

- 3.40 Following approval by Cabinet, these proposals, and their financial plans are included within the Council's Capital Programme and the individual schemes can commence in terms of delivery. See paragraphs 3.29 to 3.31 for commentary on the monitoring and review process.

Capital Programme Approval Thresholds

- 3.41 The Authority's constitution, financial regulations and governance arrangements set out the approval process, which governs the Council's capital programme.
- 3.42 The figure below sets out the type of approval required for each respective range thresholds for values of individual capital schemes. It should be noted that these thresholds are applicable only for schemes that are fully funded. Where the proposal is unfunded, such schemes require Cabinet approval regardless of value.



- 3.43 Where a proposal is politically sensitive, then, at the discretion of SMT, these particular reports may be submitted to Cabinet, regardless of value.

Capital Planning Strategy

- 3.44 The Council will therefore pursue an active strategy that incorporates the following processes:-

- Where specific, external, ring-fenced resources are received, the responsible service prioritises the resources to the areas of greater need (using highways asset condition survey for example) within the requirements and stipulations within those specific funding agreements (e.g. School Condition Grant);
- Where the Council receives general funding that have no restrictions, including its own resources, due consideration is given to the

prioritisation process as described in paragraphs 3.17 through to 3.31 in the financial envelope identified. Reprioritisation exercises can take place as and when new priorities emerge;

- Consideration for using borrowing / leasing will be undertaken for specific gap funding requirements only where the risk resides with the developers and not with the Council. The significant investment in the Glassworks Scheme in the medium terms means that only prudent and modest additions to the borrowing requirement will be considered and such schemes will be subject to a rigorous analysis to ensure that there is a strong evidence base for the expected future income streams/ economic return.

2020 Capital Programme

- 3.45 The Council is required to present to Cabinet for approval, its capital investment programme on an annual basis for both the general fund and HRA, that are included in the papers to Cabinet in February (GF) and January (HRA) respectively.

| Area | Date Approved | Cabinet Ref |
|-------------------------|---|--------------------|
| General Fund | On the agenda with this Capital Investment Strategy | N/A |
| Housing Revenue Account | 8 th January 2020 | |

- 3.46 These papers outline the position for the forthcoming financial year then give an indicative position for the subsequent four years to give an outlook over the medium term 5-year period. The respective programmes are set within the context of this Capital Investment Strategy.
- 3.47 In addition, the capital plans from previous financial years are still included in the programme as multiyear capital projects finalise and complete.
- 3.48 Each project, for reporting purposes, is aligned to the council priority that it contributes towards. The table below shows the capital programme including the 2020/21 budget setting papers for an indicative snapshot of the entire approved programme.

3.49 Indicative Capital Programme for 2019/20 through 2024/25 per Corporate Priority

| <u>Corporate Priorities</u> | <u>Corporate Outcomes</u> | Existing GF Capital Programme £M | New Approvals - GF £M | Existing HRA Capital Programme £M | New Approvals - HRA £M | New Approvals – Specific Funding £M | Total BMBC Capital Programme £M |
|---|--|---|--------------------------------|--|---------------------------------|---|--|
| STRONG & RESILIENT COMMUNITIES | (1) Create More & Better Jobs & Good Business Growth | 22.840 | - | - | - | - | 22.840 |
| | (2) Increase Skills To Get More People Working | - | - | - | - | - | - |
| | (3) Develop A Vibrant Town Centre | 165.936 | 2.000 | - | - | - | 167.936 |
| | (4) Strengthen Our Visitor Economy | 7.638 | - | - | - | - | 7.638 |
| | (5) Create More & Better Housing | 11.149 | - | 43.889 | 117.438 | 2.976 | 175.452 |
| | Sub Total | 207.563 | 2.000 | 43.889 | 117.438 | 2.976 | 373.866 |
| PEOPLE ACHIEVING THEIR POTENTIAL | (6) Every Child Attends a Good School | 9.073 | - | - | - | 5.880 | 14.953 |
| | (7) Early, Targeted Support For Those That Need It | 0.035 | - | - | - | - | 0.035 |
| | (8) Children & Adults Are Safe From Harm | 0.254 | 2.106 | - | - | - | 2.360 |
| | (9) People Are Healthier, Happier, Independent & Active | 3.028 | - | - | - | - | 3.028 |
| | Sub Total | 12.390 | 2.106 | - | - | 5.880 | 20.376 |
| THRIVING & VIBRANT ECONOMY | (10) People Volunteering & Contributing Towards Stronger Communities | - | - | - | - | - | - |
| | (11) Protecting The Borough For Future Generations | 41.326 | 6.320 | - | - | 4.653 | 52.299 |
| | (12) Customers Can Contact Us Easily & Use More Services Online | 0.326 | - | - | - | - | 0.326 |
| | Sub Total | 41.652 | 6.320 | - | - | 4.653 | 52.625 |
| | | | | | | | |
| | Total | 261.605 | 10.426 | 43.889 | 117.438 | 13.509 | 446.867 |

3.50 **Indicative Revenue Investments for 2019/20 through 2024/25 per Corporate Outcome**

| <u>Revenue Investments</u> | 2019/20 £M | 2020/21 £M | Future Years £M | Total Revenue Investment £M |
|---|-----------------------|-----------------------|--------------------------------|--|
| Supporting Wellbeing and Managing Demand for Statutory Services | 0.135 | 3.139 | 0.582 | 3.856 |
| Improve the Efficiency of the Council / Invest to Save | 0.030 | 0.875 | - | 0.905 |
| Positive Environmental Impact / Zero Carbon Objectives | 0.040 | 0.740 | - | 0.780 |
| Support the Renaissance of the Town Centre and Principal Towns | 0.033 | 1.256 | 0.133 | 1.422 |
| Support the Growth of the Digital Sector in Barnsley | - | 0.400 | - | 0.400 |
| Making a Visible Difference in Communities | 0.480 | 1.086 | 0.075 | 1.641 |
| | | | | |
| Total | 0.718 | 7.496 | 0.790 | 9.004 |

4 THE COUNCIL'S CAPITAL ASSETS & MANAGEMENT OF THOSE ASSETS

What Type of Capital Asset Does The Council Control?

- 4.1 The Council is responsible for a wide variety of capital assets, which are located physically throughout the Borough. The Authority controls, but not necessarily legally owns, these assets for a number of reasons:
- firstly, the Council may have inherited them as part of local government reorganisation and by virtue of the existence of the Council in its legal capacity as a local authority e.g. the road network and heritage assets;
 - secondly, the assets could have been purchased or enhanced by the Council through capital investment via its capital programmes over the years e.g. Industrial Sites and software packages such as SAP;
 - thirdly, the Council could have leased or financed the assets via PFI agreement e.g. BSF Schools and leased fleet vehicles; or
 - finally, the assets could be held as a strategic decision made by the Council e.g. loans made to third parties of financial assistance.
- 4.2 These assets are shown in the table below, with their respective value to the Authority as at the 31st March 2019, in accordance with the regulatory reporting requirements. It must be noted that these values do not necessarily constitute what the Authority actually paid for the assets as the asset base is regularly reviewed to reflect their current existing use 'value' and depreciated over its useful life.
- 4.3 It is important to understand the make-up of the overall Council asset base when considering this Capital Investment Strategy from the contextual viewpoint that ultimately the Council's capital (and revenue) programmes contribute towards maintaining, enhancing and adding to this asset base. A synopsis of each category, together with illustrative examples and commentary of any specific issues is shown in the subsequent paragraphs.

| Asset Category | Value as at 31st March 2019 £M |
|--|--|
| Council Dwellings | 564.595 |
| Other Land & Buildings | 280.804 |
| Vehicles, Plant, Furniture & Equipment | 5.709 |
| Infrastructure Assets | 257,291 |
| Heritage & Community Assets | 10.427 |
| Assets Under Construction | 36.876 |
| Surplus & Held for Sale Assets | 8.995 |
| Intangible Assets | 1.109 |
| Long Term Investments | 4.537 |
| Long Term Debtors | 2.333 |

Council Dwellings

- 4.4 Council dwellings represent the Council's social housing stock held in its role as housing authority, which are held in the Council's HRA and are required to be separately treated from GF activity as per the statutory ring-fence arrangements.
- 4.5 The Council's dwellings are subject to a decency standard, called the Barnsley Home Standard, which continues the Decent Homes Standard as previously set out by Government. Within this context and as part of the HRA budget process, significant capital investment plans are proposed, in conjunction with the 30-year HRA business plan that ensures that this decency standard is maintained.
- 4.6 A further issue in respect of the council dwelling stock is the Right to Buy (RTB) agenda introduced by Government, which allows, within certain parameters, council tenants the right to buy their council home at a discount. To part mitigate the impact of this and again, as part of the HRA budget setting process, capital investment is planned in purchasing empty homes and new build programmes within the Borough to recycle back into the housing stock.
- 4.7 In respect of the maintenance of the Council's dwellings, the HRA revenue budget sets aside a significant maintenance budget to ensure the upkeep of its dwelling portfolio. The HRA planned maintenance programme is outlined in paragraphs 4.59 through to 4.63.

Other Land & Buildings

- 4.8 Other land and buildings represent other operational assets of the Council, used in the provision of services, with examples including industrial estates, leisure centres and maintained schools.
- 4.9 The Asset Management Strategy sets out the Council's approach in respect of the management of its land and buildings, and is explained in further detail at paragraphs 4.28 and 4.29.
- 4.10 With respect to maintenance of these assets, the Council has a planned maintenance programme that ensures the upkeep of these assets, which is outlined in paragraphs 4.55 through to 4.58.

Vehicles, Plant, Furniture & Equipment

- 4.11 The vehicles, plant, furniture & equipment category is relatively self-explanatory and includes both leased and owned assets including wheeled bins, waste disposal vehicles and computer hardware.
- 4.12 The Council has a vehicle replacement programme and an IT Technology Refresh programmes to cater for future requirements in those areas. The vehicle replacement programme is applied in the context of the Fleet Strategy, which provides the overarching approach to how the Council disposes, and acquires its fleet vehicles (paragraphs 4.38 through 4.41 refers). Both of these programmes are managed in line with customer requirements and service needs accordingly.

- 4.13 In terms of replacement / renewal, where a priority is identified relating to VPF&E and necessitates an additional call on the Council overall resources, then the capital prioritisation process would apply accordingly.

Infrastructure Assets

- 4.14 Infrastructure assets are assets relating to roads, cycleway and footpath networks as well as its structures, street furniture, traffic management systems, street lighting and highway land.
- 4.15 The Highways Asset Strategy, as summarised in paragraphs 4.32 through to 4.37 below, demonstrates how the Council manages these assets over the medium term in respect of both maintenance and adoption of whole lifecycle costs that determines the approach of renewal and appropriate treatment.

Heritage & Community Assets

- 4.16 Heritage assets are assets that have historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for its contribution to knowledge and culture. Community assets are assets held in perpetuity by the Council for the benefit of its residents, often with some restriction on future disposal.

Assets Under Construction

- 4.17 Assets under construction are capital assets that have yet to become operational at the reporting date i.e. they are still under construction and are not currently delivering services.

Surplus & Held for Sale Assets

- 4.18 Surplus assets are assets that are deemed surplus insofar as they are no longer providing services on the Council's behalf, but they are not designated held for sale.
- 4.19 Assets Held for Sale are assets that are, in financial reporting terms, designated as held for sale which means they are actively being marketed and there is an expectation that these assets will be sold within the next 12 months.
- 4.20 The Asset Management Regeneration & Growth Plan, outlined in paragraph 4.30 to 4.31 would consider such assets against potential disposal requirements.

Intangible Assets

- 4.21 Intangible assets are non-physical; capital assets held by the Authority, examples include software packages.
- 4.22 In terms of replacement / renewal, where a priority is identified relating from an intangible asset point of view, if the proposal meant an additional

call on the Council overall resources, then the capital prioritisation process would apply accordingly.

Long Term Investments

- 4.23 Long-term investments in this context relate to strategic decisions made by the Council to invest in certain special purpose vehicles (SPV's) and partner organisations that support front line service delivery, which used capital resources to originally fund them – as opposed to treasury management investments that are purely for cash flow activity.
- 4.24 Where these shares/investments are redeemed, the receipt is treated as a capital receipt and it is Council policy to write down the Council's debt requirement with those receipts on a prudent basis.

Long Term Debtors

- 4.25 Similar to the long-term investments as outlined in paragraph 4.23 above, long term debtors in this context relate to strategic decisions made by the Council in respect of granting financial assistance and support to partner bodies as long term loans, again, using capital resources to originally fund these.
- 4.26 When these loans are repaid to back to Council, the repayment is treated as a capital receipt and it is Council policy to write down the Council's debt requirement with those types of receipts.

Asset Management Strategies / Plans

- 4.27 The Council has a number of strategies relating to its assets to ensure that they are still fit for purpose and are as efficient as they can be as a strategic asset base in supporting Service Departments to provide services to the taxpayer. Each of the following strategies has significant influence on the Council's capital programme and assists in shaping its priorities moving forwards.

Asset Management Strategy

- 4.28 Asset Management Strategy seeks to demonstrate that the Council is employing good practice in the management of its assets and is supporting the Council's strategic goals.
- 4.29 The Asset Strategy sets out the Council's key ambitions for the borough, taking into consideration six main themes:
- *Theme 1 - Opportunity Gap* - identifying and addressing the barriers and challenges to eliminate the opportunity gap and release the full potential in the Council's assets. Developing clear pathways to supporting the goals of other corporate plans and strategies;
 - *Theme 2 - Accelerated Growth Sites* - supporting regeneration and growth strategies to accelerate development opportunities. Building strong and lasting relationships with developers;

- *Theme 3 – Communities* - building strong and inclusive communities using asset based community development. Galvanising the strengths that already lie within communities to bring people together;
- *Theme 4 - One Public Estate* - supporting joint working across the public sector organisations to release land and property and boost economic growth, regeneration and integrated public services;
- *Theme 5 - Accommodation & Workstyle* - ensuring that our accommodation supports flexible and agile working. To provide reliable and efficient technology to mobilise employees and enable better and more efficient ways of working;
- *Theme 6 - Energy Management* - minimising our energy consumption and promotion of energy efficient design in new and refurbished buildings. Promotion of renewable energy.

Asset Management / Regeneration & Growth Plan

- 4.30 Following from the context set out in the Asset Management Plan, the Regeneration & Growth Plan outlines and identifies a rolling programme of potentially surplus land and property assets for future year's disposals and/or regeneration.
- 4.31 The Regeneration & Growth Plan supports the Medium Term Financial Strategy and Reserves Strategy respectively by identifying the potential level of one off resources that may be available to support the overall Capital Investment Plan through the maximisation of capital receipts and development opportunities arising from the ongoing review of the Council's assets.

Highway Asset Management Strategy

- 4.32 A high quality highway network asset will contribute to the Council's corporate priorities for growth and prosperity by supporting economic growth through business, commuting and leisure activities.
- 4.33 To achieve this ambition, a whole-life approach to the management of the highway asset has been embraced by building in best-practice methods to deliver the optimum value for money. This output-based approach allows consideration of wider strategic objectives whilst factoring in local priorities. The resulting analysis seeks to ensure that our forward maintenance programme meets the needs of the council and its wider community.
- 4.34 Using this intelligence based approach for the identification and prioritisation of planned maintenance, we will develop long (5+ years), medium (3 year) and short-term (annual) programmes for the asset with prioritisation being transparent and evidence based.

- 4.35 Life cycle plans will consider the condition of the asset and assess its future performance by applying agreed risk and investment policies, which will be used to develop the works programmes and strategies required to achieve our service objectives.
- 4.36 The Council will seek to maintain a record of the entire asset, from creation to disposal, which will encompass the main work activities used in the management of a highway network:
- 1) *Operations and Maintenance*: Activities undertaken to ensure the efficient operation and serviceability of the asset;
 - 2) *Renewal*: Provision for progressive replacement of individual assets that have reached the end of their useful life and which cannot be sustained by routine maintenance alone; and
 - 3) *Development*: Improvement of systems that currently perform below set target service standards or that need upgrading to meet future demand.
- 4.37 From this collated information, appropriate maintenance interventions are derived in accordance with the principles of whole life costs with the aim of maximising our resource to extend the life of the asset.

The Fleet Strategy

- 4.38 The Council currently operates and maintains a fleet of over 440 vehicles, plant and equipment. These assets range from a waste disposal vehicle and a tractor to a simple car.
- 4.39 On average, Council vehicles have a useful life of between four and eight years. The actual useful life depends for example on the type of vehicle, how well the vehicle is maintained, service requirements and cost of financing.
- 4.40 A rolling replacement programme is undertaken in line with the asset's useful life and available resources. Before a vehicle is replaced, consideration is also given to a number of other factors. These include:
- Current and future service delivery needs;
 - Alternative options e.g. does the vehicle have multiple uses or is there another way in which the service can be delivered without the use of the vehicle;
 - Consideration of technological advances including introduction of electric vehicles; and
 - Financing options including lease or buy.
- 4.41 In order to seek approval to undertake vehicle replacement(s) a report is presented to Cabinet periodically, which identifies those vehicles to be replaced as well as highlighting what consideration has been given to the factors above.

Housing Strategy

- 4.42 The Council's Housing Strategy builds on housing and regeneration initiatives that have been delivered across the borough. It also builds on the progress that Barnsley has made over a number of years towards achieving the long-term goal for the borough as 'a successful, uniquely distinctive town that offers prosperity and a high quality of life for all'.
- 4.43 It sets out the Council's ambitions for housing provision, investment and management in the borough over the next 20 years. The Council is prioritising actions with a series of four-year delivery plans, including the issues that are expected to be tackled first and the issues we expect to address over the long term. The plans will also show how we will use our resources and influence partners, particularly the private sector, to achieve our goals.
- 4.44 The housing delivery plan considers five main strategic objectives:
- Support new housing development;
 - Build high quality, desirable and sustainable homes;
 - Make best use of and improve existing housing stock;
 - Develop strong and resilient communities; and
 - Support younger, older and vulnerable people to live independently.

Transport Strategy

- 4.45 The Transport Strategy identifies and prioritises transport interventions associated with sustainable development to meet aspirations as set out in the Council's Local Plan, the Jobs and Business Plan, the Housing Strategy, Economic Strategy and the Energy Strategy.
- 4.46 Many of the local accessibility and highway interventions will be delivered by the Council but it is also necessary to also work with partner organisations at a local, regional and national level to deliver this strategy. These will encompass other local authorities, local community groups, transport operators, health agencies, the South Yorkshire Passenger Transport Executive, Local Enterprise Partnership, Sheffield City Region, Leeds City Region, Highways England, Network Rail and Government Departments.
- 4.47 It is the Council's priority for transport investment to support economic growth and to achieve a safe, sustainable community. The Council will utilise funding from a variety of sources to realise our ambitions that in turn are supported by a robust modelling and evidence base.
- 4.48 The four key transport priorities within the Transport Strategy sets out how the Council will achieve our vision to promote economic growth and improve the quality of life of Barnsley's residents and are shown below:
- Promote Economic Growth and Strategic Connections;
 - Promote Inclusion, Accessibility, and Better Quality of Life;

- Promote High Quality Natural Environment, Local Air Quality and Climate Change; and
- Promote Safety, Security and Health.

Jobs & Business Growth Plan

- 4.49 The Jobs and Business Growth Plan was launched in 2014 and established a framework to deliver a number of key projects that would set Barnsley on the path of reshaping its economy to close the jobs and business gap.
- 4.50 The strategy has five key programme areas (Attracting Inward Investment, Investing in Infrastructure, Improving the Town Centre, Growing Existing Businesses and Higher Value Start-Ups) and originally identified 25 key projects.
- 4.51 The key headlines are shown below:
- **Invest in Infrastructure** - Property Investment Fund (PIF) is a package of support, which is in place to help address market failure and encourage speculative development in key strategic employment sites;
 - **Town Centre** – a clear strategy for the regeneration of the town centre is being implemented and significant progress has been made in the demolition of redundant buildings, the development of a temporary market building and the commencement of the refurbishment of the Metropolitan Centre;
 - **Inward Investment** – an inward investment team has been established to co-ordinate the Barnsley Offer to potential inward investors and indigenous businesses looking to expand. Investment into the borough is increasing and is now at its highest level for eight years;
 - **Grow Existing Businesses** – the award winning Enterprising Barnsley programme of business support has continued to deliver significant private sector job growth and remains a key product in delivering future economic growth in Barnsley; and
 - **Launchpad** – significant progress has been made in delivering a universal business start-up programme, the establishment of the Sheffield City Region Launchpad helps to ensure a unified approach to start-up provision across the region.

Social Value Policy

- 4.52 The Council has recently adopted a Social Value Policy, which sets out how it approaches its actions and ultimately how it makes decisions, in the context of the wider, social benefits within the Borough.
- 4.53 This policy dovetails and aligns to the Council's overall vision of a Better Barnsley whilst also directly contributing towards the achievement of its core priorities. In respect of achieving the overall vision of a "Better Barnsley" from a Social Value perspective, the Council's philosophy is "Social Value – We Can Do Better".

4.54 The Council will achieve this vision through:

- **Supply Chain Management** – utilising local suppliers;
- **Employment and Skills** – encouragement of local employment, use of apprentices;
- **Sustainability** – ensuring the longevity of the economy / jobs market etc. over both the medium and long-term horizons;
- **Economic Regeneration** – aligns and complements with the Jobs & Business Growth Plan in respect of growing and developing the Borough's economy.

Planned Asset Maintenance

General Fund Planned Asset Maintenance

4.55 The planned maintenance programme is based on the principles of good asset management practice supported by an asset management planning system in accordance with both Government and RICS guidelines.

4.56 The Asset's team use a prioritisation methodology as to better utilise their resources through the planned maintenance programme, which is explained below:

1. A comprehensive list of the Authority's priorities is compiled from business unit plans. Due to the scale of the Council's maintenance backlog, this list always exceeds the resources available;
2. A risk management system is used to prioritise the maintenance proposals against the available resources, i.e. worst first. Some items are prioritised by services alone because they are urgent health and safety risks;
3. Assessment of available condition data is undertaken to globally prioritise all identified maintenance needs for the Authority.

4.57 The result of this exercise is that a schedule of maintenance priorities, originating from Service Plans, is produced.

4.58 A full review of cyclical maintenance in Council buildings is carried out annually, to ensure that the Council is meeting statutory and insurance obligations. A key benefit of a comprehensive cyclical maintenance programme is that by maintaining stock effectively, efficiency will be maximised and the life of components, within buildings, will be prolonged.

HRA Planned Asset Maintenance – The Social Housing Property Repairs & Improvement Contract (PRIP)

4.59 The Council is committed to investing in both its housing stock and its communities and considers an efficient and effective service covering housing repairs, maintenance and capital improvements across the Borough is a top priority and one of the keystones of Council policies.

- 4.60 Over the last decade, the Council has had excellent results from its Property Repairs and Improvement Partnership (PRIP) Contract with the appointed contractors.
- 4.61 The Contractor is required to deliver large-scale social housing maintenance and improvement works to the Council's housing stock including:
- Emergency and Out of Hours Repairs;
 - Reactive Day-to-Day Repairs;
 - Gas Repairs and Servicing;
 - Cyclical and Planned Maintenance;
 - Void Properties Maintenance;
 - Major and Minor Adaptations Work; and
 - Whole House / Elemental Capital Improvements.
- 4.62 The HRA revenue budget has a significant element set aside of its total budget for repairs and maintenance to its housing stock which, together with the Barnsley Homes programme, ensures that the housing stock meets the decency standard.
- 4.63 The level of repairs and maintenance is sustained over the 30-year business plan period, which not only safeguards the Council's stock from disrepair but also ultimately provides a valuable income stream to the Council through dwelling rents.

5 CAPITAL FUNDING

How is Capital Expenditure Funded?

- 5.1 The Council's Capital Programme is currently funded from a variety of sources, which are explained in the paragraphs below, together with the process by which these sources are used/prioritised and any wider implications moving forwards.
- 5.2 The Council's overall strategy with regards to capital funding is to bring together the resources that it has it can control i.e. not ring-fenced / time limited, and considers them holistically against the Council's capital priorities. Section 5.38 demonstrates this in greater depth and detail.
- 5.3 Each funding source along with any specific variants are discussed in sections 5.4 to 5.30 below.

Funding Sources

Capital Receipts

- 5.4 The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. There are differing types of receipts that the Authority receives that are treated in different ways – these are explained in the paragraphs below.
- 5.5 *Earmarked Capital Receipts* – such receipts are that, once received, are earmarked for a specific purpose or use. Earmarkings are ordinarily stipulated at the point of approval relating to the disposal of certain assets. For example, the receipts from the disposal of the former secondary school sites are earmarked for writing down the Council debt requirement following the Building Schools for the Future (BSF) programme.
- 5.6 *Dwelling Receipts* – such receipts are those generated from the sale of the Council's dwellings (Council Houses). There are stipulations by Government about the use of these receipts. The gross receipts are split between:
- Contribution to Council's transaction costs (to revenue);
 - Government's share (payable to Government);
 - The Council's general share (retained by the Council – no restrictions to use);
 - Allowable Receipts (retained by the Council – no restrictions to use although an internal adjustment is required between GF and HRA CFR's if the receipt is used on non-housing/economic regeneration schemes). These receipts notionally relate to the debt incurred by the Council in constructing/acquiring the council houses that have been sold;
 - 1-4-1 Receipts (retained by the Council – restrictions to use). The 1-4-1 receipts are restricted to: 1) use on increasing housing stock, 2) use within 3 years of receipt and 3) restricted to fund no more than 30% of the cost of such schemes.

- 5.7 *General Receipts* – such receipts are received with no restrictions on their future use. These ordinarily are receipts received from the adoption of the Asset Disposal Programme (as referred to in the Asset Management Strategy 2017-22). These resources are held corporately, pending the Authority's Reserve Strategy and MTFs, which make them available for consideration against the Council's corporate capital priorities.

Reserves

- 5.8 The Council holds both general fund and HRA reserves on its balance sheet that generally result from previous years' underspends.
- 5.9 Both HRA and General Fund reserves can be applied to either revenue or capital expenditure although HRA reserves must be spent on housing activities in line with ring-fence arrangements stipulated by legislation.
- 5.10 The reserves held ordinarily fall within one of the following three categories:
- Service Earmarkings – these are resources held for specific service delivery reasons that will complete in future years;
 - Minimum Working Balance – as determined by the Section 151 Officer for unforeseen events / contingency from both GF and HRA perspectives; or
 - Corporate Priorities – these are resources held for future identified prioritised schemes / pressures, of which the capital priorities are included.
- 5.11 The respective reserves strategies for GF and HRA follow the same principles, which are outlined below:
- Reserves are only used for one off investments, which tend to be typically capital in nature;
 - Any available resources identified, over and above service specific reserves, are considered holistically against Council/ HRA priorities; and
 - The reserves held are periodically reviewed for adequacy and necessity with any reserves no longer needed, freed up for consideration against the Council's wider priorities.

Revenue Funding (RCCO)

- 5.12 The Council can use revenue resources to fund capital projects on a direct basis and ordinarily, this is done on a specific scheme/project basis. This is usually relatively small scale as a result of austerity measures imposed by the Government on the Council's revenue budget, which has reduced its capacity to fund capital projects.

Capital Grants

- 5.13 A large proportion of the capital funding that the Council receives relates to capital grants, of which there are generally two main types - recurrent and one-off.

- 5.14 *Recurrent Grants* – these external grant allocations are received by the Council annually and relates to major areas of the Council's capital programme e.g. Highways funding via Sheffield City Region, School Condition & Basic Needs Grant from the Department for Education and Disabled Facilities Grant from the Ministry of Housing, Communities & Local Government.
- 5.15 *One-off Grants* – by definition, these grants are received for one off projects/schemes and are usually subject to a bidding / application process. Certain grant bodies require a 'match' funding element, which ultimately means that the Council has to contribute its own resources as a commitment to the scheme. Where the responsible service has specific resources available for the match element, then this can be used. Where it does not, the match element is treated as a call on the Council's own capital resources and included in the prioritisation process accordingly.
- 5.16 Both types of grants (recurrent / one off) may have conditions and restrictions regarding what it can be used on and the time limit in doing so.
- 5.17 *Grants with Restrictions* – where restrictions are applied to grants, this means that the Council is restricted on what it can spend the grant on. Therefore, the Council aligns these specific grants to the schemes that satisfy the inherent conditions of the grants.
- 5.18 *Grants with No Restrictions* – where the Council receives any grant that is not subject to any conditions or restrictions, these resources are held corporately, pending finalising the Authority's Reserve Strategy and MTFS, and ultimately made available for consideration against the Council's corporate capital priorities.
- 5.19 The Council is part of the Sheffield City Region. This is a relatively newly formed public administration that is part of the devolution of power agenda of the Government with powers transferred at a regional level to local government. The Council has received, and continues to receive, a significant amount of grant from Sheffield City Region. Sections 5.32 to 5.37 explain the relationship between the Council and Sheffield City Region in terms of funding opportunities over the medium to long term.

Capital Contributions

- 5.20 The Council receives a significant level of capital contributions that fund elements of the capital programme. An example of this is Section 106 contributions that are received by developers as condition of award of planning permission, usually for spend on the betterment of the immediate area.
- 5.21 In a similar manner to grants, capital contributions can be either recurrent or one-off and can be subject to restrictions and conditions. Typically, most contributions tend to be restricted and one-off in nature, though these characteristics are determined by each individual agreement.
- 5.22 Where contributions are received with conditions, specific schemes are proposed to spend the contribution in line with the restrictions stipulated. In the event of an unrestricted contribution being received, these resources

are held corporately, pending finalising the Authority's Reserve Strategy and MTFS but are invariably made available for consideration against the Council's corporate capital priorities.

Leasing

- 5.23 The leasing route in respect of funding capital expenditure allows those capital costs to be spread over a number of years where it is prudent and affordable to do so. The leasing option is invariably compared with the option to borrow to establish a value for money assessment over the life of a scheme.
- 5.24 Leasing is a series of rental payments in exchange for use of an asset and they tend to be specific to certain elements of the capital programme e.g. buildings, vehicles and equipment.
- 5.25 In accounting terms, there are currently two types of lease, an operating and a finance lease, the treatment of which are very different in the context of capital financing.
- An operating lease is one where the risk and reward remains with the lessor and therefore the asset remains on the lessor's balance sheet, with the annual rentals being expensed through the revenue budget. The Council is party to a number of these arrangements; and
 - A finance lease is one that transfers the risks and rewards to the lessee, and results in the asset being on the lessee's balance sheet via a capital transaction. At the point of inception of the lease, a liability is recognised to finance the asset over the lease term, with the annual rental being split notionally between interest and principal.
- 5.26 The implications on the capital position of the Council of finance leases is that the debt requirement is increased as a result albeit it is a funded credit facility in its own right.
- 5.27 In 2020/21, the accounting requirements for leased assets are changing through a revision to accounting standard IFRS 16. The change means that there will no longer be the distinction of finance and operating leases – all leases will be now effectively finance leases, which means that the Council's debt requirement will increase. Decisions to lease in the future will be considered against this new accounting standard.

Prudential Borrowing

- 5.28 The introduction of the Prudential Code in 2004 allowed the Council to undertake government funded borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities, which ensures that any unsupported borrowing is affordable, prudent and cost effective. This type of borrowing has revenue implications for the Council in the form of financing costs from both an MRP and interest point of view.

- 5.29 Within the current MTFS, there is an annual revenue budgetary provision to support an additional £5M of capital investment funded from borrowing. This roughly equates to a base budget provision of approximately £0.270M for 2020/21.
- 5.30 Any further contemplation of increasing the Council's debt requirement through additional borrowing, over the £5M provided for, is only considered against schemes that have a strong evidence base towards stimulating economic development in the Borough and invariably have accompanying future income streams that will cover the costs of borrowing.

5.31 Indicative Capital Programme Funding for 2019/20 through 2024/25 per Corporate Priority

| <u>Corporate Priorities</u> | <u>Corporate Outcomes</u> | Total BMBC Capital Programme £M | Capital Receipts £M | GF Reserves / RCCO £M | HRA Reserves / RCCO £M | Grants & Contributions £M | Borrowing / Leasing £M | Total Funding £M |
|---|--|--|---------------------------|--------------------------------|---------------------------------|---------------------------------|------------------------------|------------------------|
| STRONG & RESILIENT COMMUNITIES | (1) Create More & Better Jobs & Good Business Growth | 22.840 | 0.082 | 9.434 | - | 8.451 | 4.873 | 22.840 |
| | (2) Increase Skills To Get More People Working | - | - | - | - | - | - | - |
| | (3) Develop A Vibrant Town Centre | 167.936 | 3.000 | 17.472 | - | 3.320 | 144.144 | 167.936 |
| | (4) Strengthen Our Visitor Economy | 7.638 | 0.419 | 0.927 | - | 2.978 | 3.314 | 7.638 |
| | (5) Create More & Better Housing | 175.452 | 3.292 | 2.242 | 150.911 | 19.007 | - | 175.452 |
| | Sub Total | 373.866 | 6.793 | 30.075 | 150.911 | 33.756 | 152.331 | 373.866 |
| PEOPLE ACHIEVING THEIR POTENTIAL | (6) Every Child Attends a Good School | 14.953 | - | 0.743 | - | 14.210 | - | 14.953 |
| | (7) Early, Targeted Support For Those That Need It | 0.035 | - | 0.035 | - | - | - | 0.035 |
| | (8) Children & Adults Are Safe From Harm | 2.360 | - | 2.106 | - | 0.254 | - | 2.360 |
| | (9) People Are Healthier, Happier, Independent & Active | 3.028 | 0.041 | - | - | 2.952 | 0.035 | 3.028 |
| | Sub Total | 20.376 | 0.041 | 2.884 | - | 17.416 | 0.035 | 20.376 |
| THRIVING & VIBRANT ECONOMY | (10) People Volunteering & Contributing Towards Stronger Communities | - | - | - | - | - | - | - |
| | (11) Protecting The Borough For Future Generations | 52.299 | 4.670 | 17.546 | - | 20.303 | 9.780 | 52.299 |
| | (12) Customers Can Contact Us Easily & Use More Services Online | 0.326 | 0.076 | 0.204 | - | 0.034 | 0.012 | 0.326 |
| | Sub Total | 52.625 | 4.746 | 17.750 | - | 20.337 | 9.792 | 52.625 |
| | | | | | | | | |
| | Total | 446.867 | 11.580 | 50.709 | 150.911 | 71.509 | 162.158 | 446.867 |

External Funding Opportunities

- 5.32 Central Government are continuing with their plans to promote and support the devolution of power and decision making within the United Kingdom with powers being transferred at a regional level to local government. In the Council's case, this is via the Sheffield City Region.
- 5.33 The Sheffield City Region has a diverse economy comprising a dynamic core city, important towns and market towns, acres of countryside and a significant rural economy. The City Region encompasses more than 1.8 million people and approximately 700,000 jobs.
- 5.34 It is important that the Council retains a key role in the SCR to ensure that it can feed into and benefit from the SCR especially any funding opportunities. The SCR is the lead organisation for the following key strategic programmes:
- *Growth Plan*: sets out the Sheffield City Region's plans to transform the local economy over the next decade;
 - *LEP Board*: Local Enterprise Partnership (LEP) brings together business leaders and local politicians to make decisions that drive economic growth and create new jobs;
 - *Combined Authority*: The term "Combined Authority" means the bringing together of two statutory bodies - the Integrated Transport Authority (ITA) and an Economic Prosperity Board (EPB) in order to align political decision making around strategic Economic Development and Transport.
- 5.35 The Sheffield City Region currently represents perhaps the most significant funding source to the Council in terms of supporting the delivery of its major capital investment plans. With the wide variety, nature and size of the funding streams currently at its disposal as well as in future, it is vital that the Council ensures its priorities are fed into SCR's planning and programme development.
- 5.36 In July 2014, the SCR secured £297M of capital funding from the government's Local Growth Fund to invest over the period 2015/16 to 2020/21 on major transport and infrastructure schemes, developing sustainable transport, investing in skills infrastructure, and supporting business growth and investment. A further £30m was allocated in January 2015 under an extension to the Growth Deal covering the period 2016/17 to 2020/21.
- 5.37 Incidentally, the Council has already benefited by securing funding via SCR for developments at M1 Junctions 36 and 37. A number of bids are also actively being progressed including funding to support the Glassworks Development and Digital Campus.
- 5.38 Within the Council, a refreshed external funding strategy is currently being developed to provide Elected Members, Officers and our Partners with a robust framework that will enable them to identify and optimise available external funding opportunities in a co-ordinated, dynamic and innovative manner. The key aims of the strategy are:

- To provide a strategically “synched” framework for the identification, evaluation, and optimisation of external funding opportunities for the Council and its Partners;
- To facilitate a consistent, standardised and co-ordinated approach to support the pursuit and subsequent management of external funding including the establishment of processes to consider financial, procurement and legal requirements;
- To provide the resources necessary to effectively identify / communicate / signpost and access funding opportunities; these to be made available both across the Council and to its partners;
- To actively support the development of skills and expertise of the Council and its partners in funding optimisation and management; and
- To develop collective awareness of the status / intent of external funding opportunities, bids and awards to prevent duplication of bids and support holistic, intelligent optimisation of funding.

Capital Funding Approach

5.39 The Council will look to actively follow an approach to capital funding as set out below, although the Council may make changes to this approach if it is deemed necessary in order to deliver priority outcomes and/or maximise its resources.

- Time limited funding – funding that must be used within a specified time period will usually be applied first, assuming that there is expenditure that it can be legitimately be applied to. This is subject to any match funding requirements.
- Ring-fenced funding – funding linked to a particular scheme or type of scheme will be allocated in full to the relevant capital projects. One example is Government funding for Disabled Facilities Grants.
- Where the Council has discretion over how the funding can be spent, including non-restricted grants and contributions, affordable prudential borrowing allocations and its internally generated resources (capital receipts, revenue contributions, reserves etc.), these resources are considered holistically and prudently used to deliver the Council's corporate priorities. This is achieved via the process described in paragraphs 3.16 through to 3.31.
- Match funding – where match funding is required from the Council's corporate resources to lever in external funding, the match element will be considered as a capital priority in its own right. This is subject to the same capital prioritisation process as other capital priorities.
- Leasing / Borrowing – Over and above an annual £5M prudent and affordable allocation of borrowing, only prudent and modest proposed schemes that have a robust case for stimulating economic growth in the Borough will be considered. The scrutiny and due diligence on such schemes is subject to robust challenge including reviewing the scheme phasing to actively spread the risk to the Council.
- External Funding – The Council is in the process of adopting a new external funding strategy, which aims to identify and view external opportunities on a holistic basis. This strategy will seek to review all available external funding sources open to the Council and implement the key processes and procedures that need to be adopted when considering / making an application for funding from an external source.

6 TREASURY MANAGEMENT

What is Treasury Management?

6.1 CIPFA defines treasury management as:

“The management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”

6.2 The definition above immediately explicitly links this Capital Investment Strategy (“*capital market transactions*”) to the Council’s Treasury Management Strategy (“*Borrowing, investment and cash flows*”). The Capital Investment Strategy and Capital Programme determines the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The Treasury Management Strategy

6.3 The Council’s Treasury Management Strategy, which is prepared in accordance with the requirements of the Local Government Act 2003, that stipulates that local authorities must ‘have regard to’ a number of statutory codes, including the CIPFA Prudential Code & Treasury Management Code, is approved annually by full Council, as part of the budget setting process.

6.4 In broad terms, the TM Strategy sets out the following:

| |
|---|
| The Treasury Management Policy Statement The Council’s overall policies, practices and objectives in relation to treasury management |
| The Council’s Capital Expenditure Plans The Council’s indicative capital programme over the next few years |
| The MRP Policy Statement How residual capital expenditure will be charged to revenue over time |
| The Council’s Borrowing Strategy How its ongoing borrowing requirement will be managed, with regard to interest rate and refinancing risk |
| The Annual Investment Strategy How any surplus cash will be managed, with regard to the principles of Security, Liquidity and Yield |
| The Council’s Prudential and Treasury Indicators The limits and indicators designed to help monitor and control treasury management risk |

The Borrowing Strategy

- 6.5 Within the context of increasing economic uncertainty and interest rate volatility, the proposed strategy is to:
- **Maintain a minimum proportion of fixed-rate borrowing** in order to limit the Council's exposure to interest rate risk (proposed targets in section 3);
 - **Maintain a balanced maturity profile on long and short-term borrowing** in order to limit the Council's exposure to refinancing risk (proposed limits in Appendix C), and
 - **Maintain an appropriate level of internal borrowing** in order to reduce the Council's financing costs.

The Annual Investment Strategy

- 6.6 Whilst previous investment strategies have sought to keep the Council's investment balances to a minimum, they will ultimately increase as the Council takes on more fixed-rate borrowing. Within this context the proposed strategy is to:
- **Invest any surplus cash in secure products and counterparties** in order to minimise the risk of loss (proposed limits in section 4);
 - **Maintain a minimum balance of liquid funds** in order to ensure that sufficient cash is available when needed, and
 - **Within this context, seek to optimise performance** in terms of yield.

The Council's Borrowing Need, The External Debt Position & Associated Debt Limits

The Council's Borrowing Need (The CFR)

- 6.7 The measure that the Council assesses its debt position is the Capital Financing Requirement (CFR), which is essentially a measure of the Council's underlying borrowing need. Included in the Treasury Strategy, Members are asked to approve the CFR projections below, which include both approved and anticipated capital expenditure that are not financed by using available resources i.e. Prudential Borrowing / Leasing:

| | 2019/20 (£M) | 2020/21 (£M) | 2021/22 (£M) | 2022/23 (£M) |
|-----------------------------|------------------|------------------|------------------|------------------|
| Borrowing | 780.512 | 856.092 | 856.352 | 856.389 |
| Other Long Term Liabilities | 237.783 | 235.562 | 233.252 | 230.745 |
| Total | 1,018.295 | 1,091.654 | 1,089.604 | 1,087.134 |

- 6.8 By the end of the 2022/23 financial year, it is estimated that the Council's debt requirement will total £1.087bn.
- 6.9 The capital expenditure decisions that are made in the context of this Capital Investment Strategy inform the estimated CFR position in future years, which are only approved if they meet the prudent and affordable criteria.

External Debt

- 6.10 The table below measures the Council's overall external debt position (including leasing) against its underlying estimated borrowing need or CFR.

| | 2019/20 (£M) | 2020/21 (£M) | 2021/22 (£M) | 2022/23 (£M) |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Borrowing CFR | 780.512 | 856.092 | 856.352 | 856.389 |
| Gross Borrowing | (629.838) | (603.936) | (586.543) | (553.806) |
| Under-Borrowed Position | 150.674 | 252.156 | 269.809 | 302.583 |
| Support from Useable Reserves | (112.987) | (86.098) | (66.553) | (55.579) |
| External Borrowing Requirement | 37.687 | 166.058 | 203.256 | 247.004 |

- 6.11 The Council will be significantly under-borrowed at the end of the period, should no further borrowing be undertaken. This position is offset partly by the Council's useable reserves, which largely represent the cash set aside for investment in future years. By utilising this cash, the Council has the option to defer long-term borrowing until the related spending commitments occur (**also referred to as internal borrowing**).

Debt Limits

- 6.12 *The Operational Boundary* is the Council's limit beyond which external debt is not normally expected to exceed. This limit is set to match the Capital Financing Requirement as shown above:

| Operational Boundary (£M) | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|------------------------------|---------------------|---------------------|---------------------|---------------------|
| Debt | 780.512 | 856.092 | 856.352 | 856.389 |
| Other Long Term Liabilities | 237.783 | 235.562 | 233.252 | 230.745 |
| Total | 1,018.295 | 1,091.654 | 1,089.604 | 1,087.134 |

- 6.13 *The Authorised Limit* represents a control on the maximum level of borrowing and provides an absolute limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit has been set at £30M above the Operational Boundary. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

| Authorised Limit (£M) | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Debt | 810.512 | 886.092 | 886.352 | 886.389 |
| Other Long Term Liabilities | 237.783 | 235.562 | 233.252 | 230.745 |
| Total | 1,048.295 | 1,121.654 | 1,119.604 | 1,117.134 |

Debt Repayment Policy

- 6.14 The method by which the Council's underlying borrowing requirement is reduced over time, is through a number of policies that have been adopted by the Council.

Minimum Revenue Provision (MRP)

- 6.15 The Minimum Revenue Provision (MRP) is a charge to the revenue account in relation to (current and residual) General Fund capital expenditure financed by borrowing, as required by the Local Authorities (Capital Finance and Accounting) Regulations 2003. The Council is required to determine an amount of MRP, which it considers prudent - this amount reduces the CFR.
- 6.16 The Council has approved the MRP Policy on an ongoing, annual basis which sets out the rationale and approach to the MRP charge, which is submitted as an appendix to the Treasury Management Strategy and considered accordingly.

Earmarked Capital Receipts

- 6.17 In some cases, specific approval was given to use the generated capital receipts from certain asset disposals to write down the debt requirement accordingly. The biggest example of this forms part of the Council's Building Schools for the Future programme where the Council's estate of secondary schools was replaced by brand new facilities, which deemed the old sites surplus.
- 6.18 As these old sites are sold, and the receipts are received by the Council, they are used to write down the underlying debt requirement in accordance with the original Cabinet agreement.

Capital Loans & Investments

- 6.19 Where the Council has made a strategic decision to provide financial assistance to a third party body, or invest in a partner organisation, using capital resources, where the Council receives repayments of those loans or redemptions of those shares/investments, it is the Council's policy to write down the underlying debt requirement accordingly.

Other Long-Term Liabilities

- 6.20 The Council also holds a significant value of other long-term liabilities on its balance sheet, which mainly relate to financing of Private Finance Initiative (PFI) schemes and leasing schemes.
- 6.21 In accounting terms, finance leases and most PFI agreements are accounted for as 'on balance sheet', which means that the Council, though not legally owning the associated assets, recognise them on its balance sheet as they have deemed control – which increases the CFR as they haven't yet been financed fully.
- 6.22 What the accounting rules also requires is that a liability is recognised at the time of control to recognise that these arrangements are effectively funding the capital cost of the asset over the length of the lease / PFI agreement. In effect, the long-term liability is a credit facility in its own right.

7 COMMERCIAL ACTIVITY / INVESTMENTS & RISK APPETITE STATEMENT

What is Commercialism?

- 7.1 Since 2010, Central Government's austerity measures have hit local authorities' financial position particularly hard with a cut in central government funding of around 50% over that period. Whilst difficult decisions have been, and continue to be, made, the reduction in resources has also acted as a driver for creative solutions right across the country.
- 7.2 Councils are identifying and using approaches that are more enterprising in nature in order to balance their budgets. These include actively seeking new and innovative revenue streams.
- 7.3 As a concept for delivering public services, 'commercialisation' is by no means a new idea but how it has been interpreted and adopted has varied widely. In essence, it comes down to income generation or, at least, a return on investment, which is being used to plug the gaps left by the cuts in funding.
- 7.4 In response to this activity, the Government decided to reissue a piece of statutory guidance around investments, that was originally issued as part of the 2003 Local Government Act, in an attempt to try and improve transparency and openness relating to some of the non-traditional local authority investments.
- 7.5 A range of new disclosures and reporting mechanisms were introduced as a result, which included a requirement for local authorities to clarify how "non-core investments" contribute towards their core objectives to deliver services to residents.
- 7.6 Councils will also be required to consider a list of quantitative indicators, which will highlight the total risk exposure from borrowing and commercial investment decisions and aid the decision making process for members. Where a local authority is, or plans to become, dependent on yield bearing investment activity to achieve a balanced revenue budget, disclosures should be made detailing the extent to which funding expenditure to meet the core functions of the local authority is dependent on achieving the expected net yield.

Treasury Management Investments

- 7.7 The investments made in respect of the Treasury Management Strategy relate to ones that assist the Council in managing timing issues concerning general, day-to-day management of its cash and bank balance positions. These investments are not included within the Council's capital programme and therefore do not form part of the capital financing requirement.
- 7.8 The Council's general policy objective is to invest its surplus funds prudently, which involves managing a number of associated risks. The Authority's investment priorities (in order) are as follows:
- the security of capital;

- the liquidity of investments; and
- optimum yield commensurate with the above.

The Commercial Strategy

- 7.9 Central Government have made a clear statement of intent that Local Authorities should ultimately become self-financing by raising funding local through taxation, fee and charges and other income sources.
- 7.10 To support this, in 2017, the Council adopted its Commercial Strategy. This strategy is more than just about generating income it is about adopting a more business like mind set by developing and embedding commercial expertise and acumen.
- 7.11 There are a number of key elements that the Council need to remain focused upon in order to continue on our journey to becoming more commercially focused. These elements include:
- Consideration of whole life costs of decisions;
 - Improving efficiency by reducing costs and streamlining processes;
 - Benchmarking our costs and performance;
 - Making evidenced based decisions; and
 - Identifying new opportunities.
- 7.12 In order to ensure we will do the above, the Commercial Strategy sets out four key themes:
- Developing a Commercial Culture;
 - Demonstrate Value for Money across all activities;
 - Effective Procurement and Commissioning; and
 - Maximise Income Generation.

Non-Treasury Investments

- 7.13 On the contrary to the treasury management investments, the non-treasury investments are included in the Council's capital programme and are subject to the capital financing regulations as set out in law. If such investments are funded from borrowing, then like any other scheme, they would increase the Council's capital financing requirement and the revenue budget would incur an ongoing obligation for both MRP and the interest charge over the long term.

Accelerating Growth

- 7.14 The Council is committed to playing a pivotal part in the regeneration of the borough. With this in mind, careful consideration is given to regeneration schemes that accelerate growth that generate future income streams. Such schemes will ensure the borough maintains a level of regeneration that means it is not left behind whilst at the same time, producing an economic return on its investment. These schemes may also produce a financial return that can potentially support wider Council priorities.

- 7.15 A rigorous assessment of such schemes will be undertaken to ensure that there is strong evidence of expected future income streams/ economic return and where this is the case, consideration will be given to prudentially borrow for these schemes.
- 7.16 In addition to applying strong due diligence to each individual scheme, such proposals are to be phased over the planning period to allow time to review existing schemes, manage risk and also assess the overall debt position of the Council.

Risk Appetite Statement

- 7.17 This outlines Barnsley Metropolitan Borough Council's risk appetite with regard to its investment and commercial activities.
- 7.18 For the purpose of this statement, we have adopted the Orange Book (UK government publication on the strategic management of risk within government) definition of Risk Appetite, namely "the amount of risk that an organisation is prepared to accept, tolerate, or be exposed to at any point in time."
- 7.19 It is important to note that risk will always exist in some measure and cannot be removed in its entirety. Therefore, risks need to be considered both in terms of threats to the Council as well as positive opportunities. It is worth noting that the Public Accounts Committee supports well-managed risk taking across government, recognising that innovation and opportunities to improve public services requires risk taking, providing that the ability, skills, knowledge and training to manage those risks well exist within the organisation.
- 7.20 The Council's risk appetite statement sets out how it balances risk and return in pursuit of achieving our objectives. It is intended to aid careful decision-making, such that the Council takes well, thought through risks to aid successful delivery of its services and obligations whilst also understanding the adverse aspects of any risks taken and acting appropriately to mitigate them in line with its stated goals. Thereby, the Council's risk judgements are more explicit, transparent and consistent over time.
- 7.21 The risk appetite statement forms a key element of the Council's governance and reporting framework and is set by full Council. In addition, the risk appetite statement is monitored on an ongoing basis by senior management, external risk advisors and the Audit Committee as appropriate.
- 7.22 The following points give an indication of the Council's risk appetite:
- The Council does not invest in any assets / investments purely for commercial return. All investments are made within the context of the Corporate Plan and its corporate priorities to stimulate economic growth in the Borough;
 - The Council does not invest in any assets / investments that are outside of the Borough with all investments contributing towards the Council's corporate priorities and its residents ;

- Certain schemes such as the Property Investment Fund (PIF) are specifically designed to stimulate particular parts of the Borough by assisting external developers;
- Further consideration will be given to schemes to support such developments across the Borough where the risk sits wholly with the developers.

8 SKILLS & KNOWLEDGE

In House Resources

8.1 The successful implementation of the Capital Investment Strategy necessitates the availability of people with the necessary experience of:

- developing capital projects;
- acquiring and selling properties;
- commissioning partners to deliver the capital programme;
- managing properties as a landlord; and
- sourcing suitable opportunities that match the criteria set under the adopted strategy.

Asset Management

8.2 The Council Asset Management team within the Place Directorate is responsible for managing the current operational and non-operational asset portfolio. This team comprises:

- Head of Property;
- Group Leader - Assets
- Building Surveyors, Inspectors and Estate Officers

Economic Regeneration & Housing Growth

8.3 Whilst all services are integral to delivering this Capital Investment Strategy to achieve the Council's overall objectives, two services within the Place Directorate are pivotal to the strategies' delivery.

The Economic Regeneration service is specifically responsible for stimulating economic regeneration and business growth within the Borough and the Housing Growth service is responsible for stimulating growth specifically in the housing sector from both private and social perspectives.

Finance

8.4 The Capital Programme and Treasury Management Strategy are managed by a team of professionally qualified accountants with extensive Local Government finance experience between them. They all follow a Continuous Professional Development Plan (CPD) and attend courses on an ongoing basis to keep abreast of new developments and skills.

8.5 The Council's Section 151 Officer is the officer with overall responsibility for Capital and Treasury activities and is a professionally qualified accountant and follows an ongoing CPD programme.

8.6 All of the Council's commercial projects have project teams from all the professional disciplines from across the Council and when required, external professional advice is taken.

Capital Oversight Board

- 8.7 The members of the Capital Oversight Board have a wealth of experience and knowledge across this and other local authorities. There are a number of the Council's senior officers that sit on the Board, including the Executive Director for Place and the S151 Officer. Furthermore, a wide variety of services from across the Council are represented to ensure that all relevant decision shapers are present and are able to contribute.

Externally Available Resources

- 8.8 The Council also makes use of external advice in developing projects or undertaking due diligence. Good examples include the appointment of development management organisations on the town centre redevelopment as well as regularly utilising the Council's asset management partners NPS Barnsley who provide construction procurement, quantity surveying and design services. Other advice is commissioned as and when required.
- 8.9 The Council also uses external treasury management advisors, Link Asset Services, for bespoke advice and guidance.

Members

- 8.10 Members are familiar with the budget process and approve the Treasury Management Strategy and overall Council Budget. Any additional training requirements will be discussed with the Council Governance team.
- 8.11 Internal and external training is offered to members on an annual basis to ensure they have up to date skills to make capital and treasury decisions. A register is also kept on member attendance.
- 8.12 The Council's Treasury Management Panel (Members and senior officer group) are briefed regularly on treasury activity and are kept abreast of any developments that may affect the risk influencing the Council's portfolio.
- 8.13 The knowledge and skills of officers and members are commensurate with the Council's risk appetite.

9 REFERENCES

| DOCUMENT | |
|----------|--|
| 1.1 | <u>Budget Papers:</u> |
| | 2020/21 Capital Programme Report – GF |
| | 2020/21 Capital Programme Report – HRA |
| | Medium Term Financial Strategy (MTFS) |
| | Reserves Strategy |
| | Treasury Management Strategy |
| 1.2 | <u>Asset Management Strategies:</u> |
| | Asset Management Strategy |
| | Highways Asset Management Strategy |
| | Housing Strategy |
| | Planned Maintenance |
| 1.3 | <u>Other Financial Documents:</u> |
| | 2019/20 Capital Monitoring |
| | 2018/19 Statement of Accounts |
| | |

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**TREASURY MANAGEMENT STRATEGY AND POLICY STATEMENT
2020/21**

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1 EXECUTIVE SUMMARY

BACKGROUND

- 1.1 This document has been prepared in accordance with the Local Government Act 2003, which stipulates that local authorities must 'have regard to' the following guidance:
- The **Prudential Code** (CIPFA);
 - The **Treasury Management Code** (CIPFA);
 - **Statutory Guidance on Minimum Revenue Provision** (MHCLG); and
 - **Statutory Guidance on Local Authority Investments** (MHCLG).
- 1.2 In line with the recommendations of these codes, the Treasury Management Strategy sets out the following each year for approval by Full Council:

| |
|---|
| The Treasury Management Policy Statement The Council's overall policies, practices and objectives in relation to treasury management |
| The Council's Capital Expenditure Plans The Council's indicative capital programme over the next few years |
| The MRP Policy Statement How residual capital expenditure will be charged to revenue over time |
| The Council's Borrowing Strategy How its ongoing borrowing requirement will be managed, with regard to interest rate and refinancing risk |
| The Annual Investment Strategy How any surplus cash will be managed, with regard to the principles of Security, Liquidity and Yield |
| The Council's Prudential and Treasury Indicators The limits and indicators designed to help monitor and control treasury management risk |

OBJECTIVES

- 1.3 The objectives of the Treasury Management Strategy are to:
- Ensure the Council's capital expenditure plans are prudent, affordable and sustainable over the longer-term;
 - Ensure that sufficient cash is available when needed to meet the Council's spending commitments;
 - Manage the Council's exposure to interest rate and refinancing risk whilst maximising value for money; and
 - Manage the investment of temporary surplus cash in a way that preserves the capital invested.

THE COUNCIL'S BORROWING STRATEGY

- 1.4 Within the context of increasing economic uncertainty and interest rate volatility, the proposed strategy is to:
- **Maintain a minimum proportion of fixed-rate borrowing** in order to limit the Council's exposure to interest rate risk (proposed targets in section 3);
 - **Maintain a balanced maturity profile on long and short-term borrowing** in order to limit the Council's exposure to refinancing risk (proposed limits in Appendix C), and
 - **Maintain an appropriate level of internal borrowing** in order to reduce the Council's financing costs.

THE ANNUAL INVESTMENT STRATEGY

- 1.5 Whilst previous investment strategies have sought to keep the Council's investment balances to a minimum, they will ultimately increase as the Council takes on more fixed-rate borrowing. Within this context the proposed strategy is to:
- **Invest any surplus cash in secure products and counterparties** in order to minimise the risk of loss (proposed limits in section 4);
 - **Maintain a minimum balance of liquid funds** to ensure that sufficient cash is available when needed, and
 - **Within this context, seek to optimise performance** in terms of yield.

2 CAPITAL EXPENDITURE PLANS

- 2.1 The Council's capital expenditure plans are a key driver of its treasury management activities. This section covers a range of prudential indicators designed to assess whether those plans are prudent, affordable and sustainable over the longer term and reflect the framework as set out in CIPFA's Prudential Code. The full suite of indicators can be found in Appendix C.

Estimates of Capital Expenditure

- 2.2 This indicator summarises the capital expenditure plans set out in the Council's Capital Investment Strategy (see Section 2d within this budget pack). These plans are funded from a variety of sources including £162M from borrowing or finance lease (see Appendix C for further details):

Table 1 - Estimates of Capital Expenditure

| | 2019/20 (£M) | 2020/21 (£M) | 2021/22 (£M) | 2022/23 (£M) |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| Indicative Capital Programme | 196.235 | 140.719 | 38.749 | 27.475 |

Estimates of Capital Financing Requirement (CFR)

- 2.3 This indicator sets out the Council's CFR, which reflects the capital expenditure (both historic and planned) being funded from borrowing or other long term liabilities. This includes the £162M identified in paragraph 2.2:

Table 2 - Estimates of Capital Financing Requirement

| | 2019/20 (£M) | 2020/21 (£M) | 2021/22 (£M) | 2022/23 (£M) |
|-----------------------------|------------------|------------------|------------------|------------------|
| Borrowing | 780.512 | 856.092 | 856.352 | 856.389 |
| Other Long Term Liabilities | 237.783 | 235.562 | 233.252 | 230.745 |
| Total | 1,018.295 | 1,091.654 | 1,089.604 | 1,087.134 |

- 2.4 New expenditure aside, the CFR will reduce over time via a statutory annual charge to the revenue account, known as the Minimum Revenue Provision (MRP). The Council's MRP policy is included in Appendix B.

Gross Borrowing and the Capital Financing Requirement

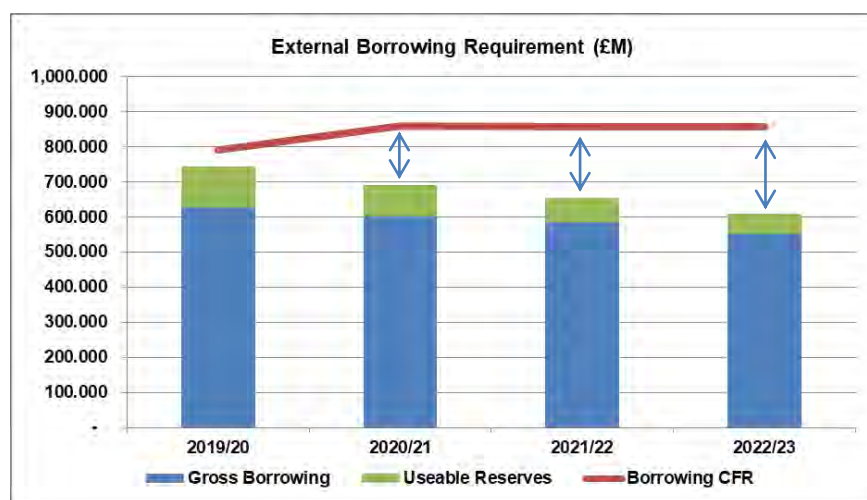
- 2.5 This indicator compares the Council's expected borrowing position to its underlying borrowing need (**referred to as the Borrowing CFR**), to identify the extent to which the Council is under or over-borrowed. This excludes other long term liabilities since each arrangement contains its own borrowing facility; therefore the Council is not required to borrow separately.

- 2.6 As outlined below, the Council will be significantly under-borrowed at the end of the period, should no further borrowing be undertaken. This position is offset partly by the Council's useable reserves, which largely represent the cash set aside for investment in future years. By utilising this cash, the Council has the option to defer long term borrowing until the related spending commitments occur (**also referred to as internal borrowing**).
- 2.7 Whilst this is a cost effective position which can help to reduce investment counterparty risk, it is one that needs to be actively monitored and managed particularly in the current economic climate (see section 3 for further details).

Table 3 - Gross Borrowing and the Capital Financing Requirement

| | 2019/20 (£M) | 2020/21 (£M) | 2021/22 (£M) | 2022/23 (£M) |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Borrowing CFR | 780.512 | 856.092 | 856.352 | 856.389 |
| Gross Borrowing | (629.838) | (603.936) | (586.543) | (553.806) |
| Under-Borrowed Position | 150.674 | 252.156 | 269.809 | 302.583 |
| Support from Useable Reserves | (112.987) | (86.098) | (66.553) | (55.579) |
| External Borrowing Requirement | 37.687 | 166.058 | 203.256 | 247.004 |

- 2.8 As illustrated by the chart below, the external borrowing requirement (represented by the blue arrows) is the cumulative amount required over the period:



3 BORROWING STRATEGY

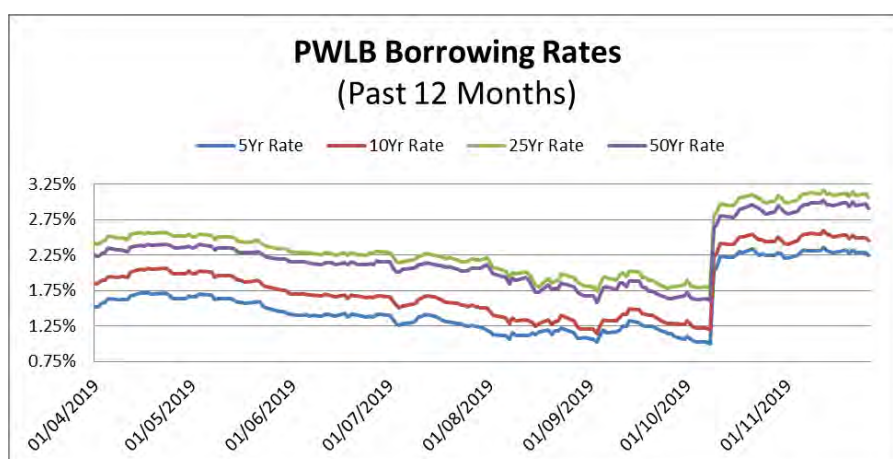
3.1 The Council's general policy objective is to ensure its level of debt is prudent, affordable and sustainable over the longer term (i.e. **keeping financing costs to a minimum** whilst **addressing the key associated risks**):

- Interest Rate Risk
- Refinancing Risk

Interest Rate Risk

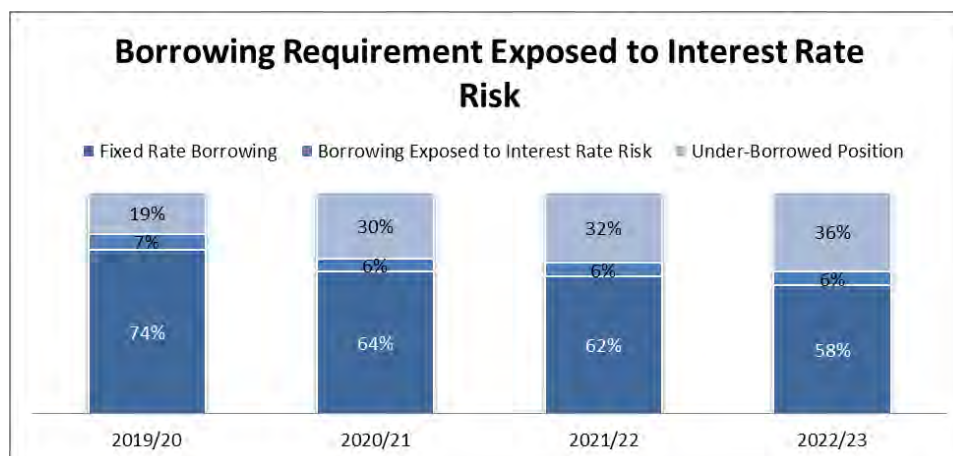
3.2 This is the risk of an adverse movement in interest rates which leads to a rise in borrowing costs or lost opportunity costs. The Council measures this risk against its temporary and variable-rate borrowing and any requirement which has yet to be financed (i.e. its under-borrowed position).

3.3 The past 18 months has been a period of significant economic uncertainty. As a result interest rates have become increasingly volatile. This has been magnified by the Treasury's decision to increase PWLB borrowing rates by 1% from 8th October 2019:



3.4 The latest projections from Link Asset Services (the Council's treasury management advisors) suggest that interest rates will rise gradually over the coming months. As such the Council is putting steps in place to limit the impact of such a rise.

3.5 As shown overleaf, it is anticipated that 26% of the Council's borrowing requirement will be exposed to interest rate risk at the end of 2019/20. Whilst this puts the Council in a much stronger position than two years ago, this could rise to 42% should no further fixed-rate borrowing be undertaken by 2022/23:



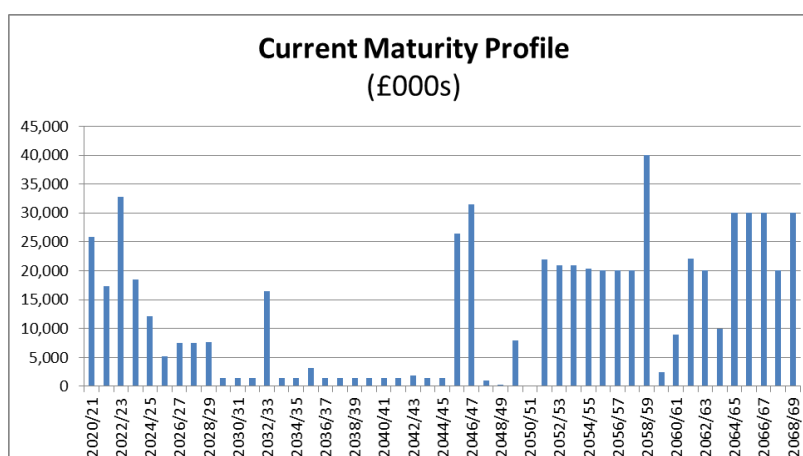
- 3.6 To limit the impact of a future rise in interest rates, the proposed strategy is to maintain a minimum proportion of fixed-rate borrowing of 70%. In order to achieve this target, the Council is likely to require £101M of fixed rate-borrowing over the period, with £50M of this arising next year:

Table 4 - Fixed Rate Borrowing Requirement

| | 2019/20 (£M) | 2020/21 (£M) | 2021/22 (£M) | 2022/23 (£M) |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Fixed Rate Borrowing | - | 50.328 | 67.902 | 100.666 |
| Temporary / Variable Rate Borrowing | 37.687 | 115.730 | 135.354 | 146.338 |
| Total Requirement (Cumulative) | 37.687 | 166.058 | 203.256 | 247.004 |

Refinancing Risk

- 3.7 This is risk of refinancing debt on unfavourable terms, due to either a lack of availability of replacement financing or an increase in interest rates. The Council measures this risk against the maturity profile on long and short-term borrowing.
- 3.8 As shown below the Council has a balanced maturity profile, with a maximum of £140M maturing in any 5 year period. This represents around 18% of the Council's estimated borrowing requirement at the end of 2019/20, which is well within the proposed limits set out in Appendix C:



- 3.9 Included in the chart overleaf are the Council's LOBO loans, which are subject to rate reviews every 6 months. Should the lender choose to increase the rate on these loans, the Council has the option to repay without penalty, however this would mean having to borrow an additional £55M to replace the principal repaid.
- 3.10 Whilst this option is unlikely to be triggered in the near future, this could be addressed through short term loans from other local authorities (along with the temporary / variable-rate borrowing requirement identified in table 3).
- 3.11 Officers will address the Council's fixed rate borrowing requirement through a combination of the following:
- **Deferred loans** - following the recent PWLB rate hike the Council may be able to access cheaper funding from financial institutions (e.g. banks, insurance firms and pension firms), without the additional cost of carry or credit risk. As such this is one of the preferred options for the Council going forward.
 - **Local authority loans** - the Council could borrow from other local authorities for up to 5 years (typically around 1% below long term PWLB rates). This would give the Council certainty over the medium term whilst allowing some flexibility should the expectations for interest rates change significantly.
 - **The Municipal Bonds Agency (MBA)** - the MBA was established in 2014 with the intention of providing an alternative source of funding to the PWLB. The MBA have recently presented a revised structure which officers will assess over the coming months.
 - **Other market loans** - as with deferred loans there may be an opportunity for the Council to borrow from financial institutions at rates below the PWLB. The Council has a range of options from short (e.g. 2 or 3 years) to long term (e.g. 40 years), therefore may be a suitable option for the Council to consider.
 - **PWLB borrowing** - the Council could still borrow from the PWLB however following the recent rate hike this is no longer the cheapest option. As such, the Council will only borrow from the PWLB if the alternative options do not materialise, or there is a sudden change in expectations around interest rates.
- 3.12 Where possible, the recommendation is to borrow in small tranches to spread refinancing risk and to allow officers to invest the cash safely whilst required to meet the Council's spending commitments.

4 ANNUAL INVESTMENT STRATEGY

CONTEXT

- 4.1 The Council's general policy objective is to invest its surplus funds prudently, which involves managing a number of risks as outlined later in this section. The Authority's investment priorities (in order) are as follows:
- the **security of capital**;
 - the **liquidity of investments**; and
 - **optimum yield commensurate with the above**
- 4.2 The borrowing of monies purely to invest or on-lend and make a return is considered unlawful. As such the Council will not engage in such activity and as per paragraph 2.7 will keep external borrowing beneath the CFR.

STRATEGY

- 4.3 As outlined in the previous section, the Council is proposing to undertake around £100M of fixed rate borrowing over the next three years, which may result in a temporary increase in cash balances. Within this context, our investment strategy will be:-
- **Invest any surplus cash in secure products and counterparties** in order to minimise the risk of loss;
 - **Maintain a minimum balance of liquid funds** to ensure that sufficient cash is available when needed, and
 - **Within this context, seek to optimise performance** in terms of yield.

Credit and Counterparty Risk (Security)

- 4.4 This is the risk of a third party being unable to meet its contractual obligations to the Council, which put simply is the risk of default on any principal or interest payable. This would clearly have a detrimental impact on the Council's resources.
- 4.5 In order to mitigate this risk, the Council maintains a list of approved counterparties and investment limits based on the creditworthiness service provided by Link Asset Services (further details are available on request). This approach combines the credit ratings assigned by the three main rating agencies (Fitch, Moody's and Standard and Poor's) with a range of market factors to provide a suggested duration for investments, including:
- Credit 'watches' and 'outlooks' from the main rating agencies;
 - Credit Default Swap (CDS) spreads to give early warning of likely changes in credit ratings, and
 - Sovereign ratings to select counterparties from only the most creditworthy countries.

- 4.6 Members are asked to approve the investment counterparties and limits below:

| Institution | Minimum Long Term Rating (Fitch or Equivalent) | Maximum Amount | Maximum Duration |
|---|---|-----------------------|------------------|
| UK Government | AA | Unlimited | 5 Years |
| Barclays Bank PLC (The Council's own bank) | A | £10M | Overnight |
| Banks | A+ | £20M (£20M per group) | 1 Year |
| | A | £10M (£15M per group) | 6 Months |
| | A- | £10M (£15M per group) | 100 Days |
| Building Societies | A | £10M | 6 Months |
| | A- | £5M | 100 Days |
| Local Authorities | AA* | £20M | 2 Years |
| Money Market Funds (CNAV / LVNAV) | AAA | £20M per fund | Overnight |

** Not all Local Authorities are separately rated but they are deemed to be in line with the UK Government reflecting the likelihood of intervention in the event of severe financial difficulty.*

- 4.7 In addition to the use of credit ratings, the Council will be advised of information in movements in CDS and other market data on a weekly basis, which will be used to inform the amount and duration of new investments. If a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria (e.g. a credit rating below A-), it will be withdrawn from the approved list immediately.
- 4.8 Members are also asked to approve the investment limits below which include investments with unrated entities and non-treasury investments such as loans to third parties:

| | Cash limit |
|--|------------|
| Total long-term investments | £20M |
| Total investments without credit ratings or rated below [A-] - including loans to small businesses | £30M |
| Total non-specified investments | £50M |
| Total investments in foreign countries* | £50M |

** Subject to a minimum sovereign rating of AA- (Fitch or equivalent).*

- 4.9 The process for approving such investments is detailed in Treasury Management Practice Document 5: Organisation, Clarity and segregation of Responsibilities and Dealing Arrangements, which requires prior authorisation from the Head of Financial Services and Deputy S151 Officer.

Price Risk (Security)

- 4.10 This is the risk of a reduction in value of funds invested, due to an adverse change in market conditions. In order to mitigate this risk, the Council will continue to monitor the performance of its LVNAV (Low Volatility Net Asset Value) Money Market Funds very closely in the immediate future.
- 4.11 Linked to this is the recent introduction of IFRS9 - Financial Instruments. This was a new accounting standard for 2018/19 which changed the way that certain investments were categorised and valued. It also required the Council to recognise any potential losses on investment through its General Fund revenue account.
- 4.12 Due to the low-risk strategy that the Council has adopted, the risk of credit loss in relation to its treasury investments is deemed immaterial, however the changes did result in a reduction in fair value of equity investments of £0.3M (which had no impact on the general fund) and a loss allowance of £0.5M in relation to historic third-party loans. Officers will continue to monitor this position on a regular basis and ensure that sufficient consideration is given to credit risk for any new loans agreed going forwards.

Legal and Regulatory Risk (Security)

- 4.13 This is the risk that the Council or an organisation which it is undertaking treasury management activities with, fails to act in accordance with its legal powers or regulatory requirements, causing reputational damage and / or resulting in financial loss.
- 4.14 In order to mitigate this risk, the Council adopts the recommendations of the statutory guidance and receives professional advice from its Treasury Management advisers (Link Asset Services). Officers attend and / or receive regular training updates to keep up with the latest developments and regulatory changes.

Liquidity Risk

- 4.15 This is the risk that cash is not available when needed to meet the Council's spending commitments, causing reputational damage, compromise service objectives and / or leading to additional unbudgeted costs.
- 4.16 In line with the MHCLG investment advice on the liquidity of investments, the Council will aim to keep a proportion of the investment portfolio totally liquid (i.e. use of the Barclays Flexible Interest-Bearing Current Account and Money Market Funds).
- 4.17 In a period of prolonged low interest rates, accepted practice would be to lengthen the investment period to lock in to higher rates. However, the uncertainty and volatility in the financial markets has heightened credit risk. As a consequence the Council will keep the investment maturity relatively short, which is reflected in the maturity periods specified in paragraph 4.6.

Yield

- 4.18 As a result of continuing stress within the market, opportunities for investment are limited and returns are expected to remain subdued. The Council will seek to maximise returns from its investments but this will be secondary to security and liquidity priorities. Investment yields are likely to rise slightly towards the end of 2020/21, in line with the UK base rate (which is expected to reach 1.00%). It is also worth reiterating that much of the Authority's cash has been utilised in lieu of borrowing, so whilst investment yields are low the Authority is saving around 2% on the cost of borrowing.

Diversification

- 4.19 Although the Council currently has a good spread of investment instruments, officers will continue to evaluate alternative investment options that meet the principles of security, liquidity and yield. Consideration will be given to alternative investment instruments and whether they are suitable for the investment portfolio. Proposals for new investment instruments will be taken to the Treasury Management Panel for discussion and advice will be sought from Link prior to making any investment decisions.
- 4.20 In addition to the core investment principles of security, liquidity and yield the Council will also seek to diversify investments to avoid concentration in specific banks, types of instrument, sovereign state etc. Consideration will also be given to the overall concentration of investments within each sector.
- 4.21 In order to diversify a portfolio largely invested in cash, investments will be placed with approved counterparties over a range of maturity periods. Maximum investment levels are set to ensure prudent diversification is achieved and these, together with minimum ratings and cash limits, are shown in the table at paragraph 4.6.

Berneslai Homes

- 4.22 The funds of Berneslai Homes continue to be ring fenced in a segregated Barclays account, with clear separation from Council funds. Officers of the Council are responsible for the management of Berneslai Homes' cash balances and the account is run in accordance with Treasury Management best practice and the effective management of risk.

TREASURY MANAGEMENT POLICY STATEMENT 2020/21**1 Introduction & Background**

- 1.1 The Treasury Management Code of Practice requires local authorities to produce a Treasury Management Policy and Strategy Statement on an annual basis.
- 1.2 The Council adopted the original CIPFA Code of Practice on 13th February 2002, and this resolution is carried through to the revised codes. Therefore, the Treasury Policy Statement for 2020/21 has been prepared in compliance with the latest Code.
- 1.3 Accordingly, the Council will create and maintain the following key documents in accordance with the revised Code of Practice and other relevant guidance:
 - The Treasury Management Policy Statement, outlining the key objectives of its Treasury Management activities;
 - The Treasury Management Strategy Statement including the Annual Investment Strategy setting out the specific expected Treasury Management activities for the forthcoming financial year;
 - Treasury Management Practices (TMPs) setting out the manner in which the Council will seek to achieve its objectives, and prescribing how it will manage and control those activities, and
 - Prudential and Treasury Indicators as prescribed within the Prudential and Treasury Management Codes.
 - The Capital Investment Strategy which sets the framework for all aspects of the Council's capital and investment expenditure including prioritisation, governance, planning, outcomes, management, funding and monitoring.
- 1.4 The Council will receive reports on its Treasury Management activities, including as a minimum, an annual strategy for the forthcoming year, an annual report after year end and interim quarterly reports (rather than the minimum six-monthly report required by the Code).
- 1.5 The Council delegates responsibility for the implementation and monitoring of its Treasury Management policies and practices and for the execution and administration of Treasury Management decisions to the Section 151 Officer, who will act in accordance with the Council's Policy Statement and the CIPFA Treasury Management Code.
- 1.6 The Council nominates the Treasury Management Panel and the Audit Committee as being responsible for ensuring the effective scrutiny of the Treasury Management Strategy and Policies.
- 1.7 The Treasury Management Panel will meet on a quarterly basis (or as required) to monitor and review the Council's implementation of the Treasury Management Strategy and Policy. The Audit Committee will receive reports through which it will gain assurance regarding the effective implementation of the Strategy and Policy.

2. Policies and Objectives of Treasury Management Activities

2.1 The Council defines its Treasury Management activities as:

“the management of the organisation’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2.2 Approved activities of the Treasury Management operation cover:

- Borrowing;
- Lending;
- Debt repayment and rescheduling;
- Consideration, approval and use of new financial instruments and treasury management techniques;
- Managing cash flow;
- Banking activities;
- Leasing; and
- Managing the risk associated with the Council’s Treasury Management activities.

2.3 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its Treasury Management activities will be measured. Accordingly, the analysis and reporting of Treasury Management activities will include their risk implications for the organisation.

2.4 This Council acknowledges that effective Treasury Management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in Treasury Management, and to employing suitable performance measurement techniques, within the context of effective risk management.

2.5 The Council’s borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The Section 151 Officer has delegated powers to select the most appropriate form of capital financing (including leasing arrangements) from the approved sources. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.

2.6 The Council will not borrow more than (or in advance of) its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within the approved Capital Financing Requirement estimates for the prescribed planning period. Moreover future borrowing transactions will be considered carefully before they are undertaken to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds. Borrowing in advance of need will only be undertaken when there is a clear business case for doing so.

- 2.7 The Council's primary objective in relation to investment remains the security of capital. The liquidity of the Council's investments and the yield earned remain important but secondary considerations.
- 2.8 The Annual Investment Strategy details the categories of investment the Council will invest in, maturity periods and criteria for selecting investment counterparties. Any revisions to these criteria will require Council approval.

3. Treasury Management Scheme of Delegation

Full Council

- Receiving and reviewing reports on treasury management policies, practices and activities;
- Approval of the annual strategy.

Cabinet

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget consideration and approval;
- Approval of the division of responsibilities;
- Receiving and reviewing regular monitoring reports and acting on recommendations, and

Treasury Management Panel / Audit Committee

- Approving the selection of external service providers and agreeing terms of appointment.
- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

The S151 (responsible) officer

- Recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- Submitting regular treasury management policy reports;
- Submitting budgets and budget variations;
- Receiving and reviewing management information reports;
- Reviewing the performance of the treasury management function;
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- Ensuring the adequacy of internal audit, and liaising with external audit;
- Implementing the treasury management strategy and policies in compliance with member approvals, and
- Recommending the appointment of external service providers.

4. Policies on the use of Derivatives

- 4.1 The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of financial derivatives. The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the TMSS. The Council will only use derivatives where they can be clearly demonstrated to reduce the overall level of financial risk
- 4.2 Derivatives may be arranged with any organisation that meets the Council's approved investment criteria.
- 4.3 The Council will only use derivatives after seeking a legal opinion and ensuring that officers have the appropriate training to effectively manage their use.

2020/21 MINIMUM REVENUE PROVISION (MRP) STATEMENT

The Authority is required to make a prudent provision for debt repayment known as the Minimum Revenue Provision (MRP). Guidance on MRP has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under Section 21(1A) of the Local Government Act 2003. The four MRP options available are:

- Option 1: Regulatory Method;
- Option 2: CFR Method;
- Option 3: Asset Life Method, and
- Option 4: Depreciation Method.

NB This does not preclude other prudent methods

MRP in 2020/21: Options 1 and 2 may only be used for General Fund supported expenditure. Methods of making prudent provision for General Fund self-financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Authority chooses).

The MRP Statement is required to be submitted to the Authority before the start of the financial year for approval. Any revision of which must also be submitted to the Authority for approval. The Authority is recommended to approve the following statement:

- **For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with Option 3;**
- **For supported capital expenditure incurred after 1st April 2008, MRP will be determined in accordance with Option 3;**
- **For non-supported (prudentially borrowed) capital expenditure incurred after 1st April 2008, MRP will be determined in accordance with Option 3;**
- **Within Option 3, MRP is permitted to be calculated in one of two ways - equal instalments or on an annuity basis. The Authority has chosen to calculate MRP on an annuity basis;**
- **MRP will normally commence in the financial year following the one in which expenditure is incurred. However, MRP Guidance permits local authorities to defer MRP until the financial year following the one in which the asset becomes operational. The Authority has chosen to employ this option for significant qualifying projects.**

MRP in respect of on balance sheet leases will match the annual principal repayment for the associated deferred liability. This approach will produce an MRP charge comparable to that under Option 3 in that it will run over the life of the lease term.

PRUDENTIAL AND TREASURY INDICATORS 2019/20 – 2022/23**Estimates of Capital Expenditure (General Fund and HRA)**

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

| Capital Expenditure | 2019/20 (£M) | 2020/21 (£M) | 2021/22 (£M) | 2022/23 (£M) |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| General Fund | 162.747 | 107.738 | 10.052 | 5.000 |
| HRA | 33.488 | 32.981 | 28.697 | 22.475 |
| Total | 196.235 | 140.719 | 38.749 | 27.475 |

Estimates of Capital Financing Requirement (General Fund and HRA)

This indicator sets out the Council's CFR, which reflects the capital expenditure (both historic and planned) being funded from borrowing or other long term liabilities (e.g. PFI schemes, finance leases). The Council is asked to approve the CFR projections below:

| CFR | 2019/20 (£M) | 2020/21 (£M) | 2021/22 (£M) | 2022/23 (£M) |
|--------------|-------------------------|-------------------------|-------------------------|-------------------------|
| General Fund | 746.561 | 819.920 | 817.870 | 815.400 |
| HRA | 271.734 | 271.734 | 271.734 | 271.734 |
| Total | 1,018.295 | 1,091.654 | 1,089.604 | 1,087.134 |

The Operational Boundary (Overall)

This is the limit beyond which external debt is not normally expected to exceed, based on the Council's CFR (see above). The Council is asked to approve the limits set out below:

| Operational Boundary (£M) | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Debt | 780.512 | 856.092 | 856.352 | 856.389 |
| Other Long Term Liabilities | 237.783 | 235.562 | 233.252 | 230.745 |
| Total | 1,018.295 | 1,091.654 | 1,089.604 | 1,087.134 |

The Authorised Limit for External Debt (Overall)

A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit has been set at £30M above the Operational Boundary.

This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised. The Council is asked to approve the following authorised limit:

| Authorised Limit (£M) | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Debt | 810.512 | 886.092 | 886.352 | 886.389 |
| Other Long Term Liabilities | 237.783 | 235.562 | 233.252 | 230.745 |
| Total | 1,048.295 | 1,121.654 | 1,119.604 | 1,117.134 |

In 2020/21, the accounting requirements are changing in respect of leasing, through a revision to accounting standard IFRS 16. The change means that there will no longer be the distinction of finance and operating leases - all leases will be now effectively finance leases which means that the Council's debt requirement will increase. The impact of this change is not yet known, therefore the Council will need to revise its operational boundary and authorised limit during the year.

Interest Rate Exposure and Maturity Structure of Borrowing (General Fund and HRA)

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the limits set out overleaf:

Overall

| Interest Rate Exposures | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|---------|---------|---------|---------|
| Limit on Variable Rate Borrowing / Unfinanced CFR | 30% | 30% | 30% | 30% |
| Fixed Rate Borrowing Target | 70% | 70% | 70% | 70% |

General Fund

| Loan Maturity Structure (All Years) | | |
|-------------------------------------|-------|-------|
| | Lower | Upper |
| Under 12 months | 0% | 50% |
| 12 months to 2 years | 0% | 25% |
| 2 years to 5 years | 0% | 25% |
| 5 years to 10 years | 0% | 25% |
| 10 years to 20 years | 0% | 75% |
| 20 years to 30 years | 0% | 75% |
| 30 years to 40 years | 0% | 75% |
| 40 years to 50 years | 0% | 75% |

Housing Revenue Account

| Loan Maturity Structure (All Years) | | |
|-------------------------------------|-------|-------|
| | Lower | Upper |
| Under 12 months | 0% | 25% |
| 12 months to 2 years | 0% | 25% |
| 2 years to 5 years | 0% | 25% |
| 5 years to 10 years | 0% | 25% |
| 10 years to 20 years | 0% | 75% |
| 20 years to 30 years | 0% | 75% |
| 30 years to 40 years | 0% | 75% |
| 40 years to 50 years | 0% | 75% |

Maximum Principal Sums Invested for more than 365 Days (General Fund)

These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end. The Council is asked to approve the treasury indicator and limit: -

| (£M) | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---------------------------------------|---------|---------|---------|---------|
| Principal Sums Invested > 365 Days | 20.000 | 20.000 | 20.000 | 20.000 |

Ratio of Financing Costs to Net Revenue Streams (General Fund and HRA)

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

| Ratio of Financing Costs to Net Revenue Streams (%) | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|---|------------------|------------------|------------------|------------------|
| GF | 11.7 | 13.8 | 13.1 | 13.2 |
| HRA | 45.4 | 45.1 | 44.8 | 44.6 |

Gross Debt and the Capital Financing Requirement (Overall)

| Gross Debt & CFR (£M) | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate | 2022/23 Estimate |
|-----------------------------|------------------|------------------|------------------|------------------|
| CFR | 1,018.295 | 1,091.654 | 1,089.604 | 1,087.134 |
| Outstanding Borrowing | 629.838 | 603.936 | 586.543 | 553.806 |
| Other Long-Term Liabilities | 208.279 | 201.164 | 194.049 | 186.934 |
| Gross Debt | 838.117 | 805.100 | 780.592 | 740.740 |
| Headroom | 180.178 | 286.554 | 309.012 | 346.394 |

RISK SCHEDULE / APPROACH TO RISK MANAGEMENT

The following schedule contains information from the Treasury Management Practice documents and the Council's risk management software, and provides a summary as to how the Council manages the various treasury management risks.

1. Credit and Counterparty Risk

Risk: Credit and counterparty risk is the risk of failure by a third party to meet its contractual obligations to the Council under an investment.

Mitigation: Credit & Counterparty risk is addressed through the use of the Annual Investment Strategy (AIS) as detailed in Section 4. The implications of 'Bail-in' will impact on the ratio of probability of loss. The AIS aims to reduce the impact through diversification whilst acknowledging that the probability of default will potentially increase.

Probability: Medium

Impact: High

2. Liquidity Risk

Risk: Liquidity risk is the risk that cash will not be available when it is needed.

Mitigation: The Council has access to short-term funding through the money markets and borrowing is also readily available from the PWLB. The Council will also aim to keep a proportion of investments totally liquid i.e. with immediate access.

Probability: Low

Impact: Medium

3. Interest Rate Risk

Risk: Interest Rate risk is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances.

Mitigation: Both the HRA and particularly the GF debt pools are subject to a degree of interest rate risk. The balancing of risk against cost is a key theme for the TMSS and is addressed in detail throughout.

Probability: Medium

Impact: Very High

4. Exchange Rate Risk

Risk: Exchange rate risk is the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances.

Mitigation: None – the Council undertakes minimal foreign currency transactions, so the risk is negligible.

Probability: Very Low

Impact: Very Low

4. Inflation Risk

Risk: Inflation risk is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

Mitigation: None – the Council generally invests over a term 6 months or less therefore inflation risk is low.

Probability: Low

Impact: Low

5. Refinancing Risk

Risk: Refinancing risk is the risk that maturing borrowings cannot be refinanced on terms that reflect the provisions made by the Council.

Mitigation: The GF has a significant amount of temporary borrowing which will need to be refinanced and this is addressed in the borrowing strategy. The PIs place limits on the maturity structure of borrowing to limit the refinancing risk.

Probability: Medium

Impact: High

6. Legal and Regulatory Risk

Risk: Legal and regulatory risk is where the Council fails to act in accordance with its legal powers or regulatory requirements, and suffers losses accordingly.

Mitigation: There are a number of regulatory changes being introduced in 2020/21, however the Council receives professional advice from Treasury Management advisers and officers receive regular training updates.

Probability: Medium

Impact: High

7. Fraud, Error and Corruption Risk / Contingency Management Risk

Risk: Fraud error and corruption and contingency management risk is the risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings.

Mitigation: Internal Audit consider on an annual basis carrying out a regulatory review of the treasury management function including probity testing. This decision is made on a risk-based strategy and discussed and agreed with management. The recommendations of these reports are actioned in accordance with the agreed timetable.

Probability: Low

Impact: Medium

8. Market Risk

Risk: Market risk is the risk that through adverse market fluctuations in the value of the principal sums the Council invests, its stated investment objectives of security of capital is compromised.

Mitigation: The use of alternative investments vehicles such as property funds may increase the level of market risk. Investment in such instruments will only be undertaken after rigorous assessment and on the advice of Link Asset Services.

Probability: Medium

Impact: Medium

DEFINITION OF TERMS

Treasury Management refers to the management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

CIPFA is the Chartered Institute of Public Finance and Accountancy - the leading accountancy body for the public services providing education and training in accountancy and financial management.

MHCLG is the Ministry of Housing, Communities and Local Government (formerly the Department for Communities and Local Government) - a ministerial department responsible for UK Government policy on housing and public services.

MRP refers to the Minimum Revenue Provision - a statutory annual charge to the revenue account for the repayment of debt (as measured by the Capital Financing Requirement).

Capital Financing Requirement (CFR) represents the authority's underlying indebtedness for capital purposes, based on historic capital expenditure which hasn't yet been financed (e.g. from grants, capital receipts or revenue contributions).

Debt refers to the sum of borrowing and other long-term liabilities.

Other Long Term Liabilities mean the liabilities outstanding under credit arrangements (e.g. PFI contracts or finance leases).

Internal Borrowing / Under-Borrowed refers to the temporary use of cash resources (e.g. reserves earmarked for future capital expenditure or grants received in advance of expenditure) to avoid borrowing immediately, which seeks to reduce investment counterparty risk and create a short-term budget saving. The Council will replace these cash resources with external borrowing as these spending commitments occur.

Transferred Debt refers to the debt transferred on reorganisation of the former South Yorkshire Country Council.

Specified Investments are short-term investments (i.e. less than 12 months) denominated in pounds sterling with a high credit quality.

Non-Specified Investments refers to any financial investments (excluding loans) that do not meet the criteria to be treated as a specified investment.

Investments in Foreign Countries refer to investments placed with counterparties from countries outside the UK (subject to a minimum sovereign rating of AA-).

BARNSLEY METROPOLITAN BOROUGH COUNCIL

FEES AND CHARGES 2020/21

1. Purpose of The Report

- 1.1 The purpose of this report is to update the Council's Fees and Charges Policy as well as outline the Council's proposed 2020/21 fees and charges which are an integral part of the 2020/21 Budget Process.

2. Recommendation

2.1 It is recommended that Cabinet:

- 1. approve the updated Fees and Charges Policy attached as Appendix 1;**
- 2. approve the new and existing fees and charges set out in Appendix 2 for implementation from 1st April 2020 or later in 2020/21 as applicable;**
- 3. note that additional reports will be submitted during the course of the year, in the event that any further amendments to fees & charges are required;**
- 4. note the objectives and progress of the Council's Commercial Strategy.**

3. Introduction & Background

Work Undertaken on Fees & Charges

- 3.1 The Council has reshaped and transformed itself into an effective, efficient, high performing and sustainable Council. This position was supported by the recent Corporate Peer Review in February 2019 and will provide the foundations to ensure we are in a position to achieve our agreed priorities and outcomes as we continue our journey to 2030 and beyond.
- 3.2 The implementation of our current Council structure means that the delivery of our key services are based on a Business Unit model supported by a strong and lean core. The financial outlook underpinning the Council's strategic framework has been developed around a reducing resource envelope and therefore, consideration of setting appropriate fees and charges is an important consideration for Business Units.
- 3.3 All fees and charges for 2020/21 have been proposed in the light of the Council's Fees and Charges Policy, which is included at Appendix 1. This provides a corporate framework within which all decisions on implementation and / or changes to the levels of fees and charges are considered and approved.

- 3.4 It should be noted that there may be further changes to fees and charges to be finalised as part of a wider consideration of Business Unit plans. These will be submitted to Cabinet in due course when all relevant issues have been worked through.

Fees & Charges Policy

- 3.5 A significant element of the Council's activity is underpinned by income generated through a variety of fees and charges made in relation to such activities.
- 3.6 Whilst being an important element of the overall financing of the Council's services and activities, fees and charges can also have an important role in other areas such as:

- Demonstrating the value of a service;
- Discouraging abuse of a service;
- Strengthening service and corporate objectives; and
- Promoting and encouraging access to services.

- 3.7 Therefore, as well as ensuring that fees and charges are in line with Council objectives, it is also sound practice to ensure that the impact on service users of any change in fees and charges is appropriately evidenced. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the Council to account.

Commercial Strategy

- 3.8 The overriding principle is to ensure that the Council's fees and charges are set within a value for money context where financial, performance, access and equality issues are considered fully and appropriately, and decisions are taken in a transparent and balanced way.

- 3.9 To aid delivery of this, the Council has a Commercial Strategy in place that focuses on 4 key themes:-

- Developing a **Commercial Culture**.
- Ensuring that we demonstrate **Value for Money** across all activities.
- Effective **Procurement and Commissioning**.
- Maximising the income generating potential of our **Commercial Activities**.

- 3.10 The Commercial strategy is a key document in adapting the Council to an ever changing market place and sets the framework for helping it to seek out the new opportunities on offer. This will help us achieve our

commercial aspirations but also potentially help deliver much needed additional income. We will seek to achieve this by:

- Identifying and implementing opportunities for cross selling our services providing our customers with the ability to buy a package of products;
- Working collaboratively with other local authorities where significant commercial opportunities exist;
- Horizon scanning the marketplace to seek out and secure new commercial opportunities;
- The ability to set discretionary fees and charges in markets where flexibility is required.

3.11 Through consideration and implementation of the Commercial Strategy it is envisaged that the overall principles set out at paragraphs 3.8 - 3.10 will be achieved.

3.12 With the above in mind, a full review of all existing charges has been undertaken by respective business units. New opportunities have also been considered and reviewed. The outcome of these reviews is presented in sections 4 and 5 below, with full details of all charges at Appendix 2 to this report

4. Existing Fees and Charges

4.1 All business units have undertaken a full review of the current fees and charges under their respective remits. The following changes to existing fees and charges are proposed based on a fundamental value for money review of the existing service provision and current charges being made:

| Charge | Basis of changes proposed |
|---|---|
| Various charges at cultural venues | Increased to fall in line with market rates |
| Golf Course fees | Increased in line with RPI |
| Day centre charges (transport / laundry) | Charges removed from 2020/21 |
| Pollution, prevention and control permits | Charges set by government |
| Library service (fines, photocopying, printing) | Charges removed |

4.2 All other charges have also been reviewed and either increased in line with inflation (at 1.7%) or no changes have been made (e.g. where the charges are set by statute).

4.3 It should be noted that the proposed commercial waste charges are excluded from this report due to the commercial sensitivity. These will be submitted as a private item at a later date.

SECTION 2f

- 4.4 In accordance with the overall review of all fees and charges it is recommended that the schedule of existing fees and charges as set out in Appendix 1 are implemented from the 1st April 2020 or later in 2020/21 as applicable.

5. **New Fees and Charges**

- 5.1 In line with the Council's Commercial Strategy, a review of all new opportunities open to the Council for which a charge can be levied in accordance with the Council's Policy has been undertaken.
- 5.2 This review has identified the following new proposed fees and charges:

| Charge | Basis of charges |
|--------------------------------------|--|
| Court protection fees | Various – introduced in line with Office of Public Guardian recommendation |
| Licence application checking service | To be determined |

- 5.3 It is recommended that these are implemented from 1st April 2020 as set out in Appendix 2 to this report.

Fees and charges policy

This policy explains how fees and charges are determined and maintained across the council

1.0 Purpose

The Council has reshaped and transformed itself into an effective, efficient, high performing and sustainable Council. This has provided the foundations to ensure we are in a position to achieve our agreed priorities and outcomes as we continue our journey to 2030 and beyond.

The current Council structure means that delivery of our key services is based on a Business Unit model supported by a strong and lean core. The financial outlook for the Future Council framework has been developed around a reducing resource envelope. By using its powers to charge for goods and services the Council is able to generate additional income to support investment in services and / or reduce the overall level of expenditure to be met by local tax payers.

Whilst being an important element of the overall financing of the Council's services and activities, fees and charges can also have an important role in other areas such as:

- Demonstrating the value of a service
- Discouraging abuse of a service
- Strengthening service and corporate objectives
- Promoting and encouraging access to services

2.0 Scope

The overriding aim of this Fees and Charges Policy is to ensure that the Council makes use of all the powers available to it in order to recover the full cost of providing services to enhance the social and economic wellbeing of the community the Council serves. In using these powers, the Council will wish to take care to ensure that the consequences of charging on individuals, the wider aims of the Council itself and / or organisations do not adversely impact on those who are vulnerable or in difficulties.

Therefore, as well as ensuring that fees and charges are in line with Council objectives, it is also sound practice to ensure that the impact on service users of any change in fees and charges is appropriately evidenced. The objectives of any charging policy should also be clearly communicated to the public who should have the opportunity to hold the Council to account.

Maximisation of income, following a decision to charge, is also dependent on a charge being raised and that amount being collected in a timely way.

The Policy applies to all existing fees and charges as well as any new fee or charge which the Council is eligible to levy but excluding:

- Council Tax & NNDR
- Housing rents and service charges
- Fees and charges fixed by statute

Managers must consider the application of this policy when:

- Setting fees and charges (excluding rates); and
- Reviewing fees and charges.

3.0 Legal Position

The majority of the Council's statutory services, Building Control being a key exception, are funded directly from the Council's main sources of revenue, i.e. government grants and local taxation.

Income received by the Council from fees and charges is generated by statutory and discretionary services and advertising and sponsorship opportunities. Where fees and charges apply to statutory services these are often set nationally, for example, some planning and licensing fees.

Discretionary services are those that an authority has the power to provide but is not obliged to do so. They include services provided directly to the public in general such as leisure services as well as charges for the costs incurred by the council (such as legal costs) when entering into planning or highways agreements with specific persons.

Advertising and sponsorship provide an opportunity for organisations to publicise information likely to be of interest to residents through various council communication channels. All advertising and sponsorship must comply with the Council's advertising and sponsorship policy which is located at <https://www.barnsley-services.co.uk/media/2476/advertising-and-sponsorship-policy.pdf>.

The legal powers that the Council has to raise fees and charges are enshrined in specific provisions contained in both the Local Government Act 2003 and the Localism Act 2011.

Under the Localism Act 2011 there is a general power of competence which explicitly gives councils the power to do anything that an individual can do which is not prohibited by other legislation. This activity can include charging (i.e. to recover the costs of providing a discretionary service which the person has agreed to) or trading (i.e. to generate efficiencies, surpluses and profits) through a special purpose trading company.

These powers are in addition to similar powers set out in the Local Government Act 2003. The 2003 Act empowers councils to charge for any discretionary services on a cost recovery basis. For example, the Council could decide to provide a new discretionary service, that is an addition to or an enhancement of a statutory service, and then charge for it.

Statutory guidance published in 2003 outlines how costs and charges should be established and that guidance remains in force (see: '*General Power for Best Value Authorities to Charge for Discretionary Services*', ODPM, 2003).

The guidance explains that for each discretionary service for which a charge is made, councils need to ensure that, taking one year with another, the income from charges for that service does not exceed the costs of provision. The requirement establishes the idea of balancing the books over a period of

time (not less than 1 year and no more than 3 years). Any over or under recovery that results in a surplus or deficit of income in relation to costs in one period should be addressed when setting charges for future periods so that over time income equates to costs.

The 2003 Act also enables councils to trade in activities related to their functions on a commercial basis with a view to profit through a company.

4.0 Council Policy

The Council's Fees and Charges Policy provides a corporate framework within which all decisions on implementation and / or changes to the levels of fees and charges are considered and approved. This is supported by detailed schedules of fees and charges which are maintained by each service and which must be reviewed on a quarterly basis in line with the Council's quarterly forecasts and annual budget setting. The objective of this process is to provide flexibility to introduce new charges and / or amend existing ones within an agreed governance structure but at various times in the year and not just at budget setting.

To avoid changes impacting on the budget and MTFs, any in-year changes should be reported through to Cabinet separately. Any downward changes in prices/income will require the service to identify mitigations to bridge any income gap resulting from the change.

Clearly future decisions on whether to charge and at what level to charge need to be considered within a framework that is used throughout the Council to achieve clarity and consistency in approach to decision making. All services must therefore comply with this policy.

The key features to consider include:

- Fees and charges will be structured to support the Council's Corporate Plan and encourage public engagement in policy development;
- The income generated from fees and charges will be used to support the work of the Council;
- Fees and charges will normally be calculated on a full cost recovery basis, depending on the state of the market and any other relevant factors. Any fees and charges agreed to generate income greater than full costs should be clearly articulated as part of the decision. For example, at present, we generate a net revenue surplus on cremation charges. A justification for making this surplus may be that:
 - There are significant capital costs which are not included; revenue surpluses are required to contribute to capital costs.
 - We run the crematorium and burial services as a consolidated service. When considered together, a breakeven position is achieved.

- We are setting rates at market rates to generate reserves for the future and/or to support other associated services.
- Where appropriate, review fees and charges every quarter in line with the quarterly forecast and annual budget processes;
- All concessions will be specified;
- Market research, comparative data, management knowledge and any other relevant information will be used where appropriate to ensure that charges do not adversely affect the take up of services;
- Fees and charges will not be used in such a way that would restrict access to information or services;
- The impact on income from fees and charges will be taken into consideration when a decision is taken to change any services provided by the Council;
- The cost of collection will be considered to ensure that fees and charges are economical to collect; and
- The income generated from fees and charges will be monitored on a monthly basis as part of the Council's budget monitoring process.

Through consideration of these factors and assessment of their relative importance for individual services, it is envisaged that the overall principal will be achieved.

5.0 Guidance on setting fees and charges

The overall principle aim of the policy is to ensure that the Council's fees and charges are set within a framework of value for money, whereby financial performance, access and equality are considered fully and appropriately, and decisions taken represent a transparent and balanced approach. To aid delivery of this the Council has in place:

1. A Commercial Strategy
2. Guidance for Managers

The Commercial Strategy focuses on 4 key themes:-

- Developing a commercial culture.
- Ensuring that we demonstrate value for money across all activities.
- Effective procurement and commissioning.
- Maximising the income generating potential of the Council.

The commercial strategy is a key document to support the Council in an ever changing environment and sets out a framework for helping it to seek out the new opportunities on offer. We will seek to achieve this by:

- Identifying and implementing opportunities for cross selling our services providing our customers with the ability to buy a package of products;
- Working collaboratively with other local authorities and partners where significant commercial opportunities exist;
- Horizon scanning the marketplace to seek out and secure new commercial opportunities;
- The ability to set discretionary fees and charges in markets where flexibility is required.

The Guidance for Managers sets out information for applying the fees and charges. The aim is to encourage a consistent and cost effective approach to the setting of charges for services provided by:

- a. Specifying the process and frequency for reviewing existing charges for all areas of the council's work for which charges could in principle be set;
- b. Providing guidance on the factors that need to be taken into consideration when charges are being reviewed;
- c. Requiring more active use of market intelligence when setting charges;
- d. Establishing parameters for calculating different levels of charges;
- e. Recommending the criteria for applying concessions or discounted charges consistently across the council; and,
- f. Ensuring Finance is consulted at an early stage to provide support and ensure compliance with Financial Regulations.

6.0 Payment Methods

The Council provides a range of cost effective 24/7 payment options with a choice of frequencies. Not all payment methods will be available to all customers and there is a requirement for customers to use the most cost efficient and effective payment method for their circumstances. Payment by direct debit is the council's preferred /default payment option.

Payment for services, where possible, will be in advance or at the point of service delivery. In order to manage collection costs a de-minimus level will be set below which a debt will not be raised and payment in advance will be required. These levels are outlined in the Councils debt management process appendices.

More information can be found in the Councils Corporate Debt Policy via the Council's intranet site.

7.0 Equality Impact Assessments

Under Section 149 of the Equality Act 2010, the Council has a duty when exercising its functions to have 'due regard' to the need to eliminate discrimination and other conduct prohibited under the Act and advance equality of opportunity and foster good relations between those who share a "protected characteristic" and those who do not. This is the public sector equality duty.

The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The purpose of the duty is to enquire into whether a proposed decision disproportionately affects people with a protected characteristic. In other words, the indirect discriminatory effects of a proposed decision.

Before the Council exercises its fees and charging powers, the impact on individuals or groups of individuals who share a protected characteristic must be carefully considered and properly factored into the decision making process using the Council's EA screening template.

8.0 Review of Policy

This Policy is to be reviewed every year to ensure consistency with wider council and departmental objectives and priorities and national policy changes and initiatives. The next review of this policy is scheduled to take place in September 2020.

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FEES & CHARGES PROPOSALS FOR 2020/21

| Fee / Charge description | | Basis of charge | Proposed charge for 2020/21 | Percentage increase in fees |
|--|---|------------------------|-----------------------------|-----------------------------|
| PLACE | | | | |
| REGENERATION & PROPERTY | | | | |
| PROPERTY SERVICES | | | | |
| | Land and Building Rent; Maintenance, Service Charges | Market Value | Various rates | N/A |
| | Allotment rent - with water | Per allotment | £82.17 | 0.0% |
| | Allotment rent - without water | Per allotment | £40.49 | 0.0% |
| | Garage rent | per site | £37.00 | 0.0% |
| CLIS / Adult Learning | | | | |
| Acorn Centre Service Charges | | | | |
| | Office Space | per sq ft | £11.86 | 0.0% |
| | Workshops | per sq ft | £8.83 | 0.0% |
| Kendray Service Charges | | | | |
| | Office Space | per sq ft | £11.04 | 2.5% |
| | Workshops | per sq ft | £9.72 | 2.5% |
| Tuition / course fees | | | | |
| | With SFA public subsidy | | £2.90 | 0.0% |
| | Without SFA public subsidy | | £5.80 | 0.0% |
| | With SFA public subsidy - means tested benefits excluding JSA & ESA (WRAG) | | £1.45 | 0.0% |
| | Without SFA public subsidy - means tested benefits excluding JSA & ESA (WRAG) | | £2.90 | 0.0% |
| BUILDING CONTROL | | | | |
| Building regulation application charges | | | | |
| New housing | | | | |
| | 1 Dwelling | 1 Dwelling | £542.00 | 0.0% |
| | 2 Dwelling | 2 Dwelling | £750.00 | 0.0% |
| | 3 Dwelling | 3 Dwelling | £958.00 | 0.0% |
| | 4 Dwelling | 4 Dwelling | £1,167.00 | 0.0% |
| | 5 Dwelling | 5 Dwelling | £1,375.00 | 0.0% |
| | 6 or more Dwellings | 6 or more Dwellings | Determined individually | |
| Domestic building works | | | | |
| | Attached/detached garage or carport, n.e. 36m2 | Domestic Building Type | £217.00 | 0.0% |
| | Attached/detached garage or carport, 36-100m2 | Domestic Building Type | £292.00 | 0.0% |
| | Extension 40 - 60m ² | Domestic Building Type | £500.00 | 0.0% |
| | Extension 60 - 100m ² | Domestic Building Type | £558.00 | 0.0% |
| | Replacement window/s & door/s to one property | Domestic Building Type | £83.00 | 0.0% |
| | Replacement window/s & door/s to more than one property | Domestic Building Type | Determined individually | |
| | Controlled domestic electrical work (not CPS) | Domestic Building Type | £333.00 | 0.0% |
| | Renovation of a thermal element (non-structural) | Domestic Building Type | £83.00 | 0.0% |
| | Renovation of a thermal element (structural) | Domestic Building Type | £150.00 | 0.0% |
| | Rooms in a roofspace including means of access | Domestic Building Type | £417.00 | 0.0% |
| | Additional rooms in a roof space excluding means of access | Domestic Building Type | £333.00 | 0.0% |
| | Other domestic work - estimated cost < £2,000 | Domestic Building Type | £142.00 | 0.0% |
| | Other domestic work - estimated cost £25,000 - £50,000 | Domestic Building Type | £450.00 | 0.0% |
| | Other domestic work - estimated cost > £50,000 | Domestic Building Type | Determined individually | |

| | | | | |
|--|---|-----------------------|-------------------------|-------------|
| | Non-domestic building works | Dometic Building Type | | |
| | Installation of < 20 windows and doors | Dometic Building Type | £217.00 | 0.0% |
| | Installation of 20 - 50 windows and doors | Dometic Building Type | Determined individually | |
| | Other non-domestic work - estimated cost < £2,000 | Dometic Building Type | £200.00 | 0.0% |
| | Other non-domestic work - estimated cost £2,000 - £5,000 | Dometic Building Type | £225.00 | 0.0% |
| | Other non-domestic work - estimated cost £5,000 - £10,000 | Dometic Building Type | £300.00 | 0.0% |
| | Other non-domestic work - estimated cost £10,000 - £25,000 | Dometic Building Type | £420.00 | 0.0% |
| | Other non-domestic work - estimated > £50,000 | Dometic Building Type | Determined individually | |
| | Street naming & property numbering charges | | | |
| | New property addresses on existing steet | | | |
| | 1 | 1 property | £55.00 | 0.0% |
| | 2 to 5 | 2 to 5 properties | £90.00 | 0.0% |
| | 6 to 10 | 6 to 10 properties | £110.00 | 0.0% |
| | 11 to 50 | 11 to 50 properties | £165.00 | 0.0% |
| | 51+ | 51+ properties | £220.00 | 0.0% |
| | Change to a new development after notification | | | |
| | 1 | 1 property | £55.00 | 0.0% |
| | 2 to 5 | 2 to 5 properties | £90.00 | 0.0% |
| | 6 to 10 | 6 to 10 properties | £110.00 | 0.0% |
| | 11 to 50 | 11 to 50 properties | £165.00 | 0.0% |
| | 51+ | 51+ properties | £220.00 | 0.0% |
| | Re-addressing of properties on existing street | per property | £135.00 | 0.0% |
| | New property addresses requiring new street names: | | | |
| | 1 | 1 property | £80.00 | 0.0% |
| | 2 to 5 | 2 to 5 properties | £110.00 | 0.0% |
| | 6 to 10 | 6 to 10 properties | £155.00 | 0.0% |
| | 11 to 50 | 11 to 50 properties | £220.00 | 0.0% |
| | 51+ | 51+ properties | £300.00 | 0.0% |
| | MUSIC SERVICE | | | |
| | Instrument Hire (per term) | per term | £15.00 | 0.0% |
| | Contn Lessons per term | per term | £35.00 | 0.0% |
| | Group Lessons per term | per term | £51.00 | 0.0% |
| | 20 minute Individual Lessons per term | per term | £102.00 | 0.0% |
| | 30 minute Individual Lessons per term | per term | £147.00 | 0.0% |
| | KS11 projects per year | per year | £1,230.00 | 0.0% |
| | KS2 full year projects | per year | £750.00 | 0.0% |
| | DEVELOPMENT MANAGEMENT | | | |
| | Planning Application Fees | Per application | Various rates | 0.0% |
| | Householder Enquiry Forms | Per enquiry | £60.00 | 50.0% |
| | Minor Pre-application Advice | Per enquiry | £60.00 | 50.0% |
| | Residential pre-app - 1 to 5 dwellings | Per enquiry | £180.00 | 350.0% |
| | Residential pre-app - 6 to 19 dwellings | Per enquiry | £600.00 | 0 to 1,400% |
| | Residential pre app - 20 dwellings + | Per enquiry | £1,200.00 | 25 to 100% |
| | Non - residential pre-app : Up to 500sqm of additional floorspace | Per enquiry | £240.00 | 500.0% |
| | Non - residential pre-app: 500 - 4,999 sqm of additional floorspace | Per enquiry | £600.00 | 0.0% |
| | Non - residential pre app: 5,000 sqm + of additional floorspace | Per enquiry | £1,200.00 | 25.0% |
| | Other pre-apps not within above categories | Per enquiry | £120 + | N/A |
| | Listed Building & Conservation Area Advice | Hourly Rate | £100.00 | 150.0% |
| | Sec 106 Legal Agreement Enquies | Hourly Rate | £116.00 | 190.0% |
| | Planning Policy Evidence Based & Land Allocation Discussions | Hourly Rate | £0.00 | N/A |

| MARKETS | | | | |
|-------------------------------------|---|---|---|-------|
| | Barnsley Open Market - all stalls | Day Rate | £20.00 | 0.0% |
| | Barnsley Central Sunday Market - all 8ft stalls | Day Rate | £10.00 | 0.0% |
| | Barnsley Glassworks Market - all days: | | | |
| | Stall rental | Per annum per Square Foot | £31.00 | 0.0% |
| | Café rental | Per annum per Square Foot | £37.20 | 0.0% |
| | Market Kitchen Rental | 10% or 15% of Turnover dependant on Business type | Commercially sensitive - available on request | |
| | Basement storage | Per annum per Square Foot | Commercially sensitive - available on request | N/A |
| | Service Charge | Per annum per Square Foot | Commercially sensitive - available on request | N/A |
| | Trader car parking - Standard trader bay | Day Rate | £2.50 | 0.0% |
| District Markets | | | | |
| | Wombell - Stall 10 x 8 | Day Rate | £13.50 | 0.0% |
| | Hoyland - A 11' stall | Day Rate | £12.00 | 0.0% |
| | Goldthorpe - A 9' stall | Day Rate | £9.50 | 0.0% |
| | Pensitone - 2 metre stall | Day Rate | £10.00 | 0.0% |
| | Penistone - 3 metre stall | Day Rate | £15.00 | 0.0% |
| | Penistone - Building Hire | 1/2 day rate | £50.00 | 0.0% |
| COMMERCIAL SPACE MANAGEMENT | | | | |
| | Barnsley 4m x 4m | Day Rate | £100.00 | 0.0% |
| | Barnsley 6m x 4m | Day Rate | £130.00 | 0.0% |
| | Barnsley 8m x 4m | Day Rate | £150.00 | 0.0% |
| | Wombwell | Day Rate | £65.00 | 0.0% |
| | Hoyland | Day Rate | £30.00 | 0.0% |
| | Goldthorpe | Day Rate | £30.00 | 0.0% |
| | Penistone | Day Rate | £30.00 | 0.0% |
| | Book to roam (leaflets) | Per distributor | £15.00 | 0.0% |
| MUSEUMS AND HERITAGE CENTRES | | | | |
| | Cooper Gallery | | | |
| | Per Day | Per Day | £220.00 | 0.0% |
| | Per hr outside core hrs | Per hr outside core hrs | £50.00 | 0.0% |
| | Charities -full day | Charities -full day | £150.00 | 0.0% |
| | Per hr outside core hrs | Per hr outside core hrs | £30.00 | 0.0% |
| | Gallery Hire (2 hours) | Gallery Hire (2 hours) | £500.00 | 0.0% |
| | Sadler for Weddings (depends on length of time) | Depends on length of time | N/A | N/A |
| | Sadler (1 hour) | Sadler (1 hour) | £100.00 | 0.0% |
| | Commission on Artists work sales | Commission on Artists work sales | 35% + VAT | 0.0% |
| | Cannon Hall | | | |
| | Spencer Wing Conference Hire | Full day | £220.00 | 0.0% |
| | Spencer Wing Conference Hire | Per Hour | £75.00 | 0.0% |
| | Spencer Wing Conference Hire | Charities full day, £30 per hr outside core hrs | £150.00 | 0.0% |
| | Spencer Wing Conference Hire | Charities per hour | £30.00 | 0.0% |
| | Victorian Wing | per day | 50.00 - 100.00 | |
| | Victorian Wing | per hr weekends | £70.00 | 0.0% |
| | Victorian Wing | per day (charities) | 30.00 -75.00 | |
| | Victorian Wing | per hr weekends (Charities) | £30.00 | 0.0% |
| | Ballroom Hire for ceremony | All prices are Plus VAT | £1,200.00 | 0.0% |
| | Deer Shelter for Ceremony | All prices are Plus VAT | £1,500.00 | 25.0% |
| | Library Hire for ceremony | All prices are Plus VAT | £1,000.00 | 0.0% |
| | Ballroom Hire for private functions | All prices are Plus VAT | £1,200.00 | 20.0% |
| | Gallery Hire for functions | For 2 hours | £500.00 | 0.0% |
| | Drink Functions (Spencer wing) | Per Hour | £100.00 | 0.0% |
| | Car Parking at Cannon Hall | up to 2 hours - cars and minibuses | £1.00 | 0.0% |
| | | All day - cars and minibuses | £3.00 | 0.0% |
| | | Coaches | £5.00 | 0.0% |
| | | Motorcycles | free | N/A |
| | | Season Ticket (includes VAT) | £100.00 | 0.0% |
| | | Land Hire per day | £1,250.00 | 0.0% |
| | | per day per pitch (charities) | £50.00 | 0.0% |
| | | per day per pitch (charities) | £25.00 | 0.0% |

| | | | | |
|------------------------------------|--|--|---|--------|
| | Elsecar | | | |
| | Building 21 - hire per hour weekdays | All prices are Plus VAT | £50.00 | 0.0% |
| | Building 21 - hire all day | All prices are Plus VAT | £1,500.00 | 50.0% |
| | Hard based space outside | All prices are Plus VAT | £400.00 | 60.0% |
| | Stage Hire | Per day | £250.00 | -50.0% |
| | Tiered seating | Per day | £250.00 | 0.0% |
| | Trestle tables | Per table | £5.00 | 0.0% |
| | Additional chairs(over 50) | Per chair | £2.00 | 0.0% |
| | AV equipment | Per day | £250.00 | N/A |
| | Stage lighting | Per day | £50.00 | N/A |
| | Marketing support packages | Per event | From £50 | N/A |
| | Crash barriers | Per barrier per day | £20.00 | 300.0% |
| | Visitor Centre Meeting Room | | | |
| | Private & Commercial Mon-Fri | Per day | £220.00 | 0.0% |
| | Weekends and evenings | Per hour | £50.00 | 0.0% |
| | Worsbro Mill | | | |
| | Season Ticket (incl VAT) | Includes VAT | £100.00 | 0.0% |
| | Car Parking | per hour | £1.00 | 0.0% |
| | Car Parking | per day | £3.00 | 0.0% |
| | Car Parking | per day coaches | £5.00 | 0.0% |
| | Land hire | Per day | £1,000.00 | 0.0% |
| | Pitch | Charities | £25.00 | 0.0% |
| | Pitch | Non-charities | £50.00 | 0.0% |
| | Experience Barnsley | | | |
| | Hire of Learning Lab (office hours) | Per day | £220.00 | 0.0% |
| | Hire of galleries (evening function) | Dependent on length (from) | £500.00 | 0.0% |
| | Archives | | | |
| | Various copying, printing charges | | 0.35 to 20.00 | 0.0% |
| | Commercial use of images or documents | Various charges | 120.00 - 480.00 | 0.0% |
| | Low resolution images for use on the internet | Various charges | 6.00 - 240.00 | 0.0% |
| | Commercial use of exhibitions | Various charges | 60.00 -180.00 | 0.0% |
| | Television - first broadcast | Plus VAT | £360.00 | 0.0% |
| | Television - for subsequent repeats | Plus VAT | £180.00 | 0.0% |
| SCHOOL VISITS | | | | |
| | Visits per child (full day) Arts Award | Visits per child (full day) Arts Award | £12.75 | 0.0% |
| | Visits per child (full day) | Visits per child (full day) | £8.99 | 0.0% |
| | Half day per child | Half day per child | £4.99 | 0.0% |
| | Use of Learning Lab per hour | Use of Learning Lab per hour | £25.00 | 0.0% |
| | Talks and Tours on Site | Talks and Tours on Site | | |
| | Loan Box Hire 1 week | Loan Box Hire 1 week | £25.00 | 0.0% |
| | Loan Box Hire 2 weeks | Loan Box Hire 2 weeks | £50.00 | 11.1% |
| PROFESSIONAL CONSULTANCY | | Per day + expenses (from) | Commercially sensitive - available on request | N/A |
| HOUSING | | | | |
| | Landlords Accreditation Scheme | | | |
| | Landlords with more than 1 property | Per Landlord | £50.00 | 0.0% |
| GYPSY SITES | | | | |
| | Pitch rents at Smithies Lane Gypsy & Traveller site (Small improved pitch) | per week per pitch | £79.46 | 1.7% |
| | Pitch rents at Smithies Lane Gypsy & Traveller site (Large improved pitch) | per week per pitch | £103.29 | 1.7% |
| | Hire of caravans (Ings Road site etc) | per week - 28ft caravan | £64.47 | 1.7% |
| | Hire of caravans (Ings Road site etc) | per week - 35ft caravan | £71.39 | 1.7% |
| ENVIRONMENT & TRANSPORT | | | | |
| WASTE | | | | |
| | Commercial waste collection | | | |
| | Assisted Collection Registration Fee | per registration | £10.00 | 0.0% |
| | Others | | | 2.0% |
| | Zone B | | | 2.0% |
| | Zone C | | | 2.0% |
| | charity a | | | 2.0% |
| | charity b | | | 2.0% |
| | charity c | | | 2.0% |
| | charity d | | | 2.0% |
| | recycling up to 3 bins | | | 0.0% |
| | recycling over 3 bins | | | 0.0% |
| | Duty of Care | | | 0.0% |
| | Commercial Waste Bin delivery | Per Bin | £25.00 | 0.0% |
| | Bin delivery charges | Per Bin | £25.00 | 0.0% |
| | Special (bulky) collection | up to 2 items | £20.00 | 0.0% |
| | 1 to 2 items | each item above 2 (upto 12) | £5.00 | 0.0% |

| | | | | |
|--|--|--|-------------------------|------|
| | Above 12 items | Above 12 | Determined individually | N/A |
| | Premium upgrade | Premium Upgrade | £10.00 | 0.0% |
| | Additional premium item | Additional premium item | £5.00 | 0.0% |
| | | | | |
| FLEET | | | | |
| | MOT fees - general public | Per Inspection - £5 discount available | £45.00 | 0.0% |
| NEIGHBOURHOOD SERVICES | | | | |
| | Parcels of work | Individually priced | Determined individually | N/A |
| | Disposal of dead animals following RTA | per Animal | £30.00 | 0.0% |
| TRANSPORT | | | | |
| | Transport (Day Care) | Per Journey | £2.00 | 0.0% |
| STORES | | | | |
| | Tipping | Dependent on materials | | |
| | Weighbridge | Per use (Plus VAT) | £11.67 | 0.0% |
| ENGINEERS | | | | |
| | Street Lighting - external | Individually priced | | |
| | Other (dropped crossings) | Individually priced | | |
| | Other (signs) | Individually priced | | |
| | Other (Engineering Services external works) | Individually priced | | |
| | Mechanical sweeping - external | per hour | £70.17 | 1.7% |
| | Cesspit emptying - domestic | per visit | £295.40 | 1.7% |
| | Cesspit emptying - industrial | per hour + disposal costs + vat | £104.75 | 1.7% |
| | Drain Clearance - 9:00am - 5:00am | per hour + vat | £100.00 | 0.0% |
| | Drain Clearance - outside normal hours | per hour + vat | £203.00 | 0.0% |
| | Preparation & site induction for mechanical sweeping & cesspit emptying where required | actual costs +10% | actual costs +10% | N/A |
| | Professional Fee's - Engineering | Per hour | £152.55 | 1.7% |
| | Recycling | Per ton per material | Determined individually | N/A |
| HIGHWAYS LICENCES, PERMITS AND SERVICES | | | | |
| | Licensing of builders' skips placed on the highway | Licence | £24.00 | 0.0% |
| | Licensing of builder's skips placed on the highway - retrospective license | Licence | £82.00 | 0.0% |
| | Licence charge for scaffolding and other structures on highways (Fixed) | First week | £192.00 | 0.0% |
| | | Subsequent weeks | £69.00 | 0.0% |
| | Licence charge for scaffolding and other structures on highways (Mobile) | Licence | £56.00 | 0.0% |
| | Licensing of builder's materials deposited on the highway | Licence | £12.00 | 0.0% |
| | License to dispense with erection of a hoarding | Licence | £83.00 | 0.0% |
| | Site inspections to monitor compliance with duties relating to the erection of hoardings | Licence | £53.00 | 0.0% |
| | Section 50 license to instal private apparatus in the highway | Licence | £440.00 | 0.0% |
| | Retrospective Section 50 Licence | Licence | £520.00 | 0.0% |
| | Various licences to make openings in the street or footway for constructing works, cellars or the admission of light into premises | Licence | £195.00 | 0.0% |
| | Section 171 licence to carry out highways works | Licence | £202.00 | 0.0% |
| | Additional Fee for retrospective issues of section 171 or 184 notice | Licence | £79.00 | 0.0% |
| | License to construct a vehicle crossing - use of private contractors | Licence | £201.00 | 0.0% |
| | License to construct a vehicle crossing - use of BMBC Engineering Services or private contractors | Licence | £69.00 | 0.0% |
| | Clearance of accident debris | Actual costs +10% | Actual costs +10% | N/A |
| | Road Closure Orders (Planned) | Road Closure Order | £1,013.00 | 0.0% |
| | Road Closure Notice (Emergency) | Road Closure Notice | £742.00 | 0.0% |
| | Road Closure to the benefit of the highway authority carried out by a third party on a not for profit basis | Road Closure | £206.00 | 0.0% |
| | Road Closure Order (Special Events) | Road Closure Order | £1,013.00 | 0.0% |
| | Application for a traffic sign to specified land or premises (permanent) | Application | £52.00 | 0.0% |
| | Application for a traffic sign to specified land or premises (temporary) | Application | £54.00 | 0.0% |
| | Placing of traffic sign for specified land or premises | | | |
| | Pavement café licences | Licence | £452.00 | 0.0% |

| | | | | |
|-------------------------------|--|---|--------------------------------|-------|
| | Consideration of applications for consent for overhead beams, Rails, wires, banners etc above the highway | Application | £100.00 | 0.0% |
| | Licence to Oversail the Highway with Tower Cranes etc | Licence | £95.00 | 0.0% |
| | Consideration of applications to buildings, structures, balconies etc over the highway | Application | £618.00 | 0.0% |
| | Licence to non-Statutory Undertakers to place and maintain apparatus in the Highway (New Roads and Street works Act) | Licence | £452.00 | 0.0% |
| | Construction of highways to be adopted (section 38 Highways Act 1980) HIGHWAY DC ONLY | Based on size and scale of project | Variable | N/A |
| | Charges for Demolition Notices | Demolition Notice | £300.00 | 0.0% |
| | Penalty charges to Statutory Undertakers for exceeding permitted licence to occupy the Highway (Section 74 New Roads and Street works Act) | Variable | Variable | N/A |
| | Bus lane enforcement | Per enfraction | £60.00 | 0.0% |
| | Increased Highways Act enforcement | Actual costs to clear the highway | Actual costs | N/A |
| | Weekly Inspection of scaffolding and hording | Inspection | £69.00 | 0.0% |
| | Retrospective Licenses for S184, S50 & Scaffold licenses would incur a charge of £80 additional to the normal license fee. | Licence | £80.00 | 0.0% |
| | Road Closure Orders (Planned) PROW Initial fee - dependant on dwelling numbers, sliding scale for more than 1 dwelling | Road closure order | £535.00 | 0.0% |
| | Road Closure Orders (Planned) PROW weekly fee | Road closure order | £100.00 | 0.0% |
| | Road Closure Orders (Planned) PROW Extension | Road closure order | £268.00 | 0.0% |
| | Road Closure Notice (Emergency) PROW | Road closure order | £268.00 | 0.0% |
| | Public Path Orders (Diversion Orders) | Dependant on dwelling numbers, sliding scale for more than 1 dwelling | minimum £3,296, maximum £5,665 | 0.0% |
| | Pavement café licences (continuation fee) | Licence | £225.00 | 0.0% |
| | Water Course Consenting | Per Consent | £50.00 | 0.0% |
| | Section 81 Demolition Notices under the Building Act | per demolition notice | £300.00 | 0.0% |
| | Status Enquiries | per status enquiry | £61.00 | 0.0% |
| | Status Enquiries incl Highways DC | per status enquiry | £88.00 | 0.0% |
| RESIDENT PARKING ZONES | | | | |
| | Residents - First Permit | Residents - First Permit | £25.00 | 0.0% |
| | Residents - Second Permit | Residents - Second Permit | £50.00 | 0.0% |
| | Business - First Permit | Business - First Permit | £37.50 | 0.0% |
| | Business - Second Permit | Business - Second Permit | £75.00 | 0.0% |
| CAR PARKING | | | | |
| | Off Street Parking | | | |
| | Market Gate;Pontefract Road | available seperately | | 0.0% |
| | Lambra Rd | | | 0.0% |
| | Burleigh St, Joseph St, Pitt St | | | 0.0% |
| | St Marys Place; Grahams Orchard | | | 0.0% |
| | John St; Sackville St | | | 0.0% |
| | Curchfield; County Way/Court House; Multi Storey; Mark Street | | | 0.0% |
| | West Road Pogmoor | | | 0.0% |
| | Wellington House | | | 0.0% |
| | On Street parking | | | |
| | Premium Parking | Per Hour | £1.00 | 11.1% |
| | Public Season Tickets | Per week | £22.00 | 0.0% |
| | | Per month | £82.00 | 0.0% |
| | | Per quarter | £230.00 | 0.0% |
| | | Per year | £770.00 | 0.0% |
| | Staff Discounted Season Tickets | Staff Season Ticket (per month) | £17.50 to £35.00 | 0.0% |
| | Charges for Fixed Penalty Notices | Fixed Penalty Notice and depends on severity of offence | £50.00 or £70.00 | 0.0% |
| | Parking place suspension | Estimated loss of parking revenue plus 10% to cover administration | Determined individually | N/A |

| PEST CONTROL & DRAINAGE | | | | |
|-------------------------|--|-----------------------------------|-----------|------|
| | Pest Control Fees (Owner occupiers, B Homes, Private contracts) | | | |
| | Rats & Mice (3 visits) | Rats & Mice (3 visits) | £109.00 | 0.0% |
| | Wasps, Bees, Flies Ants (1 visit) | Wasps, Bees, Flies Ants (1 visit) | £55.00 | 0.0% |
| | Fleas (1 visits) | Fleas (1 visits) | £99.50 | 0.0% |
| | Moles (3 visits) | Moles (3 visits) | £199.00 | 0.0% |
| | Cockroaches (2 visits) | Cockroaches (2 visits) | £199.00 | 0.0% |
| | Bed Bugs (2 visits) | Bed Bugs (2 visits) | £199.00 | 0.0% |
| | Squirrels (2 visits) | Squirrels (2 visits) | £199.00 | 0.0% |
| | Others (per hour) | Others (per hour) | £65.00 | 0.0% |
| | Premium Upgrade | Premium Upgrade | £25.00 | 0.0% |
| | Call out fee | Call out fee | £30.00 | 0.0% |
| SPORTS | | | | |
| | Passport to Leisure | Per Annum | £5.00 | 0.0% |
| | Golf Course - Green Fees | Per Round - weekdays | £17.00 | 0.0% |
| | Golf Course - Green Fees | Per Round - weekends | £22.00 | 0.0% |
| | Golf Course - Green Fees | Season Ticket (per annum) | £660.00 | 2.3% |
| BEREAVEMENT SERVICES | | | | |
| | Purchase of right of burial in grave(dug for 2 only) | per burial / cremation | £933.00 | 2.0% |
| | Prew Purchase of right of burial in grave(dug for 2 only) | per burial / cremation | £1,035.00 | 2.0% |
| | Renew EROB for 50 years | per burial / cremation | £204.00 | 2.0% |
| | Interment fee | per burial / cremation | £906.00 | 2.0% |
| | Additional excavation charge for coffins exceeding 6'6" x 26" | per burial / cremation | £51.00 | 2.0% |
| | Additional grave space (for 3) | per burial / cremation | £245.00 | 2.1% |
| | Test dig grave | per burial / cremation | £100.00 | 0.0% |
| | Purchase of right of burial 4'6" x 2' (Childs grave for 1) | per burial / cremation | £250.00 | 0.0% |
| | Interment fee upto 18 yrs | per burial / cremation | £260.00 | 0.0% |
| | Cremation of a child upto 18 yrs | per burial / cremation | £250.00 | 0.0% |
| | Delivery charge to a cemetery | per burial / cremation | £23.00 | 0.0% |
| | Interment fee All caskets or urns containing ashes - 2ft depth in grave | per burial / cremation | £199.00 | 2.1% |
| | Interment fee All caskets or urns containing ashes - full depth ingrave | per burial / cremation | £505.00 | 2.0% |
| | Interment Fee All caskets or urns containing ashes - cremation plots | per burial / cremation | £199.00 | 2.1% |
| | Exhumation fee of cremated remains (from a cemetery) | per burial / cremation | £230.00 | 0.0% |
| | purchase of a cremation plot | per burial / cremation | £367.00 | 1.9% |
| | Prepurchase of a cremation plot | per burial / cremation | £468.00 | 1.7% |
| | Vaulting All graves 9' x 4' - full depth | per burial / cremation | £245.00 | 0.0% |
| | Vaulting All graves 9' x 4' - to height of coffin | per burial / cremation | £50.00 | 0.0% |
| | Vaulting All graves 4'6" x 2' - full depth | per burial / cremation | £93.00 | 0.0% |
| | Vaulting All graves 4'6" x 2' - to height of coffin | per burial / cremation | £35.00 | 0.0% |
| | Flagging of graves | per burial / cremation | £110.00 | 0.0% |
| | Headstonenc. Inscription, flower holders & photo illustrations | per burial / cremation | £230.00 | 2.2% |
| | Each additional inscription plus inspection | per burial / cremation | £61.00 | 1.7% |
| | Additional memorial vase | per burial / cremation | £62.00 | 1.6% |
| | Kerbstones (where permitted) | per burial / cremation | £184.00 | 2.2% |
| | Tablets inc.into kerb sets 18" x 18" | per burial / cremation | £97.00 | 2.1% |
| | Childrens headstone | per burial / cremation | £80.00 | 0.0% |
| | Childrens Kerbs | per burial / cremation | £80.00 | 0.0% |
| | Cremation (strewn) | per burial / cremation | £770.00 | 2.0% |
| | Double cremations (for second cremation) | per burial / cremation | £360.00 | 0.0% |
| | Medical referee fee | per burial / cremation | £20.00 | 0.0% |
| | Environmental levy Mercury abatement | per burial / cremation | £37.00 | 5.7% |
| | Direct Cremation | per burial / cremation | £395.00 | 0.0% |
| | Foetal Urn | per burial / cremation | £20.00 | 0.0% |
| | Card foetal urn | per burial / cremation | £5.00 | 0.0% |
| | Child or Baby urns inc. wooden baby urns | per burial / cremation | £20.00 | 0.0% |
| | Plastic urns | per burial / cremation | £20.00 | 0.0% |
| | Wooden casket | per burial / cremation | £50.00 | 0.0% |
| | Adult casrdboard | per burial / cremation | £20.00 | 0.0% |
| | Interment of cremated remains | per burial / cremation | £97.00 | 2.1% |
| | Postage of ashes | per burial / cremation | £35.00 | 0.0% |
| | Disinter cremated remains from the crematorium grounds | per burial / cremation | £120.00 | 0.0% |
| | Cancelation fee | per burial / cremation | £26.00 | 0.0% |
| | Usage of chapel facilities for additional half hour | per burial / cremation | £83.00 | 0.0% |
| | Usage of chapel facilities for additional half hour or part thereof without prior notice | per burial / cremation | £16 | 0.0% |

| | | | | |
|--|--|------------------------|---------|------|
| | Handling charge for non crematorium supplied Urns | per burial / cremation | £20.00 | 0.0% |
| | Book of remembrance 2 line entry | per burial / cremation | £82.00 | 0.0% |
| | Book of Remembrance 5 line entry | per burial / cremation | £145.00 | 0.0% |
| | Book of remembrance 8 line entry | per burial / cremation | £199.00 | 0.0% |
| | Any flower - only available with 5 or 8 line | per burial / cremation | £113.00 | 0.0% |
| | Any other memorial design - entries in book of remembrance | per burial / cremation | £145.00 | 0.0% |
| | Rose bush & plaque for 5 years (100mm x 55mm) | per burial / cremation | £160.00 | 0.0% |
| | Rose standard & plaque for 5 years (100mm x 55mm) | per burial / cremation | £185.00 | 0.0% |
| | Renew rose bush and plaque for 5 years | per burial / cremation | £99.00 | 0.0% |
| | Renew rose standard and plaque for 5 years | per burial / cremation | £128.00 | 0.0% |
| | Additional/joint plaque to existing rose (100mm x 55mm) | per burial / cremation | £69.00 | 0.0% |
| | Bronze plaque for 25 yrs (175mm x 67mm) | per burial / cremation | £296.00 | 0.0% |
| | Renew bronze plaque for 25 years | per burial / cremation | £170.00 | 0.0% |
| | Replace bronze plaque with joint within first 10 years of lease period | per burial / cremation | £220.00 | 0.0% |
| | Bronze joint plaque for 25 yrs (175mm x 67mm) | per burial / cremation | £296.00 | 0.0% |
| | Marble plaque for 10 yrs (195mm x 147mm) | per burial / cremation | £380.00 | 0.0% |
| | Replace marble plaque | per burial / cremation | £323.00 | 0.0% |
| | Extra posy holder for marble plaque | per burial / cremation | £5.00 | 0.0% |
| | Renew marble with joint within first 5 years | per burial / cremation | £280.00 | 0.0% |
| | Renew marble | per burial / cremation | £222.00 | 0.0% |
| | Planter plaque for 10 yrs | per burial / cremation | £360.00 | 0.0% |
| | Renew Planter plaque with joint within first 5 years | per burial / cremation | £310.00 | 0.0% |
| | replace planter plaque with joint | per burial / cremation | £360.00 | 0.0% |
| | Picture or emblem | per burial / cremation | £110.00 | 0.0% |
| | Memorial tree plaque for 15 yrs (151mm x 100mm) | per burial / cremation | £265.00 | 0.0% |
| | Additional tree plaque to existing tree | per burial / cremation | £95.00 | 0.0% |
| | Renew memorial tree and plaque for 15 years | per burial / cremation | £160.00 | 0.0% |
| | Marble plaque baby memorial (295mm x 105mm) | per burial / cremation | £260.00 | 0.0% |
| | Penistone & Thurnscoe cemetery plaques (perpetuity 175mm x 67mm) | per burial / cremation | £280.00 | 0.0% |
| | Donation of railing for Wombwell cemetery | per burial / cremation | £400.00 | 0.0% |
| | Plaque for Garden seat (at home) | per burial / cremation | £60.00 | 0.0% |
| | Wombwell railing plaque | per burial / cremation | £60.00 | 0.0% |
| | baby memorial plaque Thurnscoe & Wombwell | per burial / cremation | £60.00 | 0.0% |
| | Sanctum 2000 15 years | per burial / cremation | £660.00 | 1.5% |
| | Renew sanctum 2000 10 years | per burial / cremation | £440.00 | 2.3% |
| | Hoyland New niche for 25 yrs | per burial / cremation | £137.00 | 0.0% |
| | Hoyland Re-open niche | per burial / cremation | £105.00 | 0.0% |
| | Hoyland Memorial plaque for 25 yrs (123mm x 73mm) | per burial / cremation | £141.00 | 0.0% |
| | Renew Hoyland columbrium niche for 25yrs | per burial / cremation | £90.00 | 0.0% |
| | Hoyland Renew wall plaque for 25 yrs | per burial / cremation | £90.00 | 0.0% |
| | Memorial seat plaque for 15 yrs (200mm x 63mm) | per burial / cremation | £265.00 | 0.0% |
| | Renew memorial seat plaque for 15 yrs | per burial / cremation | £162.00 | 0.0% |
| | Extra plaque for garden seat | per burial / cremation | £55.00 | 0.0% |
| | Pet Cremation Fees | | | |
| | Scatter Tube | | | |
| | Rabbits & Small Pets | | £60.00 | 0.0% |
| | Small Cat or Dog | | £126.00 | 0.0% |
| | Medium Sized Dog | | £174.00 | 0.0% |
| | Large Dog | | £210.00 | 0.0% |
| | <u>Wooden Box</u> | | | |
| | Small Cat or Dog | | £150.00 | 0.0% |
| | Medium Sized Dog | | £198.00 | 0.0% |
| | Large Dog | | £234.00 | 0.0% |
| | PARKS SERVICES | | | |
| | Fairs & Circuses | | £205.00 | 0.0% |
| | Grange Lane | | £415.00 | 0.0% |
| | Playground Inspections - Yearly | Per Inspection | £50.00 | 0.0% |
| | Playground Inspections - Bi Monthly | Per Inspection | £50.00 | 0.0% |
| | Football Pitch Adult | Per Season | £407.00 | 0.0% |
| | Football Pitch Junior | Per Season | £211.00 | 0.0% |
| | Football Cat A Adult | Per Season | £572.00 | 0.0% |
| | Football Cat A Junior | Per Season | £294.00 | 0.0% |
| | Football Cat B Adult | Per Season | £520.00 | 0.0% |
| | Football Cat B Junior | Per Season | £273.00 | 0.0% |
| | Football Cat C Adult | Per Season | £469.00 | 0.0% |
| | Football Cat C Junior | Per Season | £242.00 | 0.0% |
| | Mini Soccer | Per Season | £140.00 | 0.0% |
| | Cricket Pitch Rent Income | Per Season | £0.00 | 0.0% |

| ADULTS & COMMUNITIES | | | | |
|--|---|---|-------------------------|---------|
| Adult & Wellbeing | | | | |
| ADULT ASSESSMENT AND CARE MANAGEMENT | | | | |
| | Client Care Contributions - covers charges made by service users eligible for social care support towards their assessed care costs (residential, nursing and community based care e.g. homecare). | Fees based on ability to pay | Determined individually | N/A |
| | Community based support: Shared Lives | Board Payment per week | £50.00 | 0.0% |
| | | HB claim payment per week | £51.50 | 0.0% |
| Provider Services | | | | |
| Day Services | | | | |
| | Transport (Day Care) | | £0.00 | -100.0% |
| | Laundry/Bathing (At Day Centre) | Per visit | £0.00 | -100.0% |
| | Lunch (At Day Centre) | Per meal | £3.00 | 0.0% |
| Assisted Living Technology | | | | |
| | Assisted Living Careline - Base Price | | Various Charges | 0.0% |
| | Peripheral Equipment | | Various Charges | 0.0% |
| SAFER, STRONGER & HEALTHIER COMMUNITIES | | | | |
| Library Services | | | | |
| | Fines, Photocopying, Printing | | £0.00 | N/A |
| | Book Sale, CD/DVD Hire | | Various Charges | 0.0% |
| | Berneslai Homes | Based on number of transactions over the various locality settings and specific costs for out of hours support and Contact Centre | Determined individually | 0.0% |
| Others | | | | |
| | General Search | General Search | £18.00 | 0.0% |
| | Certificates | Per certificate | £11.00 | 0.0% |
| | Marriages (Register Office) | Marriages (Register Office) | £46.00 | 0.0% |
| | Marriages / Ceremonies (Ceremony Suite): | | | |
| | - Monday - Thursday | Per Ceremony | £118.00 | 2.6% |
| | - Friday | Per Ceremony | £140.00 | 1.4% |
| | - Saturday | Per Ceremony | £170.00 | 2.4% |
| | Marriages (Approved Premises) | | | |
| | - Monday - Thursday | | £320.00 | 1.6% |
| | - Friday | Per Ceremony | £362.00 | 2.0% |
| | - Saturday | Per Ceremony | £462.00 | 2.0% |
| | - Sunday | Per Ceremony | £470.00 | 2.0% |
| | - Bank Holiday | Per Ceremony | £470.00 | 2.0% |
| | Non Stat Ceremony (Naming/Renewal of vows) | Per Ceremony | £170.00 | 0.0% |
| Safer Communities | | | | |
| | Abandoned vehicle | | £200.00 | 0.0% |
| | Depositing litter | | £100.00 | 0.0% |
| | Graffiti | | £100.00 | 0.0% |
| | Flyposting | | £100.00 | 0.0% |
| | Parking Fixed Penalty Notices | | £50.00 | 0.0% |
| | Works in Default | Charged @ Cost | Determined individually | N/A |
| PEOPLE DIRECTORATE | | | | |
| EDUCATION & EARLY START PREVENTION | | | | |
| Education Welfare | | | | |
| | EWO Buy Back for maintained schools / academies | Per Hour (Plus VAT where applicable) | £31.00 | 3.3% |
| School Workforce Modernisation | | | | |
| | Tuition Fees - Governor Development (with buy back) | Per Governor | £65.00 | 0.0% |
| | Tuition Fees - Governor Development (outside buy back) | Per Governor | £50.00 | 0.0% |
| School Organisation & Governance | | | | |
| | Governor Clerking for schools - full service | Per annum | £1,435.00 | 0.0% |
| | Governor Clerking for schools - additional committee service | Per annum | £1,031.00 | 0.0% |
| | Governor Clerking for schools - full secondary service | Per annum | £1,747.00 | 0.0% |
| | Admission services (Academy) | Charge per pupil | £0.46 | 0.0% |
| | Appeals - panel member cost | Per appeal | £50.00 | 0.0% |
| | Appeal hearing | Per 1/2 day | £357.00 | 0.0% |

| | | | | |
|--|---|--|----------------------------------|------|
| | Outdoor Education | | | |
| | Educational Visits & Journeys (Academies, VA and Trust Schools) | Per Acad/VA/trust school: Negotiated fee starting from | £299.00 | 0.0% |
| | | Variable fee - pp on roll | £1.00 | 0.0% |
| | Education Psychology | | | |
| | Schools: Additional provision | Minimum per day (under contract) | £510.00 | 0.0% |
| | | Maximum per day (under contract) | £550.00 | 0.0% |
| | | Maximum per day on adhoc basis | £650.00 | 0.0% |
| CHILDREN ASSESSMENT AND CARE MANAGEMENT | | | | |
| | Safeguarding | | | |
| | Multi-agency child protection and safeguarding training - academies | Per person for non attendance at training courses and not cancelling within the agreement of the Cancellation Policy | £75.00 | 0.0% |
| | Newsome Avenue Respite Care | | | |
| | Daycare - Overnight stays for Children with Disabilities from other Authorities | Respite care per night | £460.00 | 2.2% |
| | | | | |
| PUBLIC HEALTH | | | | |
| ENVIRONMENTAL AND TRADING STANDARDS | | | | |
| | Pollution Control | | | |
| | Environmental Searches | Per search | Variable | TBD |
| | Misc Fees & Charges | Various | Variable | TBD |
| | PPC Permits | Based on annual risk assessment | | 3.0% |
| | Part 1 permit | Low risk Medium risk High risk | £81.50 £163.00 £244.50 | 3.0% |
| | PVR Stage 2 | Low risk Medium risk High risk | £116.50 £233.00 £351.50 | 3.0% |
| | Part 2 Permit | Low risk Medium risk High risk | £235.00 £376.00 £564.50 | 3.0% |
| | Part B Permit | Low risk Medium risk High risk | £795.50 £1196.00 £1799.50 | 3.0% |
| | A2 Permit | Low risk Medium risk High risk | £1489.50 £1659.50 £2297.00 | 3.0% |
| | Local Site Operator Contracts | Tendered contract | Determined individually | TBD |
| | Trading Standards | | | |
| | Stamping Fees | Various | Variable | TBD |
| | Second Hand Dealer Registration | Per registration | £17.50 | 2.9% |
| | Food Hygiene | | | |
| | Reinspection Charge | Cost recovery - Per inspection | £185.00 | 1.6% |
| | Issuing of Export Certificate (no visit required) | Cost recovery - per certificate | £127.70 | N/A |
| | Issuing of Export Certificate (visit required) | Cost recovery - hourly rate | Variable | TBD |
| | Health and Safety | | | |
| | Skin Piercing Registrations (eg Tattooing, Acupuncture, Ear Piercing etc) | Per registration | £108.00 | 1.9% |
| ANIMAL WELFARE | | | | |
| | Dog Warden Fees | | | |
| | Dog Release Fee | Per dog (amount on right plus VAT) | £50.00 | 0.0% |
| | Dog Surrender Fee | Per dog (amount on right plus VAT) | £100.00 | 0.0% |
| | Animal Health - Licence Fees | | | |
| | Home Dog Boarders | Per licence | £109.00 | 1.9% |
| | Performing Animals | Per licence | £109.00 | 1.9% |
| | Dangerous Wild Animals (+ vets fees) | Per licence (plus rechargeable vets fees) | £109.00 | 1.9% |
| | Dog Day Care (Low Volume) | Per licence | £109.00 | 1.9% |
| | Dog Day Care (High Volume) | Per licence | £141.50 | 1.8% |
| | Dog Breeders | Per licence | £141.50 | 1.8% |
| | Pet Shops | Per licence | £132.50 | 1.9% |
| | Boarding Kennels (Dogs / Cats) | Per licence | £162.00 | 1.9% |
| | Greyhound Racing Track | Per licence | £141.50 | 1.8% |
| | Hiring out of Horses (+ vets fees) | Per licence (plus rechargeable vets fees) | £141.50 | 1.8% |
| | Zoo (+ vets fees) | Per licence (plus rechargeable vets fees) | £206.50 | 1.7% |
| | | | | |

| CORE SERVICES | | | | |
|---------------|--|---|---|------|
| FINANCE | | | | |
| | School Meals | Individual SLA for each shool based on requirements | Determined individually | |
| | Summons | Per Order | £28.00 | 0.0% |
| | Benefits/Taxation - Liability Order | Per Summons | £52.00 | 0.0% |
| | Benefits/Taxation - Late Payment of Commercial Debts (Interest) Act 1998 | | Ceased charging | N/A |
| | Prompt Payment Discount Scheme | Individual agreements with companies | Determined individually | N/A |
| | Court of Protection Fees | Application | £745.00 | N/A |
| | Court of Protection Fees | Year 1 Management Fee | £775.00 | N/A |
| | Court of Protection Fees | Year 2 management Fee | £650.00 | N/A |
| | Court of Protection Fees | Mangement fee (assets <£16k) | 3.5% of asset value | N/A |
| | Court of Protection Fees | Annual property management fee | £300.00 | N/A |
| | Court of Protection Fees | Prep of OPG reports | £216.00 | N/A |
| | Payroll for schools - maintained schools | Per payslip | Commercially sensitive - available on request | 2.2% |
| | Payroll for schools - academies | Per payslip | Commercially sensitive - available on request | 2.0% |
| | DPA Associated Administration Costs | Per DPA | £561.00 | 2.0% |
| | Property Valuation | Per DPA | £408.00 | 2.0% |
| | Redemption Fee | Per DPA | £102.00 | 2.0% |
| | Unregistered Property | Per DPA (Case dependent) | £255.00 | 2.0% |
| | Annual Finance Admin Cost | Per DPA | £51.00 | 2.0% |
| | BACS service for Rotherham | Per BACS File | Commercially sensitive - available on request | 0.0% |
| | BACS service for Sheffield | Per BACS File | Commercially sensitive - available on request | 0.0% |
| | BACS service for South Derbyshire | Per BACS File | Commercially sensitive - available on request | 0.0% |
| | Free school meals eligibility checking (Academy) | | Commercially sensitive - available on request | 0.0% |
| | Procurement support to External Bodies (Category Manager) | Per hour | Commercially sensitive - available on request | 0.0% |
| | | Per day | Commercially sensitive - available on request | 0.0% |
| | Procurement support to External Bodies (Procurement Officer) | Per hour | Commercially sensitive - available on request | 0.0% |
| | | Per day | Commercially sensitive - available on request | 0.0% |
| | Internal Audit - Support to External Bodies | Per day - minimum | Commercially sensitive - available on request | 0.0% |
| | | Per day - maximum | Commercially sensitive - available on request | 0.0% |

| DBS CHECKS / HUMAN RESOURCES / PERFORMANCE SERVICES | | | | |
|---|---|---|---|--------|
| | Recruitment - DBS checks for Schools | Per check | Commercially sensitive - available on request | 0.0% |
| | Recruitment - DBS checks Taxi Drivers | Per check | Commercially sensitive - available on request | 0.0% |
| | Recruitment - DBS checks for BMBC Internal (cost centre) | Per check | Commercially sensitive - available on request | 0.0% |
| | Recruitment - DBS checks for External Customers (Umbrellas) | Per Check | Commercially sensitive - available on request | 0.0% |
| | Recruitment - DBS checks for civil enforcement | Per check | Commercially sensitive - available on request | 0.0% |
| | Business Advisory - Pre-Employment Checks: Engage | Per check | Commercially sensitive - available on request | 0.0% |
| | Business Advisory - Pre-Employment Checks: Nurse follow-up | | Commercially sensitive - available on request | 0.0% |
| | Recruitment - online advertising Internal | Per Advert | Commercially sensitive - available on request | 0.0% |
| | Recruitment - online advertising External | | Commercially sensitive - available on request | N/A |
| | Recruitment - NS1 Form check | Per Check | Commercially sensitive - available on request | 0.0% |
| | Recruitment - VC01 Form check | Per Check | Commercially sensitive - available on request | 0.0% |
| | Recruitment - Barred List / Dfe check | Per Check | Commercially sensitive - available on request | -25.0% |
| | Barnsley HR Services - Provision of HR Services | Per employee - fixed fee arrangement | Commercially sensitive - available on request | 0.0% |
| | | Per hour - consultancy arrangement | Commercially sensitive - available on request | 13.6% |
| | Health and Safety - Provision of health and safety services | Per hour. Fixed fee terms available. | Commercially sensitive - available on request | 0.0% |
| | Health and Safety - Training Courses | Per delegate | Commercially sensitive - available on request | 0.0% |
| | Research and Business Intelligence | Per SLA | Determined individually | N/A |
| | OWI - Assessment Centre Qualification Fees | Per qualification: based on total cost of qualification | Determined individually | N/A |
| | OWI - Workforce Development - Training Fees | Per qualification: based on total cost of qualification | Determined individually | N/a |
| LEGAL, ELECTIONS & GOVERNANCE | | | | |
| | Land Charge Searches - Various Types | Dependant on type of Search | Determined individually | 0.0% |

| ENTERTAINMENT LICENCES | | | | |
|----------------------------------|--|-------------------------|---|------|
| | Licence Fees - Premises, Alcohol & Gambling | Per establishment | Dependent on rateable value of premises | N/A |
| | Licence Fees - Premises, sex establishments | | | |
| | New application | Per establishment | £234.00 | 0.0% |
| | Renewal | Per establishment | £112.00 | 0.0% |
| | Variation | Per establishment | £234.00 | 0.0% |
| | Transfer | Per establishment | £34.00 | 0.0% |
| | Pre-application checking service | Per licence application | tbc | tbc |
| HACKNEY CARRIAGE LICENCES | | | | |
| | Private hire vehicle | Per licence application | £164.00 | |
| | A Hackney Carriage vehicle | Per licence application | £164.00 | |
| | A 12 month driver licence | Per licence application | £137.00 | |
| | A 3 year driver licence | Per licence application | £221.00 | |
| | An Operator licence (1 year) | Per licence application | £63.00 | |
| | An Operator licence (1 year) | Per licence application | £127.00 | |

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BARNSELEY METROPOLITAN BOROUGH COUNCIL

REPORT ON CIPFA'S FINANCIAL MANAGEMENT CODE

1. PURPOSE

- 1.1 To bring to the attention of Members, CIPFA's Financial Management Code (FM Code) which is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets out the standards of financial management that local authorities are statutorily required to comply with from 1st April 2021.
- 1.2 The S151 Officer will undertake an assessment against the Code during 2020/21 in preparation for full adoption from 1st April 2021.

2. INTRODUCTION

- 2.1 Good financial management is an essential element of good governance and longer-term service planning, which are critical in ensuring that local service provision is sustainable.
- 2.2 In February 2019, the LGA Corporate Peer Review highlighted that the Council benefits from "sound financial management" and that there is "a willingness to take reasonable risks to bring about change". The review specifically highlighted that Barnsley was found to be a high performing Council and has a strong financial grip on both its expenditure and performance against its planned savings programme.
- 2.3 CIPFA have also introduced the Financial Resilience Index. The index is designed to identify those councils displaying consistent and comparable features that highlight good practice, but crucially, also highlight areas that are associated with potential financial failure.
- 2.4 Members will recall that as part of the 2019/20 budget setting process the S151 Officer undertook an assessment of the Council's financial health in line with CIPFA's financial resilience indices. An updated assessment has also been undertaken throughout the financial year and reported via the quarterly financial performance report. CIPFA have recently updated their financial resilience analysis to incorporate information from 2018/19 and based on this and other wider control measures already in place across the organisation, the S151 Officer opinion is that the Council is on a sound financial footing.
- 2.5 The FM Code has been introduced as a result of the exceptional financial circumstances faced by local authorities, which have revealed concerns about fundamental weaknesses in financial management, particularly in relation to

organisations that may be unable to maintain services in the future. The financial failure of just one local authority is one too many because it brings with it a risk to the services on which local people rely.

- 2.6 The primary purpose of the FM Code is to establish how the Chief Finance Officer (CFO / S151 Officer) should demonstrate that they are meeting their statutory responsibility for sound financial administration.
- 2.7 The FM Code establishes the principles in a format that matches the financial management cycle and supports good governance in local authorities. A series of 17 financial management standards set out the minimum requirements a local authority is expected to adhere to meet fiduciary duties to taxpayers, customers and lenders. Since these are the minimum standards, CIPFA's judgement is that compliance with them is obligatory if a local authority is to meet its statutory responsibility for sound financial administration.
- 2.8 Local authorities are required to apply the requirements of the FM Code with effect from 1 April 2020. This should indicate the commencement of a shadow year and that by 31 March 2021, local authorities should be able to demonstrate that they are working towards full implementation of the code.
- 2.9 The first full year of compliance with the Code will therefore be 2021/2022, though early adoption is encouraged.

3 THE STRUCTURE OF CIPFA'S FINANCIAL MANAGEMENT CODE

- 3.1 The CIPFA Financial Management Code is presented in 7 sections (which is then broken down into 17 standards) as shown below:

Section 1 – The responsibilities of the Chief Finance Officer and the Leadership Team.

The statutory role of the Chief Finance Officer (CFO) is a distinctive feature of local government in the UK. This role cannot be performed in isolation and requires the support of the other members of the leadership team.

The leadership team must recognise that while statutory responsibility for the financial management of the authority rests with the CFO, the CFO is also reliant on the actions of the leadership team, both collectively and individually. A situation in which the CFO is forced to act in isolation is characteristic of authorities in which financial management has failed and financial sustainability is threatened.

The delivery of value for money will ultimately be dependent on decisions made by elected members. It is for the leadership team to ensure that the authority's governance arrangements and style of financial management promote financial

sustainability. Good financial management is the responsibility of the whole leadership team including the relevant elected members.

Section 2 – Governance and financial management style.

Responsibility for good governance also rests with the leadership team. The team must ensure that there are proper arrangements in place for governance and financial management, including a proper scheme of delegation that ensures that frontline responsibility for internal and financial control starts with those who have management roles.

Good governance is evidenced by actions and behaviours as well as formal documentation and processes. The tone and action at the top are critical in this respect, and rest with the leadership team, senior officers and elected members, as well as the CFO. A successful leadership team has a culture of constructive challenge that excludes an optimism bias in favour of a realism bias and is built on a rigorous examination of goals, underlying assumptions and implementation plans. The leadership team have to demonstrate in its actions and behaviours responsibility for governance and internal control. The financial management style of the authority must demonstrate that it supports financial sustainability

These sections address important contextual factors which need to be addressed in the first instance if sound financial management is to be possible. From a professional perspective, these factors are the most challenging to codify as they largely concern ‘soft skills’ and behaviours. Nonetheless, it will be seen that even for these factors, there are recognised standards of best practice that authorities must adopt if their organisational culture is to be favourable for sound financial management. A ‘tick box’ compliance with these standards alone, however, will not be sufficient if they do not promote the behaviours necessary for good financial management

Section 3 – Medium to long-term financial management.

While the statutory local authority budget setting process continues to be on an annual basis, a longer-term perspective is essential if local authorities are to demonstrate their financial sustainability. Short-termism runs counter to both sound financial management and sound governance.

The greater the uncertainty about future Central Government policy then the greater the need to demonstrate the long-term financial resilience of the authority given the risks attached to its core funding.

An authority must ensure that while the formal publication of the medium-term financial strategy (MTFS) may only reflect Government settlements, it is the responsibility of the leadership of the organisation, including elected members,

senior management and the S151 Officer, to have a long-term financial view acknowledging financial pressures.

Section 4 – The annual budget

One of the objectives is to end the practice by which the annual budget process has often become the focal point, if not the limit, of local authority financial planning.

Local authorities need to ensure that they are familiar with the legislative requirements of the budget setting process. In times of routine business compliance this is relatively straightforward, but in times of financial stress there may be pressures to delay the budget setting process.

The annual report setting out the proposed budget for the coming year is a key document for the authority.

A well-managed authority, with a prudent approach to budgeting, should be able to operate with a level of general reserves appropriate for the risks (both internal and external) to which it is exposed. Compliance with the FM Code will give important reassurance that the authority's financial management processes and procedures are able to manage those risks.

Section 5 – Stakeholder engagement and business cases.

Financial sustainability requires people to understand that resources are not limitless and that decisions have to be made about both the relative priority of different services and the balance between service provision and taxation levels. The leadership team collectively has an important role in reviewing priorities to enable resources to be redirected from areas of lesser priority; it is not possible to rely principally on pro rata cuts to generate the savings necessary for financial sustainability in an era of austerity. The leadership team needs to challenge not only how services are delivered but also what is delivered. These decisions must be made with a clear understanding of the statutory requirements of an Authority and the wider legal implications.

Stakeholder consultation can help to set priorities and reduce the possibility of legal or political challenge late in the change process. Stakeholder consultation helps to encourage community involvement, not just in the design of services, but in their ongoing delivery.

Financial sustainability will be dependent upon difficult and often complex decisions being made. The authority's decisions must be informed by clear business cases based on the application of appropriate option appraisal techniques.

Section 6 – Performance monitoring

To remain financially sustainable, an authority must have timely information on its financial and operational performance so that policy objectives are delivered within budget. Early information about emerging risks to its financial sustainability will allow it to make a carefully considered and effective response.

It is a requirement of the Code that authorities should more closely monitor the material elements of their balance sheet that may give indications of a departure from financial plans. This is especially important for local authorities with significant commercial asset portfolios. Legislation requires local authorities to maintain adequate accounting records of their assets and liabilities. Regulations also require that the appropriate (Chief Finance Officer) certifies or confirms that the statements of accounts provide a true and fair view of the financial position of the authority at 31 March in the year of account.

Section 7 – External financial performance

Taxpayers and the general public have a legitimate stake in understanding how public money has been used in providing the functions and services of the authority. The audited statements of account, which present the authority's financial position and financial performance, play an integral part in demonstrating this to them. The statutory accounts also provide a secure base for financial management.

It is key for an authority and its leadership to ensure that it understands how effectively its resources have been utilised during the year, including a process which explains how material variances from initial and revised budgets to the outturn reported in the financial statements have arisen and been managed. The success of these arrangements will be demonstrated by the ability of the leadership team to make decisions from them. In some circumstances this will lead to a reappraisal of the achievability of the long-term financial strategy and the financial resilience of the authority.

4 CONCLUSION

- 4.1 CIPFA's FM Code has been introduced to ensure Councils' meet their statutory responsibility for sound financial administration.
- 4.2 Members should note that a full assessment of the standards will be carried out during 2020/21. This assessment will include an initial assessment against the FM Code and identify the areas of compliance and good practice already in place. It will also identify areas for improvement, aligned to the peer review undertaken in February 2019, and work on implementation and suggested improvements.
- 4.3 Full adoption of the Code will commence from April 2021.

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BARNSELEY METROPOLITAN BOROUGH COUNCIL

2020/21 BUDGET RECOMMENDATIONS

1. 2020/21 Revenue Budget, Capital Programme and Council Tax

- 1.1 Further to previous reports submitted by the Executive Director of Core Services and Service Director Finance (S151 Officer).

RECOMMENDED:-

- i) that Cabinet are recommended:-
- a) that the report of the Service Director Finance (S151 Officer), under **section 25 of the Local Government Act 2003** at **Section 1** be noted, that the 2020/21 budget proposals be agreed and that the Chief Executive and Senior Management Team (SMT), in consultation with Cabinet Spokespersons, submit, for early consideration, detailed plans that ensure the Council's ongoing financial sustainability for 2021/22 and beyond;
 - b) that the revised Medium Term Financial Strategy (MTFS) and Forecast for 2020/21 to 2022/23 contained at **Section 2a** (supported by the suite of background papers in **Sections 2b – 2g**) be noted and monitored as part of the arrangements for the delivery of the MTFS;
 - c) that the proposed efficiency savings in 2020/21 at **Section 4a** be approved for implementation and that the 2021/22 efficiency savings proposals at **Section 4b** be noted subject to further consideration in future budget processes taking account of any further Equality Impact Assessments;
 - d) to submit to Council for approval the cash limited budgets for each service with overall net expenditure for 2020/21 of £172.577M;
 - e) that total additional one-off investments (capital and revenue) of £19.4M, including 2019/20 investments, as outlined at **Section 5** be approved subject to further detailed reports on the proposals for its use;
 - f) That provision is made to reflect a market supplement in the Council's care contracts to help address the pay and condition issues in the local care market.
 - g) to consider the budgets for all services and approve, for submission into Council, the 2020/21 – 2022/23 budget proposals presented at **Sections 6a – 6c** subject to Cabinet receiving detailed implementation reports where appropriate;
 - h) to consider and approve the changes to the schools funding formula including the transfer of funding from the schools block to the high needs block and approve the proposed 2020/21 schools block budget as set out at **Section 6d**;
 - i) that the new General Fund capital investment of £10.4M (**Section 7 Appendix a**) and £13.5M (**Section 7 Table 7**) of specifically funded schemes be included within the capital programme and released subject to further detailed reports on the proposals for their use;

- j) that the Aggregated Equality Impact Assessment (**Section 9**) of the proposals be noted and the proposed mitigation actions in the report be approved;
- k) that the Chief Executive and SMT, in consultation with Cabinet Spokespersons, be required to submit reports into Cabinet, as a matter of urgency, in relation to the detailed General Fund Revenue Budget for 2020/21 on any further action required to achieve an appropriately balanced budget in addition to those proposals set out above;
- l) that the Chief Executive and SMT be responsible for managing their respective budgets including ensuring the implementation of savings proposals;
- m) that the Authority's SMT be charged with ensuring that the budget remains in balance and report regularly into Cabinet on budget/ savings monitoring including any action required;
- n) that Cabinet and the Section 151 Officer be authorised to make any necessary technical adjustments to form the 2020/21 budget;
- o) that appropriate consultation on the budget proposals takes place with the Trade Unions and representatives of Non Domestic Ratepayers and that the views of consultees be considered by Cabinet and the Council;
- p) that the budget papers be submitted for the consideration of the full Council.

2. Council Tax 2020/21

RECOMMENDED:-

- 2.1 that Cabinet note the contents of **Section 2b** (2020/21 Council Tax options) and that:-
- a) the Council Tax Collection Fund net surplus as at 31 March 2020 relating to BMBC of £3.200M be used to reduce the 2020/21 Council Tax requirement, in line with statute;
 - b) the 2020/21 Band D Council Tax increase for Barnsley MBC's services be set at 3.90% (1.90% for Barnsley MBC services and an additional 2.0% for the Chancellor's Adult Social Care levy);
 - c) the Band D Council Tax for Barnsley MBC's areas be determined following confirmation of the South Yorkshire Police and Crime Commissioner and South Yorkshire Fire Authority precepts for 2020/21;
 - d) the Band D Council Tax for areas of the Borough with Parish / Town Councils be determined following confirmation of individual parish precepts for 2020/21.

3. Treasury Management Strategy & Policy Statement 2020/21

RECOMMENDED:-

- 3.1 that Cabinet consider the 2020/21 Treasury Management Strategy and Policy Statement (included in the main papers at **Section 2e**) and:-
- i) note the 2020/21 Treasury Management Policy Statement (**Section 2e Appendix A**);
 - ii) approve the 2020/21 Minimum Revenue Provision (MRP) Statement (**Section 2e Appendix B**);
 - iii) approve the 2020/21 Borrowing Strategy at **Section 2e** including the full suite of Prudential and Treasury Indicators (**Section 2e Appendix C**);and
 - iv) approve the 2020/21 Annual Investment Strategy at **Section 2e**.

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BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals

COMMUNITIES DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|--|---|--|---------------------|-------------------|
| <u>Adult Assessment and Care Management</u> | | | | |
| BU2 E1/20-21 | Remodelling day opportunities for people with learning disabilities | The reduced usage of Day Services due to service user choice and the success of the independent travel training service provides an opportunity to address the unused capacity within the service alongside savings achieved on transport costs. The Council currently operates day services from 4 buildings located across Barnsley at a total cost of £2.1m. In response to the recent co-production exercise, an implementation group involving service users, families/carers, staff and stakeholders, will consider ambitions for a more personalised service for all users, as well as improving the service for people requiring high levels of support. | 250,000 | - |
| BU2 E2/20-21 | Closure of Keresforth Day centre | Represents the balance of resources / base budget available after the re-provision for existing clients following the closure of the Keresforth day unit (outcome of the Day Opportunities review). | 120,000 | - |
| BU2 E3/20-21 | Maximise the use of Better Care Fund and other resources to fund the adult social care demographic growth | Maximise the use of Better Care Fund resources (including future years uplift) and recurrent savings from bringing the mental health provision back in house (SWYPFT contract savings) to mitigate demographic growth pressures in adult social care (by releasing the associated base budget). | 670,000 | - |
| BU2 E4/20-21 | Provision of the night service within the Council's Reablement Service | The Council currently funds the provision of an external night service contract (provides support to eligible clients at night to prevent admission to residential care). Few clients currently access this service, resulting in a lot of downtime. It is proposed to give consideration to subsuming this provision within the Reablement Service and use the downtime capacity within the service to meet the needs of the reducing number of clients accessing the Night Service. A review of the Reablement service is also being undertaken, which will take into consideration the Night Service requirements. | 80,000 | - |

2020/21 Efficiency Proposals COMMUNITIES DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|---|--|--|---------------------|-------------------|
| BU2 E5/20-21 | Review of commissioned contracts with voluntary / independent sector organisations | Identify the scope for savings by reviewing and decommissioning some contracts managed by the Adult Commissioning team including (1) MENCAP employment service - the Council is currently investing in improving access to employment for adults with learning disabilities within the Place Directorate. It is envisaged that LD clients would continue to access employment support through provision within Place by delivering it in a different way, resulting in potential savings within People; (2) HIV support the contract has already been de-commissioned due to low demand as a result of the improved medical technology in this area resulting in fewer people needing support under this contract. | 99,470 | - |
| BU2 E6/20-21 | Deletion of post within Specialist Assessment North Team | It is proposed to delete a post attached to the Specialist North Team (currently vacant), historically seconded to Learning Disabilities support within SWYPFT that is no longer required. | 23,080 | - |
| Sub - Total Adult Assessment and Care Management | | | 1,242,550 | - |
| Customer Services | | | | |
| TOTAL COMMUNITIES EFFICIENCIES | | | 1,242,550 | - |

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals

PEOPLE DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|--|---|---|---------------------|-------------------|
| <u>PEOPLE</u> | | | | |
| <u>Education, Early Start & Prevention</u> | | | | |
| BU1 E2/20-21 | Increased income from schools for Outdoor Education | Proposal to increase the income target / budget for the Outdoor Education Service to reflect the level of actual income earned for health & safety advice / guidance provided to schools. | 10,000 | - |
| BU1 E3/20-21 | Review of early intervention / preventative contracts and funding | Examine further the scope for cost savings or efficiencies across the range of Children Services commissioned contracts, such as (1) cease funding contribution to SWYPFT for LD nurses / occupational therapists - explore replacement funding through the CCG as it is a statutory health provision; (2) reduce the contract value for the support element to siblings of young carers - although not a statutory provision, support would continue to be provided to young carers through the contract; (3) reduce the Council's contribution to Healthwatch - to match the contributions from partners and DoH grant funding. | 162,000 | - |
| Sub Total Education, Early Start & Prevention | | | 172,000 | 0.00 |

2020/21 Efficiency Proposals

PEOPLE DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|--|---|---|---------------------|-------------------|
| <u>Children's Social Care & Safeguarding</u> | | | | |
| BU3 E4/20-21 | Children social care & safeguarding management structure review | It has been agreed not to proceed with the original proposal, which was to review and de-layer the management structure. The alternative proposal put forward is to release resources through a service re-alignment i.e. deleting the team manager and support worker posts within the Intensive Adolescent Support Team (IAST) and transferring the balance of resources (staffing / other budgets) into the Fostering team. The service realignment is the outcome of a review of the IAST and the need to address increasing pressures within the fostering team due to the significant rise in the number of in-house foster carers. The work provided by the IAST team will continue to be supported via other intervention routes and practitioners working across Children's Social Services and Early Help Services. | 76,000 | 1.50 |
| Sub - Total Children's Social Care & Safeguarding | | | 76,000 | 1.50 |
| TOTAL PEOPLE EFFICIENCIES | | | 248,000 | 1.50 |

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals

PLACE DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|---|---------------------------------|--|---------------------|-------------------|
| <u>PLACE</u> | | | | |
| <u>Regeneration & Assets</u> | | | | |
| BU4 E1/20-21 | Planning Fee Income | To increase the fee income target by £50k. This is to reflect the anticipated increase in planning applications arising from the adoption of the Local Plan and the subsequent completion of the master planning of the large, strategic sites. (By 2020/21, it is also expected that the Government will have increased planning fees to account for inflation.) It is considered that there will be capacity within the service to deal with the increased workload arising from the additional or larger, more complex planning applications given a reduction in resources needed for plan-making. Accordingly, should the fee income target not be achievable, there would be scope to consolidate the number of planning officers by one post. | 50,000 | - |
| BU4 I1/20-21 | Investment in Property function | In order to drive forward a number of property related programmes including the accommodation rationalisation programme and the accelerating growth programme, investment is required within the property division. 7 new positions will be created offset by the deletion of 2 posts, This investment will however be offset by savings targets totalling £910,000 included within the cross cutting efficiency savings total (See cross cutting savings below*) to be delivered over 20/21 - 21/22. | -100,000 | (5.00) |

2020/21 Efficiency Proposals

PLACE DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|--|---|---|---------------------|-------------------|
| Accelerating Growth | Commercial investment to stimulate Growth | A number of potential commercial opportunities have presented themselves where the Council could act as investor to stimulate economic growth, giving a rate of return in terms of rental income, potentially additional business rates and generate employment. This particular income relates to the investment in DMC2. Purchase of the CORE building was completed in March 2019. Evaluation of tenders for the refurbishment will be completed by the end of June 2019. Contracts awarded will stipulate completion of works by end of February 2020 to align with SCR grant funding conditions. There is a good level of early interest for space in DMC2 (some from tenants who are outgrowing their space in DMC1) and the Inward Investment team are reasonably confident about filling the 20 or so units to be created in DMC2 (and backfilling space in DMC1 where necessary) from April 2020 and achieving the £160k income. | 160,000 | - |
| Town Centre Buildings Review | Review of town centre accommodation | Review of the Council's property/accommodation needs within the town centre. The review will consider specifically the future use, demands and requirements of town centre properties and services occupying them. This proposal is to be delivered over a 2 year period 2020-2022 (total over period £600K) | 358,000 | - |
| BU4 E2/20-21 | Capitalisation of salaries currently funded from revenue. | Capitalisation of project management fees against the Strategic Housing Growth programme. The amount represents time that will be committed by a number of different individuals, which is considered to be recurrent in nature. | 30,000 | - |
| Sub - Total Regeneration & Assets | | | 498,000 | - |

2020/21 Efficiency Proposals

PLACE DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|---|---|---|---------------------|-------------------|
| <u>Environment & Transport</u> | | | | |
| BU4 E3/20-21 | External Contributions | Review and re-negotiate contributions made to Barnsley Premier Leisure. This saving gives total efficiencies delivered against the BPL contract to £420,000 since 2017/18. The remaining subsidy after this proposal will be £124k | 120,000 | - |
| BU6 E4/20-21 | LED Street Lighting Replacement Programme | The scope of the project is to enable a replacement programme of Group A (primary roads) and the remaining Group B (secondary roads) street lighting lanterns, from energy inefficient lanterns to energy efficient LED units. To enable resilience of the stock requiring a lantern change-over, structural examination of the columns will be undertaken at the same time as the lantern replacement. The new lanterns will be future proof to accept suitable technological improvements going forward. Capital resources have been set aside as part of the 2019/20 budget setting process to fund the procurement and installation. | 200,000 | - |
| BU6 E5/20-21 | Commercial Services back office review | As part of the transformational review of Environment and Transport a number of services have already been reviewed with significant efficiencies being delivered. One area yet to be reviewed is the back office support within commercial services. With automation and business process re-engineering it is believed that this support can be reduced. | 50,000 | 2.00 |
| BU6 E6/20-21 | PTE levy reduction | For planning purposes a 2% reduction in the levy payment is considered prudent, and in line with the SYPTE Medium Term Financial Plan. | 200,000 | - |
| BU6 E7/20-21 | Cross Directorate collective increase in fees and charges | General increase in fees and charges in line with inflation across the Directorate (excludes fees and charges set statutorily e.g. planning fees). Includes commercial waste, pest control, highways fees, licences and bereavement fees. | 100,000 | - |
| <u>- Total Environment & Transport</u> | | | 670,000 | 2.00 |

2020/21 Efficiency Proposals

PLACE DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|--------------------------|----------------|-------------------------------|------------------------|-------------------|
| TOTAL PLACE EFFICIENCIES | | | 1,168,000 | 2 |

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals

PUBLIC HEALTH DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|---|---|---|---------------------|-------------------|
| <u>Public Health</u> | | | | |
| PH E1/20-21 | Contract efficiencies - Plus Me | The aim of the Plus Me service was to identify new cases of HIV in Barnsley and prevent late diagnosis which leads to ongoing transmission and poorer health outcomes for the patient. A review of the service was carried out by Adult Joint Commissioning and Public Health (including a consultation with service users) which determined that the Plus Me HIV testing activity and equality profile for 2017 suggested that the service was not reaching the right people, that is, high risk individuals which was evidenced by the 0% positivity rate. As a result of this a decision was made to cease the Plus Me service from July 2018 and redirect the activity to the Integrated Sexual Health service and Primary Care | 14,000 | - |
| PH E2/20/21 | Health Checks | Public Health commission health checks for Barnsley adults between the age of 40 and 74, who haven't already been diagnosed with cardiovascular disease (CVD) or have certain risk factors such as high blood pressure. The contract price has been renegotiated, with no effect on service provision, resulting in a saving of £289k delivered as part of the 2017/18 efficiencies and a further £46k to contribute to the 2020/21 efficiency targets. | 46,000 | - |
| PH E4/20-21 | Holistic review of Public Health funded spend - phase 1 | A detailed review of the configuration and commissioned contracts across the Public Health service has been carried out to ensure the ongoing sustainability of the service, successful delivery of public health outcomes and contribution to the Council's efficiency agenda. It is proposed to implement the efficiencies over two phases in 2020/21 and 2021/22. | 200,000 | - |
| Sub - Total Public Health | | | 260,000 | - |
| TOTAL PUBLIC HEALTH EFFICIENCIES | | | 260,000 | - |

BARNESLEY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals

CORE DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|---|---|---|---------------------------|-------------------|
| <u>Finance</u> | | | | |
| BU13-E1/20-21 | Finance BU minor restructure | Minor restructure to reflect reduced workloads as a result of the transfer of the HB function to DWP, and the loss of traded activity within Internal Audit (approx. 4 FTE's). | 165,000 | 4.00 |
| BU13 E2/20-21 | Westgate Refinancing | Westgate acquisition - balance of saving on rental costs after accounting for debt financing costs | 100,000 | - |
| Sub - Total Finance | | | 265,000 | 4.00 |
| <u>IT</u> | | | | |
| COM1 E1/20-21 | IT / Digital First Transformation Programme | A total of 12 themes have been identified to pursue:- Digital First Efficiencies (including Paperless Office, Software Licence rationalisation and Service reconfiguration) Digital First Investment (including: Data Management and SAP Modernisation) | 1,229,602 -741,602 | 3.50 |
| Sub - Total IT | | | 488,000 | 3.50 |
| <u>Business Improvement, Human Resources & Communications</u> | | | | |
| BU14-1/20-21 | HR Senior Staff Restructure | Restructure of senior level staffing within the Core Directorate and transfer of the Business Support function to Council Governance resulting in the reduction of 6 FTE's. | 296,300 | 6.00 |
| Sub - Total Business Improvement, Human Resources & Communications | | | 296,300 | 6.00 |

2020/21 Efficiency Proposals

CORE DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|---|--|--|---------------------|-------------------|
| <u>Legal Services</u> | | | | |
| BU17-E1/20-21 | Restructure of Licensing and Litigation Team | Deletion of posts as a result of the implementation of more efficient ways of working through increased automation and streamlined processes. This includes ceasing routine inspections and a move to demand / risk based inspections. The proposal also considers the cessation of internal hearings by elected Members in relation to the refusal of taxi driver licenses and delegating authority to the SD Legal Services. | 84,850 | 3.00 |
| Sub - Total Legal Services | | | 84,850 | 3.00 |
| <u>Elections & Land Charges</u> | | | | |
| BU18-E1/20-21 | Automation of electoral process | Further automation to increase online voting, resulting in reduced printing and postage, it is anticipated that savings of 15% of current budget spend can be achieved. | 15,000 | - |
| BU18-E2/20-21 | Reduction in canvases | To increase the use of technology in line with Digital First Strategy, resulting in a reduced number of election canvases. | 5,000 | - |
| Sub - Total Elections & Land Charges | | | 20,000 | - |
| <u>Council Governance</u> | | | | |
| BU19-E1/20-21 | Senior Staffing Restructure | Restructure of senior level staffing within Core Directorate and transfer of Governance functions to Joint Authorities Service Director. | 96,600 | 1.00 |
| Sub - Total Council Governance | | | 96,600 | 1.00 |
| <u>Joint Authorities</u> | | | | |
| JA-E1/20-21 | Deletion of Posts | 2 Grade 10 Posts to be deleted and merged to form a new Principal Policy & Communications Officer post (Grade 12) | 50,000 | 1.00 |
| Sub - Total Joint Authorities | | | 50,000 | 1.00 |

2020/21 Efficiency Proposals

CORE DIRECTORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|--------------------------|----------------|---|---------------------|-------------------|
| Cross Directorate | Investment | Investment in staffing structure across the Directorate to ensure the structure remains fit for purpose to adequately support service delivery namely within Communications and Marketing (1x Grade 9 and 1 x Career Grade 5-7) Council Governance (1 x Career Grade 5-7) and a Commercial Lawyer (1 x Grade 10). | -159,250 | - 4.00 |
| Core-11/20-21 | | | | |
| Sub - Cross Directorate | | | -159,250 | -4.00 |
| TOTAL CORE EFFICIENCIES | | | 1,141,500 | 14.50 |

BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 Efficiency Proposals

CROSS CUTTING/CORPORATE

| Ref | Proposal Theme | Brief Description of Proposal | 2020/21 Saving £ | FTE's AFFECTED |
|---|--|---|------------------------|-------------------|
| Cross Cutting | | | | |
| HRA Review | Review of cost sharing arrangements with HRA | Appropriate sharing of costs with the Council's Landlord Function e.g. homelessness, RTB etc. | 788,000 | - |
| Pensions | Pension deficit payments | Anticipated reduction in the Council's pension deficit payments | 2,200,000 | - |
| Cross Cutting | HRA capital receipts / reduced GF debt costs | Following a technical review, it is proposed to use HRA capital receipts (previously assumed to write down debt) to avoid future planned borrowing costs in the General Fund. | 200,000 | |
| Cross Cutting | Transferred Services Debt | Transferred Services debt in relation to SYPTE to be repaid in full | 200,000 | - |
| Sub - Cross Cutting | | | 3,388,000 | - |
| TOTAL CROSS CUTTING EFFICIENCIES | | | 3,388,000 | - |

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**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
COMMUNITIES DIRECTORATE**

| Ref | Proposal Theme | Brief Description of Proposal | 2021/22 Saving £ | FTE's AFFECTED |
|---|---|--|---------------------|-------------------|
| <u>Adult Assessment and Care Management</u> | | | | |
| BU2 E1/21-22 | Increase in health funding / contributions for jointly funded care packages | The Business Unit continues to see a sustainable increase in the level of contributions from health (Barnsley CCG) for jointly funded care packages, which has resulted in a reduction in care provision costs funded by the Council. The increase in health funding / contributions is the outcome of the following: a review of the s117 policy / procedures and implementation of a s117 panel; review of internal recharging processes; investment in dedicated business capacity to ensure monitoring, invoicing and full recovery of funded nursing care and CHC costs incurred by the Council on behalf of the CCG. | 500,000 | - |
| BU2 E2/21-22 | Increase in client contributions (non-residential care provision) | The proposal represents an increase in financial contributions from services users towards the cost of non-residential care support (e.g. homecare) mainly as a result of the following (1) increase in contributions over and above the amount previously estimated following the removal of the £150 weekly cap; and (2) increase in income following changes to the financial assessment of service users that are in receipt of a disability or work related benefit. Revised processes are in place to ensure that changes introduced by the Government to benefit / welfare payments are reflected in the financial assessment of service users. | 500,000 | - |
| Sub - Total Adult Assessment and Care Management | | | 1,000,000 | - |

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
COMMUNITIES DIRECTORATE**

| Ref | Proposal Theme | Brief Description of Proposal | 2021/22 Saving £ | FTE's AFFECTED |
|--------------------------------------|---|---|---------------------|-------------------|
| <u>Customer Services</u> | | | | |
| BU7 E1/21-22 | Remodelling day opportunities for people with learning disabilities - Phase 2 | This is an extension of the savings proposal BU2 E1/20-21 - we can expect that the usage of the existing Day Services will continue to drop as a result of service user choice and the increase in employment opportunities and independent travel, whilst we also improve the service for people with higher support needs and their families/carers. This will be shaped by the co-production approach to involve service users, families/carers, staff and stakeholders. | 75,000 | - |
| BU7 E2/21-22 | Assisted Living Technology Income | Assisted Living Technology provide alarm units for which a maintenance charge or fee is made to service users. A review of the fees / charges took place in 2018/19, which resulted in an increase the charge by £1 per unit. This generated a recurrent surplus income of approx. £150,000 per annum. It is proposed to realign the funding of the ALT service by maximising the use of fees / charges in lieu of base budget funding. | 150,000 | - |
| BU7 E3/21-22 | Disabled Facilities Grant | The Disabled Facilities Grant currently funds structural adaptations to the property of individuals eligible for adult social care - aimed at promoting independence and to avoid residential care support. It is funded by the Ministry of Housing, Communities & Local Government who provide grant to Local Authorities. However, minor adaptations and provision of equipment is currently funded by adult social care via a commissioned contract with SWYPFT (£0.5m). It is proposed to review the terms / conditions of the DFG funding and determine whether there is scope / flexibility to fund the cost of providing equipment and minor adaptations from DFG instead of base budget funding. It should be noted that the cost of the DFG team responsible for assessing eligibility and managing the capital works is capitalised and funded through the DFG. The grant has increased year on year by around 8% since 2017/18 which equates to over £200k per annum. It is proposed to use the increase in the DFG funding in future years to fund provision of equipment / minor adaptations currently funded through the SWYPFT contract. | 200,000 | - |
| Sub - Total Customer Services | | | 425,000 | - |

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
COMMUNITIES DIRECTORATE**

| Ref | Proposal Theme | Brief Description of Proposal | 2021/22 Saving £ | FTE's AFFECTED |
|---|--|--|---------------------|-------------------|
| <u>Safer, Stronger & Healthier Communities</u> | | | | |
| BU8 E1/21-22 | Budget reduction to operating cost of service areas. | The three Heads of Service of Safer, Stronger and Healthier to review their non-staffing budgets to achieve £20,000 efficiency savings in each Service through reduced spending, economies of scale and securing general savings through purchasing in a more efficient and effective way. | 60,000 | - |
| Sub - Total Safer, Stronger & Healthier | | | 60,000 | - |
| TOTAL COMMUNITIES EFFICIENCIES | | | 1,485,000 | - |

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
PLACE DIRECTORATE**

| Ref | Proposal Theme | Brief Description of Proposal | 2021/22 Saving £ | FTE's AFFECTED |
|---|---------------------------------------|---|---------------------|-------------------|
| <u>PLACE</u> | | | | |
| <u>Regeneration & Assets</u> | | | | |
| BU4 E2/21-22 | Planning fee income | Increase in fees generated from pre-application planning advice (approx. £15K) as well as fees associated with S278 and S38 agreements (approx. £35k). | 50,000 | - |
| BU4 E3/21-22 | Restructuring | Employment & Skills - A minor restructure is planned in this area to mitigate existing pressures and release additional savings through the realignment of the delivery of services. | 50,000 | 0.00 |
| BU4 E4/21-22 | Restructuring | Property - Phase 2 restructure. Minor restructure following the completion of reviews of town centre and district properties in 2020/21 - ref to Investment in 20/21 BU4 I1/20-21. | 50,000 | 1.00 |
| BU4 E5/21-22 | Property investments | Upgrade of heating and air conditioning in Westgate, Gateway Plaza, other key buildings will lead to savings on utility bills of around 10-15% for Westgate, Gateway and DMC. | 50,000 | - |
| BU4 E6/21-22 | Property investments | Wellington House - to explore options for the early termination of the lease. | - | - |
| Community Buildings Review | Review of properties within districts | Similar to the Town centre buildings review, a review of the assets the Council owns within a number of districts across the borough. This review will focus on a potential disinvestment of buildings working collaboratively with other public sector partners in line with the "One Public Estate" strategy. The areas under consideration include Penistone, Cudworth, Wombwell and Goldthorpe. | 150,000 | - |
| Town Centre Buildings Review | Review of town centre accommodation | Review of the Council's property/accommodation needs within the town centre. The review will consider specifically the future use, demands and requirements of town centre properties and services occupying them - to be delivered over a 2 year period 2020 to 2022 (total over period £600K) | 242,000 | - |
| <u>Sub - Total Regeneration & Assets</u> | | | 592,000 | 1.00 |

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
PLACE DIRECTORATE**

| Ref | Proposal Theme | Brief Description of Proposal | 2021/22 Saving £ | FTE's AFFECTED |
|--|---|--|---------------------|-------------------|
| <u>Environment & Transport</u> | | | | |
| BU6 E3/20-21 | Service Improvement / Efficiency review | A fundamental review / service re-deign across Environment and Transport | 1,050,000 | - |
| BU6 E1/21-22 | Increase in fees and charges | General increase in fees and charges in line with RPI across the service (excludes fees and charges set statutorily) | 100,000 | - |
| BU6 E2/21-22 | Bereavement Services | Increase in bereavement volumes and potentially fees and charges in line with RPI. | 60,000 | - |
| BU6 E4/21-22 | Construction Services | Based on the existing schedule for 2019/20, inflationary increase in Schedules of Rates in line with RPI. | 75,000 | - |
| Sub - Total Environment & Transport | | | 1,285,000 | - |
| | | | | |
| TOTAL PLACE EFFICIENCIES | | | 1,877,000 | 1.00 |

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
PUBLIC HEALTH DIRECTORATE**

| Ref | Proposal Theme | Brief Description of Proposal | 2021/22 Saving £ | FTE's AFFECTED |
|---|---|--|---------------------|-------------------|
| <u>Public Health</u> | | | | |
| PH E1/21-22 | Holistic review of Public Health funded spend - phase 2 | A detailed review of the configuration and commissioned contracts across the Public Health service has been carried out to ensure the ongoing sustainability of the service, successful delivery of public health outcomes and contribution to the Council's efficiency agenda. It is proposed to implement the efficiencies over two phases in 2020/21 and 2021/22. | 150,000 | - |
| Sub - Total Public Health | | | 150,000 | - |
| TOTAL PUBLIC HEALTH EFFICIENCIES | | | 150,000 | - |

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
CORE DIRECTORATE**

| Ref | Proposal Theme | Brief Description of Proposal | 2021/22 Saving £ | FTE's AFFECTED |
|---|--|---|---------------------|-------------------|
| <u>Finance</u> | | | | |
| BU13 E1/21-22 | Finance BU minor restructure | Transferring vacant posts where there are no capacity issues and aligning to other teams, combined with streamlining of processes, has resulted in further efficiencies across the Business Unit. | 100,000 | 3.00 |
| Sub - Total Finance | | | 100,000 | 3.00 |
| <u>IT</u> | Digital First | Theme 12 - Workforce Mobilisation There is also an overarching theme following delivery of the above which will reconfigure the IT service based on a hybrid cloud operating model | 1,000,000 | 29.00 |
| Sub - Total IT | | | 1,000,000 | 29.00 |
| <u>Business Improvement, Human Resources & Communications</u> | | | | |
| BU14/15 E1/21-22 | Business Improvement, HR & Communication Minor Restructure | Restructure concerning the merging of BU14 HR & BU15 Business Intelligence, Performance & Communications functions to Business Improvement, HR & Communications Service Director. | 48,000 | 1.00 |
| Sub - Total Business Improvement, Human Resources & Communications | | | 48,000 | 1.00 |
| <u>Legal Services</u> | | | | |
| BU17 I1/21-22 | New posts | Reinvestment in Legal Services (Head of Service Position Grade 15 and 1 Enforcement Lawyer Grade 10) to support the increasing demand across the service. | -140,000 | -2.00 |
| Sub - Total Legal Services | | | -140,000 | -2.00 |

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
CORE DIRECTORATE**

| Ref | Proposal Theme | Brief Description of Proposal | 2021/22 Saving £ | FTE's AFFECTED |
|--------------------------------------|---|---|---------------------|-------------------|
| <u>Joint Authorities</u> | | | | |
| BU19 E1/21-22 | Business Support Phase 2 Restructure | Further review of Business Support including incremental downsizing via restructures. Lower graded posts to be reduced subject to IT delivering on planned improvements. | 60,000 | 2.00 |
| Sub - Total Joint Authorities | | | 60,000 | 2.00 |
| TOTAL CORE EFFICIENCIES | | | 1,068,000 | 33 |

**2020 FUTURE COUNCIL
2021/22 Efficiency Proposals
CROSS CUTTING/CORPORATE**

| Ref | Proposal Theme | Brief Description of Proposal | 2021/22 Saving £ | FTE's AFFECTED |
|--|--|---|-----------------------------|---------------------------|
| Cross Cutting | Debt Costs - Glassworks | The approved funding model assumes a 3.7% interest rate per annum annuity. Arrangements have been made to secure that funding at nearer to 2.7%. | 700,000 | - |
| Cross Cutting | HRA capital receipts / reduced GF debt costs | Following a technical review, it is proposed to use HRA capital receipts (previously assumed to write down debt) to avoid future planned borrowing costs in the General Fund (FYE £0.500M). | 300,000 | - |
| Cross Cutting | Pension Deficit | The existing 2020/21 KLOE already assumes a £2.2M saving but there is the potential for a further saving if the current 'solvent' fund position is maintained. | 1,300,000 | - |
| Cross Cutting | Transferred Services Debt | Transferred Services debt from the old Sth Yorkshire Authority will be repaid in full in 2020/21 | 1,802,000 | - |
| Sub - Total Cross Cutting | | | 4,102,000 | - |
| TOTAL CROSS CUTTING/CORPORATE SERVICES DIRECTORATE EFFICIENCIES | | | 4,102,000 | - |

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EMERGING INVESTMENT PRIORITIES

REVENUE PROPOSALS

| Ref | Proposal Name | Directorate | Description | 2019/20 £ | 2020/21 £ | Other Years £ | Total Investment £ |
|---|---|-------------|---|--------------|--------------|------------------|-----------------------|
| Supporting Wellbeing and Managing Demand for Statutory Services | | | | | | | |
| R1 | SEND Investment | People | Temporary capacity to address back log of annual reviews (approx. 1,800). Capacity would include Senior EHC Co-ordinators (x2), Plan Writers (x2) and Project Manager who will also project manage the SEND Hub implementation. | 135,000 | 432,000 | 310,000 | 877,000 |
| | | People | Temporary business support capacity to input case files to new system (3 FTE indicative Grade 3). 6 months duration. | - | 35,000 | - | 35,000 |
| | | People | Enhance current approach of seconding Barnsley SENCOs to the SEND service to support and challenge schools to improve SEND practice. Increase capacity by 5 SENCOs for 38 weeks. | - | 50,000 | - | 50,000 |
| | | People | Commission bespoke programme of nationally accredited training with partner Local Authorities for EHC Co-ordinators and Senior Co-ordinators. The training is focused on quality case management, Code of Practice compliance and improving the quality of EHCPs. | - | 18,000 | - | 18,000 |
| | | People | Identify students with SEND and attendance that is below national average. The EWO (Grade 7) would have specific expertise and will establish effective partnerships with schools, SENCO, parents and children delivering Early Help and interventions to remove barriers to attendance and empower schools to continue to support attendance on a sustainable basis. The officer will also challenge and support schools in relation to their exclusion rates of young people with SEND. | - | 45,000 | - | 45,000 |
| | | Core | A dedicated Business Improvement and Intelligence team to support SEND data management, analysis and to support the service in interpreting SEND data into intelligence and forecasting. The team develop tools as well providing workforce development to help deliver the actions of SEND. To be involved directly with the service providing regular face-to-face analysis and interpretation of scorecards, Power BI reports and SEND Vulnerability Matrix in regular challenge sessions. | - | 166,000 | - | 166,000 |
| Sub Total SEND | | | | 135,000 | 746,000 | 310,000 | 1,191,000 |
| R2 | Early Help | People | Develop an online parent education offer. | - | 14,000 | - | 14,000 |
| | | People | Schools Early Help Development Officer Grade 8 (link to CAMHS/Youth Justice) | - | 41,000 | - | 41,000 |
| | | People | Parent Aspiration - establishing a network of parent champions across the borough designed to help 'hard to reach' parents who miss out on vital information about how to access local family services and support in the raising and achievement of aspirations for parents / grand mentors with care leavers | - | 166,000 | - | 166,000 |
| Sub Total Early Help | | | | | 221,000 | 0 | 221,000 |
| R3 | Placement Sufficiency and Quality (Looked After Children) | People | Increase capacity to improve the commissioning, contract reviewing and costs of children's external care placements. | - | 30,000 | - | 30,000 |
| | | People | Improve practice and embed contextual safeguarding across Children's Services; promote interventions that work with adolescents and manage risk, reducing older children from coming into care with high associated costs and poorer outcomes. | - | 38,000 | - | 38,000 |
| | | People | Mockingbird Project - Funding for 2 Children's Social Workers for CIC; reduce Social Work caseloads to provide intensive support to older CIC with complex needs to support improved placement stability in internal foster care provision. | - | 75,000 | - | 75,000 |
| Sub Total Placement Sufficiency and Quality (Looked After Children) | | | | - | 143,000 | | 143,000 |
| R7a | Excellence in Care | Communities | Excellence in Care Tackling Pay and Conditions across homecare & residential care; Improving the quality of residential care; Commissioning sustainable & effective homecare; Valuing Care through campaigns / awards; Development of career pathways (recruit / retain / grow staff); Development of Community of Practice; Greater use of technology in care; Living a good life - connecting care to our communities; Market shaping – defining what we need, why and when. | - | 800,000 | - | 800,000 |
| | | | | - | 800,000 | - | 800,000 |

EMERGING INVESTMENT PRIORITIES

| Ref | Proposal Name | Directorate | Description | 2019/20 £ | 2020/21 £ | Other Years £ | Total Investment £ |
|--|------------------------------------|---------------|--|--------------|--------------|------------------|-----------------------|
| R4 | Population Level Mental Health | Public Health | Feasibility study / Citizens Jury into the development of a Barnsley 'concordat for action' to drive mental health and wellbeing based on Thrive West Midlands. | - | 50,000 | - | 50,000 |
| | | Public Health | Self-harm awareness raising and training for students and staff delivered to all year 7 students across the borough. | - | 40,000 | - | 40,000 |
| | | Public Health | Mental Health First Aid (MHFA) – roll out of bespoke training across Barnsley Council to include 'train the trainer' element. Every member of staff to receive training relevant to their work area. Workplace HWB programmes following Health Needs Assessment of staff wellbeing. | - | 70,000 | - | 70,000 |
| | | Public Health | Suicide prevention community grant (existing community grant scheme already established and funded by NHSE transformation fund). This investment would support the existing scheme. | - | 45,000 | - | 45,000 |
| | | Public Health | Bereavement Support for Children and Families: There is a huge gap in bereavement services for children and families; This could be from children who have died or perhaps parents who have died leaving behind children. The CCG have recognised this is a gap however as bereavement isn't a “mental health” problem it may be unlikely they would fund such a service. | - | 40,000 | - | 40,000 |
| | | Public Health | Mental Health and Physical Activity to include: development of a mental health guide for sports and physical activity; mental health and listening training to frontline services and clubs; and creation of a mental health friendly accreditation. | - | 45,000 | - | 45,000 |
| Sub Total Population Level Mental Health | | | | - | 290,000 | 0 | 290,000 |
| R5 | Children and Young People's Health | Public Health | Child accident prevention project: Work in partnership with Child Accident Prevention Trust to improve capacity and collaboration with a focus on reducing home accidents in under 5s. Including purchase of resources to distribute to all families on discharge from hospital as part of a community education campaign. Home safety starter kits for low income families (bath mats with heat indicators, cupboard locks, drawer catches, corner covers, etc) given out at 9-12 month assessment. Delivery of staff training for BMBC housing to undertake child safety checks for new accommodation for families with under 5s and provision of larger child safety equipment on a case by case basis (e.g., baby gates, fireguards). Delivery of wider staff training across BMBC and partner agency workforce who are going into homes so they have the skills to complete a home safety assessment and provide resources and recommendations to improve child safety. | - | 50,000 | - | 50,000 |
| | | Public Health | Schools PSHE Lead: Includes appointment of a Grade 8 Public Health Practitioner to provide dedicated support for all schools in preparation for statutory Relationships and Sex Education and Health Education (September 2020) and support with wider PSHE thereafter. Leading the already established PSHE Network, developing a resource library for schools and development of an online hub to ensure schools have access to the latest evidence-based resources. This will form part of the wider Healthy Schools Programme. | - | 50,000 | - | 50,000 |
| | | Public Health | Speakeasy training: Delivery of 2-day “Speakeasy” training to encourage parents and carers to provide positive sex and relationships education in the home and take on the role of 'sex and relationships educator' in their communities. Delivery of 3-day “Speakeasy” train-the-trainer training for BMBC staff (Family Centre staff, pastoral school staff, community group leaders e.g. Brownie and Scout leaders) to ensure the above programme is sustainable. | - | 40,000 | - | 40,000 |
| | | Public Health | Adverse Childhood Experience (ACE) awareness lead: Grade 9 post funded for 1 year to develop and deliver an ACE awareness strategy across BMBC and wider partners. | - | 50,000 | - | 50,000 |
| | | Public Health | Emotional Health and Wellbeing (EHWB) transformation programme: 2 year funding for a children and young people's Emotional Health and Wellbeing Transformation Lead (Grade 13) and Project Support Officer (Grade 5). Part funded by Barnsley CCG to have oversight of the mental health landscape and begin the shift towards the joint commissioning of EHWB services across the borough. | - | 50,000 | 50000 | 100,000 |
| | | Public Health | Community parenting programme: Commission a 2 year community parenting programme, which develops a peer support network across Barnsley, to work with pregnant women and parents until 3 months postnatally who require additional support. This is an asset based programme that works with the strengths and capabilities of individual parents, volunteers and the other agencies in a community to improve outcomes for that community. A key feature is focused home visits whereby Community Parent volunteers enable parents to explore, reflect on and achieve self-selected goals. This will complement current services for families and will be developed in collaboration with wider partners e.g., early years services & Barnsley CCG. | - | 205,000 | 205000 | 410,000 |
| | | People | Rose Voucher Scheme - Continue the scheme to provide eligible children with vouchers to spend on fresh fruit and veg at market stalls/independent traders. | - | 56,000 | - | 56,000 |
| Sub Total Children and Young People's Health | | | | - | 501,000 | 255,000 | 756,000 |
| R6 | Cardio Vascular Disease prevention | Public Health | A number of initiatives and campaigns to prevent cardio vascular disease. | - | 120,000 | - | 120,000 |
| Sub Total Cardio Vascular Disease prevention | | | | - | 120,000 | 0 | 120,000 |
| R7 | Healthy Environment | Public Health | Anti-idling campaign and signage around schools and other sensitive areas. | - | 25,000 | - | 25,000 |
| | | Public Health | Allergens training for food businesses, to enable compliance with legal requirements and reduce the likelihood of an incident taking place. Project on bonfires, to advise on air quality issues and correct waste disposal methods. Hire of a tobacco dog and test purchaser, to enable us to identify and seize illicit goods and take further enforcement action as necessary. | - | 25,000 | - | 25,000 |
| | | Public Health | Delivery of Active Travel initiatives including Beat the Street and the walking revolution. | - | 158,000 | 17,000 | 175,000 |
| | | Public Health | Installation of water fountains in all public realm to reduce sugar consumption and plastic. | - | 30,000 | - | 30,000 |
| | | Public Health | Smokefree Hoyland - permanent design solutions for smoke free Hoyland working in partnership with Arcadis and Principal Towns. | - | 35,000 | - | 35,000 |
| | | Public Health | Upscaling town centre smokefree zones – mass programme. | - | 20,000 | - | 20,000 |
| | | Public Health | Drink coach which supports alcohol plan and seeks getting more people into treatment. Provision of online support (inc. app and skype consultation where high risk). | - | 25,000 | - | 25,000 |
| Sub Total Healthy Environment | | | | - | 318,000 | 17,000 | 335,000 |
| Sub- Total Supporting Wellbeing and Managing Demand for Statutory Services | | | | 135,000 | 3,139,000 | 582,000 | 3,856,000 |

EMERGING INVESTMENT PRIORITIES

| Ref | Proposal Name | Directorate | Description | 2019/20 £ | 2020/21 £ | Other Years £ | Total Investment £ |
|--|---|-------------|---|---------------|----------------|------------------|-----------------------|
| Improve the efficiency of the Council / Invest to Save | | | | | | | |
| R8 | Chatbots | Communities | Acquire and implement chatbots to deal with simple customer enquires. | - | 150,000 | - | 150,000 |
| R9 | Pro-active tree team | Place | Undertake more pro-active work within the tree team to prevent/reduce reactive maintenance. | - | 70,000 | - | 70,000 |
| R10 | Training budget (Environment & Transport) | Place | Further investment in the skills of staff from front-line to management to deliver continuous improvement. | - | 100,000 | - | 100,000 |
| R11 | Procurement of fleet management system | Place | Procurment of new system that is fit for purpose to help manage the demands on the Council's fleet of vehicles. | - | 200,000 | - | 200,000 |
| R12 | Project Support | Place | Additional project officer to support Highway and Transportation initiatives. | - | 40,000 | - | 40,000 |
| | | Place | Continuation of funding for 12mths + additional resource (2 project officers) until Mar 21 plus 1 FTE permanent Project officer. Additional work required to deliver identified benefits. | - | 130,000 | - | 130,000 |
| R13 | Traffic Regulation Officer post | Place | Additional resource to enforce Traffic Regulation Orders. | 30,000 | 60,000 | - | 90,000 |
| R14 | Bid Writing | Place | Capacity to maximise external funding opportunities in Economic Regeneration . | - | 75,000 | - | 75,000 |
| R15 | Wellbeing and Training Co-ordinator | Core | Employment of a Wellbeing and Training co-ordinator to work with the Council's own workforce. | - | 50,000 | - | 50,000 |
| Sub- Total Improve the efficiency of the Council / Invest to Save | | | | 30,000 | 875,000 | 0 | 905,000 |
| Positive environmental impact / Zero Carbon objectives | | | | | | | |
| R16 | Increasing recycling levels | Place | Increasing the range of materials that can be recycled (e.g. yoghurt pots etc.). | - | 100,000 | - | 100,000 |
| R17 | TREE 2020 | Place | The Council's Tree Planting Programme. | 40,000 | 345,000 | - | 385,000 |
| R18 | Cycling Infrastructure | Place | Provision of signage/cycle lanes to address safety issues. | - | 100,000 | - | 100,000 |
| R19 | Hydrogen Scheme | Place | Project to promote the use of hydrogen as a means of decarbonising transport, heating and industrial processes across the Borough. | - | 45,000 | - | 45,000 |
| R51 | Barnsley 2045 Partnership working | Place | Engaging with College / Youth Council on Barnsley 2045 to identify and drive forward related projects. | | 150,000 | | 150,000 |
| Sub- Total Positive environmental impact / Zero Carbon objectives | | | | 40,000 | 740,000 | 0 | 780,000 |
| Support the growth of the Digital sector in Barnsley | | | | | | | |
| R31 | IOT Tribe Round 3 | Place | Resources to fund a third round of the programme (Upto 10 businesses with potential for some of those to re-locate to Barnsley). | - | 200,000 | - | 200,000 |
| R32 | Promotion of Full Fibre/5G | Place | Resource to improve demand stimulation for South Yorkshire Superfast Broadband/ promote the use of 5G. | - | 100,000 | - | 100,000 |
| R33 | Digital Business Advisors | Place | Work with SMEs to promote digital connectivity/digital platforms. | - | 50,000 | - | 50,000 |
| R34 | Digital Skills | Place | Resources to develop a digital skills road map within the digital campus. | - | 50,000 | - | 50,000 |
| Sub- Total Support the growth of the Digital sector in Barnsley | | | | 0 | 400,000 | 0 | 400,000 |
| Support the renaissance of the Town Centre and Principal Towns | | | | | | | |
| R20 | Night Time Economy - Support to vulnerable people | Communities | Continue with street pastor initiative in the Town Centre providing support to individuals vulnerable through drugs, alcohol and begging. | - | 105,000 | - | 105,000 |
| R21 | Town Centre Wardens | Communities | Increase the number of town centre wardens currently being recruited from 4 to 8 (4 funded permanently plus additional 4 temporary for 3 years). | 33,350 | 133,250 | 133,250 | 299,850 |
| R22 | Town Centre Radio System | Communities | New radio system to improve communications between traders, publicans and operational professionals. | - | 22,000 | - | 22,000 |
| R23 | Town Centre ASB Hotspots | Communities | Targeting town centre ASB and criminality hot spots through physical interventions (e.g fencing). | - | 200,000 | - | 200,000 |
| Sub Total COMMUNITIES Led | | | | 33,350 | 460,250 | 133,250 | 626,850 |

EMERGING INVESTMENT PRIORITIES

| Ref | Proposal Name | Directorate | Description | 2019/20 £ | 2020/21 £ | Other Years £ | Total Investment £ |
|---|---|-------------|--|--------------|--------------|------------------|-----------------------|
| R24 | Place Based Marketing | Place | Development and introduction of a marketing plan to promote the Borough as a place to live, work and visit (Independent Barnsley). | - | 165,000 | - | 165,000 |
| R25 | Digital Marketing | Place | Commission external support for 12 months to pilot the external delivery of a comms/marketing strategy for the Market and wider town centre | - | 50,000 | - | 50,000 |
| | | | There is a need to increase our communication focus to support the authority in respect of the SY Municipal Waste Strategy. Investments in in-cab technology will help to pin point service improvement areas. | - | 80,000 | | 80,000 |
| Sub Total Digital Marketing | | | | | 130,000 | 0 | 130,000 |
| R26 | Markets Incubation Space | Place | Initially used to accommodate the Amazon Clicks pilot but ultimately to create a flexible space on 1st floor. | - | 100,000 | - | 100,000 |
| R27 | Markets Food Hall | Place | Redefine Food Hall units to look at a flexible letting space for start ups and opportunity to promote a foodie market. | - | 100,000 | - | 100,000 |
| R28 | Town Centre Events | Place | Additional funding to enhance the Town Centre Events programme in 2020/21. | - | 150,000 | - | 150,000 |
| R29 | Town Centre Cleaning | Place | Additional support to increase town centre cleanliness. | - | 50,000 | - | 50,000 |
| R30 | Dearne Valley Master planning | Place | Match funding to complete a masterplan for the Dearne Valley. | - | 100,000 | - | 100,000 |
| Sub Total PLACE Led | | | | - | 795,000 | - | 795,000 |
| Sub- Total Support the renaissance of the Town Centre and Principal Towns | | | | 33,350 | 1,255,250 | 133,250 | 1,421,850 |
| Making a visible difference in communities | | | | | | | |
| R35 | Ward Alliances | Communities | Increase the current ward alliance budget by £10k per ward in 2019/20 and 2020/21. | 210,000 | 210,000 | - | 420,000 |
| R36 | Mobility Bikes | Communities | Purchase of electric mobility bikes to support disabled people to take part in bike rides. | - | 50,000 | - | 50,000 |
| R37 | Mobile sensory equipment | Communities | Purchase of mobile sensory equipment to stimulate interactivity/creativity for people with dementia and LD. | - | 40,000 | - | 40,000 |
| R38 | Alexa units for reablement clients | Communities | Alexa units to reablement clients so that they can better connect with family, friends and operational professionals. | - | 21,000 | - | 21,000 |
| R39 | Environmental Task Force | Communities | Environmental works in default on public, private and un-adopted land across the borough (linked to HMO strategy) Work will specifically target proactive graffiti clearance, fly tipping, contaminated bin rubbish removal, street cleansing as well engagement and support to residents. | 25,000 | 100,000 | 75,000 | 200,000 |
| R40 | Additional PCSO's | Communities | Potential investment in additional PCSO's | | 150,000 | | 150,000 |
| Sub Total COMMUNITIES Led | | | | 235,000 | 571,000 | 75,000 | 881,000 |
| R42 | A 'blitz' on weeds, graffiti and cleanliness across the borough | Place | A general blitz across the borough on weed and graffiti removal across the borough together with a general focus on cleanliness. | 245,000 | - | - | 245,000 |
| R43 | Seasonal Neighbourhoods support | Place | Additional seasonal support roles for grass cutting and planting. | - | 80,000 | - | 80,000 |
| R44 | Additional covert cameras | Place | Further investment in covert cameras to capture fly tipping activity. | - | 15,000 | - | 15,000 |
| R45 | Parks playground safety surfacing | Place | Renew surfacing in children's play areas. | - | 20,000 | - | 20,000 |
| | | Place | Working in partnerships with Yorkshire Wildlife trust, path works and interpretation. | - | 50,000 | - | 50,000 |
| | | Place | Create safe parking area for wood view park. | - | 35,000 | - | 35,000 |
| | | Place | Current unsafe location for skate park. Move to another location to create additional parking and facilitate ph 2 developments for athletics stadium. | - | 100,000 | - | 100,000 |
| Sub Total Parks playground safety and resurfacing | | | | | 205,000 | 0 | 205,000 |
| R47 | Cleansing of drainage/kerb and gullies | Place | Cleansing of combined drainage and kerb blocks to prevent flooding issues. | - | 90,000 | - | 90,000 |
| R48 | Barnsley Museums Learning Programme | Place | Targeted learning activity supporting Troubled Families. | - | 50,000 | - | 50,000 |
| R49 | Barnsley Cultural Education Partnership | Place | Continuation of the recent pilot to train teachers to deliver art awards, qualifications and provision of high quality cultural education programmes within schools. | - | 25,000 | - | 25,000 |
| R50 | Discover Dearne legacy | Place | Delivery of formal legacy programme for the Dearne Valley Landscape Partnership. | - | 50,000 | - | 50,000 |
| Sub Total PLACE Led | | | | 245,000 | 515,000 | - | 760,000 |
| Sub- Total Making a visible difference in communities | | | | 480,000 | 1,086,000 | 75,000 | 1,641,000 |
| TOTAL REVENUE INVESTMENTS | | | | 718,350 | 7,495,250 | 790,250 | 9,003,850 |

EMERGING INVESTMENT PRIORITIES

| Ref | Proposal Name | Directorate | Description | 2019/20 £ | 2020/21 £ | Other Years £ | Total Investment £ |
|--|--|-------------|---|--------------|--------------|------------------|-----------------------|
| CAPITAL PROPOSALS | | | | | | | |
| Supporting Wellbeing and Managing Demand for Statutory Services | | | | | | | |
| C1 | Vulnerable Childrens / Adults Hub | Place | This proposal to invest to create a bespoke childrens hub, utilised by the YOT team. | | 2,000,000 | | 2,000,000 |
| C4 | Improve Disabled Facilities in Lifelong Learning centres | Place | Royston & Roundhouse Lifelong Learning - Improvement of facilities inc. stairlift and kitchen refurbishments. | | 106,000 | | 106,000 |
| SUBTOTAL Supporting Wellbeing and Managing Demand for Statutory Services | | | | | 2,106,000 | 0 | 2,106,000 |
| Improve the efficiency of the Council / Invest to Save | | | | | | | |
| C3 | WorkSmart Space Optimisation - Pilot | Place | This proposal is a pilot to transform the Council's workspaces to ensure that they are fit for agile and smarter working. | | 250,000 | | 250,000 |
| Sub- Total Improve the efficiency of the Council / Invest to Save | | | | | 250,000 | 0 | 250,000 |
| Support the renaissance of the Town Centre and Principal Towns | | | | | | | |
| C5 | Match Funding Historic High Streets Heritage Action Zone (HHS HAZ) Bid | Place | Match funding towards a grant bid for the Historic High Streets Fund, focusing on the regeneration of the Civic facing on to Eldon Street. | | 2,000,000 | | 2,000,000 |
| C6 | Principal Towns | Place | Further investment in the Principal Towns Programme. | | 1,500,000 | | 1,500,000 |
| C7 | Town Centre Parking Strategy - Phase 1 | Place | Implementation of Phase 1 of the Town Centre Car Parking Strategy to include digital displays; pay on exit capability; contactless payment, electric charging points; safer car parks inc. CCTV. | | 1,200,000 | | 1,200,000 |
| SUBTOTAL Support the renaissance of the Town Centre and Principal Towns | | | | | 4,700,000 | 0 | 4,700,000 |
| Making a visible difference in communites | | | | | | | |
| C8 | Highway Improvement - Dearne Town link-road | Place | Resources required to mitigate the expected funding gap for the Dearne Town SCR scheme (3 roundabouts and an access road in the Dearne to unlock employment sites). | | 870,000 | | 870,000 |
| C9 | Penny Pie Park Bridge | Place | Funding to deliver enhanced greenspaces, including a new footbridge over the railway that links Pogmoor recreation ground to Penny Pie park. | | 1,000,000 | | 1,000,000 |
| C10 | Enhanced Highway Maintenance Programme / Gully Works | Place | This proposal is to provide investment in local highway maintenance (Member priorities) and acceleration of the gully maintenance programme. | | 1,500,000 | | 1,500,000 |
| SUBTOTAL Making a visible difference in communites | | | | | 3,370,000 | 0 | 3,370,000 |
| TOTAL CAPITAL | | | | | 10,426,000 | 0 | 10,426,000 |
| TOTAL ALL INVESTMENTS | | | | 718,350 | 17,921,250 | 790,250 | 19,429,850 |

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DIRECTORATE SUMMARY SPENDING PLANS
2020 - 2021

| DIRECTORATE | OPENING 2020/21 RESOURCE ENVELOPE | ADD | | | SUB -TOTAL PRE EFFICIENCIES | LESS Efficiencies | REVISED 2020/21 RESOURCE ENVELOPE |
|---|--|----------------------|---------------|------------------------|-----------------------------------|----------------------|--|
| | | Fixed and Ongoing | Demography | Investments ongoing | | | |
| | £M | £M | £M | £M | | £M | |
| <u>COMMUNITIES DIRECTORATE</u> | | | | | | | |
| Adults Assessment and Care Management | 45.252 | 0.457 | 4.375 | | 50.084 | -1.243 | 48.841 |
| Safer, Stronger & Healthier Communities | 6.663 | 0.303 | | 0.100 | 7.066 | | 7.066 |
| TOTAL COMMUNITIES | 51.915 | 0.760 | 4.375 | 0.100 | 57.150 | -1.243 | 55.907 |
| <u>PEOPLE DIRECTORATE</u> | | | | | | | |
| Education and Early Start Prevention | 8.116 | 0.483 | | | 8.599 | -0.172 | 8.427 |
| Children Assessment and Care Management | 25.068 | 0.449 | 0.195 | | 25.712 | -0.076 | 25.636 |
| TOTAL PEOPLE | 33.184 | 0.932 | 0.195 | 0.000 | 34.311 | -0.248 | 34.063 |
| <u>PLACE DIRECTORATE</u> | | | | | | | |
| Regeneration and Culture | 11.709 | 0.550 | | 0.270 | 12.529 | -0.618 | 11.911 |
| Environment and Transport | 27.188 | 0.742 | 0.745 | 0.110 | 28.785 | -0.550 | 28.235 |
| TOTAL PLACE | 38.897 | 1.292 | 0.745 | 0.380 | 41.314 | -1.168 | 40.146 |
| <u>PUBLIC HEALTH DIRECTORATE</u> | | | | | | | |
| Public Health | 2.767 | 0.300 | | | 3.067 | -0.260 | 2.807 |
| TOTAL PUBLIC HEALTH | 2.767 | 0.300 | 0.000 | 0.000 | 3.067 | -0.260 | 2.807 |
| <u>CORE DIRECTORATE</u> | | | | | | | |
| Finance | 1.924 | 0.629 | | | 2.553 | -0.165 | 2.388 |
| IT | 5.966 | 0.266 | | | 6.232 | -0.488 | 5.744 |
| HR, Performance & Communications | 4.828 | 0.355 | | | 5.183 | -0.296 | 4.887 |
| Legal | 1.017 | 0.063 | | | 1.080 | 0.074 | 1.154 |
| Governance & Elections | 4.224 | 0.053 | | | 4.277 | -0.166 | 4.111 |
| TOTAL CORE | 17.959 | 1.366 | 0.000 | 0.000 | 19.325 | -1.041 | 18.284 |
| <u>CORPORATE BUDGETS</u> | | | | | | | |
| Levies | 0.946 | | | | 0.946 | | 0.946 |
| Corporate & Democratic Core | 0.766 | 0.024 | | | 0.790 | | 0.790 |
| Capital Financing | 15.164 | 0.570 | | | 15.734 | -0.500 | 15.234 |
| Corporate Budgets & Provisions | 7.466 | 0.190 | -0.268 | | 7.388 | -2.988 | 4.400 |
| TOTAL CORPORATE | 24.342 | 0.784 | -0.268 | 0.000 | 24.858 | -3.488 | 21.370 |
| TOTAL NET BUDGET | 169.064 | 5.434 | 5.047 | 0.480 | 180.025 | -7.448 | 172.577 |

DIRECTORATE SUMMARY SPENDING PLANS**2021 - 2022**

| DIRECTORATE | OPENING 2021/22 RESOURCE ENVELOPE | ADD | | | SUB -TOTAL PRE EFFICIENCIES | LESS Efficiencies | REVISED 2021/22 RESOURCE ENVELOPE |
|---|--|----------------------|---------------|------------------------|-----------------------------------|--------------------------|--|
| | | Fixed and Ongoing | Demography | Investments ongoing | | | |
| <u>COMMUNITIES DIRECTORATE</u> | £M | £M | £M | £M | | £M | |
| Adults Assessment and Care Management | 48.841 | 0.310 | 2.437 | | 51.588 | -1.000 | 50.588 |
| Safer, Stronger & Healthier Communities | 7.066 | 0.207 | | | 7.273 | -0.485 | 6.788 |
| TOTAL COMMUNITIES | 55.907 | 0.517 | 2.437 | 0.000 | 58.861 | -1.485 | 57.376 |
| <u>PEOPLE DIRECTORATE</u> | | | | | | | |
| Education and Early Start Prevention | 8.427 | 0.321 | | 0.300 | 9.048 | | 9.048 |
| Children Assessment and Care Management | 25.636 | 0.297 | 0.195 | | 26.128 | | 26.128 |
| TOTAL PEOPLE | 34.063 | 0.618 | 0.195 | 0.300 | 35.176 | 0.000 | 35.176 |
| <u>PLACE DIRECTORATE</u> | | | | | | | |
| Regeneration and Culture | 11.911 | 0.365 | | 1.500 | 13.776 | -0.592 | 13.184 |
| Environment and Transport | 28.235 | 0.370 | 0.400 | | 29.005 | -1.285 | 27.720 |
| TOTAL PLACE | 40.146 | 0.735 | 0.400 | 1.500 | 42.781 | -1.877 | 40.904 |
| <u>PUBLIC HEALTH DIRECTORATE</u> | | | | | | | |
| Public Health | 2.807 | 0.196 | | | 3.003 | -0.150 | 2.853 |
| TOTAL PUBLIC HEALTH | 2.807 | 0.196 | 0.000 | 0.000 | 3.003 | -0.150 | 2.853 |
| <u>CORE DIRECTORATE</u> | | | | | | | |
| Finance | 2.388 | 0.249 | | | 2.637 | -0.100 | 2.537 |
| IT | 5.744 | 0.177 | | | 5.921 | -1.000 | 4.921 |
| HR, Performance & Communications | 4.887 | 0.231 | | | 5.118 | -0.048 | 5.070 |
| Legal | 1.154 | 0.041 | | | 1.195 | 0.140 | 1.335 |
| Governance & Elections | 4.111 | 0.042 | | | 4.153 | -0.060 | 4.093 |
| TOTAL CORE | 18.284 | 0.740 | 0.000 | 0.000 | 19.024 | -1.068 | 17.956 |
| <u>CORPORATE BUDGETS</u> | | | | | | | |
| Levies | 0.946 | | | | 0.946 | | 0.946 |
| Corporate & Democratic Core | 0.790 | 0.015 | | | 0.805 | | 0.805 |
| Capital Financing | 15.234 | 1.070 | | 2.300 | 18.604 | -2.802 | 15.802 |
| Corporate Budgets & Provisions | 4.400 | 2.093 | -1.000 | | 5.493 | -1.300 | 4.193 |
| TOTAL CORPORATE | 21.370 | 3.178 | -1.000 | 2.300 | 25.848 | -4.102 | 21.746 |
| TOTAL NET BUDGET | 172.577 | 5.984 | 2.032 | 4.100 | 184.693 | -8.682 | 176.011 |

DIRECTORATE SUMMARY SPENDING PLANS**2022 - 2023**

| DIRECTORATE | OPENING 2022/23 RESOURCE ENVELOPE | ADD | | | SUB -TOTAL PRE EFFICIENCIES | LESS | REVISED 2022/23 RESOURCE ENVELOPE |
|---|--|----------------------|---------------|--------------|-----------------------------------|--------------|--|
| | | Fixed and Ongoing | Demography | Investments | | Efficiencies | |
| <u>COMMUNITIES DIRECTORATE</u> | £M | £M | £M | £M | | £M | |
| Adults Assessment and Care Management | 50.588 | 0.273 | 2.437 | | 53.298 | | 53.298 |
| Safer, Stronger & Healthier Communities | 6.788 | 0.205 | | | 6.993 | | 6.993 |
| TOTAL COMMUNITIES | 57.376 | 0.478 | 2.437 | 0.000 | 60.291 | 0.000 | 60.291 |
| <u>PEOPLE DIRECTORATE</u> | | | | | | | |
| Education and Early Start Prevention | 9.048 | 0.316 | | | 9.364 | | 9.364 |
| Children Assessment and Care Management | 26.128 | 0.259 | 0.195 | | 26.582 | | 26.582 |
| TOTAL PEOPLE | 35.176 | 0.575 | 0.195 | 0.000 | 35.946 | 0.000 | 35.946 |
| <u>PLACE DIRECTORATE</u> | | | | | | | |
| Regeneration and Culture | 13.184 | 0.334 | | 1.500 | 15.018 | | 15.018 |
| Environment and Transport | 27.720 | 0.359 | 0.400 | | 28.479 | | 28.479 |
| TOTAL PLACE | 40.904 | 0.693 | 0.400 | 1.500 | 43.497 | 0.000 | 43.497 |
| <u>PUBLIC HEALTH DIRECTORATE</u> | | | | | | | |
| Public Health | 2.853 | 0.170 | | | 3.023 | | 3.023 |
| TOTAL PUBLIC HEALTH | 2.853 | 0.170 | 0.000 | 0.000 | 3.023 | 0.000 | 3.023 |
| <u>CORE DIRECTORATE</u> | | | | | | | |
| Finance | 2.537 | 0.241 | | | 2.778 | | 2.778 |
| IT | 4.921 | 0.172 | | | 5.093 | | 5.093 |
| HR, Performance & Communications | 5.070 | 0.218 | | | 5.288 | | 5.288 |
| Legal | 1.335 | 0.038 | | | 1.373 | | 1.373 |
| Governance & Elections | 4.093 | 0.043 | | | 4.136 | | 4.136 |
| TOTAL CORE | 17.956 | 0.712 | 0.000 | 0.000 | 18.668 | 0.000 | 18.668 |
| <u>CORPORATE BUDGETS</u> | | | | | | | |
| Levies | 0.946 | | | | 0.946 | | 0.946 |
| Corporate & Democratic Core | 0.805 | 0.013 | | | 0.818 | | 0.818 |
| Capital Financing | 15.802 | 0.570 | | | 16.372 | | 16.372 |
| Corporate Budgets & Provisions | 4.193 | 1.735 | -0.500 | | 5.428 | | 5.428 |
| TOTAL CORPORATE | 21.746 | 2.318 | -0.500 | 0.000 | 23.564 | 0.000 | 23.564 |
| TOTAL NET BUDGET | 176.011 | 4.946 | 2.532 | 1.500 | 184.989 | 0.000 | 184.989 |

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BARNSELY METROPOLITAN BOROUGH COUNCIL

2020/21 SCHOOLS DELEGATED BUDGETS

1. Purpose of the Report

- 1.1 To seek approval for the proposed 2020/21 schools budget and for the transfer of schools' funding to the high needs budget, following consultation with schools and consideration by the Barnsley's Schools Forum.

2. Recommendations

- 2.1 That Cabinet approves the changes to the local schools funding formula and the proposed schools budget as outlined in this report - subject to any subsequent changes following DfE decision on the 2% funding transfer application (see 2.2 below).
- 2.2 That Cabinet approves the transfer (2%) of funding from the schools block (£3.2M) to the high needs block to address cost pressures in the high needs budget (subject to DfE's approval).

3. Schools Funding Settlement 2020/21

- 3.1 Details of the Dedicated Schools Grant (DSG) were announced on 19 December 2019. The total DSG allocation for Barnsley for 2020/21 is **£204.4M**. This equates to a **£15.5M** increase in DSG funding compared to 2019/20. The table below compares Barnsley's DSG allocation for 2020/21 to the current year on an equivalent basis.

| | 2019-20 £M | 2020-21 £M | Change £M |
|--------------------------|----------------|----------------|---------------|
| Schools Block | 148.797 | 160.070 | 11.273 |
| High Needs Block | 23.182 | 27.303 | 4.120 |
| Early Years Block | 15.065 | 15.340 | 0.275 |
| Central Schools Services | 1.876 | 1.733 | -0.143 |
| | 188.921 | 204.446 | 15.526 |

- 3.2 The main changes in funding in 2020/21 can be explained by the following:

- Schools Block – the increase of £11.2M is as a result of the additional schools funding settlement announced by the Government (and distributed through the national funding formula) and the impact of growth in pupil numbers and other formula data changes.
- High Needs Block – the £4.1M increase reflects the additional SEND funding announced by the Government (£2.8M) as well as the impact of the high needs national funding formula (£1.3M).
- Early Years Block – the funding increase is due to changes in participation numbers as well as an increase in funding (£0.08 per hour) as recently announced

by the Government. The funding rate per hour for Barnsley has increased from £3.40 to £3.48.

4. Funding formula changes for 2020/21

- 4.1 In light of the additional schools funding, a consultation exercise was undertaken in November 2019, which sought views on further changes to Barnsley's local formula to ensure a fair distribution of funding. The outcome of the consultation was reported to the Schools Forum on 12 December 2019.
- 4.2 Given the increased funding settlement by the Government, it is proposed to implement a local formula that allocates funding to schools as intended under the National Funding Formula (NFF). The following summarises the key proposed changes to the schools funding formula for 2020/21 based on the outcome of the consultation and the expressed views of the Schools Forum:
- In addition to the existing funding factors in use, it is proposed to include the mobility factor in Barnsley's local funding formula and for the value to be aligned to that used in the National Funding Formula (NFF).
 - The Age Weighted Pupil Unit (AWPU) for primary and secondary schools in Barnsley would be increased by 5% with the resultant rates for 2020/21 now higher than the NFF AWPU rates.
 - To ensure that underfunded schools continue to be funded at an appropriate level the 'minimum per pupil' funding factor will be retained in the local schools formula. It is proposed to increase the 2020/21 minimum per pupil funding rate in line with the Government's recommended increase and to set the funding rates as follows: £3,750 for primary and £5,000 for secondary.
 - It is proposed to uplift the funding rates (to NFF level) for the following funding factors in the local schools formula: Deprivation; Low Prior Attainment; and English is an Additional Language (EAL). In addition, where necessary the proportion of funding allocated through these factors will be aligned to the NFF.
 - Whilst there was overwhelming support to increase the Lump Sum amount allocated to all schools through the local formula, it is proposed to maintain the amount at the current level of £0.1m per school. It would be difficult to implement an increase in the lump sum at the same time as implementing a proposed funding transfer of 2% from schools to high needs.
 - The above formula changes would result in a primary / secondary funding ratio closer to 1:1.34, which is consistent with that of the NFF. This would mean that schools in Barnsley that have been historically underfunded (particularly secondary schools) would see the funding gains as expected under the NFF.
 - The minimum funding guarantee (MFG) for 2020/21 has been set at **+1.84%**, which is the maximum allowed under current regulations. This would ensure that all schools will have a minimum funding increase of 1.84% on a per pupil basis.

- Funding (£0.6m) for pupil growth will be top-sliced from the schools block allocation and distributed to schools in line with the pupil growth policy / criteria.

5. Funding transfer to the high needs budget 2020/21

- 5.1 Barnsley continues to face increased cost pressures in the high needs block, with a deficit forecast in 2019/20 and projected for 2020/21. The Government has allowed local flexibility for the transfer of funding from the schools to high needs block in 2020/21 – subject to Schools Forum and DfE approval (for transfers above 0.5%).
- 5.2 It is the intention of the Council to exercise this flexibility for 2020/21 and has consulted with schools and the Schools Forum on the proposal to transfer 2% of the schools block funding to the high needs block. The transferred funding (£3.2m) will be used to mitigate the recurrent / ongoing cost pressures within the high needs block in 2020/21.
- 5.3 The 2% funding transfer proposal was approved by the Schools Forum on 12 December 2019. DfE decision on the funding transfer application submitted by the Council will not be confirmed till mid-January 2020. However, the attached school budget proposal put forward for 2020/21 takes account of the 2% transfer and is therefore subject to the decision of the DfE.

6. Proposed 2020/21 Schools Delegated Budget

- 6.1 Submission of schools funding formulae and confirmation of political ratification of the schools' budget (by Councils) is required by DfE. The table overleaf outlines the proposed schools budget for 2020/21 and reflect the changes to the formula as detailed in paragraph 4.2 and the 2% funding transfer as outlined in paragraph 5.3.

| | 2019/20 Budget | 2020/21 Budget | Variance |
|--|-------------------|-------------------|---------------|
| | <u>£'000</u> | <u>£'000</u> | <u>£'000</u> |
| School block funding settlement (see Table 3.1) | 148,797 | 160,070 | 11,273 |
| <u>Less: Funding Top-slice:</u> | | | |
| Pupil Growth fund | -650 | -650 | 0 |
| Funding transfer to high needs block (see para 5.2) | -1,488 | -3,201 | -1,713 |
| Funding available for distribution | 146,659 | 156,219 | 9,560 |

| | | | |
|---|----------------|----------------|--------------|
| 1) Age Weighted Pupil Unit (AWPU) | 103,660 | 110,222 | 6,562 |
| 2) Deprivation | 12,522 | 14,875 | 2,353 |
| 3) English as an Additional Language | 579 | 567 | -12 |
| 4) Mobility | 0 | 83 | 83 |
| 4) Prior Attainment | 9,803 | 11,341 | 1,538 |
| 5) Lump sum | 8,700 | 8,700 | 0 |
| 6) Minimum pupil funding | 1,104 | 616 | -488 |
| 7) Funding Floor | 292 | 233 | -59 |
| 7) Rates | 2,393 | 1,854 | -539 |
| 8) PFI funding | 7,606 | 7,728 | 122 |
| Total Allocated funding to schools | 146,659 | 156,219 | 9,560 |

BARNSELY METROPOLITAN BOROUGH COUNCIL

CAPITAL PROGRAMME & USE OF RESERVES

1. Purpose of Report

- 1.1 To identify the Council's capital investment needs and resource availability through to 2022/23.

2. Recommendation

- 2.1 It is recommended that:

- 1 **Members note the overall available resources position for consideration as outlined in Section 4 of this report;**
- 2 **Members approve in principle the current list of priority schemes identified at appendices A and B;**
- 3 **Members approve the decision to defer the use of remaining general reserves, totalling £1.4M, to be held for any unforeseen circumstances, as outlined in paragraph 5.7;**
- 4 **Members note the remaining housing related monies of £1.2M, identified in Paragraph 5.8, which will be considered against future emerging priorities during 2020/21;**
- 5 **Members note the indicative external resource allocations, as outlined at Table 7 of this report, and specifically approve the 2020/21 resources of £13.5M to be included in the Council's capital programme - subject to final confirmation.**

3. Introduction

- 3.1 The 2020 Capital Programme has been set within the context of the Council's 2020 Reserves Strategy included at **Section 2c** within the budget pack.

4. Overall Resource Position

- 4.1 The updated Reserves Strategy outlines the level of resources potentially available for both general fund and housing priority investment respectively. This is summarised in the table below:-

Table 1: Total Available Resources for Consideration

| | TOTAL £M |
|------------------------|---------------------|
| General Fund Resources | 20.8 |
| Housing Resources | 13.1 |
| Total | 33.9 |

5. 2020 Schemes for Consideration

- 5.1 The Capital Investment Strategy (**Section 2d**) sets out the principles and processes with regards to both the governance and prioritisation arrangements in the setting of the capital programme and it is in this context that the proposed new schemes have been considered.

- 5.2 Services have submitted outline investment proposals for both revenue and capital schemes, for consideration against the total resources available. All proposals have been assessed into these two main categories to assist the prioritisation process based on the restricted nature of an element of the available funding and the S151 Officer's advice in respect of prudence.

General Fund Capital Investments (Appendix A)

- 5.3 A number of general fund schemes have been considered against the criteria in the Capital Investment Strategy, which ultimately contributes towards the Council's wider corporate objectives. In respect of funding such schemes, it is proposed to utilise the Council's own general fund reserves as and when these become available. Priority schemes to the value of **£10.4M** are summarised in table 2 below and set out in detail at Appendix A. These capital investments are in addition to the proposed revenue investments totalling £9.0M, as described in the relevant sections within this budget pack.

Table 2: General Fund Capital Investment

| | Total Available Resources £M |
|---|---|
| Supporting Wellbeing and Managing Demand | 2.106 |
| Improving the Efficiency of the of the Council / Invest to Save | 0.250 |
| Support the Renaissance of the Town Centre and Principal Towns | 4.700 |
| Making a Visible Difference in Communities | 3.370 |
| Total Resources Available | 10.426 |

Housing Growth Capital Investments (Appendix B)

- 5.4 These schemes specifically relating to housing investments aim to both increase the Council's housing stock and stimulate the private housing market. The proposed funding of such schemes is to use the Council's Housing Revenue Account (HRA) reserves, S106 Contributions relating to housing and Berneslai Homes company surpluses. As mentioned throughout this report, the HRA Reserves element of the funding is restricted purely to Council Housing proposals and therefore will be solely used on these schemes.
- 5.5 The capital programme for the HRA including both the Barnsley Homes Standard and wider housing investment proposals has been approved in a separate report (Cab.11.12.2019/6 refers). The indicative 5 year HRA programme is shown in table 3 below which includes priority housing schemes totalling **£11.9M**, details of which can be found at Appendix B.

Table 3: HRA Capital Programme

| | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | TOTAL |
|---|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| | | £M | £M | £M | £M | £M | £M | £M |
| Current Approved Programme | | 33.485 | 6.873 | 3.531 | - | - | - | 43.889 |
| Sub Total – Current Approved Programme | | 33.485 | 6.873 | 3.531 | - | - | - | 43.889 |
| Future Programme – For Approval | Core Investment Programme | - | 19.912 | - | - | - | - | 19.912 |
| | Housing Growth Investment | - | 5.195 | 4.365 | 1.645 | 0.645 | - | 11.850 |
| | Housing Growth Investment – Other Funding * | - | 1.001 | 0.583 | 0.146 | 0.146 | 0.146 | 2.022 |
| Sub Total – Future Programme for Approval | | - | 26.108 | 4.948 | 1.791 | 0.791 | 0.146 | 33.784 |
| Future Indicative Investment Core Programme ** | | - | - | 20.218 | 20.684 | 21.134 | 21.618 | 83.654 |
| Sub Total – Future Indicative Core Programme | | - | - | 20.218 | 20.684 | 21.134 | 21.618 | 83.654 |
| TOTAL HRA CAPITAL PROGRAMME | | 33.485 | 32.981 | 28.697 | 22.475 | 21.925 | 21.764 | 161.327 |

* Ringfenced funding that contributes to the cost of the new capital investments e.g. 1-4-1 receipts, RCCO

** This budget is the expected future Core Investment Programme that is formally approved annually and drawn down into the capital programme.

Remaining Resources

- 5.6 Table 4 illustrates the remaining resources available, assuming that both the capital priority schemes highlighted at Appendix A and B, and the revenue investments outlined in this budget pack, are approved.

Table 4: General Fund Resources Remaining

| | Total Available Resources | Committed Schemes / Contingency | | Total Available Resources Remaining |
|----------------------------------|---------------------------|---------------------------------|-----------------|-------------------------------------|
| | | Revenue | Capital | |
| | £M | £M | £M | £M |
| General Fund | 20.850 | (9.004) | (10.426) | 1.420 |
| Housing Revenue Account | 13.100 | - | (11.850) | 1.250 |
| Total Resources Available | 33.950 | (9.004) | (22.276) | 2.670 |

- 5.7 An overall balance of resources totalling £2.6M has been identified at this time. It is proposed that £1.4M of General Fund resources be held as a contingency, for any unforeseen circumstances - **Recommendation 3**.
- 5.8 The remaining £1.2M relates to unallocated HRA reserves, S106 contributions relating to housing and BH surpluses and it is proposed that this will be considered against future housing priorities in 2020/21 - **Recommendation 4**.

Updated Capital Programme (General Fund)

- 5.9 Subject to the approval of the priority capital schemes highlighted at Appendix A, the revised capital programme for the General Fund programme is summarised in Table 5.

Table 5: Updated Capital Programme (General Fund)

| | Existing Programme | New Approvals | Total Capital Programme |
|---|--------------------|---------------|-------------------------|
| | £M | £M | £M |
| General Fund | 255.624 | 10.426 | 266.050 |
| Specific Resources yet to be Allocated to Schemes * | 5.981 | - | 5.981 |
| Total Resources Available | 261.605 | 10.426 | 272.031 |

* Includes £2.2M of S106 Contributions received by the Council that have yet to be aligned to specific schemes, £1.0M of SEND Capital Fund monies, £1.0M of schools' Devolved Formula Capital and £0.9M of reserves relating to the Principal Towns scheme that has not yet been aligned to specific schemes. Both the Principal Towns and S106 monies have established governance arrangements in place for the approval of specific schemes.

6. Other Resources

- 6.1 The Council also receives annual allocations in respect of capital funding which is ring-fenced as to what they can be spent on. The quarterly capital programme monitoring updates will report on these allocations as and when they are received, with indicative sums offered below.

School Maintenance Programme

- 6.2 Anticipated resources in 2020/21 totalling £0.9M relate to investment and maintenance in the schools' stock, early years settings and children's centres (maintenance allowance).
- 6.3 These amounts are provided indicatively at this stage and are subject to change depending on the rate of academy conversion of the Authority's maintained schools. The final capital programme plans will be capped in line with the confirmed amounts which will be received in due course.

Disabled Facilities Programme

- 6.4 The Council has received an indicative grant allocation totalling £3.0M for 2020/21 relating to the DFG element of the Better Care Fund. This amount is not yet confirmed and is therefore subject to change. The final capital programme plans will be capped in line with the confirmed amounts which will be received in due course.

Local Transport Programme (LTP)

- 6.5 The indicative resources for 2020/21 total £4.7M relating to specific grants in respect of the LTP. This is made up of an LTP Maintenance Block allocation of £3.1M, LTP Maintenance Block Incentive Funding of £0.3M, Pothole Action Fund of £0.2M and the Integrated Transport Pot £1.1M which are available to invest in the borough's road maintenance needs.
- 6.6 The Council is also awaiting indication from Government of the level of funding due in respect of the additional pot hole funding for councils, as announced in the Conservative's election manifesto. Upon confirmation of the amount due, the Council will assess the level of pot hole works across the Borough, in conjunction with both the Pothole Action Fund (as per paragraph 6.5), and the Council's own available resources.

School Admission / Basic Need Programme

- 6.7 Basic Need resources already announced for 2020/21 total £8.6M which supports the requirement to provide new pupil places by expanding existing schools within the Borough.
- 6.8 Future funding allocations in respect of new School Pupil Places are agreed / allocated on a three year rolling basis as informed by pupil projections figures provided by local authorities via the school capacity (SCAP) survey. The Department for Education has approved the revision made to Barnsley's 2017 SCAP return (increasing the planning areas for secondary schools from one to four) which now clearly shows the need for new school places in the town centre / Penistone areas of the Borough. This is reflected in the increased funding for 2020/21.
- 6.9 The Council has already committed an element of this funding to specific pressures, which is detailed Table 6.

Table 6: Reconciliation of 2020/21 Basic Need Allocation

| Approved Commitments | £M | £M |
|----------------------------|---------|--------------|
| Basic Needs Funding | | 8.570 |
| Feasibility Study Costs | (0.029) | (3.555) |
| Penistone – Phase 2 | (3.227) | |
| Darton Academy | (0.299) | |
| | | |
| Balance of Funding | | 5.015 |

- 6.10 It must be noted that the Council, via Trinity MAT, submitted an application for a few school, which was approved by DfE in June 2019. The MAT is expected to finalise plans, develop policies and undertake a statutory consultation in the coming months. A provisional opening date will need to be confirmed by DfE once a site has been identified and an assessment undertaken of timescales to obtain planning permission, procuring a contractor and complete the necessary building works. via a Multi Academy Trust, has had approval is in the process of applying for a free school in the town centre.
- 6.11 It is expected that there will be no cost implications in respect of this free school on the Council and therefore on the balance of funding of Basic Need Grant as outlined above.

7. Overall Use of Specific Funding

- 7.1 The ring-fenced funding to be considered as part of this report has yet to be assigned to specific schemes. The inclusion for approval is for Members to note the anticipated receipt of the allocations in 2020 onwards but to specifically note the indicative 2020/21 allocation of **£13.5M** for inclusion in the Council's capital programme. This funding amount will be subject to final confirmation. **Recommendation 5.**
- 7.2 Subsequent Cabinet reports will be presented, aligning the confirmed allocation to individual schemes, in due course. The indicative allocations for 2020/21 are shown in Table 7.

Table 7: Specific Funding Indicative Allocations

| | 2020/21 £M |
|---|---------------|
| <u>Specific Funding to be Approved</u> | |
| School Maintenance Programme (indicative) * | 0.865 |
| Disabled Facilities Programme (indicative) ** | 2.976 |
| Local Transport Programme (indicative) ** | 4.653 |
| School Admissions Programme (indicative) | 5.015 |
| Total | 13.509 |

* Figures based on 2019/20 allocation as no indicative figures released by Central Government at the time of writing this report.

** Indicative allocation for 2020/21, actual allocation not yet confirmed by Central Government.

8. **Total Capital Programme**

8.1 The indicative 2020 capital programme totals £446.9M as detailed in Table 8.

Table 8: Indicative 2020 Capital Programme

| | Total Capital Programme | Of Which New Approvals |
|-------------------------|----------------------------|------------------------------|
| | £M | £M |
| General Fund | 272.031 | 10.426 |
| Housing Revenue Account | 161.327 | 33.784 |
| Specific Funding | 13.509* | 13.509* |
| Total | 446.867 | 57.719 |

See Table 2 /
Appendix A

See Table 3 /
Appendix B

See Table 7

* Subject to final confirmation from the funding bodies concerned.

GF CAPITAL PROPOSALS
EMERGING INVESTMENT PRIORITIES

| Ref | Proposal Name | Directorate | Description | 2019/20 £ | 2020/21 £ | Other Years £ | Total Investment £ |
|---|--|-------------|---|--------------|-------------------|------------------|-----------------------|
| Supporting Wellbeing and Managing Demand for Statutory Services | | | | | | | |
| C1 | Vulnerable Childrens / Adults Hub | Place | This proposal to invest to create a bespoke childrens hub, utilised by the YOT team. | | 2,000,000 | | 2,000,000 |
| C4 | Improve Disabled Facilities in Lifelong Learning centres | Place | Royston & Roundhouse Lifelong Learning - Improvement of facilities inc. stairlift and kitchen refurbishments. | | 106,000 | | 106,000 |
| SUBTOTAL Supporting Wellbeing and Managing Demand for Statutory Services | | | | | 2,106,000 | 0 | 2,106,000 |
| Improve the efficiency of the Council / Invest to Save | | | | | | | |
| C3 | WorkSmart Space Optimisation - Pilot | Place | This proposal is a pilot to transform the Council's workspaces to ensure that they are fit for agile and smarter working. | | 250,000 | | 250,000 |
| Sub- Total Improve the efficiency of the Council / Invest to Save | | | | | 250,000 | 0 | 250,000 |
| Support the renaissance of the Town Centre and Principal Towns | | | | | | | |
| C5 | Match Funding Historic High Streets Heritage Action Zone (HHS HAZ) Bid | Place | Match funding towards a grant bid for the Historic High Streets Fund, focusing on the regeneration of the Civic facing on to Eldon Street. | | 2,000,000 | | 2,000,000 |
| C6 | Principal Towns | Place | Further investment in the Principal Towns Programme. | | 1,500,000 | | 1,500,000 |
| C7 | Town Centre Parking Strategy - Phase 1 | Place | Implementation of Phase 1 of the Town Centre Car Parking Strategy to include digital displays; pay on exit capability; contactless payment, electric charging points; safer car parks inc. CCTV. | | 1,200,000 | | 1,200,000 |
| SUBTOTAL Support the renaissance of the Town Centre and Principal Towns | | | | | 4,700,000 | 0 | 4,700,000 |
| Making a visible difference in communities | | | | | | | |
| C8 | Highway Improvement - Dearne Town link-road | Place | Resources required to mitigate the expected funding gap for the Dearne Town SCR scheme (3 roundabouts and an access road in the Dearne to unlock employment sites). | | 870,000 | | 870,000 |
| C9 | Penny Pie Park Bridge | Place | Funding to deliver enhanced greenspaces, including a new footbridge over the railway that links Pogmoor recreation ground to Penny Pie park. | | 1,000,000 | | 1,000,000 |
| C10 | Enhanced Highway Maintenance Programme / Gully Works | Place | This proposal is to provide investment in local highway maintenance (Member priorities) and acceleration of the gully maintenance programme. | | 1,500,000 | | 1,500,000 |
| SUBTOTAL Making a visible difference in communities | | | | | 3,370,000 | 0 | 3,370,000 |
| TOTAL GF CAPITAL | | | | | 10,426,000 | 0 | 10,426,000 |

HRA CAPITAL PROPOSALS

EMERGING INVESTMENT PRIORITIES

| Ref | Investment Theme | Directorate | Description | 2020/21 £ | 2021/22 £ | 2022/23 £ | Other Years £ | Total Investment £ |
|--------------------------------------|----------------------------|-------------|--|------------------|------------------|------------------|------------------|-----------------------|
| HRA 1 | Independent Living | HRA | Disabled Adaptations - Enable people to live independently in their own homes | 400,000 | 200,000 | 200,000 | 200,000 | 1,000,000 |
| HRA 3 | Service Transformation | HRA | Customer Services IT Investment – Transformation of Customer Services | 1,000,000 | 1,000,000 | - | - | 2,000,000 |
| HRA 4 | Inclusive Growth | HRA | Environmental Improvements - Apprenticeship scheme to help people into work | 50,000 | 195,000 | 195,000 | 195,000 | 635,000 |
| HRA 9 | Zero 2045 | HRA | Installation of Solar PV – Reduce Carbon Emissions and reduce Tenant Fuel Poverty – 50 properties p.a. | 250,000 | 250,000 | 250,000 | 250,000 | 1,000,000 |
| HRA 10 | Housing Growth / Zero 2045 | HRA | Billingley View – Low Carbon New Build Social Housing – 16 Units | 1,400,000 | 460,000 | - | - | 1,860,000 |
| HRA 2 | Housing Growth | HRA | Additional Housing Acquisitions – Replenish RTB stock | 1,000,000 | 1,000,000 | 1,000,000 | - | 3,000,000 |
| HRA 12 | Housing Growth | HRA | Sunnybank/Overdale Adapted Bungalows – Meets Demand for New Build Adapted Social Housing – 4 Units | 315,000 | 280,000 | - | - | 595,000 |
| HRA 13 | Housing Growth | HRA | Athersley South, Adapted Bungalow Scheme – 8 Units | 500,000 | 700,000 | - | - | 1,200,000 |
| HRA 14 | Housing Growth | HRA | Dearne acquisition, demolition and re-development – 4 – 6 Units | 280,000 | 280,000 | - | - | 560,000 |
| TOTAL HRA CAPITAL INVESTMENTS | | | | 5,195,000 | 4,365,000 | 1,645,000 | 645,000 | 11,850,000 |

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan.

Report of the Executive Director – Core Services

**2020/21 SERVICE AND FINANCIAL PLANNING
REDUNDANCY COMPENSATION AND PROCEDURES**

1. Purpose of Report

- 1.1 To consider the maximum amount of compensation to be paid under the Discretionary Compensation Regulations 2006.
- 1.2 To consider the period of notice to be afforded to employees declared compulsory redundant.

2. Recommendations

- 2.1 **That for the purpose of the 2020/2021 budgetary procedures, payments in accordance with the Discretionary Compensation Regulations 2006 be up to a maximum of 30 weeks actual pay based on the Statutory Redundancy Scheme.**
- 2.2 **That any employee (excluding Teachers) declared redundant be afforded the maximum of 12 weeks' notice of termination of employment.**

3. Introduction/Background

- 3.1 The above regulations provide Local Authorities with the power to make discretionary one-off lump sum payments (enhanced redundancy payments) to employees who are made redundant.
- 3.2 With effect from 1 April 2007, the Council introduced a revised scheme of compensation using the Statutory Redundancy Scheme but based on actual pay.

4. Current Position

- 4.1 Employees are entitled by their contract of employment to receive a period of notice if their employment is to be terminated by reason of redundancy.
- 4.2 This period of notice is the greater of either that specified within their contract of employment or that specified by statute.
- 4.3 In previous years, the Council has agreed the maximum of 12 weeks notice, irrespective of an employee's length of service, would be served on any employee declared compulsory redundant. In addition to this, redeployment opportunities will be sought for affected employees during the statutory consultation period.
- 4.4 The advantage of affording 12 weeks notice to all employees are:-
 - (i) The maximum time will be available to pursue and achieve redeployment opportunities.
 - (ii) Successful redeployment will negate the need to make a redundancy payment (maximum up to 30 weeks actual pay).
- 4.5 The disadvantage is if no redeployment opportunities exist, then there is a cost over and above what the contractual/statutory notice entitlement would have provided.

5. Options

- 5.1 To accept the report recommending payment up to a maximum of 30 weeks actual pay to all employees who are redundant and any employee declared compulsory redundant to be offered the maximum of 12 weeks notice of termination.
- 5.2 Not accept the report.

6. Local Area Implications

- 6.1 There are no direct Local Area implications.

7. Compatibility with European Convention on Human Rights

- 7.1 There are no implications.

8. Ensuring Social Inclusion

- 8.1 There are no implications.

9. Reduction of Crime and Disorder

- 9.1 There are no implications.

10. Risk Assessment

10.1 There are no implications.

11. Consultations

11.1 Service Director (Finance) and the Trade Unions have been consulted.

12. Proposal

12.1 It is recommended that Cabinet approve the recommendations of this report.

13. Glossary

13.1 None

14. List of Appendices

14.1 None

15. Background Papers

15.1 Discretionary Compensation Regulations 2006 – available for inspection from Human Resources.

Officer Contact: Michael Potter, Service Director Business Improvement, HR and Communications

Telephone No: 774594 Date: December 2019

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BARNSELY METROPOLITAN BOROUGH COUNCIL

Report of the Executive Director – Core Services

Aggregated equality implications of budget efficiency proposals 2020/21 including the impact of Brexit on equality considerations.

1. Purpose of Report

- To provide an overview of the equality impact assessment process for the budget efficiency proposals.
- To summarise the aggregated impact of the proposals.
- To report the cumulative impact of welfare reform and spending decisions across the groups protected under the Equality Act 2010 over recent years.
- To provide a precis of whether Brexit will affect UK equality and human rights law and whether that could impact the Council's ways of working in the coming year.

2. Background

A. Purpose of Equality Impact Assessment (EIA) Process

2.1 The budget efficiency process is an area where the Public Sector Equality Duty requires the Council to demonstrate 'due regard' to the three aims of the duty. That is, to avoid adverse outcomes for protected groups; and to advance equality of opportunity and foster good relations for people from protected groups where possible. An EIA has been embedded into the process of identifying, evaluating and implementing budget saving proposals.

2.2 This enables the Council to:

- have a written record of equality considerations;
- ensure that decisions include a consideration of the actions that would help to avoid or mitigate any unfair impact on diverse groups;
- make decisions based on evidence;
- make the decision-making process more transparent;
- comply with the law, and therefore reduce financial and/or reputational risk.

B. Stage One – Pre-screening Equality Impact Assessment

2.3 In times of spending cuts '*Public bodies must ensure they adopt a proportionate approach to compliance.*'¹ The EIA predicts the likely impact the proposal will have on each protected group, however if the proposal is highly unlikely to have an

¹ Gov.Uk. 2013. Review of the public sector equality duty. [ONLINE] Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/237194/Review_of_the_Public_Sector_Equality_Duty_by_the_Independent_Steering_Group.pdf.

adverse outcome on a particular group, there is no requirement to spend time gathering evidence to prove this.²

The first stage of the EIA process is to differentiate those proposals where there could potentially be a significant equality impact from those where there will be no or negligible impact.

- 2.4 The pre-screening process is a series of questions that determines which of the budget efficiency proposals need to undertake a full equality impact assessment.

C. Stage Two – Full Equality Impact Assessment

- 2.5 The Full EIA requires services to:

- gather and assess evidence about the potential impact in terms of service take-up, service quality and customer access, local and national data;
- consider how they will seek the views of the local community, and in particular, those groups most affected by the proposal (if applicable);
- identify potential mitigating actions where possible negative impact has been found.

- 2.6 Individual decisions should also consider the wider context of work across public bodies, so that groups are not unduly affected by a cumulative effect of decisions.

- 2.7 An EIA is an ongoing process and predictions may change overtime as efficiency proposals are refined, feedback from consultation is considered or mitigating actions identified that may reduce any negative impacts.

- 2.8 All reports outlining a budget efficiency proposal should include an outline of the key EIA findings. This should as a minimum describe:

- the main negative impacts anticipated;
- how this has been assessed and the evidence used;
- what options for mitigation should be considered; and
- how the actual impact will be reviewed after implementation.

3. Aggregated Equality Impact Assessment 2020/21

- 3.1 The Aggregated EIA is an assessment of the cumulative impact of all the budget efficiency proposals on the groups protected under the Equality Act 2010. This should be viewed in conjunction with the holistic impacts faced by protected groups (at point 4) when deciding whether and how to implement the proposals.

² *Margaret Bailey and others v Brent Council* 2011[ONLINE] Available at: <https://www.equallyours.org/wp-content/uploads/2015/06/DueRegardJune2015.pdf>

3.2 Work contained within the Future Council 2020/21 efficiency savings not included in the aggregated assessment:

- Work that has already been delivered, and therefore equality considerations have already been made.
- Proposals that solely relate to the increase in an income generation target that is currently over performing, as this does not require equalities consideration.
- Expenditure work, although subject to equality considerations, is not included as the aggregated EIA is a high level equalities overview of the spending cuts.
- Place - Review of town centre accommodation. This work is being delivered over 2 years and is in very early stages. A report is currently being drafted relating to high level options. Once this has been considered the EIA will be started.
- Core - COM1 E1/20-21 contains 12 themes related to Digital First efficiencies. An EIA has been undertaken for 'paperless office' and is included within the aggregated EIA. However, EIA's will be completed for other workstreams when they start and are therefore not included.
- People - BU1 E3/20-21 - Review of early intervention / preventative contracts and funding. The EIA is due to be started Quarter 4 2019/20.

3.3 Much of the savings relate to restructure of teams. This work is also subject to legal obligations under the Public Sector Equality Duty. However, this process has different considerations from the generic EIA process and is therefore not included in the aggregated assessment. Efficiency proposals relating to internal restructures will be expected to consider new restructure guidance which is due to be completed and published in quarter four 2019/20.

3.4 Ten budget efficiency proposals completed a pre-screening which deemed that the work had very little or no direct relevance to equality. Therefore completion of a full assessment was not required. The types of work that do not require a full EIA are generally those with little or no direct relevance to people, for example the increased fee income from higher planning fees.

3.5 Six full EIA's were completed with results shown in Table 1. It is possible that a piece of work can predict both negative and positive outcomes across the different protected groups and across different elements of the work:

- There are two proposals that have identified a negative impact, both on the protected characteristic of disability. **However, both proposals have identified steps which will be taken to mitigate against the potential adverse outcomes.**
- There are four proposals that have predicted positive outcomes for one or more protected groups.

- Two efficiency proposals have identified that although the work relates to people from certain protected groups; there will be no impact on these people as a consequence of the work.

Note: the EIA is a live document. Therefore predictions may alter after the first iteration is developed.

Table 1 – Summary of potential impact across efficiency proposals

| Protected characteristic | Negative '–' | Positive '+' | No impact | Details |
|--------------------------|--------------|--------------|-----------|---|
| Sex | | 2 | | <p><u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design</p> <p><u>Public Health PH E2/20/21 – Health checks CVD</u> Men – Wider availability of checks outside usual healthcare settings.</p> |
| Age | | 2 | | <p><u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design.</p> <p><u>Public Health PH E2/20/21 – Health checks CVD</u> Older people – targeted encouragement to attend checks, also benefitting from dementia advice.</p> |
| | | | 1 | <p><u>Communities BU2 E4/20-21 Provision of night service</u> Supporting people in their own home to be delivered in-house. Same service delivered by different staff.</p> |
| Disabled | 2 | | | <p><u>Communities BU2 E5/20-21 – Review of commissioned contracts- Mencap.</u> Learning disability - Although service users will be affected, each will have an individual exit plan and will be able to transfer to the BMBC service, therefore negative outcomes mitigated.</p> <p><u>Core COM1 E1/20-21 - Digital first – Paperless office</u> Mobility impaired staff - Increased distance to printer. Visually impaired - Potential need for additional support for printing of large format/colour documents. Reasonable adjustments and additional support should mitigate possible negative outcomes.</p> |
| | | 4 | | <p><u>Communities BU2 E5/20-21 – Review of commissioned contracts- Mencap.</u> Service provided by BMBC will be more inclusive and ensure the right support, thus advance opportunities.</p> <p><u>Core COM1 E1/20-21 - Digital first – Paperless office</u> Visual impairments - Use of digital services should have a positive effect allowing the use of accessibility software and allow individual software settings such</p> |

| | | | | |
|------|--|---|---|---|
| | | | | <p>as large print, different font colours.</p> <p><u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design</p> <p><u>Public Health PH E2/20/21 – Health checks CVD</u> More targeted approach for those identified as having serious mental health or learning disability.</p> |
| | | | 2 | <p><u>Core BU17-E1/20-21 - Restructure of Licensing Team</u> including digitisation of licensing processes. Any disability preventing a person from completing an on line process would almost certainly exclude them from eligibility for engagement in the taxi trade. A paper alternative would be made available in exceptional circumstances.</p> <p><u>Communities BU2 E4/20-21 Provision of night service</u> Supporting people in their own home to be delivered in-house. Same service delivered by different staff.</p> |
| Race | | 3 | | <p><u>Core COM1 E1/20-21 - Digital first – Paperless office</u> Non-English speaking - Use of electronic mail should have a positive effect allowing the use software such as Google Translate to support interpretation.</p> <p><u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design</p> <p><u>Public Health PH E2/20/21 – Health checks</u> Monitor attendance by BME communities and address underrepresentation if applicable.</p> |
| | | | 1 | <p><u>Core BU17-E1/20-21 - Restructure of Licensing Team</u> including digitisation of licensing processes. Basic English comprehension is a necessity in the taxi trade. On-line processes should be no more difficult than paper documents for those whose first language is not English.</p> |

| | | | | |
|------------------------------|--|-----|--|--|
| Religion & Belief | | 1 | | <u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design |
| Sexual Orientation | | | | No predicted impact |
| Gender Reassignment | | 1 | | <u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design |
| Marriage / Civil partnership | | N/A | | No predicted impact |
| Pregnancy / Maternity | | 1 | | <u>Place- Commercial investment to stimulate growth</u> DMC2 refurbishment – Inclusive & accessible design |
| Other: Socio-economic groups | | 1 | | <u>Public Health PH E2/20/21 – Health checks</u> Specific targeting by postcode for people living in deprived locality. |

- 3.6 The summary at Table 1 shows that the efficiency proposals should not have an adverse impact on protected groups. Due the remodelling of services it actually shows potential to 'advance equality of opportunity' for some protected groups; therefore evidencing compliance with strand two of the Equality Duty.

4. Cumulative Impact of previous spending cuts and welfare reform

- 4.1 The Equality and Human Rights Commission (EHRC) report³ a regressive negative impact since 2010, with the largest impact being felt by those on the lowest incomes. The report suggested the poorest tenth of households will on average lose about 10% of their income by 2022. The changes have had a disproportionately negative impact on several protected groups, including disabled people, certain ethnic groups, and women.

Disabled people

- 4.2 In 2016 the percentage of people reporting having a disability in Yorkshire and Humber was 20%⁴. This was slightly below the national average which was 21%.
- 4.3 The framework of service available to support disabled people to live their lives in an equitable and inclusive way has changed dramatically in recent years. Directly provided services have been replaced by services which seek to support a disabled person to undertake activities for themselves, and take control of their own care budget. Developments are increasingly building in disability access to higher standards than ever before.

³ EHRC The cumulative impact of tax reforms 2018[ONLINE] Available at:

<https://www.equalityhumanrights.com/sites/default/files/cumulative-impact-assessment-report.pdf>

⁴ Gov.UK. Family Resources Survey 2015/16 2016 [ONLINE] Available at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/600465/family-resources-survey-2015-16.pdf

- 4.4 However, and importantly, many disabled people are living on less money and are more likely to be out of work. Negative impacts have been particularly large for households with more disabled members, for households with at least one disabled adult and a disabled child EHRC report average annual losses just over 13% of average net income. Disabled lone parents with at least one disabled child fare even worse.
- 4.5 There is also evidence to show that consideration given to disabled people by public authorities has been watered down since the introduction of the generic Equality Act 2010⁵.

Sex – Females

- 4.6 The EHRC reported that lone parents in the bottom quintile of the household income distribution have lost around 25% of their net income. The 2011 census reported that 88% of lone parents in Barnsley were female, equating to 6,950 people.

At an individual level, females have lost considerably more than males in the last decade. The reason females are most affected is that they are most often the main recipients of benefits and tax credits, which have seen reductions. Barnsley has a higher percentage of females than males, 50.7% and 49.3% respectively, at Chart 1.

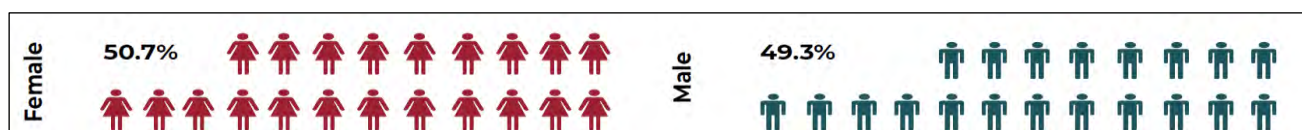


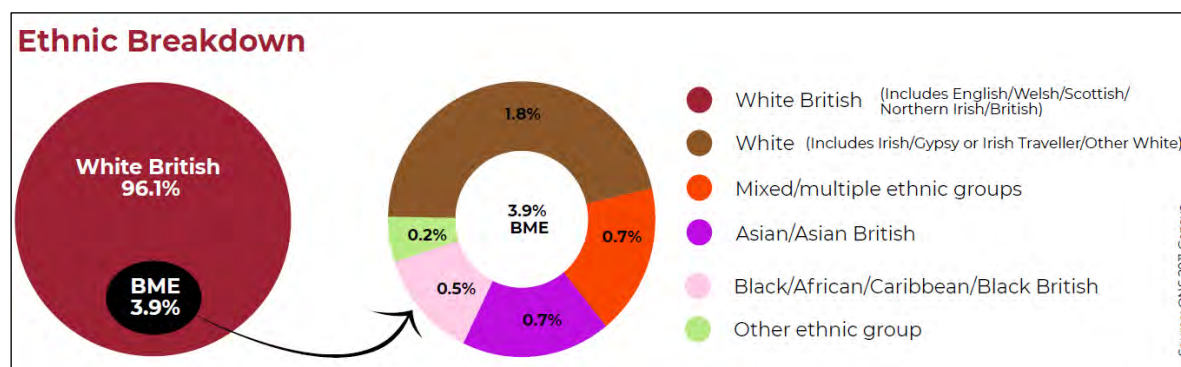
Chart 1 female population from Barnsley Borough Profile⁶

Race – Ethnicity - Black and ethnic minority people (BME)

- 4.7 Across the country the highest negative impact from tax cuts and welfare reform on ethnic minority groups has been experienced by Bangladeshi households, and particularly Bangladeshi women. Looking at spending on public services (rather than tax and welfare), black and Asian households lose out more than other groups, largely because they are disproportionately likely to participate in further and higher education, and (for black households) social housing. Chart 2 shows that the non-white British population in Barnsley is considerably lower than the national figure from the 2011 census which was 13%. Meaning less impact than for many local authorities under the characteristic of Race, due to a lower percentage of people from minority backgrounds.

⁵Parliament.UK. The Equality Act 2010: the impact on disabled people. [ONLINE] Available at: <https://publications.parliament.uk/pa/ld201516/ldselect/ldeqact/117/117.pdf>

⁶ Barnsley Metropolitan Borough Council 2019. Barnsley Borough Profile [ONLINE] Available at: <https://www.barnsley.gov.uk/media/11759/our-borough-profile-20190724.pdf>

Chart 2 Ethnic breakdown of Barnlsey⁶

Intersectional analysis

- 4.8 Intersectional analysis involves examining more than one characteristic at the same time. These 'two-way' analyses are crucial for examining multiple disadvantages due to the combination of two or more protected characteristics.

The 2019 'Left Behind' report⁷ explored the interaction between deprivation and community need. The demographics of areas that were ranked in the bottom ten percent in both the Community Needs Index and Index of Multiple Deprivation were analysed. Typically the areas had a more youthful population (Age-young people) and were White British (Race-ethnicity) residents. They were also characterised as having higher levels of single-parent families (Sex-female). The report named four wards in Barnsley as being among the most 'left behind' (in terms of deprivation and community need) in the country; these were Dearne North, Dearne South, Monk Bretton and St.Helens.

5 **Brexit implications**

Who will be affected?

- 5.1 Most third sector organisations, including Race on the Agenda and the Joseph Rowntree Foundation, claim that Brexit will be most damaging for BME communities, women, child poverty and those on low income.

Consequences for equality legislation

- 5.2 Leaving the European Union (EU) does not affect rights under the European Convention on Human Rights, as this comes from the Council of Europe, not the EU. The impact of Brexit on equality will depend on the laws that are passed to deal with leaving the EU. The White Paper⁸ published by the Government in 2017 provided some clarity about how equality and human rights concerns will be addressed after leaving the EU. This included retaining the protections under the

⁷ Local Trust .Org.UK. 2019 Left behind details *Understanding communities on the edge* [ONLINE] Available at https://localtrust.org.uk/wp-content/uploads/2019/08/local_trust_ocii_left_behind_research_august_2019.pdf

⁸ Gov.Uk 2017 The Repeal Bill: White paper[ONLINE] Available at <https://www.gov.uk/government/publications/the-repeal-bill-white-paper>

Equality Act 2010. In addition, many protections in EU law, especially equality rights, have already been written into UK law by legislation, which will stay the same unless withdrawn by Parliament. However, the White Paper alluded to the possibility that a new government could seek to pass laws which repeal or weaken our current rights below the standard of EU law rights.

- 5.3 The Public Sector Equality Duty, at s.149 Equality Act 2010 has frequently been criticised by Conservative Governments for being over bureaucratic, which resulted in a review of Duty in 2013⁹. The 2019 Conservative manifesto¹⁰ stated they would set up a 'Constitution, Democracy and Rights Commission' in their first year. The Commission will seek to 'restore trust in our institutions and democracy'. This will include updating the Human Rights Act (HRA) to ensure there is a 'proper balance between the rights of individuals, our vital national security and effective government'. The HRA currently includes almost all the provisions in the ECHR, allowing judges to apply them in the courts of United Kingdom.

5. **Summary**

- 5.1 The 2020/21 efficiency proposals are not predicted to have an adverse impact on protected groups. In fact there is potential to 'advance equality of opportunity' for some protected groups.

However, cuts over the past decade have clearly impacted certain groups protected by law: disabled people, women and certain BME groups. Although not covered by equality legislation households on lower incomes have also faced greater impacts. It is important that serious consideration is given to any future work that predicts a negative impact either in terms of the protected groups, people on lower incomes, and people living in the four wards highlighted in the intersectional analysis.

In terms of Brexit, the current Council processes of considering equality should continue, with a watching brief on changes to equality legislation that may materialise in the coming years.

⁹ Gov.UK. 2013. Review of the public sector equality duty. [ONLINE] Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/237194/Review_of_the_Public_Sector_Equality_Duty_by_the_Independent_Steering_Group.pdf.

¹⁰ Conservatives 2019 Our Plan: Conservative manifesto 2019 [ONLINE] Available at <https://vote.conservatives.com/our-plan>

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Communications

INVESTMENTS AND ACTIVITY

Shout about good news -
showcasing what's happening
across Barnsley



Supporting people to help
themselves and their
communities #TownSpirit

Being clear about what services we
provide. how they support people
and how people can access them

TELLING PEOPLE ABOUT OUR BUDGET PLANS

- Council tax information
- Reductions vs strong position in time difficult times
- Innovation in services
- This is what it means for you...
- Encouraging people to #Ownit - Town Spirit behaviour change

USING RESIDENT FEEDBACK

We'll use the insight we gather from the Barnsley 2030 engagement activity to look at priorities for our residents. We'll work with services to make sure any consultation exercises related to the budget are planned and targeted to key stakeholders

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