

Democratic Services

Guildhall, High Street, Bath BA1 5AW

Telephone: (01225) 477000 *main switchboard*

Direct Lines - Tel: 01225 394358 Fax: 01225 394439

Web-site - <http://www.bathnes.gov.uk>

Date: 9 February 2015

E-mail: Democratic_Services@bathnes.gov.uk

To: All Members of the Council

Chief Executive and other appropriate officers
Press and Public

Dear Member

Council: Tuesday, 17th February, 2015

You are invited to attend a meeting of the **Council** to be held on **Tuesday, 17th February, 2015 at 6.30 pm** in the **Council Chamber - Guildhall, Bath.**

The agenda is set out overleaf.

Refreshments will be available for Councillors from 5pm in the Aix-en-Provence Room (next to the Banqueting Room) on Floor 1.

Yours sincerely



Jo Morrison
Democratic Services Manager
for Chief Executive

Please note the following arrangements for pre-group meetings:

| | |
|-------------------------|-------------------------------------|
| Conservative | Brunswick Room, Ground Floor |
| Liberal Democrat | Kaposvar Room, Floor 1 |
| Labour | Small Meeting Room, Floor 2 |
| Independent | Independent Group room |

If you need to access this agenda or any of the supporting reports in an alternative accessible format please contact Democratic Services or the relevant report author whose details are listed at the end of each report.

This Agenda and all accompanying reports are printed on recycled paper

NOTES:

1. **Inspection of Papers:** Any person wishing to inspect minutes, reports, or a list of the background papers relating to any item on this Agenda should contact Jo Morrison who is available by telephoning Bath 01225 394358.
2. **Details of decisions taken at this meeting** can be found in the minutes which will be circulated with the agenda for the next meeting. In the meantime, details can be obtained by contacting as above. Papers are available for inspection as follows:

Public Access points:- Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

For Councillors and officers, papers may be inspected via Political Group Research Assistants and Group Rooms/Members' Libraries.

3. **Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator

The Council will broadcast the images and sound live via the internet www.bathnes.gov.uk/webcast An archived recording of the proceedings will also be available for viewing after the meeting. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

4. **Spokespersons:** The Political Group Spokespersons for the Council are the Group Leaders, who are Councillors Paul Crossley (Liberal Democrat Group), Tim Warren (Conservative Group), Nathan Hartley (Independent Group) and John Bull (Labour Group)
5. **Attendance Register:** Members should sign the Register, which will be circulated at the meeting.
6. **Public Speaking at Meetings:** The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. They may also ask a question to which a written answer will be given. **Advance notice is required not less than two full working days before the meeting. This means that for meetings held on Thursdays notice must be received in Democratic Services by 5.00pm the previous Monday.** Further details of the scheme can be obtained by contacting Jo Morrison as above.
7. THE APPENDED SUPPORTING DOCUMENTS ARE IDENTIFIED BY AGENDA ITEM NUMBER.

8. Emergency Evacuation Procedure

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are sign-posted.

Arrangements are in place for the safe evacuation of disabled people.

9. **Presentation of reports:** Officers of the Council will not normally introduce their reports unless requested by the meeting to do so. Officers may need to advise the meeting of new information arising since the agenda was sent out.

A G E N D A

1. EMERGENCY EVACUATION PROCEDURE

The Chairman will draw attention to the emergency evacuation procedure as set out under Note 8.

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to complete the green interest forms circulated to groups in their pre-meetings (which will be announced at the Council Meeting) to indicate:

(a) The agenda item number in which they have an interest to declare.

(b) The nature of their interest.

(c) Whether their interest is **a disclosable pecuniary interest** or an **other interest**, (as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer before the meeting to expedite dealing with the item during the meeting.

4. MINUTES - 15TH JANUARY 2015 (Pages 7 - 14)

To be confirmed as a correct record and signed by the Chair(man)

5. QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM THE PUBLIC

The Democratic Services Manager will announce any submissions received under the arrangements set out in note 5 above. The Council will be invited to decide what action it wishes to take, if any, on the matters raised in these submissions. As the questions received and the answers given will be circulated in written form there is no requirement for them to be read out at the meeting. The questions and answers will be published with the draft minutes.

6. ANNOUNCEMENTS FROM THE CHAIRMAN OF THE COUNCIL OR FROM THE CHIEF EXECUTIVE

These are matters of information for Members of the Council. No decisions will be required arising from the announcements.

7. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

If there is any urgent business arising since the formal agenda was published, the

Chairman will announce this and give reasons why he has agreed to consider it at this meeting. In making his decision, the Chairman will, where practicable, have consulted with the Leaders of the Political Groups. Any documentation on urgent business will be circulated at the meeting, if not made available previously.

8. **BUDGET & COUNCIL TAX 2015/16 AND MEDIUM TERM FINANCIAL OUTLOOK**
(Pages 15 - 124)

This report presents the Cabinet's draft medium term financial plan, and revenue and capital budgets for the 2015/16 financial year together with a proposal for a Council Tax level for 2015/16.

9. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2015/16** (Pages 125 - 148)

In accordance with the revised CIPFA Treasury Management in Public Services Code of Practice 2011, the Council is required to approve a Treasury Management Strategy before the start of each financial year and for this to be scrutinised by an individual / group of individuals or committee.

In addition, the Department for Communities and Local Government (CLG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance. This report is on the agenda to be scrutinised by the Corporate Audit Committee at the 26th March 2015 meeting, following which any recommended amendments to the strategy will be reported back to Cabinet.

10. **COMMUNITY INFRASTRUCTURE LEVY (CIL) ADOPTION** (Pages 149 - 166)

This report recommends approval of the B&NES Community Infrastructure Levy (CIL). Following the examination hearings on the 8th January 2015, the Examiner recommended approval of the CIL, with modifications. The Council can only approve the CIL if it accepts the Examiner's modifications.

The Committee Administrator for this meeting is Jo Morrison who can be contacted on 01225 394358.

Protocol for Decision-making

Guidance for Members when making decisions

When making decisions, the Cabinet/Committee must ensure it has regard only to relevant considerations and disregards those that are not material.

The Cabinet/Committee must ensure that it bears in mind the following legal duties when making its decisions:

- Equalities considerations
- Risk Management considerations
- Crime and Disorder considerations
- Sustainability considerations
- Natural Environment considerations
- Planning Act 2008 considerations
- Human Rights Act 1998 considerations
- Children Act 2004 considerations
- Public Health & Inequalities considerations

Whilst it is the responsibility of the report author and the Council's Monitoring Officer and Chief Financial Officer to assess the applicability of the legal requirements, decision makers should ensure they are satisfied that the information presented to them is consistent with and takes due regard of them.

BATH AND NORTH EAST SOMERSET COUNCIL

MINUTES OF COUNCIL MEETING

Thursday, 15th January, 2015

Present:- **Councillors** Patrick Anketell-Jones, Rob Appleyard, Sharon Ball, Tim Ball, Colin Barrett, Cherry Beath, David Bellotti, Sarah Bevan, Mathew Blankley, Lisa Brett, John Bull, Neil Butters, Bryan Chalker, Anthony Clarke, Nicholas Coombes, Paul Crossley, Gerry Curran, David Dixon, Peter Edwards, Michael Evans, Paul Fox, Andrew Furse, Terry Gazzard, Charles Gerrish, Ian Gilchrist, Alan Hale, Katie Hall, Liz Hardman, Steve Hedges, Eleanor Jackson, Les Kew, Dave Laming, Malcolm Lees, Marie Longstaff, Barry Macrae, David Martin, Loraine Morgan-Brinkhurst MBE, Robin Moss, Paul Myers, Douglas Nicol, June Player, Vic Pritchard, Liz Richardson, Manda Rigby, Caroline Roberts, Nigel Roberts, Dine Romero, Will Sandry, Brian Simmons, Kate Simmons, Jeremy Sparks, Ben Stevens, Roger Symonds, Martin Veal, Geoff Ward, Tim Warren, Chris Watt and Brian Webber

Apologies for absence: **Councillors** Simon Allen, Sally Davis, Douglas Deacon, Francine Haeberling, Nathan Hartley, Bryan Organ and David Veale

52 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure as set out on the agenda.

53 DECLARATIONS OF INTEREST

The Chief Executive declared an interest in item 10 "Proper Officer Designation and Allocation of Statutory roles" and withdrew from the meeting for the duration of this item.

54 MINUTES - 13TH NOVEMBER 2014

On a motion from Councillor Paul Crossley, seconded by Councillor Tim Warren, it was

RESOLVED that the minutes of 13th November 2014 be approved as a correct record and signed by the Chairman.

55 ANNOUNCEMENTS FROM THE CHAIRMAN OF THE COUNCIL OR FROM THE CHIEF EXECUTIVE

The Chairman made the customary announcements regarding mobile phones and the meeting being webcast.

He also offered congratulations to the following residents of Bath and North East Somerset Council who had received honours in the Queen's New Year list:-

MBE - Peter Capener, co-founder and chair, Bath and West Community Energy. For services to sustainable energy.

MBE - Sarah Alice Hunter, vice-captain, England women's rugby union team. For services to Rugby.

British Empire Medal - Ann Garner, Artistic director, The Mission Theatre. For services to theatre in Bath.

56 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There were no items of urgent business.

57 QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM THE PUBLIC

Statements were made by the following people;

Janet Marton made a statement regarding Alice Park on behalf of the residents in and around the area. She raised four issues of concern about the way the charity was being run. The full statement can be viewed via the link from the minutes. In response to a question from Councillor Paul Crossley about whether she had taken part in the 2 week consultation period at the end of November/beginning of December, Ms Marton responded that she had, but that she had been disappointed with the quality of the consultation. In response to a question from Councillor John Bull about whether she had taken up her concerns with her local Councillor and the Cabinet Member for Neighbourhoods, Ms Marton responded that she had e-mailed them and been told that her complaints had been forwarded to Councillor Paul Crossley. The Chairman thanked Janet Marton for her statement which would be forwarded to the Cabinet Member for Neighbourhoods and the Leader.

Pam Jones made a statement also regarding Alice Park and issues relating to the skate park. The full statement can be viewed via the link from the minutes. In response to a question from Councillor David Dixon as to whether Ms Jones was aware that the skatepark was viewed as a gift to the trust and that the beneficiaries of the park were wider than just the residents in and around the park, Ms Jones responded that information had not been forthcoming, despite some requests being brought under Freedom of Information procedures. Councillor Eleanor Jackson asked whether she had looked into the impact of skateparks in other areas and Ms Jones responded that she was aware of problems in other areas and mentioned some specific examples. The Chairman thanked Pam Jones for her statement which would be forwarded to the Cabinet Member for Neighbourhoods and the Leader.

Ian Cowie made a statement entitled 'Listening Council' expressing his view that the Council had not carried out effective engagement and consultation on various schemes he listed, including the Alice Park skatepark, and other traffic safety issues being brought to this meeting. Consultation meetings were often badly timed and seemed not to allow for alternative proposals. In response to a question from Councillor Tim Warren as to whether Mr Cowie considered that his suggestions for an alternative layout for the skatepark had not been taken seriously, he responded that he felt they had not. In response to a question from Councillor Dave Laming

asking if Mr Cowie had attended an event in the summer to give his views, Mr Cowie responded that he hadn't known about it but had the impression that it had been stage managed. The Chairman thanked Mr Cowie for his statement which would be referred to the Cabinet Member for Neighbourhoods and the Leader.

David Redgewell made a statement entitled 'Public Rail governance; Devolution not Centralisation'. He called on the Council to work with all the surrounding areas to find sub-regional transport solutions. The full statement can be viewed via the link from the minutes. In response to a question from Councillor Paul Crossley as to whether Mr Redgewell was aware that all the Group Leaders from this Council, North Somerset Council and South Gloucestershire Council were working together on devolution of powers and responsibilities but that the principal block to this was the Mayor of Bristol George Ferguson, Mr Redgewell responded that it was for the Councils to sort this out and find a way forward. The Chairman thanked David Redgewell for his statement which was referred to the Cabinet Member for Transport.

Wera Hobhouse made a statement to Council calling for them to look again at highways safety in Peasedown St John following a recent serious accident. The full statement can be viewed via the link from the minutes. In response to a question from Councillor Sarah Bevan, who passed sympathies to all those involved in the accident, and enquired as to whether Ms Hobhouse was aware that in addition to the eastbound filter, contrasting road surface and other alterations, she had also implemented a speed reduction and that, at that time, no serious accidents had been reported, Ms Hobhouse responded that she was aware, that maybe now was the time for a further speed reduction and she was just asking for it to be looked at again. Councillor Dave Laming passed on a question from Councillor Nathan Hartley about whether Ms Hobhouse would be happy to meet Cllr Hartley, she responded that she would. In response to a question from Councillor John Bull as to whether Ms Hobhouse was aware of the current petition gaining signatures (so far over 900) about traffic calming in Paulton, Ms Hobhouse responded that she was aware, but was keen to stress this wasn't about politics but about making everyone safer. The Chairman thanked Wera Hobhouse for her statement and referred it to the Cabinet Member for Transport.

58 ESTABLISHMENT OF AVON PENSION FUND BOARD

Richard Orton made a statement on behalf of UNISON and Unite unions, asking for parity in membership on the Board between employer representatives and scheme member representatives; his contention being that the B&NES Members counted as employer representatives.

During debate, the Chairman called for a brief adjournment to allow for legal and technical advice to be sought on the membership aspects that had been raised. Following this, the Chief Executive informed Council that advice indicated that these proposals were not in conflict with the draft regulations and further advice could be sought when the final regulations were laid, before representatives were appointed.

On a motion from Councillor David Bellotti, seconded by Councillor Charles Gerrish, it was

RESOLVED

1. To approve the proposed Terms of Reference for the local Pension Board;
2. To approve the appointment process for Pension Board members;
3. To agree the delegation of authority to the Strategic Director for Resources, in consultation with the Executive Member for Community Resources to provide appropriate officer resource to support the Pension Board; and
4. To approve the amended Terms of Reference for the Avon Pension Fund Committee.

[Notes:

1 - An amendment was moved during debate by Councillor John Bull, seconded by Councillor Eleanor Jackson, to defer consideration of this item until confirmation was secured that the proposals were in line with the regulations. The amendment was lost, with 4 Councillors voting in favour, 4 abstaining and the rest voting against the amendment.

2 – The successful resolution was passed with 3 Councillors voting against, 2 abstaining and all remaining Councillors voting in favour.]

59 POLLING DISTRICTS & PLACES REVIEW

This item concerned a review of the current arrangements for polling places and districts.

On a motion from Councillor Paul Crossley, seconded by Councillor Tim Warren, it was

RESOLVED that, in view of the fact that there remain some unresolved issues, authority be delegated to the Chief Executive, in consultation with Group Leaders and the relevant ward Members, to make the necessary decisions on behalf of the Council.

[Note; The above resolution was passed with all Councillors voting in favour except for Councillor Nicholas Coombes who voted against.]

60 PROPER OFFICER DESIGNATION AND ALLOCATION OF STATUTORY ROLES

The Council considered a report seeking approval for the arrangements for proper officer designations and various statutory roles.

The Chief Executive left the Chamber for consideration of this item.

On a motion from Councillor Paul Crossley, seconded by Councillor Tim Warren, it was

RESOLVED

1. To approve the arrangements set out in Appendix 1 to the report;

2. To authorise the Monitoring Officer & Divisional Director (Legal & Democratic Services) to update the Constitution to give effect to the arrangements approved; and

with regard to the arrangements relating to Elections and Scrutiny;

3. That under the Representation of the People Act 1983 and all related legislation with effect from 1st June 2015, Dr Jo Farrar be appointed as Electoral Registration Officer;
4. That under Section 41 of the Local Government Act 1972 and all related legislation, and with effect from 1st June 2015, Dr Jo Farrar be appointed as Returning Officer for the Council, with authority to act in that capacity for elections to the Council and all or any parish and town councils within the Council area;
5. That the Council's Electoral Registration Officer be authorised to act in respect of all related electoral, poll or referendum duties, including in relation to parliamentary elections, elections to the European Parliament and national and regional polls or referenda;
6. That it be agreed that, in relation to the conduct of local authority elections and polls, and elections to the United Kingdom Parliament, and all other electoral duties where the Council is entitled by law to do so, the Council shall take out and maintain in force insurance indemnifying the Council and the Returning Officer against legal expenses reasonably incurred in connection with the defence of any proceedings brought against the Council or the Returning Officer and/or the cost of holding another election in the event of the original election being declared invalid (provided that such proceedings or invalidation are the result of the accidental contravention of the Representation of the Peoples Act or other legislation governing the electoral process, or accidental breach of any ministerial or other duty by the Returning Officer or any other person employed by or officially acting for her in connection with the election or poll);
7. That it be agreed that in the event of such insurance carrying an 'excess' clause by which an initial portion of risk is not insured, the Council will indemnify the Returning Officer up to the value of such excess.
8. That the Head of Legal & Democratic Services (with effect from 1st June 2015) and the Electoral Services Officer be appointed as Deputy Electoral Registration Officers;
9. That the Policy Development and Scrutiny Lead Officer be designated as the Statutory Scrutiny Officer under Section 31 of the Local Democracy, Economic Development and Construction Act 2009.

[Note: - The above resolutions were carried with all Councillors voting in favour except for Councillor Loraine Morgan-Brinkhurst who voted against, and Councillor Caroline Roberts who abstained.]

61 MOTION FROM THE LABOUR GROUP - QUALITY CONTRACT SCHEME

On a motion from Councillor John Bull, seconded by Councillor Eleanor Jackson, it was

RESOLVED

1. Council notes that buses are a key part of the B&NES Transport Strategy yet the current services often do not serve the needs of residents and are viewed as expensive and unreliable.
2. Council further notes the powers contained within the Transport Act 2000, as amended, to set up a Quality Contract Scheme (QCS) which would allow the Authority to plan the bus route network, set the fares and award contracts to run services or local networks.
3. Council recognises, however, that under a QCS there is a revenue risk to the Council in that it would be responsible for meeting any shortfall in fares income to cover the operating costs of the contracts.
4. Council also recognises that where a decision has been made to proceed with a QCS in the North East, this has been a joint decision between multiple local authorities.
5. For the reasons outlined in 3 and 4 (above), Council believes that significantly more work is required to determine whether a QCS is the best way forward for the provision of buses in B&NES.
6. Council therefore asks, in the first instance, the Planning, Transport and Environment Policy Development and Scrutiny Panel to undertake further work into the potential, including advantages and disadvantages, as well as cost implications and any financial risk to the Council, of a QCS in B&NES with a report back to the new Council preferably by July 2015 but by the end of the calendar year at the latest.

[Notes;

1 – An amendment to the motion was moved by Councillor Caroline Roberts and seconded by Councillor Lisa Brett to introduce a paragraph noting the good relationships with providers and listing various positive initiatives that had been introduced. This was lost, with 27 Councillors voting in favour and 29 voting against.

2 – The successful resolution above was carried with all Councillors voting in favour except for Councillors Gerry Curran, Andy Furse and Doug Nicol who abstained.]

62 PETITION FOR DEBATE - A SAFE CROSSING FOR ST SAVIOURS SCHOOLS

Richard Young presented a petition calling on the Council to take immediate action and install a pedestrian crossing to safeguard pedestrians at St Saviours schools and nursery. He asked for a safety audit of the wider area covering all crossing

points, solutions for illegally parked cars at various locations and action to deal with the behaviour of drivers.

Following debate by Councillors, it was moved by Councillor Anthony Clarke, seconded by Councillor Bryan Chalker and then

RESOLVED that

This Council:

- Notes that the need to improve road safety outside St Saviour's Infants and Junior Schools has been recognised by both local residents and parents, as well as the Council, for a number of years.
- Believes that progress with finding a solution to this issue has been unacceptably slow.
- Believes that funds should be allocated to enable an appropriate safety scheme to be agreed and implemented as a matter of priority.
- Notes that in the Council Budget last February (2014), the Conservative Group tabled a proposal to invest an extra £200,000 in Safer Routes to School schemes such as a safety scheme outside the St Saviour's Schools, but that this failed to gain the support of other political groups.
- Notes that, in the November Budget Monitoring Report, the Council forecast an underspend of £672,000 for this financial year, with £20.66 million of slippage in the Capital Budget from this financial year to the next.
- Notes that there is a precedent for unspent contingencies from a particular capital project being used for another urgent capital scheme.

Council resolves:

1. To ask that the Cabinet Member for Transport instruct officers to work with residents, ward Members, the school and parents of children at the school to agree an appropriate safety scheme as a matter of priority.
2. To ask that the Cabinet allocate whatever funding necessary to enable this scheme to progress in this financial year, noting the available resources mentioned above as potential sources of funding.

[Note: - The above resolution was carried, with 30 Councillors voting in favour, and the rest abstaining.]

63 QUESTIONS, STATEMENTS, PETITIONS AND DEPUTATIONS FROM COUNCILLORS

The Chairman referred to the question from Councillor Nathan Hartley and response from the Cabinet Member for Sustainable Development which had been circulated.

Councillor David Martin made a statement regarding sustainability. A full copy of the statement is attached to the online minutes. The Chairman thanked Councillor Martin for his statement, which he referred to the Cabinet Member for Sustainable Development.

The meeting ended at 8.46 pm

Chairman

Date Confirmed and Signed

Prepared by Democratic Services

| Bath & North East Somerset Council | | |
|--|--|-----------------------------------|
| MEETING: | Council | |
| MEETING DATE: | 17 February 2015 | EXECUTIVE FORWARD PLAN REFERENCE: |
| | | |
| TITLE: | Budget & Council Tax 2015/16 and Medium Term Financial Outlook | |
| WARD: | All | |
| AN OPEN PUBLIC ITEM | | |
| <p>List of attachments to this report:</p> <p>Appendix 1 – The Budget and Council Tax Proposal of the Cabinet 2015/16. This comprises a covering document, plus 5 Annexes</p> <p>Annex 1 Draft Base Revenue Budget 2015/16 – individual service cash limits</p> <p>Annex 2 Section 25 of the Local Government Act 2003 - Chief Financial Officer's Report on Adequacy of Balances and the Robustness of the Budget</p> <p>Annex 3 Draft Capital Programme 2015/16-2019/20 including other emerging projects and programmes on an indicative basis - items shown in for provisional approval.</p> <p>Annex 3i Highways Maintenance Programme 2015/15</p> <p>Annex 3ii Transport Improvement Programme 2015/16</p> <p>Annex 3iii Schools Planned Maintenance Programme 2015/16</p> <p>Annex 3iv Corporate Estate Planned Maintenance Programme 2015/16</p> <p>Annex 4 Minimum Revenue Provision (MRP) Policy</p> <p>Annex 5 Comparative English Unitary Authority Council Tax Levels 2014/15</p> <p>Appendix 2 – Variations to Budget</p> <p>Appendix 3 - Budget Setting Process – Advice of the Monitoring Officer</p> <p>Appendix 4 – Council Pay Policy Statement</p> <p>Appendix 5 – Community Asset Transfers</p> <p>Appendix 6 – Tackling Poverty</p> <p>Appendix 7 – Equalities</p> <p>Appendix 8 – Formal Council Tax Setting Resolutions (incorporating precepts from Parishes, Fire & Police) – TO FOLLOW</p> | | |

1 THE ISSUE

- 1.1 This report presents the Cabinet's draft medium term financial plan, and revenue and capital budgets for the 2015/16 financial year together with a proposal for a Council Tax level for 2015/16.

2 RECOMMENDATION

- 2.1 That the Council approve:
- a) The General Fund net revenue budget for 2015/16 of £119.914m with no increase in Council Tax.
 - b) That no Special Expenses be charged other than Town and Parish Council precepts for 2015/16.
 - c) The adequacy of reserves at Appendix 1 Table 8 with a risk-assessed level of £10.5m.
 - d) The individual service cash limits for 2015/16 summarised at Appendix 1 Table 4 and detailed in Annex 1.
 - e) That the specific arrangements for the governance and release of reserves, including invest to save proposals, be delegated to the Council's Section 151 Officer in consultation with the Cabinet Member for Community Resources and the Chief Executive.
- 2.2 That the Council include in its Council Tax setting, the precepts set and approved by other bodies including the local precepts of Town Councils, Parish Councils and the Charter Trustees of the City of Bath, and those of the Fire and Police Authorities.
- 2.3 That the Council notes the Section 151 officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves (Appendix 1, Annex 2) and approves the conditions upon which the recommendations are made as set out throughout Appendix 1.
- 2.4 That in relation to the capital budget the Council:
- a) approves a capital programme of £57.537m for 2015/16 and notes items for provisional approval in 2015/16 and the programme for 2016/17 to 2019/20 as shown at Appendix 1, Annex 3 including the planned sources of funding .
 - b) delegates implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 3i to Annex 3iv to the relevant Strategic Director in Consultation with the appropriate Cabinet Member.
 - c) approves all other delegations as set out in the budget report.
 - d) approves the Minimum Revenue Provision Policy as shown at Appendix 1, Annex 4
 - e) approves the Capital Prudential Indicators as set out in Appendix 1 Table 6.

- 2.5 That the Council agree the Council's proposed pay policy statement, including the provision in respect of minimum pay rates in 2015/16 as set out at Appendix 4 delegating implementation arrangements to the Employment Committee where appropriate.
- 2.6 That the Council increases the "think local" financial limit to provide local businesses with the opportunity to obtain contracts up to £50,000 (increased from the current £25,000).
- 2.7 That the Council notes the approach to Community Assets as set out in Appendix 5.
- 2.8 That the Council notes the approach to tackling poverty as set out in Appendix 6.
- 2.9 That the Council notes the issues raised in Appendix 7 and agree that the proposals in the budget properly reflect the Council's duties under the Equalities Act 2010.
- 2.10 That the Council approves the technical resolutions that are derived from the budget report, and all figures in that report, including the precepts for towns, parishes and other precepting bodies as set out in Appendix 8.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The resource implications are contained within the body of the report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The Council is committed to ensuring that our financial decisions and the budgetary processes are subject to proportionate equality analysis.
- 4.2 Bath & North East Somerset Council can demonstrate that it has taken due regard for equality in its decisions by using a template for equality impact assessment (EqIA). Thus the Council has a written record of the equality considerations that have been taken; which include a consideration of the actions that would help to avoid or mitigate any negative impacts on people of particular protected groups.
- 4.3 Our decisions are supported by a strong evidence base (through effective use of equality mapping and Joint Strategic Needs Assessment) assisting to make our decision-making processes more transparent. The EqIA can be updated and amended as new information is made available.
- 4.4 When a budget proposal has implications for people covered by the Equality Act 2010 an equality analysis must be carried out (using the EqIA template) and considered before decisions are taken on the proposal. The decision maker must assure themselves that they are fully apprised of the equality implications of the decision proposed and should not assume the proposal must be approved. The report should contain a summary of the key findings from the EqIA and the decision maker should consider the full EqIA, which should be attached to the report. It is not sufficient for the decision maker to have only a summary of the EqIA or for there just to be a link to the EqIA in the report to the decision maker. See Appendix 7 for further details.

- 4.5 Other issues considered include Social Inclusion; Customer Focus; Sustainability; Young People; Equality; Corporate; Impact on Staff and Other Legal Considerations such as the requirement to set a budget and Council Tax.

5 THE REPORT

5.1 In this document the Cabinet sets out the following:-

- Its medium term service and resource planning financial assumptions which set the basis for the draft budget proposal for 2015/16.
- Its draft budget proposal for 2015/16 (Appendix 1). This provides the detail of the third year of the Medium Term Service and Resource Plans and recommends revenue and capital budgets for 2015/16, together with capital commitments for future years, and recommends a level of Council Tax for 2015/16.

5.2 The budget proposal builds on the prudent financial management of the Council and is designed to maintain front line services as far as possible whilst recognising the significant financial challenge facing the public sector. The budget proposals include:

- A net £0.7m or 0.6% increase in the non-schools budget to £119.914m
- An increase in the DSG estimated at £2.6m with total funding of £120.3m (including academies). The majority of the additional funding relates to the additional resources provided to accommodate increased pupil numbers in our schools. Additional funding to support the Pupil Premium in Early Years is also provided in this total. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.
- A freeze in the Council's level of Council Tax, which excludes Polices, Fire and Parish precepts.
- These budget proposals are set out in detail at Appendix 1.

5.3 It is important to be clear on the process to be followed in setting the 2015/16 Budget. The Monitoring Officer has given specific guidance which is set out at Appendix 3, and in particular the need for the Council to approve a balanced budget.

5.4 The Monitoring Officer has also highlighted the implications arising if it does not prove possible for the Council to set a budget at its meeting on 17th February and any decision having to be deferred until the reserve date on 26th February. This includes potential delays to the Council Tax billing process.

5.5 The Council is required under the provisions of the Localism Act 2011 and associated statutory guidance to publish an annual statement of its policies relating to the pay of its direct workforce, in particular its 'Chief Officers' and 'lowest paid employees'. The purpose of the statement is to provide a clear and transparent policy to the public, which demonstrates accountability and value for money for the financial year ahead.

- 5.6 Appendix 4 sets out for Council approval the draft Pay Policy Statement for 2015/16 including a new provision, subject to the outcome of trade union consultation, to align the lowest salary offered for substantive, full time employment in 2015-16 with the Living Wage Foundation (UK rate) currently set at £7.85 per hour. See also Appendix 6.
- 5.7 The Living Wage Campaign was launched in 2001 by a group of more than 80 faith groups, trade union branches, schools and community organisations. The Living Wage is calculated according to the basic cost of living in the UK taking into account the area-specific factors (a separate rate is recommended for London), as well as the basic expenses involved in supporting a family. It has since been adopted by employers in the public, private and third sectors with a stated aim of preventing 'in-work poverty.' Advocates consider that the Living Wage is the minimum necessary to provide adequate income to ensure economic and social wellbeing.
- 5.8 The Chief Executive, as Head of Paid Service, advises that the Council's current lowest salary paid complies with statutory Minimum Wage requirements (i.e. £6.50 per hour) This rate was introduced from 1 January 2015 as a result of the 2014 national pay settlement which also includes provision to increase the minimum to £7.05 per hour from 1 October 2015. Around 550 Council employees are currently paid below the Living Wage rate. These include, cleaners, catering assistants & waste operatives. The proposal here is to increase the Council's minimum pay rate to £7.85 as recommended by the Living Wage Foundation from 1 April 2015. The Council's pay arrangements reflect the need to recruit, retain and motivate skilled employees to ensure high levels of performance balanced with accountability on the public purse. The immediate and on-going financial implications are dealt with as part of the specific proposal.
- 5.9 The following benefits of implementing the Living Wage have been identified for employing organisations:
- Reducing recruitment costs through improved retention and easier recruitment
 - Attraction of higher quality staff
 - Better attendance
 - Improved productivity, motivation and loyalty
 - Increased employee engagement

For the Council this would potentially translate into increased quality of service to residents. Improvements in the living standards of individuals receiving it would also be anticipated and, to the extent that a relatively high proportion of the Council's workforce on the 'lowest salary' are also its residents, this would add to the overall economic wellbeing of the area. Whilst such benefits can be argued, there are no obvious and objectively verifiable tests that could be applied to demonstrate directly outcomes/improvements that might be expected or correlated with the adoption of this proposal.

- 5.10 Legally, individual local authorities, as employers, are able to determine their minimum scale points and pay structures. Members should consider the potential risks against benefits in reaching a view on this proposal. It must be stressed that in making such a change to the lowest paid salary there would be no intention of

moving away from the national negotiating framework. It is further proposed that any implementation arrangements be delegated to the Employment Committee.

- 5.11 In making decisions the Council is required to have regard to its Equalities Duties and in particular those set out in the Equality Act 2010 to eliminate discrimination, harassment, victimisation and eliminate any other conduct that is prohibited by or under the Act to advance equality of opportunity between persons who share a protected characteristic namely age, disability, gender reassignment, pregnancy and maternity, race religion or belief, sex and sexual orientation and persons who do not share it and to foster good relations between persons who share a protected characteristic and persons who do not share it.
- 5.12 No adverse equalities implications for the Council in aligning its lowest salary offered for substantive, full time employment with the Living Wage Foundation (UK rate) as proposed have been identified. Indeed, there may be some positive equalities implications to the extent that those currently receiving less than this amount may include a disproportionately high percentage of part-time workers, there is evidence to show that part-time workers are more likely to be female. Detailed implementation arrangements would address any equal pay issues and the impact on any agency workers (as required by the Agency Worker Regulations 2010). In considering the proposal, Members will need to be satisfied that the Council's equalities duties are met.
- 5.13 The budget proposal also sets out the proposed approach to Community Asset transfers and Tackling Poverty in Appendix 5 and Appendix 6 respectively.

6 RATIONALE

- 6.1 The rationale for the recommendations is contained in the supporting paper to this report.
- 6.2 The Council's Section 151 Officer is the Divisional Director – Business Support. As Section 151 Officer his duties include ensuring a prudent and balanced budget is set on time which properly takes into account the financial constraints and risks facing the Council.

7 OTHER OPTIONS CONSIDERED

- 7.1 The supporting paper and appendices also contain the other options that can be considered in making any recommendations.

8 CONSULTATION

- 8.1 Meetings have been and will continue to be held with staff, trades unions and other stakeholders during the development of service and resource plans which have fed into this budget. This has included four Budget Fair's (Bath, Larkhall, Keynsham and Radstock), enabling cross service consideration of the range of proposals by a range of stakeholders.
- 8.2 Representatives of the business community were engaged in these consultations as part of the Budget Fair.
- 8.3 Comments received from consultation, including the Budget Fair, Policy Development and Scrutiny Panels and Trade Unions have been provided for consideration by the Cabinet.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.
- 9.2 In addition Appendix 1 to this report includes (at Annex 2) the Section 151 Officer's assessment of the Robustness of Estimates and Adequacy of Reserves. One of the considerations taken into account is the Directors' Review of Robustness of Estimates and Budget Risks/Sensitivities and the Corporate Risk Register. This is completed by all Directors in respect of their own services.

| | |
|--|--|
| Contact person | Tim Richens, Divisional Director – Business Support (01225) 477468 |
| Background papers | Medium Term Service & Resource Planning reports to Policy Development & Scrutiny Panels during November 2014. Consultation Response Summary – Report to Resources PDS 9 th February 2015 Financial Settlement 2015/16 to 2016/17, CLG website |
| Please contact the report author if you need to access this report in an alternative format | |

This page is intentionally left blank

THE BUDGET PROPOSAL OF THE CABINET 2015/2016

Budget Headline

This is the third and final year of the period covered by the 2013-14 to 2015-16 medium term plans. The plans were set out in the Budget approved by Council in February 2013.

The proposed 2015/2016 Budget focusses on the variations required to this plan and continues to focus on protecting high priority frontline services, investing in the future of our area and promoting new homes and jobs.

We are proposing that Council Tax is frozen in 2015/16 for the fifth consecutive year, recognising the on-going pressure on household incomes. The proposed band D Council Tax for Bath & North East Somerset Council next year is £1,201.85 which represents no change on the previous year (no increase).

The proposed net revenue budget for Bath & North East Somerset Council next year, 2015/16, is £119.914m, a net cash increase of £0.673m on the previous year. This includes the impact of significant reductions in government funding amounting to 13.7% for 2015/2016.

The Budget Context

The three year financial challenge was summarised in 2013/14 and this has been updated to take account of subsequent Government funding announcements and policy changes. Over the three-year period of the Medium Term Service and Resource Plan from 2013/2014 to 2015/2016 we estimate at least £30M of savings or additional income will have been delivered.

As part of the Budget considerations for 2015/2016, there have been a number of key Government announcements which have an impact on the original plan three-year plan. The most significant of these was the Local Government Finance Settlement announced in February 2015 which set out the following figures for 2015/16:

- A 13.7% reduction in the Council's funding assessments - this actually equates to reduction of 24.8% in the Council's Revenue Support Grant.
- A reduction of 18% in the Education Support Grant.
- Council Tax Freeze Grant equivalent to 1% of council tax for councils who freeze their council tax for the year.

Total reductions in Government Grant Funding are now estimated to average 11% per annum over the period 2011/12 to 2015/16 as set out in Table 1 below:

Table 1: Reduction in Government Grant Funding

| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 |
|--------------------------------|---------|---------|---------|---------|---------|
| Actual B&NES Funding Reduction | -13.5% | -8.3% | -9.4% | -9.6% | -13.7% |

These changes, together with the existing savings to be identified, mean further variations to the Budget totalling £9.6m for the Council need to be identified as part of the 2015/2016 plan.

For 2015/16 the Budget focuses on the variations that are needed to the approved medium term plan to deliver a balanced Budget proposal. The specific variation proposals together with the new and emerging priorities are set out in more detail within this report.

The Cabinet's aim remains to achieve the medium term plan with minimal alterations, but at the same time to reflect public feedback together with local and national policy changes.

The Council has a prudent level of reserves and can use these to smooth the effects of policy changes and additional financial challenges, particularly recognising the ongoing reductions in public sector funding from 2016/17 and beyond.

The indication from Treasury figures is that at least an equally tough set of financial targets will need to be repeated in the next 4 year plan which starts in 2016/2017, and of course at that time the difficulty in meeting the challenge will have increased as efficiency opportunities will be less.

Structure of the Budget Proposal

Section 1 sets out the approach to the revenue and capital budget and the build-up of the recommended revenue budget for 2015/2016. Annex 1 provides the breakdown of the Budget for 2015/2016.

Section 2 sets out the position regarding future years 2016/7 to 2019/20.

Section 3 sets out the recommended capital programme for 2015/2016 including the indicative capital programme through to 2019/2020. Annex 3 provides more detail.

Section 4 sets out the current position on revenue balances taking into account the proposals for prudent use of reserves.

Section 5 sets out the implications of the revenue budget for Council Tax levels for 2015/2016.

Table 2: Summary Net Revenue Budget and Capital Programme 2015/16

| | 2015/16 |
|--|----------------|
| Revenue Budget Funding: | £m |
| Council Tax | 74.455 |
| Council Tax Freeze Grant | 0.813 |
| Revenue Support Grant | 20.504 |
| Retained Business Rates (after tariff) | 21.744 |
| Reserves & Collection Fund Surplus | 2.397 |
| Total Funding | 119.914 |
| Net Revenue Budget Spend | 119.914 |
| | |
| Capital Programme – for approval | 57.537 |
| Capital Programme - for provisional approval (subject to) | 27.065 |

Note: Some of the figures in the table are affected by rounding.

Section 1 – The Revenue Budget for 2015/2016

The Budget Proposal

Each Directorate of the Council prepared a detailed Medium Term Service and Resource Plan (MTSRP) covering a full three-year period from 2013/2014 to 2015/2016. These plans were agreed as part of the Budget in February 2013 and progress against each of these was reported to the relevant Policy and Development Scrutiny (PDS) Panel throughout November 2014.

The MTSRP's set out the specific service and resource requirements for 2013/2014 to 2015/2016. Feedback from the individual PDS panels, the four Budget Fairs, the community, trade unions and other stakeholders has been considered by the Cabinet in arriving at the proposed Budget for 2015/2016.

The proposed Budget continues to recognise the very difficult financial challenge facing the whole of the public sector and the increasing need to prioritise resources. The following principles have continued to be used to support this:

- Protecting frontline services;
- No increases in Council Tax;
- Investing in homes and jobs for local people.

There are no longer the available resources to deliver the full range of services that have been provided in the past. New legislation and demographic changes similarly demand clear prioritisation and new approaches. This will increasingly mean difficult choices.

The Budget proposal for 2015/2016 sets out the variations to the medium term plan approved by the Council in February 2013 that have arisen for 2015/2016 for a number of reasons including:-

- The provisional Local Government Finance Settlement for 2015/16
- The costs arising from implementation of the Care Act 2014
- The costs arising from changes to the Deprivation of Liberty Safeguards
- Savings in the approved medium term plan that are now unlikely to be delivered
- Reduction in the Education Support Grant
- Changes to the Council Tax Base
- Business rates Growth and the Somerset Business Rates Pool
- Social Care contribution from the Better Care Fund

In order to present proposals for a balanced budget in 2015/2016, the Cabinet have examined a range of options to generate the additional savings or income, required to address the arising Budget gap. The priority for the Cabinet has been to avoid further frontline service reductions and focus on efficiency, innovation, demand changes and trend analysis to meet this challenge.

Corporate Assumptions

The assumptions which underpin the 2015/2016 Budget are set out below:

- An agreed pay increase of 2.2% from 1 January 2015 which covers the period until 31 March 2016 (this also provides for some additional provision for lowest pay spine points and a number of one-off consolidated payments).
- Continued low rates of interest of under 0.5% per annum for treasury management cash investments. The Council will maintain a minimum cash policy.
- Balanced budgets are achieved for 2014/2015 with no new related on-going funding pressures.
- No general inflationary provision – specific inflation has been provided and identified as growth within service areas based on specific service circumstances and contractual commitments
- That capital funding is provided as far as possible from Capital Receipts and internal cash flow. New borrowing will be kept to a minimum subject to market conditions.
- Fees and charges set by statute will be calculated in accordance with defined calculations under statutory guidance.
- The level of discretionary fees and charges are delegated to Officers, in consultation with the relevant Cabinet member, will generally increase in line with the increase in the costs of the relevant service.
- No increases are proposed to Car Parking Charges during 2015/2016.
- Park and Ride Charges – charges are now set by the operator within agreed contractual limits.

Government Grant Funding

The final Local Government Finance Settlement was announced on 3 February 2015 and provided government grant funding figures for 2015/2016 only.

This showed the Council's funding baseline for 2015/2016 reducing by 13.7% which, whilst representing a significant reduction of £6.7M in cash terms, is in line with the scale of cuts we were anticipating in the updated medium term financial plan.

The funding baseline itself takes account of the start-up funding baseline for the Localised Business Rate element so the overall reductions in Revenue Support Grant (RSG) equate to far larger percentages (24.8% for 2015/16). In reality reductions to RSG will look increasingly large in percentage terms as the Government seeks to take the cash reductions from an increasingly reducing pot of RSG funding.

This settlement confirms that B&NES Council will remain one of the lowest funded unitary authorities in fact the Council has the 10th lowest spending power per dwelling when comparing all Unitary Authorities for 2015/2016.

The New Homes Bonus Scheme which provides funding for new homes brought into use and included in the Council Tax Base, was provisionally confirmed at a total of £3.709m for 2015/2016. This is the fifth year for funding for New Homes Bonus and includes an additional £1.044m for 2015/2016. The New Homes Bonus scheme runs for 6 years from the year of initial allocation. This funding is un-ring-fenced and is currently fully allocated as part of the overall revenue budget supporting all Council services.

The Settlement again included provision of financial support from the government for councils who freeze their Council Tax for next year – 2015/2016. The grant is equivalent to a 1% Council Tax increase and is confirmed as being included in the baseline grant funding calculations going forwards, albeit no information has been provided at all relating to 2016/17 council funding.

The Settlement announcement confirmed the requirements for a council tax referendum, where any council increases council tax by more than 2%. This is clearly irrelevant for councils accepting the council tax freeze grant although the position applies also to police and fire as major precepting bodies. The government is also consulting on the application of these requirements to larger parish and town councils although there are no specific proposals to include these for the 2015/2016 financial year.

Retained Local Business Rates

The 2015/2016 financial year will be the third year of operation of the retained local business rate shares although only one year (2013/14) has been fully completed at this point.

As part of the Settlement, the government gave the go ahead for the establishment of the Somerset Business Rates Pool; consisting of Somerset County Council, Bath & North East Somerset (B&NES) and North Somerset Unitary councils, Mendip, Sedgemoor and South Somerset District councils, and Taunton Deane Borough Council,

Using forecasts for business rates income based on 2014/15 NNDR1's, forecast gains from pooling are estimated as £2m for 2015/16. Modelling suggests that the potential financial benefits significantly outweigh the potential financial risks.

It is up to the pooling group as to how business rates income collected by the pool is distributed. The approach proposed is that each of the authorities receives the amount that they would have received if they had acted individually and also receive an additional amount, due to the benefits of pooling. These gains would be split between the Billing Authorities in whose districts the business rates growth is occurring and Somerset County Council. The forecast gain for the Council under these proposals is £350k and this is included in the Budget proposal.

The government also confirmed the extension of a range of business rate reliefs including small businesses, retail premises and a cap on the annual inflationary increase. The Government has confirmed that the cost of all these reliefs will be met through the payment of Section 31 Grants to meet the actual costs incurred for 2015/16.

As part of the proposed Budget, reasonable assumptions have been made for likely future Business Rate income. Any surplus or deficit on the Business Rate Collection Fund will be transferred to an earmarked reserve for consideration as part of the Business Rates calculations for 2016/2017.

The West of England City Deal arrangements have no impact on retained local business rates as the pooling arrangements include a “no worse off” provision. The City Deal also sits alongside the Somerset Business Rates Pool so the two financial arrangements operate completely separately and have no impact on each other.

Tackling Poverty

Social Fund and Food Banks

In April 2013 the Council started to operate a Local Welfare Support Scheme, which was previously funded by the DWP. Customer Services set up a dedicated team to administer this new provision in accordance with a newly established Welfare Support Policy which enables additional financial support to be given to the most vulnerable Members of our Community with payment towards short term support such as essential food supplies, and essential household items. The scheme has also been used to give short term support to those struggling to pay Council Tax following the introduction of the new Council Tax Support Scheme. The total budgeted cost of this provision was £300K including administration.

As previously anticipated the Settlement changed the basis of funding from 2015/16 with the specific grant to the Council being removed and the funding forming part of the RSG settlement to some degree.

The Budget proposal includes funding of £320K for 2015/2016 which includes support for food banks in the Council area. Further details of this and the other proposals for tackling poverty, are set out at Appendix 6

Low Pay Bands

As part of the Council's commitment to review low pay bands for Council employees, the Cabinet have reviewed the lowest scale points following the implementation of the Local Government Pay award from 1 January 2015. This review recognises that lowest pay point now in operation is SCP 5 which equates to £7.05 per hour and is significantly above the £6.50 per hour minimum wage.

The Budget proposal includes provision to increase the minimum pay point to SCP 11 from 1 April 2015, equating to a minimum rate of £7.88 per hour and fully implements the living wage rate of £7.85 per hour.

The total annual cost to the Council of this proposal is £213K with an annual cost of £175K for Schools Non-Teaching staff. It is proposed that the Council will fund the costs to schools budgets for a period of one year, the ongoing cost to be funded directly by schools thereafter.

This does not apply to Academy schools who responsible for setting their own terms and conditions.

Further details of this and the other proposals for tackling poverty, are set out at Appendix 6

Schools Funding

Schools are funded by the Dedicated Schools Grant (DSG) which is initially allocated to the Council by the Department for Education. The DSG supports all expenditure in schools (who set their own budgets) and the activities that the Council carries out directly for schools. It does not cover the statutory responsibilities the Council has towards parents. These responsibilities are funded through the Councils main revenue funding and included as part of the proposed Budget.

The Dedicated Schools Grant (DSG) increase compared to 2014/2015 is complicated by the conversion of several schools to academies, and the transfer of additional funding for new studio schools into the DSG from other funding routes. The overall increase in the DSG is estimated for 2015/2016 at £2.6m with total funding of £120.3m. The majority of the additional funding relates to the additional resources provided to accommodate increased pupil numbers in our schools. Additional funding to support the Pupil Premium in Early Years is also provided in this total. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.

Whilst the Dedicated Schools Grant (DSG) is being allocated to Local Authorities on a cash freeze basis. In 2015/2016, The Pupil Premium allocations for maintained schools are increasing from £1300 to £1320 per Free School Meals (FSM) primary pupil, the FSM Secondary pupil sum remains at £935 and for pupils in categories of being Looked After the sum remains at £1900. This small increase is the last anticipated increase as part of the DFE rollout of the Pupil Premium and will bring the total payable to B&NES schools to £3.22m in 2015/2016, an increase of £370k. This represents approximately a further 0.3% increase in overall resources for schools.

As schools convert to academies the DFE take back the element of DSG payable to the local authority in order to make payments direct to the academies. The DFE estimate of this will be £41.4m in 2015/2016 leaving £78.9m payable to the Council.

This recoupment by the DFE is based on 11 secondary, 3 special and 4 primary academies in 2015/2016. It is difficult to assess whether there will be more schools converting to academies over the next year.

Further budget changes to council funding are generated by the creation of the Education Services Grant (ESG) to replace the recoupment process for resources for academies taking on the statutory responsibilities of the council. Schools converting to academies and the Local Authority will be allocated resources that were originally part of the local government settlement. The grant allocations are based on pupil numbers in the establishments with academies being funded directly and the Local Authority receiving the allocation for all maintained schools. As schools convert to academies the resources allocated to the Local Authority under the ESG would diminish on a per pupil basis.

The Better Care Fund

The Better Care Fund was introduced in 2014/15 to be spent locally on health and social care services. The purpose of the fund is to drive closer integration and improve outcomes for patients, service users and carers through the establishment of pooled budgets.

Nationally this fund increases substantially in 2015/16 and will amount to some £3.5bn in revenue funding by 2015/2016 although crucially the majority of this is not new money, it is a reprioritisation of existing Health Service funding.

This Council already has a well-established integrated partnership in place with the Bath and North East Somerset Clinical Commissioning Group. This includes significant arrangements for shared funding and pooled budgets to support community health and social care.

The 2015/2016 Budget proposal incorporates the following financial provisions which will now be classified as falling within the Better Care Fund:-

- £2.57M of additional Section 256 Funding in the Council base budget to support adult social care demographic and cost pressures.
- £434k of funding in 2015/16 earmarked to contribute towards the cost of supporting Carers, additional assessments and informational advice and support.

To support the allocation and prioritisation of the Better Care Fund, the government has required the Council, Clinical Commissioning Group and Health and Wellbeing Board to develop and approve a Better Care Plan, outlining how the Fund will be used to improve a range of health and social care outcomes.

The B&NES Better Care Plan was approved through the Health and Wellbeing Board in September 2014 and submitted to the government. NHS England confirmed in October 2014 its approval of the Better Care Plan and indeed has identified the plan as a “best practice” example in its planning support documentation.

“Think Local” Procurement Strategy

On 3rd December 2014 the Cabinet reviewed the implementation of the Council’s “Think Local” Procurement Strategy and the progress that has been achieved in delivering spend with local businesses.

As part of this report, it was agreed to revise the Council's Contract Standing Orders to reflect the implementation of the Public Contract Regulations 2015 and other legislation and proposed including and increased financial limit to provide local businesses with the opportunity to obtain contracts of up to £50,000 (increased from the current £25,000).

The Budget proposal therefore confirms the intention to revise this limit with effect from the 2015/2016 financial year.

Variation Budget Savings

The medium term service and resource plan covering the period 2013/14 to 2015/2016 was agreed as part of the Budget process in February 2013. This included a range of actions to meet the majority of the anticipated financial savings required over this period.

This plan as updated by the Council in February 2014 indicated that further savings of £3.84M remained to be identified 2015/2016 to fully close the anticipated budget gap.

In addition to this existing budget gap, a range of further variations to the medium term plan have arisen for 2015/2016 for a number of reasons including:-

- The costs arising from implementation of the Care Act 2014
- The costs arising from changes to the Deprivation of Liberty Safeguards
- Savings in the approved medium term plan that are now unlikely to be delivered
- A reduction in the Education Support Grant
- The borrowing costs of new capital proposals

In order to present proposals for a balanced budget in 2015/2016, the Cabinet have examined a range of options to generate the additional savings or income, required to address the arising Budget gap.

These proposals for variation budget savings will avoid further frontline service reductions and focus on efficiency, innovation, demand changes and trend analysis.

Full details of the variations are set out at Appendix 2

Resource Allocation including Recurring and One-Off Funding

The Cabinet has considered the allocation of recurring and one-off funding to meet resourcing priorities. This recurring or one-off funding is created from a number of sources and can only be finalised once all assumptions and calculations are completed for the proposed Budget. These sources include:-

- Changes in financial planning assumptions
- Variations in grant settlement
- Full year effect of savings proposals

- Adjustments to corporate finance items
- Calculation of the Council Tax Base
- Calculation of the Retained Local Business Rates
- One-off funding provisions and variations, for example the council tax collection fund surplus (or deficit).

The Budget includes the following allocations of resourcing to meet specific commitments and priorities:

On-going Resourcing Allocations - £3.24M

The following allocations are to be made for the available on-going funding resources:

- £770K to meet the costs associated with the changes to the provisions for Deprivation of Liberty Safeguards
- £1,500K to meet the estimated costs arising from the implementation of the Care Act 2014 from 1 April 2015.
- £320K to maintain the Welfare Support Scheme and support local food banks.
- £320K to support the estimated revenue costs of borrowing for new capital projects.
- £213K to support the ongoing cost of implementing the Living Wage for Council staff.
- £120K to meet the ongoing costs of Council decisions during 2014/15 including the emergency works to Kelston Road.

These allocations provide a prudent balance between addressing current funding commitment and priorities whilst recognising the scale of the future financial challenge.

One-off Funding Allocations - £2.502M

These following allocations are to be made from the anticipated Council Tax Collection Fund Surplus (£1,763K) together with a draw down from the Financial Planning Reserve (£739K):

- £1,553K to meet the unfunded recurring Budget Gap for 2015/2016. This will then carry forward as an unfunded revenue commitment for the 2016/17 Budget.
- £220K to fund the estimated costs of the Local Elections in 2015/16.
- £100K to meet the costs of the Council hosting cycling events in 2015/16 including the City Cycle Race Series.
- £100K to provide for the costs of re-commissioning the waste contracts during 2015/16
- £72K to meet the Council's contribution to the development of the Joint Planning Strategy for the West of England
- £175K to support the cost of implementing the Living Wage for Schools Non-Teaching staff for one year, to be funded directly by schools thereafter.

The following one-off allocations for 2015/16 were approved by Council at last year's budget meeting as part of two year allocations funded from the Financial Planning Reserve:

- £125K to the Green Deal, Energy at Home scheme 2015/16.
- £107k to support the aims of the proposed adult advice and information strategy.
- £50k to support the delivery of the Council's Advice Services Strategy and protect as far as possible the universal services currently provided under contract to the Council.

In the event that a qualifying petition for a Mayoral referendum is received by the Council during 2015/2016, the costs associated with running such a referendum would be met from the appropriate earmarked reserve.

In addition to these specific proposals, under the Council's Invest to Save Scheme, the Section 151 Officer in consultation with the Cabinet Member for Resources, may authorise funding for robust and credible invest to save proposals from reserves (i.e. in the short term creating a 'negative ear-marked reserve' which is then repaid over time, usually 3 years, from the related savings.

Robust and credible 'invest to avoid' proposals (where investment can avoid future costs), can also be considered, but in addition there needs to be specific provision within business cases to replenish the reserves over a 3 year period.

Council Tax

The local government financial settlement included an announcement of financial support for councils who freeze their Council Tax for next year at the current level (i.e. a zero increase). This financial support (in the form of a grant) for 2015/2016 is stated as being included in baseline funding although no specific details have been announced relating to funding from 2016/2017 onwards. The income from the grant is equivalent to a 1% increase in council tax.

The proposed Council Budget utilises the council tax freeze grant and provides for a zero increase in Council Tax for 2015/2016.

The proposed band D Council Tax for Bath & North East Somerset Council next year is £1,201.85 which is no change on the previous year. Comparative details of the council tax levels from English Unitary Councils for 2014/2015 are attached at Annex 5 and illustrates that the council tax for this Council remains below the average level.

Revenue Budget Proposal – The Headline Numbers

The proposed revenue budget for 2015/2016 represents:

- A net £0.7m or 0.6% increase in the non-schools budget.
- An increase in the DSG estimated at £2.6m with total funding of £120.3m (including academies). The majority of the additional funding relates to the additional resources provided to accommodate increased pupil numbers in our schools. Additional funding to support the Pupil Premium in Early Years is also provided in this total. Taking account of this, the overall total represents a cash freeze per pupil compared to the previous year.
- A freeze in the Council's level of Council Tax, which excludes Police, Fire and Parish precepts.

We are recommending a net revenue budget for 2015/2016 of £119.914m. Table 3 below, and Annex 1 to this Appendix, show the build-up of the recommended 2015/2016 revenue budget, compared to the rolled forward base budget from the current year.

Table 3: High Level Build-up of the 2015/2016 Budget (detail in Annex 1)

| Description | £'000 |
|--|----------------|
| Total Base Budget rolled forward – 2015/2016 (after removal of one-off items in 2014/2015 Budget) | 119,241 |
| One-off Allocations | 949 |
| Contractual and Unavoidable Inflation | 3,169 |
| New Legislation / Government Initiatives | 2,486 |
| Increased Service Volumes | 1,891 |
| Other / Technical (Including Capital Financing) | 1,903 |
| Total including Growth | 129,639 |
| Change Programme & Efficiency Savings | 3,358 |
| Increases in Income from fees, charges and other grants | 4,134 |
| Service Reduction | 2,233 |
| Total Savings | 9,725 |
| Recommended Net Revenue Budget 2015/2016 | 119,914 |

In recommending the overall revenue budget to the Council, this also includes the individual service cash limits for 2015/2016. These are shown in **Annex 1** to this Appendix. Table 4 shows the resource allocation for 2015/2016 by service area.

Table 4: Resource Allocation 2015/2016

| SERVICE AREA | 2015/2016 | | |
|---|----------------|-----------------|-----------------------|
| | GROWTH (£M) | SAVINGS (£M) | CASH LIMIT (£M) |
| Adult Social Care | 4,440 | 3,896 | 56,829 |
| Children's Services | 772 | 1,822 | 22,453 |
| Place | 1,292 | 717 | 27,755 |
| Resources & Support Services | 1,995 | 927 | 8,973 |
| Corporate & Agency | 1,899 | 2,363 | 3,903 |
| Totals | 10,398 | 9,725 | 119,914 |

Note: Some of the figures in the table are affected by rounding.

Section 2 – Future Years 2016/17 to 2019/20

The current Medium Term Service and Resource Plans were constructed to cover the 3 years 2013/14 – 2015/16 in line with the specific budget priorities and the council policy framework.

Given the national and local elections in May 2015, it is perhaps not unsurprising that no figures have been provided to local government for funding beyond 31 March 2016. Indeed the Settlement for 2015/16 reverted to a one-year only Settlement instead of the two year settlements which had been implemented several years ago to aid local financial planning.

We therefore cannot be certain about local government funding from 2016/2017 onwards although we can expect the financial challenge facing the public sector to continue throughout the period of the next parliament from 2016/17 to 2019/20.

Whilst the scale and speed of funding reductions will vary depending on the outcome of the national elections, there are a number of factors which we can identify that will impact on local government funding going forwards:

- Continuing reductions in the national control total for local government funding – we assume this will be at least 10% per annum for this Council or over £4M per annum in cash terms.
- A significant increase in employers national insurance contributions to fund the new national pension arrangements – equivalent to £2.5M in cash terms for this Council.
- The ongoing impact of the new funding arrangements for Adult Social Care arising from the Care Act 2014 – the full implications of this have yet to be assessed.
- The likelihood of increasing pay inflation.
- The potential impact of changes to interest rates and the revenue cost of meeting the Council's full borrowing requirement.
- The level of inflationary and demographic cost pressures arising on Council services.

Given the scale of savings already achieved and those outlined in the MTSRP's and this Budget, it is likely that future savings will require prioritised changes to Council services.

The initial Financial Planning work to look at the future scale of this financial challenge for the Council has estimated that the likely savings or additional income required will be over £38M for this 4-year period.

A rigorous process will therefore need to be applied to the development of the Council budget and medium term financial planning process going forwards to enable resources to be prioritised between service areas.

The Council will therefore seek to develop a new Medium Term Financial Plan during 2015/16 to cover the four years from 2016/17 to 2019/20 once further information becomes available on the overall level of resourcing available to local government.

In order to prepare for this process, Council officers will be developing a range of actions to help support the development of the future Medium Term Service and Resource Plans as set out below:

- A range of key strategies are now in place or being finalised including the Core Strategy, the Health and Wellbeing Strategy, the Economic Strategy, the Transport Strategy and the Leisure Strategy.
- A new One Council approach with projects like 10 in 100 to stimulate new thinking and working across departments.
- Development of a future vision for the Council as a place for 2020 picking up on the changing nature of the Council's role for the delivery of services.
- A review process is underway to identify a range of options to deliver savings and generate additional income covering 4 key themes:-
 - Customer and Community
 - Prevention
 - Growth
 - Generating Revenue / Making the Finances Work
- The Approval of the West of England (WoE) City Deal with B&NES acting as the Accountable Body for the £500M, 25 year, Economic Development Fund for the sub region.
- Progressing with the Workplaces Programme which creates flexible working and new office layouts together with a new ICT strategy to support this.
- Greater clarity about how to improve links with local communities under the Council's Connecting Communities programme.

Section 3 – The Capital Budget for 2015/2016

Introduction

The Cabinet's proposals for the Council's capital programme are limited to a number of specific new additions to the existing approved programme full details of which are set out in this Section.

This Capital programme proposals:

- Limits new commitments to items which are in line with Council priorities and objectives and which are funded either from external sources, from anticipated future capital receipts, or where the potential costs of borrowing can be met from within the proposed Budget.
- Recognises that careful consideration has been made by Officers and Members regarding future commitments and the direction of this programme.

The MTSRP's recognise the intention to minimise new borrowing in the current market climate and fund the capital programme from a mixture of future capital receipts and internal cash flow wherever possible. However the decision on the timing of new borrowing will be driven by market factors, particularly movements in interest rates to provide overall value for money to the Council.

The projected capital receipts were shaped by a Property Review of proposals for development of Council owned sites. These projected receipts are kept under regular review to ensure the latest position is reflected in budget planning and all existing and future projected capital receipts will be utilised to support the general financing of the Council's Approved Capital Programme.

The presentation of the Capital Programme retains the clear separation of schemes for **Full Approval** and those which are for **Provisional Approval**.

Items gaining **Full Approval** are clear to proceed to full scheme implementation and delivery, subject to appropriate project management and governance.

Items for **Provisional Approval** will require further Officer and Member scrutiny, including a formal Cabinet decision for Full Approval. The budget numbers for schemes shown for Provisional Approval are therefore included on an indicative basis, and as an aid to planning.

Recommended Programme for 2015/2016

On this basis the Cabinet is recommending the Capital Programme as attached in **Annex 3** and summarised in the table below.

The proposed programme assumes total capital payments and funding in 2015/2016, comprising both the programme for Full Approval of £57.537m and a programme for Provisional Approval (subject to) of £27.065m, as shown in Table 5 below. This table also shows the indicative capital programme and

funding at summary level for 2015/2016 to 2019/2020. **Annex 3** shows the total capital programme for 2015/2016 to 2019/2020 in more detail.

Table 5: Summary Capital Programme and Financing 2015/16 - 2019/20

For Approval

| Capital Scheme | Budget 2015/2016 £'000 | Budget 2016/2017 £'000 | Budget 2017/2018 £'000 | Budget 2018/2019 £'000 | Budget 2019/2020 £'000 | Total £'000 |
|-----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|------------------------|
| Place | 36,973 | 1,230 | 125 | 50 | 0 | 38,378 |
| People & Communities | 9,603 | 802 | 65 | 0 | 0 | 10,470 |
| Resources | 10,961 | 25 | 90 | 135 | 0 | 11,211 |
| Total | 57,537 | 2,057 | 280 | 185 | 0 | 60,059 |

For Provisional Approval (Subject to)

| Capital Scheme | Budget 2015/2016 £'000 | Budget 2016/2017 £'000 | Budget 2017/2018 £'000 | Budget 2018/2019 £'000 | Budget 2019/2020 £'000 | Total £'000 |
|-----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|------------------------|
| Place | 11,569 | 30,890 | 20,511 | 11,383 | 5,377 | 79,730 |
| People & Communities | 5,593 | 8,694 | 0 | 0 | 0 | 14,287 |
| Resources | 9,903 | 1,557 | 1,557 | 1,557 | 1,557 | 16,131 |
| Total | 27,065 | 41,141 | 22,068 | 12,940 | 6,934 | 110,148 |

| | | | | | | |
|--------------------|---------------|---------------|---------------|---------------|--------------|----------------|
| Grand Total | 84,602 | 43,198 | 22,348 | 13,125 | 6,934 | 170,207 |
|--------------------|---------------|---------------|---------------|---------------|--------------|----------------|

Funded By

| Financing | Budget 2015/2016 £'000 | Budget 2016/2017 £'000 | Budget 2017/2018 £'000 | Budget 2018/2019 £'000 | Budget 2019/2020 £'000 | Total £'000 |
|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|------------------------|
| Grant | 30,469 | 14,668 | 5,132 | 4,749 | 4,749 | 59,767 |
| Capital Receipts/RTB | 8,524 | 11,162 | 11,050 | 0 | 2,800 | 33,536 |
| Revenue | 2,563 | 563 | 478 | 478 | 478 | 4,560 |
| Borrowing | 38,844 | 16,040 | 5,223 | 7,748 | -1,243 | 66,612 |
| 3rd Party (inc S106) | 4,202 | 765 | 465 | 150 | 150 | 5,732 |
| Total | 84,602 | 43,198 | 22,348 | 13,125 | 6,934 | 170,207 |

Note: Some of the figures in the above table are affected by rounding.

Funding

The revenue budget for 2015/2016 and the Medium Term Service and Resource Plans for 2016/2017 provide for the revenue consequences of the Council borrowing in support of capital expenditure where appropriate.

A desire to minimise the planned levels of external borrowing continues to be recognised within the funding arrangements for the Capital Programme. It is anticipated that all current and future capital receipts will be utilised, together with the Council's internal cash balances to fund the Capital Programme. However the decision on the timing of new borrowing will be driven by market factors, particularly movements in interest rates to provide overall value for money to the Council.

The Capital Programme assumes the achievement of £33.5M of capital receipts over the five year period 2015/16 to 2019/20.

This prudent assumption recognises the difficulty in accurately projecting the actual level of capital receipts over longer-term periods, which will ultimately be dependent on the specific proposals for individual sites in the future.

New Schemes within the Capital Programme

PLACE

Highways Maintenance Programme for Full Approval of £5.971m

The Highways Structural Maintenance budget is included for Full Approval at £5.971m. This is funded by £3.771m Government Grant and additional funding for Highways Surfacing (£1m), Highways Structures (£1m) and Footway Improvements in the Highways (£0.2m) funded through Corporate Borrowing.

This will be used to address a programme of priority works across all highway asset groups namely carriageways, footways, structures (bridges, retaining walls, embankments & culverts), drainage and electrical infrastructure as identified through on-going inspection, monitoring and evaluation.

The proposed programme of work will help address the backlog of maintenance and improve the condition of the highway network, reducing the whole life costs of maintaining roads through earlier intervention.

It is proposed to enhance the quality of substandard footways in the district. This project supports the key objective of encouraging walking as sustainable travel and by resurfacing footways at the optimum time the council is saving the costs of more expensive and disruptive repair works.

A detailed list of schemes, attached at Annex 3(i), will be subject to consultation with cabinet and ward members. Any amendments to the programme will be approved by the Strategic Director for Place in consultation with the Cabinet Member for Transport.

Transport Improvement Programme for Full Approval of £1.931m

The Transport Improvement Schemes budget is included at £1.931m for Full Approval funded from £831k of Integrated Transport Block Government Grant and £1.1m Corporate Supported Borrowing.

The 2015/2016 proposals focus on supporting the five objectives identified in the West of England Joint Local Transport Plan:

- Reducing Carbon Emissions
- Supporting Economic Growth
- Promoting Accessibility
- Contributing to better safety, security and health
- Improving quality of life & a healthy natural environment.

£100k of the Corporate Supported Borrowing funds cycling schemes identified from the Sustrans review of cycle networks within the city as outlined in the Getting Around Bath Transport Strategy. The further £1m of Corporate Supported Borrowing will fund additional pedestrian schemes (£400k), additional cycle schemes (£400k) and 20mph scheme adaptations (£200k).

A detailed list of schemes, attached at Annex 3(ii), will be subject to consultation with cabinet and ward members and the general public where appropriate. Any amendments to the programme will be approved by the Strategic Director for Place in consultation with the Cabinet Member for Transport.

Riverside Path, Bath for Full Approval of £486K

A Local Strategic Transport Fund grant provides for an upgrade to the Riverside path in the Enterprise Area, supporting the delivery of the Bath City Riverside Masterplan and the Getting Around Bath Transport Strategy.

Metrowest for Full Approval of £329k

The Metrowest Phase 1 aims to increase rail frequencies into Bath and North East Somerset as well as other works across the West of England. The sum for 2015/16 continues the development of the project in readiness for funding bid for DfT Major Scheme Funding, devolved to the WoE LEP in the Single Growth Fund. The source of funds for 2015/16 is Integrated Transport Block Government Grant.

Saltford Station - reopening feasibility work for Full Approval of £250k

The project will develop the business case for re-opening a station in Saltford. It will include rail industry engagement, project management and governance, option development (GRIP 3) and working towards single option design (GRIP 4), once the station location has been agreed. There is a risk of revenue reversion if a full scheme were not to proceed.

Great Western Mainline Electrification - Rail & Ride for Provisional Approval of £1.5m

Policy GABP8 within the Getting Around Bath Transport Strategy, commits the Council to developing a bus based Park & Ride if needed, while a railway option is developed. The early delivery of the rail based proposal is a priority to

support the Core Strategy and Enterprise Area. There may be opportunities within the next year to bring either of these P&R facilities forward more speedily following completion of the appraisal being carried out by Mott MacDonald.

In addition the work being undertaken by Network Rail during electrification will have a significant impact on some of the Council's road, cycle and pedestrian network in the vicinity of the Great Western Mainline Railway. In the event of some structures requiring repair or indeed needing to be rebuilt during electrification the Council could take the opportunity to undertake improvement to enhance the transport network at the same time and at reduced cost.

Vehicle Replacement Programme for Full Approval of £581k

The vehicle replacement programme covers Cleansing vehicles (£146k), Parks vehicles (£167k), Waste (£181k), Environmental Protection Pest Control (£32k) and Parking (£15k) vehicles as well as a specialist grave digger (£40k). The use of hybrid and electric vehicles will be considered during procurement.

Neighbourhoods - Bin and Bench Replacement for Full Approval of £50k

This funding will support the replacement of old and damaged litter bins and benches across Bath and North East Somerset. The prioritisation for replacement will be driven from the recently completed condition survey of the assets.

Play Equipment for Full Approval of £115k

This funding will support the replacement of existing, life-expired play and outdoor gym equipment in consultation with local members and cabinet member. The prioritisation criteria in selecting locations to provide support are condition of existing equipment and levels of use.

Haycombe Cemetery Entrance for Full Approval of £60k

Funding will be used to design and build a wider entrance and gates to the Haycombe Cemetery and Crematorium. This will allow two way traffic flow which will ease congestion onto Whiteway Road, improving safety for road users, pedestrians and customers.

Waste Re-provision feasibility work for Full Approval of £100k

The existing Midland Road Waste Facility site within the Enterprise Area cannot remain as it is for the following reasons:

- The existing facility is no longer fit for purpose: it cannot cope well with current quantities of waste or traffic and it is an inefficient design which presents significant Health & Safety risks to be managed.

- The facility is over 30 years old and is approaching the end of its economic life and therefore needs significant maintenance.
- Council has allocated the site for housing purposes within Core Strategy so it cannot continue in its current use in future.

Therefore this £100K project will deliver the feasibility of the Midland Road waste site to provide improved recycling and waste management facilities to meet the expected growth in demand created by SHLAA housing growth.

Parks Service Schemes for Provisional Approval of £200k

This budget is to utilise existing section 106 balances which have been received in recent years to contribute to parks schemes; the programme will be developed according to the scope of the s106 agreements and the needs assessed by the service.

Leisure facility modernisation for Provisional Approval of £15m

This budget is for capital investment into leisure facilities in conjunction with the leisure provider. The Preferred Bidder is due to be appointed in March 2015 and the capital, used mainly for refurbishment of Bath and a new build at Keynsham, will be repaid to the authority within the lifetime of the contract. In addition £500k will be offered for a Combined Heat and Power, subject to a business case, at Bath Leisure centre (see later Resources update).

Passenger Transport Vehicles for Provisional Approval of £1.38m

The investment in replacement vehicles for the Passenger Transport Service is subject to the consideration of a detailed value for money business case.

Sawclose: Pedestrianised Highway Space for Provisional Approval of £100k

This project is to develop the highway and public space adjacent to the new Casino development. This budget is to develop the business case and progress through planning and design. The implementation of the project will be an emerging item, subject to consideration of a detailed business case.

Heritage Infrastructure Development for Full Approval of £100k

The Heritage Infrastructure Development Programme is a rolling programme of projects to invest in the Roman Baths and Pump Room buildings, facilities and 'visitor experience'. The projects currently planned for 2015/16 involve conservation works to the Great Bath, which is a key element of the visitor experience, together with façade consolidation works deferred from 2014/15.

Any amendments to this programme will be approved by the Strategic Director for Place in consultation with the Cabinet Member for Sustainable Development.

Roman Baths Development: East Baths Development for Full Approval of £1m

This project involves the conservation and re-interpretation of the East Baths, and is the latest significant element of investment on the Roman Baths site that began in 2006/07.

The project will improve the environment of the scheduled ancient monument and minimise further degradation and disfigurement through the ingress of water back up the Roman drain. It will improve the accessibility and interpretation of this end of the Roman Baths, bringing it up to the standard of presentation achieved elsewhere on the site.

BWRE/Green Park for Full Approval of £150k

This budget will be used for the production of a Delivery Plan to enable physical regeneration across the BWR East site, improving city centre linkages to the new residential community at BWR and completing the regeneration of this area. Spend will be focussed on specialist development consultancy, legal and planning advice, and transport advice in relation to re-modelling of highways accesses and rationalisation of the Pinesgate Gyratory. Working with landowners, this will establish a process through which future re-development of the site could deliver new employment and additional Business Rate generation in line with Corporate aspirations on a key site within the Enterprise Area.

Radstock and Westfield Implementation Plan for Full Approval of £100k & Provisional Approval of £50k

This budget is to support the regeneration of Radstock town centre by supporting Norton Radstock Regeneration to create a community service hub at new premises adjacent to Victoria Hall and developing proposals for the next phase of regeneration in the town centre. This may include jointly working with Children's Services to determine the best future use for the Library site, which will remain as Provisional, subject to a more detailed plan.

River Corridor and RoSPA safety works for Full Approval of £150k

The aim of the River Corridor Fund is to deliver environmental, safety and usage improvements to the River Avon, specifically the stretch within the city of Bath. The priorities for the Fund in 2015/16 will be the delivery of further safety and accessibility improvements as listed below.

- Feasibility study to deliver additional stretches of the Walcot River Path

- Community accessibility improvements (canoe access) at Bath Quays Waterside
- Extension of the provision of B-Line cabinets beyond the 2014/15 delivery from Norfolk Crescent to Green Park
- Extension of the 14/15 scheme to replace substandard railings between the railway bridge to Churchill footbridge

This list of projects has been developed in consultation with the Strategic River Group and River Safety Group and covers recommendations in the recent Environment Agency /RoSPA report. Any amendments to this programme will be approved by the Strategic Director in consultation with the Cabinet Member for Sustainable Development

Disabled Facilities Grant for Full Approval of £1.180m

This is the mandatory grant service administered for eligible applicants that satisfy the following criteria:

1. it is a necessary and appropriate home adaptation to enable them access to and use of their home;
2. the required adaptation is reasonable and practical; and
3. it meets the requirements of a test of resources.

The assessment of need is carried out by Sirona's Occupational Therapy service, whilst the grant scheme is administered by Housing. The scheme allows an eligible applicant to continue to live independently in their own home by providing a stair lift, suitable washing facilities or other relevant home adaptations.

ECONOMIC DEVELOPMENT FUND SCHEMES

As part of the West of England (WoE) City Deal, the Economic Development Fund (EDF) was established to support infrastructure and regeneration projects across the sub-region. Programme Entry status was approved by the Strategic Leaders Board for a range of projects including a number for this Council.

The capital and associated borrowing costs for these projects are anticipated to be met in full by the EDF upon practical completion of the project or agreed project phase. The Council is responsible for any financing costs to this point and for underwriting the project costs in the unlikely event there is insufficient funding within the EDF.

The following EDF projects are coming forwards for progression within the proposed Capital Programme:

Invest Bristol and Bath

Invest Bristol and Bath (IBB) is the inward investment marketing vehicle for the four West of England (WoE) Unitary Authorities. Its role is to attract external commercial organisations to the WoE supporting aspirations for economic growth, employment creation and increases to business rates income. The annual running costs for up to 5 years will be met from the EDF although for all EDF schemes, this is underwritten by the UA's. The Council confirms that it underwrites the B&NES contribution (up to 25%) of the running costs of IBB in the event that the expected EDF funding package does not materialise. A Memorandum of Understanding is to be agreed subject to a business case.

Innovation Quay – Economic Development Funding Enabling Infrastructure for Provisional Approval of £25m

Innovation Quays is Bath and North East Somerset (B&NES) Council's Flagship Project seeking funding from West of England's Economic Development Fund (EDF). The project seeks to enable the delivery of a new Central Business District in the heart of Bath, delivering much needed modern office stock for the city in a highly attractive and sustainable location.

The proposals seek to enable this by using the Council's strategic land ownership at Bath Quays and utilise EDF infrastructure funding to overcome fundamental viability challenges. These challenges have prevented the provision of modern office stock within the city for over 20 years which result from high land values, high development costs, stagnant office rents and limited occupier covenants.

The West of England Local Enterprise Partnership has granted Programme entry status for £25m of funding via EDF towards enabling infrastructure. This will re-provide the current uses of coach and car-park provision and enable the office development. Detailed options appraisal and full business case approval for each phase of works will be required as the scope emerges.

A36 Lower Bristol Road Bus Lane for Provisional Approval of £3m

The Council has a long standing policy of seeking a bus lane to support bus services approaching the city along the A36 Lower Bristol Road approaching Windsor Bridge Road. This was a key part of the Bath Transport Package but was dropped in 2011 because of the potential for a CPO inquiry delaying the delivery of the remainder of the Package (which could be delivered without further land acquisition). The need for this improvement has been supported by the development of the Bath City Riverside Enterprise Area Masterplan. This project could now be brought forward using resources released from the completion of the Bath Transportation Package. Finally, Windsor Bridge Road is a critical link within the road network, and will be increasingly under pressure through the continued development within the Enterprise Area. The opportunity for an improvement to the bridge itself has been included in this project.

Enterprise Area - Flood Mitigation Phase 2 for Provisional Approval of £100k

Strategic Flood Mitigation will enable delivery of other Enterprise Area (EA) sites to the west of Midland Bridge. We will carry out an initial investigation to define extent of necessary works to enable redevelopment of riverside sites within the EA.

SCHOOLS CAPITAL INVESTMENT**Overview**

The Council retains responsibility for capital funding of schools excluding academies and for the expansion of school places at all schools, including academies.

Schools capital grant funding £6.375m in 2015/16 and £6.694m in 2016/17 has been confirmed by the Education Funding Agency (EFA) for Basic Need to support the provision of additional pupil places where there is population growth. An allocation for Capital Maintenance has yet to be announced, but an indicative figure of £2m is assumed.

2015/16 Basic Need Schemes

Our increased level of Basic Need grant funding reflects the growing number of additional places required as identified in the School Organisation Plan and annual School Places Return (SCAP). The funding is to provide the projected number of places that will be needed by September 2017. The allocation is non ring-fenced to enable the Council to fulfil its statutory duties in ensuring sufficient school places. There are no revenue implications for the Council arising from the expansion of schools as these will be met by the Dedicated Schools Grant (DSG).

The Council has a statutory duty to provide sufficient school places for every child resident in the Local Authority who requires a place with Projects identified in line with these responsibilities. The key priority for investment is the need to provide additional primary pupil places driven both by underlying population growth and new housing. Funding has been provided for places required within the next two years and a number of schools have been identified where capacity will be required. This list is not exhaustive as factors such as the need to revise projections as a result of updated information on births and resident population particularly when most primary schools are full or filling, may mean even small numbers of additional pupils can trigger the need for additional classrooms. Other factors such as changes to the timescales of new housing delivery or a free school being approved can increase or reduce the need to add capacity.

Basic Need has been allocated for 2015/16 for the following schemes.

Oldfield Park Junior School for Full Approval of £200k

Works to accommodate a bulge class transferring through from Oldfield Park Infant School. Accommodation will be required for Year 3 pupils from September 2015.

Westfield Primary School for Full Approval of £100k

To refurbish existing accommodation and bring 2 classrooms back into use. These works will support a bulge class for September 2015 admissions to accommodate an Admission Number of 90.

Paulton Junior School for Full Approval of £1.465m

To provide 4 new additional classrooms required to meet the increase of Pupil Admissions numbers rolling through from the Infant School. It is anticipated that a S106 contribution may be received towards this cost but this is currently under review.

Bishop Sutton Primary School for Full Approval of £1.984m

To provide two additional new build classrooms and replace three temporary classrooms that are in very poor condition. The School's PAN will increase from 21 to 25 from September 2015. Funding from a S106 contribution of £42K and 2014/15 Capital Maintenance grant also support the project budget. The works will support a further Pupil Admission Numbers increase to 30 at a future point when required.

St John's School Keynsham for Full Approval of £59k

A classroom refurbishment to accommodate an additional class in a bulge year. These costs will be met from a £59k Section 106 contribution.

Feasibility Studies for Full Approval of £250k

The council has a statutory duty to ensure there is sufficient provision of school places in the right areas to meet needs. Development work is required to inform detailed project plans for future capital schemes.

Ensleigh – New School for Provisional Approval of £2.5m

A new school will be required to serve the Ensleigh North, Ensleigh South, Royal High School playing fields and Hope House developments, as well as provide places to meet basic need requirements from underlying population growth in the local area. The Council will be required to make a proportionate contribution for land value and funding for these places. Section 106 negotiations are ongoing but it is anticipated that Council funding of between £2.4 and £2.7m will be required to meet the land costs and basic need funding. The Ensleigh School is likely to be delivered by September 2017.

School Basic Need Schemes Unallocated for Provisional Approval of £1,069k

There are a number of housing developments where Section 106 contributions have been agreed that will provide funding to extend existing schools and meet future basic need requirements. In some circumstances, there may be additional basic need pressures in the local area and Council funding may be required to address the additional accommodation needs. This may be necessary for the MoD Warminster Road development where it is expected that Bathwick St Mary will be extended to meet both need generated by the development and also increasing pupil numbers locally.

Schools Capital Maintenance Programme 2015/16 for Full Approval of £1.830m

In recent years allocations from the Department for Education (DfE) for Capital Maintenance funding have been made on the basis of one year allocations. This funding is non ring-fenced grant funding to address the worst building condition issues at schools. To date the funding allocations have not been announced for 2015/16 but are expected to be made by the DfE in late January 2015.

In 2015/16 it is proposed to allocate £1.5m to address the larger condition schemes at 22 schools and these are detailed in Annex 3(iii) These schemes will cover a range of projects such as re-roofing, replacement of heating systems and health and safety. At some schools more than one scheme will be undertaken to address condition issues. Additionally, projects will be undertaken to remove asbestos at four primary schools. In the event of the funding allocations being reduced in 2015/16 it is proposed the number of schemes may need to be reduced to reflect the amount of funding available.

A minor works budget of £200k is proposed to address smaller condition issues such as replacement heating controls and obsolete distribution boards. This funding will be used to address ad hoc condition and health and safety issues as they arise throughout the year.

It is proposed to replace the existing poor condition temporary building at St Mary's Writhlington. The School has agreed to an increase in PAN from 20 to 25 with effect from September 2015. Replacement of the poor condition building will help support this basic need requirement. A sum of £100k was approved by Cabinet on 3 December 2014 for inclusion in the 2015/16 Capital Maintenance Programme.

It is proposed to allocate a sum of £30k to address future DDA adaptations at school sites.

These proposed projects are in line with the intended purpose of DfE capital maintenance funding and are priorities within the Schools Capital Maintenance Programme to ensure schools remain open and operational, statutory duties are met and longer term strategic planning is embedded.

School Capital Maintenance Schemes Unallocated for Provisional Approval of £949k

The balance of the estimated funding available for this year of £949k is to be held provisionally at this time, the value to be confirmed once the grant notification has been received.

The Schools capital maintenance team maintain a rolling list of capital works required, currently totalling £4.761m and this funding will be used to work through these projects as they are fully reviewed and prioritised. Timing of the work on these projects will be reliant on resources available to cost and prioritise these projects and so may slip into future years as has occurred previously. This unallocated balance may also be called upon if any emergency works are required, and will be approved if these works are identified.

RESOURCES & SUPPORT SERVICES SCHEMES

Property Maintenance and Equality Act Works for Full Approval of £1.457m

Capital Planned Maintenance and Equality Act works will be undertaken on the Council Corporate Estate. Annex 3(iv) provides the detailed plan for 2015/2016, with prioritisation informed by full condition surveys. Any amendments to the programme will be approved by the Strategic Director for Resources in consultation with the Cabinet Member for Resources.

Children's Education Management System for Provisional Approval of £750k

We plan to procure new IT to update the current Children's Education Management System, which supports statutory provision of many Education services including for School Admissions, Home to School Transport, Free School Meals, Statementing of Special Education Needs and statutory reporting including school attendance. This will reduce risks of obsolescence, legal challenge and support no longer being readily available, as well as achieving better fit with the Council's IT Strategy. We will be looking to secure enhanced functionality for a better experience for the public and staff and will achieve better value for money, including looking with interest at joint procurement opportunities with other Councils.

LGA Bonds Investment for Full Approval of £50k

The Municipal Bonds Agency is a company set up and owned by Local Government to provide access to capital finance at advantageous borrowing rates. It will also seek to facilitate inter-local authority lending and access to other financial instruments. Our investment is to provide a contribution towards its working capital.

IT Asset Refresh for Full Approval of £201k

The Council has always had and continues to need an annual refresh budget to cover the replacement of key infrastructure assets at their end of life (e.g. servers, network switches). Without this refresh programme, PSN compliance lapses (e.g. the ability to process benefits, revenues, safeguarding and other data), IT security will be breached and IT devices and systems used by services will become unsupported, obsolete and will fail. The programme is managed as a 5 year commitment.

This request is to fund Year 3 of the present 5 year refresh programme. Technology is constantly changing and so forecasts are reviewed again annually before being made firm. Capital costs can be met from service supported borrowing funded through savings created in IT budgets.

Energy Efficient Fund Update for Provisional Approval of £500k

The capital programme has £500k loan fund for the installation of Biomass boilers on the basis that the capital cost can be repaid by those participating through their energy savings over a period of time. Feasibility studies have established that a Combined Heat and Power solution at Bath Sports and Leisure Centre is the most effective use of the money to meet the objective of reduced carbon emissions and to be able to repay the loan. Delivery of this scheme will be through the Leisure contractor being appointed through the current procurement exercise and will be subject to a supported business case.

Emerging Capital Schemes

The following schemes are not yet fully developed and outline business cases have not been produced at this stage so it is not possible to identify an appropriate provision for them within the proposed Capital Programme.

These schemes may require significant capital expenditure some or all of which may be met through external sources or the related service provider. As the specific business cases are more developed and the capital requirements are more fully understood these schemes will come forward for Council consideration and decision at that point.

The business cases will need to identify suitable capital and, if necessary, revenue funding provision at this time.

Bath Western Riverside Phase II

Bath Riverside (BWR) has now established itself delivering a strong foundation for growth within the Enterprise Area and a vibrant new community within Bath is emerging. With completion of the first phase (813 homes) now likely ahead of programme in 2018/9 and gas holder decommissioning and demolition complete, the project can plan to continue delivery across the entire site, including the current waste site. This will deliver the primary school, 1200+ new homes and commercial space.

In order to realise full regeneration in line with the Core Strategy, further significant capital investment may be required to support project partners in delivering comprehensive regeneration, some or all of which may be met through external sources.

Implementation of Transport Strategies

As a result of the adoption of the Getting Around Bath transport strategy by Council and the emerging Getting Around Keynsham Draft Transport Strategy, there will be a need to progress and implement the agreed actions. External funding sources will be targeted, but these may need to be supplemented by Council funds.

Cycle City Ambition Fund

The Council is submitting a bid to DfT (at their invitation) for funding for the continuation of the Cycle City Ambition Fund with Bristol CC and South Gloucestershire Council. This could bring in approx. £3.8m of capital funding over the period 2015/16 to 2017/18 to develop cycling commuter routes and optimise economic benefits. If successful this will become an additional set of projects in the Capital Programme commencing in 2015/2016.

Business Expansion Space - Property Lease

The economic development strategy review identified a significant shortfall in available commercial space for expanding small businesses outgrowing the Guild Co-working Hub and the Bath University Innovation Centre; this is leading to a long term issue in relation to business retention, employment growth and business rates retention.

In conjunction with the Bath University the Council is developing a commercial incubator model that would require the Council to take a long lease on a suitable property, providing up to 40,000sq ft of additional space. This is subject to the development and subsequent approval of a business case being at minimum revenue neutral to the Council.

New School Provision from Future Housing Development

It is expected that up to six new primary schools will be required to meet future housing development by 2029. Of these schools, three will be delivered by the housing developers and three are likely to be delivered by the Council.

The following table provides information on development sites where agreement has been reached or discussions are ongoing for the developer to deliver the school site and buildings. Each of the schemes will be delivered with Early Years Provision.

| Development Name | Developer | Provision to be delivered by Developer | Anticipated opening date. |
|--------------------------------|---------------|--|---|
| Somerdale | Taylor Wimpey | A new one form entry primary school, delivered on site | September 2017 |
| Foxhill | Curo | A new one form entry primary school, delivered on site | September 2017/18 – this date may be later. |
| Bath Western Riverside - Crest | Crest | A new one form entry primary school, delivered on site | September 2020 |

Three other areas may require new school provision. This cannot be easily delivered by a developer as the need is generated by several developments. In these circumstances, it will be for the Council to deliver the new school.

The longer term provision of additional places or new schools at other development sites will need further consideration by the Council. At this point in time no, agreements have been made as to when this new provision might be required but it may have an impact on future Capital budgets if any shortfalls in funding are identified.

Minimum Revenue Provision (MRP) Policy

The Council is required to make revenue provision to repay capital spend that is financed by borrowing (either supported or unsupported). This is called the Minimum Revenue Provision (MRP). The Department of Communities & Local Government has issued regulations that require full Council to approve a MRP Policy in advance each year. The policy defines how the Council will make a prudent minimum revenue provision for all new unsupported borrowing. The Council is recommended to approve the statement in Annex 4 which is unchanged from last year.

Prudential Indicators

The prudential framework for local authority capital investment was introduced through the Local Government Act 2003. The key objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. The Capital Prudential Indicators are shown in Table 6 below.

Table 6: Capital Prudential Indicators.

| PRUDENTIAL INDICATOR | 2013/14 Actual | 2014/15 Probable Outturn | 2015/16 | 2016/17 | 2017/18 |
|---|---------------------------|---|----------------|----------------|----------------|
| Estimate of Capital Expenditure (£'000s) | | | | | |
| Actual/estimates of capital expenditure | 44,572 | 85,726 | 84,602 | 43,198 | 22,348 |
| Net Increase in council tax (band D per annum) Figures in £'s (not £'000's) | | | | | |
| The implied estimate of incremental impact of the new capital investment decisions on the council tax | | | £0.94 | £3.76 | £2.31 |
| Cumulative totals: | | | £0.94 | £4.70 | £7.01 |
| Capital Financing as % of Net Revenue Stream | | | | | |
| Actual/estimates of the ratio of financing costs to net revenue stream | | | 10.35% | 12.79% | 13.93% |
| <i>Memo: estimates of the ratio of financing cost to gross revenue stream</i> | | | 3.84% | 4.61% | 4.93% |
| Borrowing Limits (£m) | | | | | |
| Operational boundary – borrowing | | | £182m | £193m | £190m |
| Operational boundary – other long-term liabilities | | | £2m | £2m | £2m |
| Operational boundary - total | | | £184m | £195m | £192m |
| Authorised limit - borrowing | | | £219m | £227m | £224m |
| Authorised limit – other long-term liabilities | | | £2m | £2m | £2m |
| Authorised limit - total | | | £221m | £229m | £226m |
| Capital Financing Requirement (£'000s) (as at 31 March) | | | | | |
| Actual/estimate of capital financing requirement | 153,025 | 186,903 | 219,176 | 227,354 | 224,387 |

Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that external debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

After reviewing the capital programme and borrowing proposals, the Section 151 officer reports that the Council will continue to meet the demands of this indicator.

Borrowing limits

The Authorised limits for external debt include current commitments and proposals in the budget report for capital expenditure, plus additional headroom over and above the operational limit for unusual cash movements.

The Operational boundary for external debt (or planned borrowing level) is based on the same estimates as the authorised limit but without the additional headroom for unusual cash movements. This level also factors in the proposed use of the Council's longer term cash flow balances to "internally" meet the financing requirements for the Keynsham Town Centre Regeneration project, subject to overall treasury management decisions.

Section 4 – Revenue & Capital Reserves and Contingencies

Significant Earmarked Reserves

In developing the proposed Budget for 2015/2016 all the Council's earmarked reserves have been routinely reviewed and the related potential liabilities assessed to establish the future requirements for each of the reserves.

Based on the most recent review, the majority of the Council's reserves remain committed to the specific purposes for which they were established. The proposals for significant earmarked reserves will be as follows:-

The Revenue Budget Contingency – the reserve has been utilised during 2014/15 to meet a range of in-year pressures and priorities. It is anticipated that this reserve will stand at £1.239M for 2015/16. The balance of the Revenue Budget Contingency will be available for allocation to meet new and emerging priorities of the Council during the financial year, including the management of any Outturn overspending.

Financial Planning Reserve – this reserve supports the future medium term financial planning of the Council. The reserve will generally be allocated as part of the Budget process each year to support the specific medium term financial proposals and priorities of the Council. As a general principle, this reserve will be used to support the transition to the delivery of future identified savings, as opposed to supporting ongoing revenue expenditure.

The Transformation Investment Reserve – will support the development and progression of a significant transformation programme to redesign and reshape a range of services to recognise the future shape of the Council. A number of the specific changes are progressing including a future service review, shared service opportunities and the implementation of a new HR/Payroll system.

Subject to the overall limits, the reserve will continue to be utilised to provide one-off resources in support of the development and delivery of specific savings or income generation plans subject to an overall business case and project plan.

This reserve will be committed to meet the costs associated with these changes over the next three to four years and allocations will be subject to the approval of the Chief Executive in consultation with the Cabinet member for Resources and the S151 Officer.

The Restructuring and Severance Reserve – the significant financial challenge facing the Council will lead to reductions in staffing number as savings and efficiencies are delivered. The MTSRP indicated that around 300 posts would be lost over the 3-year period to 31 March 2015 including through redundancy.

The associated costs have been managed largely within existing budgets for the period to 31 March 2015 although it will be increasingly difficult to contain these one-off costs going forwards. The reductions in staffing levels are likely to continue for several years and the associated severance costs may be significant.

It is estimated that this reserve will be available to help meet these costs, avoiding the need for subsequent additional service savings purely to pay such severance costs. This approach will be regularly reviewed to ensure it is being applied appropriately within the overall scale of anticipated staffing reductions.

The Affordable Housing Reserve – this reserve is currently committed to fund the Council's contribution to affordable housing including within the Bath Western Riverside development. Right to Buy Receipts are forecast to be £1.467m above originally forecast levels for the period up to the end of 2014/15 and this has reduced the call on the affordable housing reserve for Phase 1 of the Bath Western Riverside development. The uncommitted balance of this reserve will be available to fund future affordable housing developments.

All service based Earmarked Reserves are anticipated to be fully committed.

Table 7 below, sets out the projected level of the significant earmarked reserves taking account of anticipated commitments over the next 3 years to 2017/2018.

Table 7: Projected Significant Earmarked Reserves

| | Revenue Budget Contingency | Transformation Investment Reserve | Restructuring & Severance Reserve | Affordable Housing Reserve | Financial Planning Reserve |
|--|----------------------------------|---|---|----------------------------------|----------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Estimated Reserves @ 1st April 2015 | 1,239 | 2,909 | 4,918 | 3,000 | 5,844 |
| Allocation in 2015/2016 | 0 | -923 | -900 | -1,130 | -739 |
| Balance C/F | 1,239 | 1,986 | 4,018 | 1,870 | 5,105 |
| Allocation in 2016/2017 | 0 | -1,000 | TBC | -85 | TBC |
| Balance C/F | 1,239 | 986 | TBC | 1,785 | TBC |
| Allocation in 2017/2018 | 0 | -986 | TBC | 0 | TBC |
| Balance C/F | 1,239 | 0 | Nil (est) | 1,785 | Nil (est) |

Unearmarked Revenue Reserves

The Local Government Act 2003 contains a duty on the statutory finance officer (s151 Officer) to report to the Council, at the time the budget is considered and the Council Tax set, on the robustness of the budget estimates and the adequacy of financial reserves. The report of the s151 Officer on this subject is included as **Annex 2** to this report and is recommended to the Council. The conditions of the report by the Divisional Director – Business Support are an integral part of our budget recommendations. This sets an unearmarked reserves target of £10.5 million based on a financial risk assessment and in the context of the "one-off" funding proposals contained within this Budget proposal.

Table 8 below details the proposed movement in the level of unearmarked reserves over the period of the medium term service and resource plans. This analysis includes the proposed use of reserves to support invest to save proposals included within the Budget, specifically:

- The Workplaces Project – requires total cumulative revenue investment of £2.6m over the period to 31 March 2016 with repayment of the reserves commencing in 2016/17 from the on-going revenue savings of around 14%.

This actual level of unearmarked reserves will also depend on the Outturn position for 2014/2015 and on future decisions by the Cabinet about any overspends. The figures are therefore only an estimate at this stage and are without prejudice to future Cabinet decisions.

Contingent Liabilities

In September 2014 the Council received a letter from Curo Places Limited identifying a potential claim relating to the presence of asbestos within the housing stock that was transferred to Curo Places Limited (formerly Somer Community Housing Trust Limited) in March 1999.

On receiving the letter the Council and Curo have been in discussion relating to the basis of the claim and the liability for the treatment of asbestos. Much of the claim related to future liabilities. As part of these discussions the Council has been working with Curo on ways of mitigating future costs relating to the management of asbestos within their housing stock.

Following a number of meetings Curo have agreed to suspend all activities relating to the claim while both parties explore the opportunity for a commercial settlement. This work is ongoing and at this stage is not anticipated to impact on the Council's reserves position.

Adequacy of reserves

The s151 officer's report on the robustness of estimates and adequacy of reserves is set out at Annex 2. This provides a reserves strategy to maintain non-earmarked General Fund reserves at £10.5m based on a thorough risk assessment. The projected reserve levels are set out in Table 8 below.

Table 8: Projected Non-Earmarked Revenue Reserves

| | 2015/16 £'000 | 2016/17 £'000 | 2017/18 £'000 |
|--|--------------------------|--------------------------|--------------------------|
| Estimated Reserves @ 1st April each year | 8,312 | 7,834 | 8,116 |
| 2014/2015 Projected Outturn Underspensing | - | - | - |
| Projected Invest to Save Movements | -477 | +282 | +531 |
| Estimated Reserves @ 31st March each year | 7,834 | 8,116 | 8,647 |

Based on anticipated invest to save commitments mainly associated with the Workplaces project, the Non-Earmarked Reserves will begin to be repaid in 2016/17 and at no point will reduce below the risk assessed minimum level of £6M.

Under the Council's Invest to Save Scheme, the Section 151 Officer in consultation with the Cabinet Member for Community Resources, can authorise funding from within the non-earmarked reserve for robust and credible invest to save proposals (i.e. in the short term creating a 'negative ear-marked reserve' which is then repaid over time, usually 3 years, from the related savings). This is subject to the overall level of non-earmarked reserves being maintained above the risk assessed minimum level of £6M.

Capital Risk Contingency

There are three levels of risk provision in relation to the capital programme.

Firstly individual major projects within the capital programme hold their own contingency in accordance with good project management practise to meet unavoidable and unforeseen costs;

Secondly, the capital programme includes a funded corporate risk contingency currently forecast to be £0.780m. This reduced level reflects a number of calls on the contingency made during the current 2014/15 financial year and therefore this level will need to be reviewed during 2015/2016.

Thirdly the corporate risk assessment on which the general reserves target is based includes an element in the context of the capital programme based on the risks of the current programme.

As with all capital projects, relevant risks are being considered as part of the overall risk-assessed general reserves and the Corporate Risk Register.

Governance

The Council is requested to confirm the specific arrangements for the governance and release of Council reserves, including invest to save proposals, be delegated to the Council's Section 151 Officer in consultation with the Cabinet Member for Community Resources and the Chief Executive.

Section 5 – Council Tax

This section shows the implications of the recommended revenue budget for Council Tax levels for 2015/2016.

The financial settlement included an announcement of financial support for councils who freeze their Council Tax for next year at the current level (i.e. a zero increase). The proposed Budget provides for a zero increase in Council Tax for 2015/2016. **Table 9** explains the calculation of this figure:

Table 9: Council Tax 2015/16 for Bath & North East Somerset Council Services

| Description | Amount | Comments |
|---|------------------|--|
| Recommended Net Revenue Budget | £119,914k | See Annex 1 |
| Less grant, retained business rates, reserves and estimate of Collection Fund surplus | £45,459k | See Annex 1 Sources of Funding |
| To be funded by Council Tax | £74,455k | |
| Tax base (Band D properties equivalent) | 61,950.62 | Approved by the Section 151 Officer in December 2014 |
| Recommended Council Tax at Band D for 2015/16 | £1,201.85 | |
| 2014/15 Council Tax Band D | £1,201.85 | |
| Recommended Increase | £0.00 | 0% increase |

The figures above exclude parish, fire and police precepts.

This Council collects Council Tax on the behalf of the parishes, Fire and Police Authorities and the final bills issued will include the Council Tax they have requested this Council to collect. These will form part of the Council's overall budget-setting resolution.

The Police & Crime Commissioner's current budget proposals include a planned increase in Council Tax of 1.99% for 2015/16. The Final budget and precept proposal will be presented to the Police and Crime Panel at their meeting on 12th February 2015.

The Avon Fire Authority at its meeting on 12th December 2014 agreed to consult on the following two budget options:

- Option 1 – a 2% increase in Council Tax
- Option 2 – a Council Tax freeze

The Fire Authority will meet on 6th February 2015 to finalise its budget and set its Council Tax and precepts for 2015/2016.

The headline increase will be affected by the final decisions of the parishes, Fire and Police Authorities, and any decision made concerning special expenses (see below). Final figures will not be available until after Fire and Police meetings and decision dates highlighted above.

Table 10 sets out the composite Council Tax likely to be charged:

Table 10: Potential Total Council Tax 2015/16 (Band D)

| Council Tax charges (Band D) made by | Charge made now 2014/15 £ | Proposed Charge 2015/16 £ | % Change |
|---|----------------------------------|----------------------------------|---|
| Bath and North East Somerset Council | 1,201.85 | 1,201.85 | 0% (£0.00 at Band D) |
| Avon and Somerset Police | 171.37 | TBC | Final Decision to be taken on 12 th February 2015. |
| Avon Fire & Rescue | 65.30 | TBC | Final decision to be taken on 6 th February 2015 |
| Total excluding parishes | 1,438.52 | TBC | |
| Parishes (average) | 35.72 | TBC | Not known at time of writing |
| Total | 1,474.24 | TBC | The 2015/16 figure will depend on decisions taken by the Police, Fire and Parish/Town Councils |

The precepts required by Parishes, Fire and Police will form part of the Council Tax setting resolution at Council on 17th February 2015, and so the necessary updated information will be set out in the report.

Special Expenses

As part of the 2014/2015 Budget preparation process no special expenses were declared (with the exception of Parish and Town Council precepts). It is proposed that this policy remains unchanged for the 2015/2016 budget.

Portfolio Cash Limits 2015/16 - Revenue Budgets

APPENDIX 1 ANNEX 1

| CABINET PORTFOLIO | Service | Current 2014/15 Cash Limits £'000 | Removal of One-offs (including one-off increases in 2014/15) £'000 | 2015/16 Base Budget £'000 | MTSRP Growth £'000 | MTSRP Savings £'000 | Total 2015/16 Budget Changes £'000 | 2015/16 Proposed Budget £'000 |
|---------------------|---|--------------------------------------|---|------------------------------|-----------------------|------------------------|--|-------------------------------------|
| Leader | Policy & Partnerships | 1,867 | (250) | 1,617 | 139 | (45) | 94 | 1,711 |
| | Council's Retained ICT Budgets | 4,248 | (75) | 4,173 | 172 | (150) | 22 | 4,195 |
| | Council Solicitor & Democratic Services | 1,508 | | 1,508 | 249 | | 249 | 1,757 |
| | People Services | 598 | | 598 | | | | 598 |
| | Improvement & Performance | 1,079 | 100 | 1,179 | 50 | (100) | (50) | 1,128 |
| | PORTFOLIO SUB TOTAL | 9,300 | (225) | 9,075 | 610 | (295) | 315 | 9,390 |
| | Finance | 1,743 | (20) | 1,723 | 30 | (200) | (170) | 1,553 |
| | Support Services Change Programme | (4) | | (4) | | | | (4) |
| | Customer Services | 2,445 | (80) | 2,365 | 354 | (187) | 167 | 2,532 |
| | Risk & Assurance Services | 917 | (92) | 824 | 9 | | 9 | 834 |
| | Property Services | 2,274 | (70) | 2,204 | 33 | | 33 | 2,237 |
| | Corporate Estate Including R&M | 4,687 | (15) | 4,672 | 349 | (6) | 343 | 5,015 |
| | Commercial Estate | (13,819) | | (13,819) | | (200) | (200) | (14,019) |
| | Traded Services | (154) | | (154) | 62 | (20) | 42 | (112) |
| | Strategic Director - Resources | (126) | (120) | (247) | | | | (247) |
| | Corporate Items (Tourism Levy, Trading Opps, Community Use of Assets & Corporate Travel Plan) | (700) | | (700) | 500 | | 500 | (200) |
| Community Resources | Hsg / Council Tax Benefits Subsidy | 105 | | 105 | | (300) | (300) | (195) |
| | Capital Financing / Interest | 3,078 | | 3,078 | | (30) | (30) | 3,048 |
| | Unfunded Pensions | 1,679 | | 1,679 | | | | 1,679 |
| | Corporate Budgets Incl. Capital, Audit & Bank Charges | 1,799 | (164) | 1,635 | 1,893 | (989) | 904 | 2,540 |
| | New Homes Bonus Grant | (2,665) | | (2,665) | | (1,044) | (1,044) | (3,709) |
| | Magistrates | 17 | | 17 | | | | 17 |
| | Coroners | 305 | | 305 | | | | 305 |
| | Environment Agency | 212 | | 212 | 6 | | 6 | 219 |
| | PORTFOLIO SUB TOTAL | 1,794 | (562) | 1,232 | 3,236 | (2,976) | 260 | 1,492 |
| | Adult Services | 61,179 | (5,441) | 55,738 | 4,437 | (3,896) | 541 | 56,279 |
| | Adult Substance Misuse (Drug Action Team) | 548 | | 548 | 2 | | 2 | 550 |
| | PORTFOLIO SUB TOTAL | 61,726 | (5,441) | 56,286 | 4,440 | (3,896) | 544 | 56,829 |
| | Children, Young People & Families | 11,507 | (50) | 11,457 | 353 | (97) | 256 | 11,713 |
| | Learning & Inclusion | 17,259 | | 17,259 | 49 | (1,590) | (1,541) | 15,717 |
| | Health, Commissioning & Planning | (108,614) | (96) | (108,710) | 370 | (135) | 235 | (108,475) |
| | Schools Budget | 107,957 | (4,459) | 103,498 | | | | 103,498 |
| Homes & Planning | PORTFOLIO SUB TOTAL | 28,109 | (4,605) | 23,503 | 772 | (1,822) | (1,050) | 22,453 |
| | Development Management | 2,612 | (112) | 2,500 | 106 | (100) | 6 | 2,506 |
| | Building Control & Land Charges | 237 | | 237 | 12 | (30) | (18) | 219 |
| | Housing | 2,142 | (200) | 1,942 | 17 | | 17 | 1,960 |
| | PORTFOLIO SUB TOTAL | 4,991 | (312) | 4,679 | 136 | (130) | 6 | 4,685 |

Portfolio Cash Limits 2015/16 - Revenue Budgets

APPENDIX 1 ANNEX 1

| CABINET PORTFOLIO | Service | Current 2014/15 Cash Limits £'000 | Removal of One-offs (including one-off increases in 2014/15) £'000 | 2015/16 Base Budget £'000 | MTSRP Growth £'000 | MTSRP Savings £'000 | Total 2015/16 Budget Changes £'000 | 2015/16 Proposed Budget £'000 |
|-------------------------|---|--------------------------------------|---|------------------------------|-----------------------|------------------------|--|-------------------------------------|
| Sustainable Development | Economy & Culture | 1,604 | (144) | 1,460 | 209 | | 209 | 1,670 |
| | World Heritage | 157 | | 157 | 3 | | 3 | 160 |
| | Heritage including Archives | (4,581) | | (4,581) | 50 | (200) | (150) | (4,731) |
| | Project Delivery | 170 | | 170 | 7 | | 7 | 177 |
| | Regeneration, Skills & Employment | 420 | (150) | 270 | 8 | | 8 | 278 |
| Neighbourhoods | PORTFOLIO SUB TOTAL | (2,229) | (294) | (2,523) | 277 | (200) | 77 | (2,446) |
| | Place - Overheads | 1,212 | | 1,212 | 34 | (308) | (274) | 938 |
| | Public Protection & Health Improvement - Regulatory | 1,238 | | 1,238 | 36 | | 36 | 1,274 |
| | Neighbourhoods & Environment - Waste & Fleet Services | 14,005 | (763) | 13,242 | 365 | | 365 | 13,607 |
| | Neighbourhoods & Environment - Parks & Bereavement Services | 1,990 | | 1,990 | 51 | | 51 | 2,041 |
| | Libraries & Information | 1,673 | | 1,673 | 42 | (19) | 23 | 1,696 |
| | Public Protection & Health Improvement - Active Leisure | 1,046 | (86) | 960 | 113 | (19) | 94 | 1,054 |
| | Community Safety | 121 | | 121 | | | | 121 |
| | PORTFOLIO SUB TOTAL | 21,286 | (849) | 20,437 | 640 | (346) | 294 | 20,730 |
| | Transport - Planning & Policy | 627 | | 627 | 11 | | 11 | 638 |
| Page 66 | Highways & Traffic Management | 7,615 | | 7,615 | 183 | (13) | 169 | 7,784 |
| | Transport & Parking Services - Parking | (6,176) | | (6,176) | 65 | | 65 | (6,111) |
| | Transport & Parking Services - Public & Passenger Transport | 4,486 | | 4,486 | 30 | (46) | (17) | 4,470 |
| | PORTFOLIO SUB TOTAL | 6,552 | | 6,552 | 288 | (60) | 228 | 6,781 |
| | NET BUDGET | 131,529 | (12,288) | 119,241 | 10,398 | (9,725) | 673 | 119,914 |

Sources of Funding

| | | | | |
|--|----------------|-----------------|--|----------------|
| Council Tax | 72,632 | | | 72,632 |
| Revenue Support Grant* | 26,469 | | | 26,469 |
| Retained Business Rates | 20,954 | | | 20,954 |
| Collection Fund Deficit (-) or Surplus (+) | 1,011 | (1,011) | | |
| Council Tax Freeze Grant | 800 | | | 800 |
| Balances | 9,664 | (11,277) | | (1,613) |
| Total | 131,529 | (12,288) | | 119,241 |

Council Tax - Calculation

| | | | | |
|---|-----------|--|--|---------|
| Council Tax Debit £'000 | 72,632 | | | 72,455 |
| Taxbase (No. of Band D equivalent properties) | 60433.33 | | | 20,504 |
| Band D Charge £ | £1,201.85 | | | 21,744 |
| %age Increase | 0.00% | | | 1,578 |
| | | | | 813 |
| | | | | 819 |
| | | | | 119,914 |

Chief Financial Officer's Opinion on Adequacy of Balances and the Robustness of the Budget

The Chief Financial Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

(1) Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major Precepting authority) or section 85 of the Greater London Authority Act 1999 (c. 29) (Greater London Authority) applies is making calculations in accordance with that section, the chief finance officer of the authority must report to it on the following matters-

(a) The robustness of the estimates made for the purposes of the calculations, and

(b) The adequacy of the proposed financial reserves.

(2) An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.

Summary Report of the Chief Finance officer and Divisional Director – Business Support:

I have examined the budget proposals contained in this report, and believe that whilst the spending, income and service delivery proposals are achievable in terms of the requirement to set a balanced budget for 2015/2016.

I am satisfied that, in general, the requisite management processes exist within the Council to deliver this budget, and to identify and deal with any problems which may unexpectedly arise throughout the year.

The key points to highlight are:

- Un-earmarked reserves are at a prudent levels and this Budget proposes to maintain this position. This reserve will also be utilised for invest to save initiatives going forwards but at no point is the reserve planned to fall below the risk assessed minimum level.
- This Budget represents the final year of the current medium term financial planning period.
- Sound financial planning processes are in place, and there is member scrutiny at appropriate stages
- Revenue spend is closely monitored on a risk assessed basis and integrated finance and performance management reports are currently produced monthly.

- Provision for inflation and demographic changes continue to be challenging and will require the focus on commissioning and procurement to be maintained to help ensure they are fully delivered.
- The new and additional income targets assumed within the Budget proposals will increase the overall risk to the budget should they not be fully achieved.
- Retained local business rates have been budgeted at prudent levels allowing for anticipated appeals and collection risks.
- Capital schemes are managed through an integrated project management, risk and financial management process.
- The intense external pressures on public finances require annually decreasing budgets and this will need to be closely managed.

As part of the financial management and monitoring processes of the Council it will continue to be necessary to give a high priority to the monitoring and review of the savings delivery plans within each service area.

The significant commitment in the capital programme for 2015/2016 will require sound monitoring, review and programming of schemes for projects to meet delivery and funding expectations. Where projects form part of partnership arrangements, satisfactory partnership governance processes will need to be in place.

On the matter of unearmarked reserves, I have continued to evidence the requisite level by use of internal risk assessment. The Council is maintaining its unearmarked reserves at the appropriate risk assessed level. The 2015/16 recurring budget contains no reliance on the use of unearmarked reserves although some of these reserves (above a minimum level) will continue to be utilised on an Invest to Save basis under the parameters set out in Appendix 1.

In view of the challenging financial climate, it remains essential that unearmarked reserves are maintained at risk assessed levels, the only prudent exceptions being to fund invest to save schemes (provided a minimum level is maintained) and to enable exceptional risks or contingencies to be funded where no other funding is available.

It will be essential in the event of any exceptional use of unearmarked reserves for the Council to continue to put in place arrangements in future years' budgets to recover the level of reserves to at least the minimum level within 3 years.

From 2001/2, the Council adopted a risk management approach, which assesses the level of unearmarked reserves required against a corporate assessment of the risk being carried. The assessed risk suggests reserves of £10.5M for 2015/2016 with a minimum level of £6M, excluding earmarked reserves.

My recommendation that the budget is robust and Unearmarked reserves are adequate is on the basis that the Council and the Cabinet:

- Are clear that this represents the final year of the current financial plan and that during 2015/16 a new medium term financial plan will need to be developed.
- Recognise the need to continue to regularly review the level of reserves in the light of the regularly updated corporate risk assessment.
- Recognise that in any use of reserves to fund 'one-off' corporate priorities on an invest to save basis, the Council needs to be clear that the overall level of reserves remains adequate and that the relevant business cases for such expenditure are fully scrutinised and monitored appropriately.
- Recognise that where there is a draw down on risk assessed reserves taking them below the minimum level, for whatever reason, this is repaid within 3 years.
- Maintain a rigorous approach to financial monitoring, particularly at this time when a significant level of savings is expected to be delivered in the financial year ahead.
- Ensures that capital schemes are funded prudently and do not rely excessively on revenue funding and do not create unaffordable revenue consequences including maintenance and other running costs
- Maintain a prudent approach to budgeting for capital receipts, given due consideration to the prevailing market conditions and the need to optimise value over the medium term.
- The Cabinet Members, Strategic Directors and budget holders achieve their cash limits for 2014/15.

Processes

Budget estimates are exactly that - estimates of spending and income made at a point in time. This statement about the robustness of estimates cannot give a guarantee about the Budget but gives members reasonable assurances that the Budget has been based on the best available information and assumptions at the time. The budget process aims to set challenging budgets while recognising the risk of this within its reserves strategy.

In order to meet the requirement on the robustness of estimates a number of key processes are in place, including:

- Specific guidance to Directorates on developing their budgets.
- A Council wide risk assessment.

- The continuing use of budget monitoring and financial outturn information to identify risks.
- The Council's s151 Officer and his staff providing advice throughout the process of budget preparation and budget monitoring.
- The Directors' review of the robustness of their budgets and budget sensitivities.
- Member scrutiny of the medium term financial plans.

Notwithstanding these arrangements, which are designed to test the budget throughout its various stages of development, considerable reliance is placed on the Strategic Directors and Divisional Directors having proper arrangements in place to identify issues, project costs, service demands, to consider value for money and efficiency, and to implement changes in their service plans. This is supported by appropriately qualified financial support service staff.

Corporate and departmental processes will continue to develop over the future MTSRP period to reflect the challenging financial position of the public sector. This will include the on-going development of risk assessed budget monitoring and enhancements to processes for monitoring implementation and delivery of savings.

Robustness of Estimates

The 2015/16 Budget and the supporting MTSRP continues to link financial resources to corporate priorities and risks. The delivery of the savings and income targets in this final year of the current MTSRP remain challenging and have presented some complex and difficult choices for the Council:

- To realise ongoing efficiencies
- To allocate appropriate financial resources to meet new obligations and increased demand
- To reduce where necessary service levels and standards, frequency of service delivery, and eligibility for services.
- To ensure all resourcing decisions reflect statutory and other external requirements, as well as Council priorities.
- To reduce risk

As part of developing the Budget, Members of the administration have considered these options and they are reflected in the proposed Budget.

Most notably the Council has had to address significant reductions in government grant funding, unavoidable cost increases, and demand pressures as well as the corporate priorities including;

- Significantly reducing Government Grant funding
- New or increased statutory service requirements
- The on-going impact of welfare and benefits reforms
- Priorities as set out in the Corporate Plan
- Low levels of interest rates
- Demand and price pressures in Adult Social Care
- Demand and price pressures in Children's Social Care
- Realising and maximising capital receipts
- Need for capital investment in priority schemes

The assumptions used for the 2015/16 Budget and MTSRP period will require the forecasts for future years to be reviewed in light of actual circumstances. This will be undertaken in the new financial year as part of the more detailed work required to prepare a new medium term financial plan covering the next 4 year period 2016/17 to 2019/20.

Given all these factors I, as the Council's Section 151 Officer, consider the estimates for 2015/16 to be sufficiently robust, and the reserves adequate, to be recommended for approval by the Council.

Although no detailed figures have been provided by the government, it is clear that the medium term financial outlook remains extremely challenging although the detailed MTSRP's agreed as part of the Budget in February 2013 have placed the Council in a relatively good position over this period.

It remains likely that further service improvement and reasonable Council Tax levels, will only be achievable in the medium term through continued development of different ways of working, and clear prioritisation between services.

The Capital Budget

Projects included in the capital programme for **Full Approval** were prepared by Divisional Directors and managers in line with financial regulations and guidance. All projects were agreed by the relevant Strategic Director and Cabinet Member and are fully funded, and reviewed through the Divisional Directors Group.

Projects have been estimated and costed at outturn prices with many subject to tender process after inclusion in the programme. This may lead to variance in the final cost.

Directorates are required to work within the given cash envelope so any under or over provision must be found within these limits.

In addition, I will require a clear commitment from the Council to:

- Ensure that all future commitments on the capital programme provide for a prudent source of funding in terms of revenue provision, including where investment will lead to future revenue savings.
- Carefully consider and balance the use of capital receipts to ensure they are prudently applied to help the council manage its resources effectively and achieve its priorities
- Review capital commitments in light of any future changes to Central Government support for capital projects where they are dependant on substantial Government funding.
- Be aware of the potential risks associated with capital spend before the scheme is completed i.e. the potential for costs charged to capital budgets to revert to revenue in the event schemes are discontinued prior to completion.

The West of England Local Enterprise Partnership

The Council acts as the Accountable Body for the West of England LEP for a range of capital and revenue funding streams to support infrastructure, skills and economic development across the sub-region.

In fulfilling this role, the Council acts as “agent” for the LEP with governance through a “one front door” process and approval of funding decisions made by the Strategic Leaders Board.

The Capital Programme does not currently include any projects for the WoE LEP unless they relate specifically to funding for capital schemes to be delivered directly by this Council following approval of the Strategic Leaders Board.

Estimated Available Revenue Reserves

Earmarked Revenue Reserves

The Council's earmarked revenue reserves have been reviewed as part of the 2015/2016 Budget proposal and are generally committed either directly or as a contingency provision over the medium term as set out in Appendix 1. This position will be regularly reviewed.

Non-Earmarked Revenue Reserves

Detailed in the table below is the estimated level of non-earmarked revenue reserves over future years, reflecting the specific elements within the Budget proposal as set out in Appendix 1.

Table: Projected Non-Earmarked Revenue Reserves

| | 2015/16 £'000 | 2016/17 £'000 | 2017/18 £'000 |
|--|--------------------------|--------------------------|--------------------------|
| Estimated Reserves @ 1st April each year | 8,312 | 7,834 | 8,116 |
| 2014/2015 Projected Outturn Underspending | - | - | - |
| Projected Invest to Save Movements | -477 | +282 | +531 |
| Estimated Reserves @ 31st March each year | 7,834 | 8,116 | 8,647 |

Assessment of Adequacy of Reserves

Under the Local Government 2003 Act the Secretary of State has reserve powers to set a minimum level of reserves. The most likely use of this power is where an authority is running down its reserves against the advice of their s151 Officer.

Determining the appropriate levels of reserves is not a precise science or a formula e.g. a %age of the Council's budget. It is the Council's safety net for risks, unforeseen or other circumstances and must last the lifetime of the Council unless contributions are made from future years' revenue budgets. The minimum level of balances cannot be judged merely against the current risks facing the Council as these can and will change over time.

Determining the appropriate levels of reserves is a professional judgement based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions, other earmarked reserves and provisions, and the Council's track record in budget management. This judgement is subject to regular review as an integral part of the Council's financial reporting cycle, and annual review by full Council as an integral part of budget-setting and medium term financial planning. Clearly, as circumstances change, the currently recommended level of reserves can be expected to change.

The recommendation on the prudent level of reserves has been based on the robustness of estimate information and the Corporate Risk Register. In addition, the other strategic, operational and financial risks taken into account when recommending the minimum level of unearmarked reserves include:

- There is always some degree of uncertainty over whether the full effects of any economy measures and/or service reductions will be achieved. Directors have been requested to be prudent in their assumptions and should have clear action plans to deliver such savings.
- The Bellwin Scheme Emergency Financial Assistance to Local Authorities provides assistance in the event of an emergency. The Local Authority is able to claim assistance with the cost of dealing with certain emergencies over and above a threshold set by the Government.
- The extent to which the Council is dependent on traded income.
- The risk of major litigation, both current and in the future.
- Risks in the inter-relation between the Council and other partner authorities and organisations.
- Unplanned volume increases in major demand led budgets, particularly in the context of high and accelerating growth.
- The need to retain a general contingency to provide for any unforeseen circumstances or emergencies, which may arise.
- The need to retain reserves for general day-to-day cash flow needs.

The recommendations of the Council's s151 Officer are:

- **That the Council continues to maintain an absolute minimum prudent level of unearmarked reserves (excluding schools) of £6m at the end of any financial year, in addition to any specific earmarked reserves. The minimum level is designed to cope with risk and unforeseen circumstances that cannot be addressed by management or policy action within the year. Management and policy action should be the first actions taken before any resort to reserves.**
- **That an appropriate level of unearmarked reserves to provide resilience against day to day risks is £10.5m. This level of reserves is designed to allow the Council to withstand a measure of changes in circumstances during the year or minor variations in projected resources or spending over the period of the medium term service and resource plans.**
- **That the Council should restore unearmarked reserves to at least their minimum level within a period of 3 years in the event they are used to meet any risks that crystallise.**

| Capital Programme - 2015/2016 - 2019/2020 | | | | | | | | | | | | | | | APPENDIX 1 ANNEX |
|---|------------------------|----------------------------|--|---|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------|-----------------------|-----------------------------|--------------------------|---------------------------------------|
| Project Title | PV Spend pre 2014/2015 | Forecast Outturn 2014/2015 | Actual / Projected Spend pre 2015/2016 | Projected Re-phasing from 2014/2015 to 2015/2016 and Future Years | Budget Required 2015/2016 | Total Budget 2015/2016 | Total Budget 2016/2017 | Total Budget 2017/2018 | Total Budget 2018/2019 | Total Budget 2019/2020 | Total Cost 5 Years | Overall Project Total | Borrowing/ Capital Receipts | Grants/ External Funding | Comments |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Environmental Services | | | | | | | | | | | | | | | |
| Full Approval | | | | | | | | | | | | | | | |
| Highways Maintenance Programme | 0 | 0 | 0 | 470 | 5,971 | 6,441 | 0 | 0 | 0 | 0 | 6,441 | 6,441 | 2,200 | 4,241 | Proposed for full approval |
| Transport Improvement Programme | 0 | 0 | 0 | 0 | 1,931 | 1,931 | 0 | 0 | 0 | 0 | 1,931 | 1,931 | 1,100 | 831 | Proposed for full approval |
| Riverside Path, Bath | 0 | 0 | 0 | 0 | 486 | 486 | 0 | 0 | 0 | 0 | 486 | 486 | 0 | 486 | Proposed for full approval |
| MetroWest - the Greater Bristol Metro Project | 51 | 73 | 124 | 0 | 329 | 329 | 0 | 0 | 0 | 0 | 329 | 453 | 0 | 329 | Proposed for full approval |
| Park and Ride East of Bath Project Development | 0 | 350 | 350 | 0 | 150 | 150 | 0 | 0 | 0 | 0 | 150 | 500 | 150 | 0 | For information - Prior Full approval |
| Cycle City Ambition | 12 | 840 | 852 | 364 | 0 | 364 | 0 | 0 | 0 | 0 | 364 | 1,216 | 0 | 364 | For information - Prior Full approval |
| Saltford Station - reopening feasibility work | 0 | 0 | 0 | 0 | 100 | 100 | 150 | 0 | 0 | 0 | 250 | 250 | 250 | 0 | Proposed for full approval |
| Bath Transport Package - Main Scheme | 7,337 | 4,784 | 12,121 | 6,170 | 1,449 | 7,619 | 0 | 0 | 0 | 0 | 7,619 | 19,740 | 7,205 | 414 | For information - Prior Full approval |
| Bath Transport Package - Pre Construction | 7,545 | 0 | 7,545 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,545 | 7,545 | 0 | 0 | For information - Prior Full approval |
| Bath Transport Package - Property | 1,431 | 25 | 1,456 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,456 | 1,456 | 0 | 0 | For information - Prior Full approval |
| Play Equipment | 199 | 261 | 460 | 0 | 115 | 115 | 0 | 0 | 0 | 0 | 115 | 575 | 115 | 0 | Proposed for full approval |
| Neighbourhood Services - Vehicles 14/15 | 0 | 315 | 315 | 380 | 0 | 380 | 0 | 0 | 0 | 0 | 380 | 695 | 380 | 0 | Proposed for full approval |
| Cleansing Vehicles | 0 | 0 | 0 | 0 | 146 | 146 | 0 | 0 | 0 | 0 | 146 | 146 | 146 | 0 | Proposed for full approval |
| Environmental Protection Vehicles | 0 | 0 | 0 | 0 | 32 | 32 | 0 | 0 | 0 | 0 | 32 | 32 | 32 | 0 | Proposed for full approval |
| Parks Vehicles | 0 | 0 | 0 | 0 | 167 | 167 | 0 | 0 | 0 | 0 | 167 | 167 | 167 | 0 | Proposed for full approval |
| Waste Vehicles | 0 | 0 | 0 | 0 | 181 | 181 | 0 | 0 | 0 | 0 | 181 | 181 | 181 | 0 | Proposed for full approval |
| Cemetery Vehicle Replacement | 0 | 0 | 0 | 0 | 40 | 40 | 0 | 0 | 0 | 0 | 40 | 40 | 40 | 0 | Proposed for full approval |
| Neighbourhoods - Bin and Bench Replacement | 0 | 100 | 100 | 0 | 50 | 50 | 0 | 0 | 0 | 0 | 50 | 150 | 50 | 0 | Proposed for full approval |
| Haycombe Cemetery Entrance | 0 | 0 | 0 | 0 | 60 | 60 | 0 | 0 | 0 | 0 | 60 | 60 | 60 | 0 | Proposed for full approval |
| Neighbourhoods - Haycombe Cemetery Florist/Café | 0 | 15 | 15 | 85 | 0 | 85 | 0 | 0 | 0 | 0 | 85 | 100 | 85 | 0 | For information - Prior Full approval |
| Allotments | 21 | 54 | 75 | 50 | 0 | 50 | 0 | 0 | 0 | 0 | 50 | 125 | 50 | 0 | For information - Prior Full approval |
| Beechen Cliff Woodland & Other Open Spaces Improvements | 80 | 240 | 320 | 10 | 40 | 50 | 40 | 40 | 50 | 0 | 180 | 500 | 180 | 0 | For information - Prior Full approval |
| Royal Victoria Park Skate Park | 0 | 50 | 50 | 255 | 0 | 255 | 0 | 0 | 0 | 0 | 255 | 305 | 255 | 0 | For information - Prior Full approval |
| East of Bath Skate Park | 0 | 3 | 3 | 97 | 0 | 97 | 0 | 0 | 0 | 0 | 97 | 100 | 97 | 0 | For information - Prior Full approval |
| Great Dell Walkway | 0 | 11 | 11 | 14 | 60 | 74 | 0 | 0 | 0 | 0 | 74 | 85 | 74 | 0 | For information - Prior Full approval |
| Parking - Vehicle Replacement Programme | 0 | 0 | 0 | 15 | 0 | 15 | 0 | 85 | 0 | 0 | 100 | 100 | 100 | 0 | Proposed for full approval |
| Public WC Conversions | 0 | 75 | 75 | 25 | 0 | 25 | 0 | 0 | 0 | 0 | 25 | 100 | 25 | 0 | For information - Prior Full approval |
| Waste Re-provision feasibility work | 0 | 0 | 0 | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 100 | 100 | 100 | 0 | Proposed for full approval |
| Subtotal Full | 16,676 | 7,196 | 23,872 | 7,935 | 11,407 | 19,342 | 190 | 125 | 50 | 0 | 19,707 | 43,580 | 13,042 | 6,665 | |
| Provisional Approval | | | | | | | | | | | | | | | |
| Grit Bins and Snow Warden Equipment | 0 | 0 | 0 | 50 | 0 | 50 | 0 | 0 | 0 | 0 | 50 | 50 | 50 | 0 | Detailed project plan awaited |
| Weston Flood Alleviation Scheme | 0 | 0 | 0 | 2,000 | 0 | 2,000 | 0 | 0 | 0 | 0 | 2,000 | 2,000 | 0 | 2,000 | Detailed project plan awaited |
| Great Western Mainline Electrification - Rail & Ride | 0 | 0 | 0 | 0 | 500 | 500 | 1,000 | 0 | 0 | 0 | 1,500 | 1,500 | 1,200 | 300 | Detailed project plan awaited |
| A36 Lower Bristol Road Bus Lane | 0 | 0 | 0 | 0 | 250 | 250 | 250 | 1,000 | 1,500 | 0 | 3,000 | 3,000 | 3,000 | 0 | Detailed project plan awaited |
| Sawclose: Pedestrianised Highway Space | 0 | 0 | 0 | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 100 | 100 | 100 | 0 | Detailed project plan awaited |
| Parks Service Schemes | 0 | 0 | 0 | 0 | 200 | 200 | 0 | 0 | 0 | 0 | 200 | 200 | 200 | 0 | Detailed project plan awaited |
| Sydney Gardens | 0 | 0 | 0 | 500 | 0 | 500 | 0 | 0 | 0 | 0 | 500 | 500 | 500 | 0 | Detailed project plan awaited |
| Leisure facility modernisation | 0 | 0 | 0 | 0 | 3,000 | 3,000 | 7,500 | 4,500 | 0 | 0 | 15,000 | 15,000 | 12,000 | 3,000 | Detailed project plan awaited |
| Passenger Transport Vehicles | 0 | 0 | 0 | 0 | 280 | 280 | 160 | 480 | 460 | 0 | 1,380 | 1,380 | 1,380 | 0 | Detailed project plan awaited |
| Highways Maintenance Programme | 0 | 0 | 0 | 0 | 0 | 0 | 3,457 | 3,352 | 3,034 | 3,034 | 12,877 | 12,877 | 0 | 12,877 | For information - future years |
| Transport Improvement Programme | 0 | 0 | 0 | 0 | 0 | 0 | 1,163 | 1,163 | 1,163 | 1,163 | 4,652 | 4,652 | 0 | 4,652 | For information - future years |
| Park and Ride East of Bath-Main Works | 0 | 0 | 0 | 0 | 0 | 0 | 4,700 | 0 | 0 | 0 | 4,700 | 4,700 | 4,700 | 0 | For information - future years |
| Neighbourhood Services - Vehicles | 0 | 0 | 0 | 0 | 0 | 0 | 555 | 586 | 46 | 0 | 1,187 | 1,187 | 1,187 | 0 | For information - future years |
| Neighbourhoods - Bin and Bench Replacement | 0 | 0 | 0 | 0 | 0 | 0 | 50 | 0 | 0 | 0 | 50 | 50 | 50 | 0 | For information - future years |
| Parking - Radio System Replacement | 0 | 0 | 0 | 0 | 0 | 0 | 45 | 0 | 0 | 0 | 45 | 45 | 45 | 0 | For information - future years |
| Parking - Pay & Display Replacement Programme | 0 | 0 | 0 | 0 | 0 | 0 | 50 | 350 | 0 | 0 | 400 | 400 | 400 | 0 | For information - future years |
| Parking - Enforcement Hand Held Computer Terminal Replacement | 0 | 0 | 0 | 0 | 0 | 0 | 80 | 0 | 0 | 0 | 80 | 80 | 80 | 0 | For information - future years |
| Bus Lane Camera Replacement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 300 | 0 | 0 | 300 | 300 | 300 | 0 | For information - future years |
| Subtotal Provisional | 0 | 0 | 0 | 2,550 | 4,330 | 6,880 | 19,010 | 11,731 | 6,203 | 4,197 | 48,021 | 48,021 | 24,992 | 23,029 | |
| Sub Total - Environmental Services | 16,676 | 7,196 | 23,872 | 10,485 | 15,737 | 26,222 | 19,200 | 11,856 | 6,253 | 4,197 | 67,728 | 91,601 | 38,034 | 29,694 | |

| Project Title | PV Spend pre 2014/2015 | Forecast Outturn 2014/2015 | Actual / Projected Spend pre 2015/2016 | Projected Re-phasing from 2014/2015 to 2015/2016 and Future Years | Budget Required 2015/2016 | Total Budget 2015/2016 | Total Budget 2016/2017 | Total Budget 2017/2018 | Total Budget 2018/2019 | Total Budget 2019/2020 | Total Cost 5 Years | Overall Project Total | Borrowing/ Capital Receipts | Grants/ External Funding | Comments |
|--|------------------------|----------------------------|--|---|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------|-----------------------|-----------------------------|--------------------------|---------------------------------------|
| Community Regeneration Full Approval | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Beau Street Coin Hoard | 119 | 204 | 323 | 0 | 17 | 17 | 0 | 0 | 0 | 0 | 17 | 340 | 0 | 17 | For information - Prior Full approval |
| Visitor & Till Management System | 60 | 40 | 100 | 100 | 100 | 100 | 0 | 0 | 0 | 0 | 100 | 200 | 100 | 0 | For information - Prior Full approval |
| Heritage Infrastructure Development | 0 | 290 | 290 | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 100 | 390 | 100 | 0 | Proposed for full approval |
| Roman Baths Development- East Baths Development | 0 | 0 | 0 | 0 | 500 | 500 | 500 | 0 | 0 | 0 | 1,000 | 1,000 | 1,000 | 0 | Proposed for full approval |
| Disabled Facilities Grant | 0 | 0 | 0 | 0 | 1,180 | 1,180 | 0 | 0 | 0 | 0 | 1,180 | 1,180 | 0 | 1,180 | Proposed for full approval |
| Affordable Housing | 2 | 933 | 935 | 621 | 0 | 621 | 0 | 0 | 0 | 0 | 621 | 1,555 | 621 | 0 | For information - Prior Full approval |
| BWR - Council Project Team | 1,202 | 527 | 1,729 | 154 | 154 | 308 | 0 | 0 | 0 | 0 | 308 | 2,037 | 74 | 234 | For information - Prior Full approval |
| BWR - Affordable Housing | 4,284 | 1,166 | 5,450 | 0 | 1,000 | 1,000 | 450 | 0 | 0 | 0 | 1,450 | 6,900 | -59 | 1,509 | For information - Prior Full approval |
| BWR - Infrastructure | 4,863 | 432 | 5,295 | 2,347 | 0 | 2,347 | 0 | 0 | 0 | 0 | 2,347 | 7,642 | 1,678 | 669 | For information - Prior Full approval |
| BWR - Relocation of Gas Holders | 650 | 1,355 | 2,005 | 2,095 | 0 | 2,095 | 0 | 0 | 0 | 0 | 2,095 | 4,100 | 0 | 2,095 | For information - Prior Full approval |
| BWR - Replacement of Destructor Bridge | 0 | 922 | 922 | 736 | 0 | 736 | 0 | 0 | 0 | 0 | 736 | 1,658 | 0 | 736 | For information - Prior Full approval |
| NRR Infrastructure | 566 | 1,300 | 2,466 | 263 | 0 | 263 | 0 | 0 | 0 | 0 | 263 | 2,729 | 263 | 0 | For information - Prior Full approval |
| Enterprise Area - Flood Mitigation Phase 1 | 278 | 550 | 828 | 5,392 | 0 | 5,392 | 0 | 0 | 0 | 0 | 5,392 | 6,220 | 0 | 5,392 | For information - Prior Full approval |
| Digital B&NES (was BDUK) | 0 | 350 | 350 | 0 | 600 | 600 | 90 | 0 | 0 | 0 | 690 | 1,040 | 690 | 0 | For information - Prior Full approval |
| London Road Regeneration | 165 | 930 | 1,095 | 203 | 0 | 203 | 0 | 0 | 0 | 0 | 203 | 1,298 | 203 | 0 | For information - Prior Full approval |
| Midsomer Norton Business Centre | 0 | 50 | 50 | 75 | 0 | 75 | 0 | 0 | 0 | 0 | 75 | 125 | 75 | 0 | For information - Prior Full approval |
| River Corridor & RoSPA safety works | 0 | 361 | 361 | 99 | 150 | 249 | 0 | 0 | 0 | 0 | 249 | 610 | 249 | 0 | Proposed for full approval |
| BWRE/Green Park | 0 | 0 | 0 | 0 | 150 | 150 | 0 | 0 | 0 | 0 | 150 | 150 | 150 | 0 | Proposed for full approval |
| Radstock and Westfield Implementation Plan | 0 | 0 | 0 | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 100 | 100 | 100 | 0 | Proposed for full approval |
| Bath Quays South | 0 | 247 | 247 | 403 | 0 | 403 | 0 | 0 | 0 | 0 | 403 | 650 | 403 | 0 | For information - Prior Full approval |
| Bath Quays North | 0 | 200 | 200 | 800 | 0 | 800 | 0 | 0 | 0 | 0 | 800 | 1,000 | 800 | 0 | For information - Prior Full approval |
| Cattlemarket/Commarket | 0 | 82 | 82 | 0 | 15 | 15 | 0 | 0 | 0 | 0 | 15 | 97 | 15 | 0 | For information - Prior Full approval |
| Public Realm-Northumberland Place | 119 | 0 | 119 | 128 | 0 | 128 | 0 | 0 | 0 | 0 | 128 | 247 | 128 | 0 | For information - Prior Full approval |
| Public Realm-Pattern Book | 128 | 8 | 136 | 87 | 0 | 87 | 0 | 0 | 0 | 0 | 87 | 224 | 87 | 0 | For information - Prior Full approval |
| Public Realm-Street Furniture | 161 | 0 | 161 | 18 | 0 | 18 | 0 | 0 | 0 | 0 | 18 | 180 | 18 | 0 | For information - Prior Full approval |
| Public Realm-Team Costs | 102 | 5 | 107 | 20 | 0 | 20 | 0 | 0 | 0 | 0 | 20 | 127 | 20 | 0 | For information - Prior Full approval |
| City Information Scheme Corporate Project | 1,258 | 20 | 1,278 | 123 | 0 | 123 | 0 | 0 | 0 | 0 | 123 | 1,401 | 123 | 0 | For information - Prior Full approval |
| Subtotal Full | 13,956 | 10,573 | 24,529 | 13,664 | 3,966 | 17,630 | 1,040 | 0 | 0 | 0 | 18,670 | 43,199 | 6,838 | 11,832 | |
| Provisional Approval | | | | | | | | | | | | | | | |
| Midsomer Norton Business Centre | 0 | 0 | 0 | 0 | 1,200 | 1,200 | 0 | 0 | 0 | 0 | 1,200 | 1,200 | 750 | 450 | Detailed project plan awaited |
| Innovation Quay - Economic Development Funding Enabling Infrastructure | 0 | 0 | 0 | 0 | 3,000 | 3,000 | 10,500 | 7,500 | 4,000 | 0 | 25,000 | 25,000 | 25,000 | 0 | Detailed project plan awaited |
| Enterprise Area - Flood Mitigation Phase 2 | 0 | 0 | 0 | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 100 | 100 | 100 | 0 | Detailed project plan awaited |
| Public Realm Improvements Programme | 0 | 0 | 0 | 339 | 0 | 339 | 0 | 0 | 0 | 0 | 339 | 339 | 339 | 0 | Detailed project plan awaited |
| Radstock and Westfield Implementation Plan | 0 | 0 | 0 | 0 | 50 | 50 | 0 | 0 | 0 | 0 | 50 | 50 | 50 | 0 | Detailed project plan awaited |
| Heritage Infrastructure Development | 0 | 0 | 0 | 0 | 0 | 0 | 200 | 100 | 0 | 0 | 300 | 300 | 300 | 0 | For information - future years |
| Disabled Facilities Grant | 0 | 0 | 0 | 0 | 0 | 0 | 1,180 | 1,180 | 1,180 | 1,180 | 4,720 | 4,720 | 0 | 4,720 | For information - future years |
| Subtotal Provisional | 0 | 0 | 0 | 339 | 4,350 | 4,689 | 11,880 | 8,780 | 5,180 | 1,180 | 31,709 | 31,709 | 26,539 | 5,170 | |
| Sub Total - Community Regeneration | 13,956 | 10,573 | 24,529 | 14,003 | 8,316 | 22,319 | 12,920 | 8,780 | 5,180 | 1,180 | 50,379 | 74,908 | 33,377 | 17,002 | |
| TOTAL PLACE | 30,632 | 17,769 | 48,401 | 24,489 | 24,053 | 48,542 | 32,120 | 20,636 | 11,433 | 5,377 | 118,108 | 166,509 | 71,411 | 46,696 | |
| PEOPLE & COMMUNITIES | | | | | | | | | | | | | | | |
| Adult Care | | | | | | | | | | | | | | | |
| Full Approval | | | | | | | | | | | | | | | |
| Adult Social Care Database replacement | 0 | 239 | 239 | 0 | 703 | 703 | 0 | 0 | 0 | 0 | 703 | 942 | 0 | 703 | Proposed for full approval |
| Subtotal Full | 0 | 239 | 239 | 0 | 703 | 703 | 0 | 0 | 0 | 0 | 703 | 942 | 0 | 703 | |
| Sub Total - Adult Care | 0 | 239 | 239 | 0 | 703 | 703 | 0 | 0 | 0 | 0 | 703 | 942 | 0 | 703 | |

| Project Title | PV Spend pre 2014/2015 | Forecast Outturn 2014/2015 | Actual / Projected Spend pre 2015/2016 | Projected Re-phasing from 2014/2015 to 2015/2016 and Future Years | Budget Required 2015/2016 | Total Budget 2015/2016 | Total Budget 2016/2017 | Total Budget 2018/2019 | Total Cost 5 Years | Overall Project Total | Borrowing/ Capital Receipts | Grants/ External Funding | Comments |
|--|------------------------|----------------------------|--|---|---------------------------|------------------------|------------------------|------------------------|--------------------|-----------------------|-----------------------------|--------------------------|--|
| Project Title | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Children and Young People | | | | | | | | | | | | | |
| Full Approval | | | | | | | | | | | | | |
| Schools Capital Maintenance Programme 2015/16 | 0 | 0 | 0 | 218 | 1,500 | 1,718 | 0 | 0 | 1,718 | 1,718 | 0 | 1,718 | Proposed for full approval |
| Schools Minor Works and DDA Schemes | 0 | 0 | 0 | 0 | 230 | 230 | 0 | 0 | 230 | 230 | 0 | 230 | Proposed for full approval |
| School Energy Invest to Save Fund | 0 | 46 | 46 | 338 | 415 | 753 | 0 | 0 | 753 | 799 | 494 | 259 | For Information - Prior Full approval |
| Early Years - 2Yr Olds Funding / S106 | 135 | 127 | 262 | 74 | 0 | 74 | 0 | 0 | 74 | 336 | 0 | 74 | For Information - Prior Full approval |
| Client Data System for Children's Social Services | 0 | 275 | 275 | 0 | 425 | 425 | 0 | 0 | 425 | 700 | 0 | 425 | For Information - Prior Full approval |
| St Mary's Writhlington Replace Classroom Block | 0 | 0 | 0 | 0 | 100 | 100 | 0 | 0 | 100 | 100 | 0 | 100 | For Information - Prior Full approval |
| Weston All Saints Primary School - Basic Need | 274 | 1,133 | 1,407 | 562 | 394 | 956 | 0 | 0 | 956 | 2,363 | 0 | 956 | For Information - Prior Full approval |
| Castle Primary School - Basic Need | 74 | 706 | 780 | 0 | 20 | 20 | 0 | 0 | 20 | 800 | 0 | 20 | For Information - Prior Full approval |
| Paulton Infant School - Basic Need | 330 | 570 | 899 | 15 | 0 | 15 | 0 | 0 | 15 | 915 | 0 | 15 | For Information - Prior Full approval |
| St Saviour's Junior School - Basic Need | 71 | 234 | 305 | 1,495 | 0 | 1,495 | 0 | 0 | 1,495 | 1,800 | 0 | 1,495 | For Information - Prior Full approval |
| Oldfield Park Junior School - Basic Need | 0 | 0 | 0 | 0 | 200 | 200 | 0 | 0 | 200 | 200 | 0 | 200 | Proposed for full approval |
| Westfield Primary School - Basic Need | 0 | 0 | 0 | 0 | 100 | 100 | 0 | 0 | 100 | 100 | 0 | 100 | Proposed for full approval |
| Paulton Junior School - Basic Need | 0 | 0 | 0 | 65 | 935 | 1,000 | 65 | 0 | 1,465 | 1,465 | 0 | 1,465 | Proposed for full approval |
| Bishop Sutton Primary School - Basic Need | 0 | 123 | 123 | 0 | 1,459 | 1,459 | 402 | 0 | 1,861 | 1,984 | 0 | 1,861 | For Information - Prior Full approval |
| St John's School Keynesham classroom refurbishment | 0 | 0 | 0 | 0 | 59 | 59 | 0 | 0 | 59 | 59 | 0 | 59 | Proposed for full approval |
| Basic Needs Feasibility / Option Appraisal | 0 | 0 | 0 | 0 | 250 | 250 | 0 | 0 | 250 | 250 | 0 | 250 | Proposed for full approval |
| Children's Centre Capital Schemes | 0 | 0 | 0 | 0 | 46 | 46 | 0 | 0 | 46 | 46 | 0 | 46 | Proposed for full approval |
| Subtotal Full | 883 | 3,214 | 4,098 | 2,767 | 6,133 | 8,900 | 802 | 0 | 9,767 | 13,865 | 494 | 9,273 | |
| Provisional Approval | | | | | | | | | | | | | |
| Schools Capital Maintenance Grant Unallocated | 0 | 0 | 0 | 0 | 949 | 949 | 0 | 0 | 949 | 949 | 0 | 949 | Detailed project plan awaited |
| Schools Basic Need Grant Unallocated | 0 | 0 | 0 | 50 | 1,019 | 1,069 | 0 | 0 | 1,069 | 1,069 | 0 | 1,069 | Detailed project plan awaited |
| London Road Community Development | 0 | 0 | 0 | 1,000 | 0 | 1,000 | 0 | 0 | 1,000 | 1,000 | 1,000 | 0 | Detailed project plan awaited |
| Children's Centre Capital Schemes | 0 | 0 | 0 | 0 | 75 | 75 | 0 | 0 | 75 | 75 | 0 | 75 | Detailed project plan awaited |
| Enschede - New School | 0 | 0 | 0 | 0 | 2,500 | 2,500 | 0 | 0 | 2,500 | 2,500 | 0 | 2,500 | Detailed project plan awaited |
| Schools Basic Need Grant | 0 | 0 | 0 | 0 | 0 | 0 | 6,694 | 0 | 6,694 | 6,694 | 0 | 6,694 | For information - future years |
| Schools Capital Maintenance Grant | 0 | 0 | 0 | 0 | 0 | 2,000 | 2,000 | 0 | 2,000 | 2,000 | 0 | 2,000 | For information - future years |
| Subtotal Provisional | 0 | 0 | 0 | 1,050 | 4,543 | 5,593 | 8,694 | 0 | 14,287 | 14,287 | 1,000 | 13,287 | |
| Sub Total - Children's Services | 883 | 3,214 | 4,098 | 3,817 | 10,677 | 14,493 | 9,496 | 0 | 24,054 | 28,152 | 1,494 | 22,560 | |
| TOTAL PEOPLE & COMMUNITIES | 883 | 3,453 | 4,337 | 3,817 | 11,380 | 15,196 | 9,496 | 0 | 24,757 | 29,094 | 1,494 | 23,263 | |
| RESOURCES SERVICES | | | | | | | | | | | | | |
| Property | | | | | | | | | | | | | |
| Full Approval | | | | | | | | | | | | | |
| Workplaces Programme Delivery | 4,420 | 2,741 | 7,161 | 0 | 4 | 4 | 0 | 0 | 4 | 7,165 | 4 | 0 | For Information - Prior Full approval |
| Keynsham Regeneration & New Build | 18,685 | 10,103 | 28,787 | 4,543 | 0 | 4,543 | 0 | 0 | 4,543 | 33,331 | 4,543 | 0 | For Information - Prior Full approval |
| Corporate Estate Planned Maintenance | 0 | 0 | 0 | 160 | 1,067 | 1,227 | 0 | 0 | 1,227 | 1,227 | 1,227 | 0 | Proposed for full approval |
| Disposals Programme (Minor) | 0 | 0 | 0 | 138 | 0 | 138 | 0 | 0 | 138 | 138 | 138 | 0 | For Information - Prior Full approval |
| Commercial Estate Investment Fund | 0 | 0 | 0 | 350 | 0 | 350 | 0 | 0 | 350 | 350 | 200 | 150 | For Information - Prior Full approval |
| Grand Parade & Undercroft | 240 | 1,769 | 2,009 | 3,256 | 25 | 3,281 | 0 | 0 | 3,281 | 5,290 | 3,281 | 0 | For Information - Prior Full approval |
| Equality Act Works | 0 | 0 | 0 | 50 | 390 | 440 | 0 | 0 | 440 | 440 | 440 | 0 | Proposed for full approval |
| Engliscombe Lane | 0 | 20 | 20 | 0 | 10 | 10 | 0 | 0 | 10 | 30 | 10 | 0 | For Information - Prior Full approval |
| Roseberry Place | 1 | 36 | 37 | 0 | 15 | 15 | 10 | 0 | 25 | 62 | 25 | 0 | For Information - Prior Full approval |
| 1 - 3 James Street West | 14 | 114 | 128 | 0 | 25 | 25 | 15 | 0 | 40 | 168 | 40 | 0 | For Information - Prior Full approval |
| 7 - 9 Lower Borough Walls | 11 | 89 | 99 | 0 | 20 | 20 | 0 | 0 | 20 | 119 | 20 | 0 | For Information - Prior Full approval |
| Key Disposal - Keynesham K2 Charlton Road | 0 | 66 | 66 | 0 | 3 | 3 | 0 | 0 | 3 | 69 | 3 | 0 | For Information - Prior Full approval |
| Subtotal Full | 23,370 | 14,938 | 38,308 | 8,497 | 1,559 | 10,056 | 25 | 0 | 10,081 | 48,389 | 9,931 | 150 | |
| Provisional Approval | | | | | | | | | | | | | |
| Acquisitions - Future Revenue Generation | 0 | 0 | 0 | 1,536 | 5,000 | 6,536 | 0 | 0 | 6,536 | 6,536 | 6,536 | 0 | Business Case and detailed project plan required |
| Grand Parade and Undercroft - Phase 2 | 0 | 0 | 0 | 1,000 | 0 | 1,000 | 0 | 0 | 1,000 | 1,000 | 1,000 | 0 | Business Case and detailed project plan required |
| Corporate Estate Planned Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 1,357 | 1,357 | 5,428 | 5,428 | 5,428 | 0 | For information - future years |
| Equality Act Works | 0 | 0 | 0 | 0 | 0 | 0 | 100 | 100 | 400 | 400 | 400 | 0 | For information - future years |
| Disposals Programme (Minor) | 0 | 0 | 0 | 0 | 0 | 0 | 100 | 100 | 400 | 400 | 400 | 0 | For information - future years |
| Subtotal Provisional | 0 | 0 | 0 | 2,536 | 5,000 | 7,536 | 1,557 | 1,557 | 13,764 | 13,764 | 13,764 | 0 | |
| Sub Total - Property | 23,370 | 14,938 | 38,308 | 11,033 | 6,559 | 17,592 | 1,582 | 1,557 | 23,845 | 62,153 | 23,695 | 150 | |

| Project Title | PV Spend pre 2014/2015 | Forecast Outturn 2014/2015 | Actual / Projected Spend pre 2015/2016 | Projected Re-phasing from 2014/2015 to 2015/2016 and Future Years | Budget Required 2015/2016 | Total Budget 2015/2016 | Total Budget 2016/2017 | Total Budget 2017/2018 | Total Budget 2018/2019 | Total Budget 2019/2020 | Total Cost 5 Years | Overall Project Total | Borrowing/ Capital Receipts | Grants/ External Funding | Comments |
|---|------------------------|----------------------------|--|---|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--------------------|-----------------------|-----------------------------|--------------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Strategy & Performance | | | | | | | | | | | | | | | |
| Full Approval | | | | | | | | | | | | | | | |
| LAA Performance Reward Grant | 237 | 21 | 259 | 150 | 0 | 150 | 0 | 0 | 0 | 0 | 150 | 409 | 0 | 150 | For Information - Prior Full approval |
| Subtotal Full | 237 | 21 | 259 | 150 | 0 | 150 | 0 | 0 | 0 | 0 | 150 | 409 | 0 | 150 | |
| Provisional Approval | | | | | | | | | | | | | | | |
| Energy Efficiency Fund (was Biomass) | 0 | 0 | 0 | 500 | 0 | 500 | 0 | 0 | 0 | 0 | 500 | 500 | 500 | 0 | Detailed project plan awaited |
| Green Investment & Job Opportunities Fund | 0 | 0 | 0 | 500 | 0 | 500 | 0 | 0 | 0 | 0 | 500 | 500 | 500 | 0 | Detailed project plan awaited |
| Children's Education Management System | 0 | 0 | 0 | 0 | 750 | 750 | 0 | 0 | 0 | 0 | 750 | 750 | 750 | 0 | Business Case and detailed project plan required |
| Subtotal Provisional | 0 | 0 | 0 | 1,000 | 750 | 1,750 | 0 | 0 | 0 | 0 | 1,750 | 1,750 | 1,750 | 0 | |
| Sub Total - Strategy & Performance | 237 | 21 | 259 | 1,150 | 750 | 1,900 | 0 | 0 | 0 | 0 | 1,900 | 2,159 | 1,750 | 150 | |
| Business Support | | | | | | | | | | | | | | | |
| Full Approval | | | | | | | | | | | | | | | |
| Desktop As a Service - VDI Technology | 366 | 520 | 886 | 272 | 0 | 272 | 0 | 90 | 135 | 0 | 497 | 1,383 | 497 | 0 | For Information - Prior Full approval |
| Customer Services System | 507 | 336 | 843 | 232 | 0 | 232 | 0 | 0 | 0 | 0 | 232 | 1,075 | 232 | 0 | For Information - Prior Full approval |
| IT Asset Refresh (Servers and Network) | 35 | 218 | 254 | 201 | 0 | 201 | 0 | 0 | 0 | 0 | 201 | 455 | 201 | 0 | For Information - Prior Full approval |
| LGA Bonds Investment | 0 | 0 | 0 | 0 | 50 | 50 | 0 | 0 | 0 | 0 | 50 | 50 | 50 | 0 | Proposed for full approval |
| Subtotal Full | 908 | 1,074 | 1,982 | 706 | 50 | 756 | 0 | 90 | 135 | 0 | 981 | 2,963 | 981 | 0 | |
| Provisional Approval | | | | | | | | | | | | | | | |
| New Customer Payments & Library Kiosks | 0 | 0 | 0 | 67 | 0 | 67 | 0 | 0 | 0 | 0 | 67 | 67 | 67 | 0 | Detailed project plan awaited |
| Agresso System Development & 5.6 Upgrade | 0 | 0 | 0 | 143 | 0 | 143 | 0 | 0 | 0 | 0 | 143 | 143 | 143 | 0 | Detailed project plan awaited |
| IT Asset Refresh (Servers and Network) | 0 | 0 | 0 | 0 | 347 | 347 | 0 | 0 | 0 | 0 | 347 | 347 | 347 | 0 | Detailed project plan awaited |
| Civic Income Management System Developments | 0 | 0 | 0 | 60 | 0 | 60 | 0 | 0 | 0 | 0 | 60 | 60 | 60 | 0 | Detailed project plan awaited |
| Subtotal Provisional | 0 | 0 | 0 | 270 | 347 | 617 | 0 | 0 | 0 | 0 | 617 | 617 | 617 | 0 | |
| Sub Total - Business Support | 908 | 1,074 | 1,982 | 976 | 397 | 1,373 | 0 | 90 | 135 | 0 | 1,598 | 3,580 | 1,598 | 0 | |
| TOTAL - RESOURCES | 24,516 | 16,033 | 40,549 | 13,159 | 7,706 | 20,864 | 1,582 | 1,647 | 1,692 | 1,557 | 27,342 | 67,891 | 27,042 | 300 | |
| GRAND TOTAL | 56,031 | 37,256 | 93,287 | 41,464 | 43,138 | 84,602 | 43,198 | 22,348 | 13,125 | 6,934 | 170,207 | 263,494 | 99,948 | 70,259 | |

| HIGHWAYS MAINTENANCE PROGRAMME 2015/16 | |
|---|-------------------|
| Description | Funding |
| <u>Street Lighting Programme</u> | |
| Roundhill Park, Bath | £22,950 |
| Sladebrook Road, Bath | £16,250 |
| Langdon Road, Bath | £31,250 |
| Ringwood Road, Bath | £17,550 |
| Barrow Road, Bath | £6,750 |
| Manor Road, Saltford | £27,500 |
| Haselbury Grove, Saltford | £7,000 |
| Claverton Road West, Saltford | £17,550 |
| Minsmere Road, Keynsham | £16,200 |
| Conway Green, Keynsham | £12,150 |
| Holmoak Road, Keynsham | £21,600 |
| Lays Drive, Keynsham | £56,700 |
| Lytes Cary Road, Keynsham | £18,900 |
| Gaston Avenue, Keynsham | £18,900 |
| Holly Walk, Radstock | £4,050 |
| Manor Copse Road, Radstock | £2,700 |
| Magdalene Road, Radstock | £13,500 |
| St. Mary's Rise, Radstock | £13,500 |
| Highway Street Lighting 15/16 Sub Total | £325,000 |
| <u>Highway Structures Programme</u> | |
| Midland Road Bridge Refurbishment & Waterproofing, Bath | £500,000 |
| Sally in the Woods Dry Arch Refurbishment, Bathford | £75,000 |
| Cleveland Bridge Deck Refurbishment Design, Walcot | £50,000 |
| Vineyards/Lansdown Road Retaining Wall & Railing Repairs | £175,000 |
| Camden Crescent Arch Repairs Phase 1, Bath | £150,000 |
| Parade Garden Balustrades Phase 2, Bath | £75,000 |
| B3130 Belluton Narrows Bank Stabilisation, Pensford | £400,000 |
| B3108 Lower Stoke, Monkton Combe Barrier Installation | £35,000 |
| Structures Inspection Remedial Works Programme | £175,000 |
| Structures Assessment Programme | £165,000 |
| Highway Structures 15/16 Sub Total | £1,800,000 |
| <u>Highway Drainage Programme</u> | |
| Southstoke Road, Combe Down Highway Drainage Improvements | £60,000 |
| Bristol Road, West Harptree Phases 2&3 Drainage Improvements | £80,000 |
| Marsh Lane, Farrington Gurney Highway Drainage Improvements | £20,000 |
| Highway Drainage Investigations Works | £40,000 |
| Highway Drainage 15/16 Sub Total | £200,000 |
| <u>Carriageway Resurfacing & Major Re-Construction</u> | |
| Newbridge Road, Newbridge | £162,266 |
| Bloomfield Drive, Odd Down | £92,716 |
| Old Newbridge Hill, Newbridge | £41,028 |
| Ashmead Road (Eastbound Side), Keynsham | £32,795 |
| South Stoke Road, Combe Down | £50,700 |
| Lansdown Lane Junction, Bath Avon | £57,850 |
| Sprats Bridge, Chew Magna | £35,854 |
| A37 Whitecross & A39 Junction, High Littleton | £73,580 |
| Weston Road, Lansdown | £163,566 |
| Steam Mills, Midsomer Norton | £50,960 |
| West Road Part 2, Midsomer Norton | £73,268 |
| Charlton Road, Midsomer Norton | £125,502 |
| Silver Street, Midsomer Norton | £116,324 |
| North Road, Bathwick (Isolated Section) | £73,086 |
| Norwood Avenue, Claverton Down | £49,556 |

| Description | Funding |
|--|-------------------|
| Entry Hill, Lyncombe (Isolated Sections) | £124,306 |
| Old Fosse Road, Odd Down | £128,388 |
| High Street, Pensford (Isolated Sections) | £14,430 |
| The Street, A368, Compton Martin | £153,825 |
| Pierrepont Street & Manvers Street, Abbey | £350,000 |
| North Parade, Abbey | £150,000 |
| St James Parade, Abbey | £50,000 |
| Carriageway Resurfacing 15/16 Sub Total | £2,170,000 |
| <u>Carriageway Surface Dressing</u> | |
| Wellow Road, Wellow | £87,500 |
| Hayeswood Road, Timsbury | £63,000 |
| Colliers Lane, Newton St Loe | £66,500 |
| Wilmington Hill, Newton St Loe | £66,500 |
| Manor Road, Keynsham | £35,000 |
| Courtney Road, Keynsham | £23,800 |
| Mead Lane, Saltford | £33,600 |
| Old Road, Pensford | £13,300 |
| Wick Lane, Pensford | £35,800 |
| Carriageway Surface Dressing 15/16 Sub Total | £425,000 |
| <u>Carriageway Micro Asphalt Surfacing</u> | |
| Trossachs Drive, Bathwick/Bath Avon | £20,300 |
| St Christophers Close, Bathwick | £9,180 |
| Holloway (Continuation), Widcombe | £14,950 |
| The Avenue, Claverton Down | £20,750 |
| Woodland Grove, Claverton Down | £18,780 |
| Moorfields Road, Moorlands | £14,540 |
| Ubley Village, Ubley | £52,140 |
| Mendip Villas, Compton Martin | £7,750 |
| Church Lane, Whitchurch | £16,800 |
| Moorsfield, Clutton | £4,940 |
| Carlton Close, Clutton | £10,900 |
| Claverton Road West (Inc Cul de sac Section), Saltford | £5,630 |
| Boyd Road, Saltford | £21,550 |
| Lansdown Road, Saltford | £6,460 |
| Evenlode Way, Keynsham | £8,240 |
| Greyfield Road, High Littleton | £27,470 |
| Winterfield Park, Paulton | £24,870 |
| Rudgeway Road, Paulton | £14,670 |
| Valley Walk & Welton Vale, Midsomer Norton | £26,290 |
| Clapton Road, Midsomer Norton | £11,670 |
| Paulton Road, Midsomer Norton | £12,120 |
| Carriageway Micro Asphalt Surfacing 15/16 Sub Total | £350,000 |
| <u>Footway Programme</u> | |
| Paving Programme | £150,000 |
| Asphalt Concrete Programme | £100,000 |
| Slurry Sealing Programme | £100,000 |
| Footway/Cycleway 15/16 Sub Total | £350,000 |
| <u>Other Programmes</u> | |
| Planned Patching Programme | £251,000 |
| Planned Road Marking Improvement Programme | £100,000 |
| Other 15/16 Sub Total | £351,000 |

| | |
|---|-------------------|
| HIGHWAYS MAINTENANCE PROGRAMME TOTAL | £5,971,000 |
|---|-------------------|

| TRANSPORT IMPROVEMENT PROGRAMME 2015/16 | |
|---|--------------|
| Description | £ '000 |
| Local Safety Schemes | |
| Anti-Skid Surfacing | 10 |
| AIP Scheme Investigation & design only | 10 |
| Camerton Hill priority scheme | 30 |
| Local Safety Schemes Sub-total | 50 |
| Managing Congestion | |
| Residents' Parking schemes | 60 |
| Parking schemes | 45 |
| Managing Congestion Sub-total | 105 |
| Safer Routes to Schools | |
| SCP improvements | 15 |
| Safer Routes to School Sub Total | 15 |
| Cycle Schemes | |
| Copseland/Bathwick Hill - Toucan | 75 |
| Cycle Schemes Sub-total | 75 |
| Public transport | |
| Improvements to bus stops | 30 |
| Public Transport sub total | 30 |
| Pedestrian Schemes | |
| Aids to Mobility e.g. Dropped Kerbs & ped improvements | 20 |
| Public Rights of Way | 70 |
| Charlton Road -raised table at Zebra | 20 |
| Wells road Westfield -Puffin | 25 |
| St Saviours Zebra | 35 |
| Pedestrian Schemes Sub-total | 170 |
| Traffic Management Schemes | |
| Minor Improvements (incl legacy projects) | 80 |
| A362 Farrington, Safety improvements | 40 |
| A39 Corston , safety improvements | 35 |
| Deadmill Lane -one way | 10 |
| Traffic Management Schemes Sub-total | 165 |
| Getting around Bath Transport Strategy | |
| Delivery of Getting around Bath Transport Strategy | 100 |
| Getting around Bath Transport Strategy Sub-total | 100 |
| Miscellaneous | |
| JLTP Development and monitoring | 30 |
| Contribution to West of England Local Transport Board | 20 |
| Decluttering Programme | 15 |
| Capital Programme Management | 30 |
| street lighting | 3 |
| Seven Dials | 48 |
| 20mph schemes and associated traffic calming measures | 75 |
| 20mph schemes - adaptations to existing 20mph schemes | 200 |
| Miscellaneous Sub-total | 421 |
| Additional Pedestrian Schemes | |
| High Street Midsomer Norton pedestrian phase at Traffic Signals | 20 |
| St Keyna School Charlton Road, Keynsham -upgrade existing Zebra to Puffin | 40 |
| Newbridge Hill Zebra | 35 |
| Bathford Hill Refuge | 18 |
| Quarry Hay Bristol Road, Chew Stoke pedestrian refuge | 18 |
| Harbutts junction Batheaston, footway buildout and crossings | 13 |
| Argyle Street, Bath raised table | 24 |
| Westgate Lane/Parsonage Lane, Bath, raised table | 13 |
| Old Gloucester Road, pedestrian improvements | 15 |
| Weston lane, Weston, revision of pedestrian facilities | 21 |
| Upper Bristol Road/Windsor Bridge | 12 |
| Improvements to School Crossing patrol arrangements | 21 |
| Chandag Road Keynsham pedestrian facilities | 65 |
| Charlton Road Keynsham pedestrian facilities | 50 |
| Larkhall, Zebra Crossing | 35 |
| Additional Pedestrian schemes Sub-total | 400 |
| Additional Cycle Schemes | |
| Cycle parking | 20 |
| small signing schemes | 10 |
| Grosvenor Bridge to Kennett and Avon Towpath-shared use path-phase 1 | 100 |
| Bathwick Hill- Toucan at Copseland | 40 |
| Powlett Road/Bathwick Street Link -progress Cycle Track Order | 10 |
| Kennett and Avon Towpath- surface improvement Warminster Bridge to Grosvenor Bridge | 60 |
| Locksbrook Road trading estate- access to Two tunnels | 10 |
| Radstock to Thicket Mead-improved surfacing and signing | 100 |
| Saltford to Keynsham Bath Road shared use path | 50 |
| Additional Cycle Schemes Sub-total | 400 |
| TRANSPORT IMPROVEMENT PROGRAMME TOTAL | 1,931 |

This page is intentionally left blank

| |
|--|
| Schools Capital Planned Maintenance Programme 2015/2016 |
|--|

| School | Project | Value |
|--|---|-------------------|
| Westfield Primary School, Longvernal Primary School, Paulton Infant and Junior Schools and Chandag Junior School , Whitchurch Primary School | Remove asbestos containing materials above ceilings. Allow for consequential works eg replacement of contaminated tiles, making good. Carry out environmental clean of boilers rooms | £100,000 |
| Chandag Infant School | Replace obsolete Oil-fired Boilers which are 25+ year old and demolish oil tank store | £85,000 |
| Moorlands Junior School | Renew roof covering and roof lights sub-block 01 Phase 1 | £130,000 |
| Moorlands Junior School | Replace flood damaged No. 3 burner and provide sump pump drain and gully | £7,500 |
| Moorlands Infant School | Replace 2 burners on heating boilers with new types rated for existing burners | £7,000 |
| Peasedown St John Primary School | Rewire 2nd floor of school | £50,000 |
| Batheaston Primary School | Replace windows and repair / replace freestone surrounds to sub block 01/001 | £50,000 |
| Bathford CofE Primary School | Replace remaining single glazed, metal framed windows and rotten timber sub frames to southern elevation of original building. Include to also replace original single glazed timber external doors and external timber boarding located in same area | £20,000 |
| Chew Valley School | Renew steel windows on south west elevation of Block 001 sub-block 01, renew north west facing high level windows to classrooms Block 001 sub-block 01 | £50,000 |
| Longvernal Primary School | Refurbish boys toilets rooms 00/018 and 00/037 | £20,000 |
| Oldfield Park Junior School | Install new electrical Mains Panel & Replace existing distribution board | £25,000 |
| Southdown Junior School | Replacement windows to 2 No. classroom wings Phase 2 | £150,000 |
| St Martins Garden Primary School | Resurface drive R2 | £15,000 |
| St Saviours Infant School | Investigate requirements to improve cold water pressures and flow rates | £30,000 |
| Westfield Primary School | Renew flat roof coverings Phase 2 with roof lights over reception classrooms area | £50,000 |
| Whitchurch Primary School | Replace timber corridor window walls | £75,000 |
| St Martins Garden Primary School | Link corridor leaking at both junctions with Margaret Coates Centre and St Martin's Garden Primary. | £15,000 |
| Bathampton Primary School | Renew boilers | £20,000 |
| Moorlands Infant School | Provide new gutters and improve existing gutters falls/ outlets integral with the new roof covering. | £20,000 |
| St Mary's CofE Primary School Timsbury | Replace cracked or damaged and hollow render to external walls to Main Hall and Kitchen areas | £18,000 |
| St Michael's CofE Junior School | Refurbish staff toilets and allow for installation of accessible wc | £15,000 |
| St Michael's CofE Junior School | Insulate and upgrade thermal qualities of end wall | £10,000 |
| St Michael's CofE Junior School | Replace single glazed, steel framed windows throughout block | £100,000 |
| Weston All Saints CofE Primary School | Renew high-level windows to classrooms and hall | £30,000 |
| | Fees | £130,000 |
| | Contingency | £277,500 |
| Total | | £1,500,000 |

This page is intentionally left blank

Appendix 1 Annex 3iv

Corporate Estate Planned Maintenance Programme 2015/2016

| Business Unit | Project | Value |
|---|--|----------|
| Radstock Road Depot | Buliding at end of life | £39,200 |
| Various | Fire Risk Assessments and subsequent urgent works | £112,000 |
| Fairfield House Day Centre | Various elements as detailed in the condition survey | £50,400 |
| Various | (Various Sites) Provide environmental monitoring. Refurbish Air Conditioning units | £56,000 |
| Pixash Lane Depot | Replace existing defective fire alarm system | £7,392 |
| Guildhall | Install electrically heated DHW 300L storage vessel and elect power. Remove old unit. | £7,840 |
| Haycombe Crem | Replace existing heating boiler | £11,200 |
| Parade Gardens | Replace Bandstand Roof | £9,520 |
| Bath Central Library | Install heating new control panel and controllers | £10,080 |
| Bath Central Library | Install new heating control panel and controllers | £10,080 |
| Lansdown North Changing Room | Rewire Changing Rooms | £14,784 |
| Bath Transfer Station | Replace and upgrade existing mains panel | £45,584 |
| Haycombe Cemetery Workshops | Replace wiring and mains distribution panel | £19,712 |
| Parade Gardens | Refurbish and rewire external lighting columns | £12,320 |
| 12 Charlotte Street | Rectify increasing damp issues, removing & replacing existing plasterwork in toilet area. | £33,600 |
| Lansdown Playing Fields | Lansdown Playing Fields General Refurbishment of changing room blocks. | £168,000 |
| Radstock Road Depot | Replace timber windows | £16,800 |
| Station Rd Keynsham - Former Nursery Garden | Remedial works required to stone boundary wall | £32,480 |
| Bathwick Burial Ground (West Side) | Re-build stonework boundary retaining walls to southern boundary | £10,080 |
| Welton Depot | Remove asbestos and completely refurbish building | £29,120 |
| Welton Depot | Undertake repairs to concrete base and blocks | £13,300 |
| Welton Depot | Replace existing storage container with new | £5,600 |
| Welton Depot | Reconfiguration of buildings required, roof replacements and repairs to doors | £6,440 |
| Welton Depot | Undertake repairs/resurfacing of entrance roads, parking areas and public area remarking to same. Replace defective lighting | £111,720 |
| Welton Depot | Undertake refurbishment of Reception Hall & adjacent external areas incl replacement floor adj to compactor, replacement of damaged wall and door sheeting, and upgrading of power and lighting through out. | £50,120 |
| Welton Depot | Shutter up and cast new approx. 2m high concrete protective wall section tied into existing complete with low level steel plate skirting | £39,200 |
| Royal Victoria Park | Install a fire alarm system | £2,800 |
| Fairfield House Day Centre | Upgrade existing Fire Alarm System | £17,920 |

| Business Unit | Project | Value |
|---|---|-------------------|
| Ashton Way Keynsham new car park area | Resurfacing of lower east parking area. | £5,600 |
| 10 Redfield Road Midsomer Norton | Replace tiled covering to single storey rear extension to sub block 01 | £11,200 |
| Wedmore Rd Saltford Rec Tennis Courts & Pkg | Surface is worn and slippery when wet causing increased risk of injury | £24,640 |
| Labbott The Keynsham - Car Park | Tarmacadam resurfacing and bay painting to southern car park 02. See Photos DSCF4113 and 4115 | £7,840 |
| RVP Depot | Replace thermal screens to greenhouses | £26,000 |
| | Contingency | £48,198 |
| Total | | £1,066,770 |

| Equalities Act Works 2015/2016 | | |
|--------------------------------|------------------|-----------------|
| Business Unit | Project | Value |
| Ashton Way | Equalities Works | £9,925 |
| Bath Hill East | Equalities Works | £6,850 |
| Bedford Street | Equalities Works | £25,580 |
| Brougham Hayes | Equalities Works | £1,000 |
| Carlton Gardens | Equalities Works | £300 |
| Church Rd Weston | Equalities Works | £26,140 |
| Church Street, Radstock | Equalities Works | £2,425 |
| Dafford & Garfield | Equalities Works | £31,400 |
| Denmark | Equalities Works | £25,680 |
| Fox & Hounds | Equalities Works | £2,325 |
| Greenlands | Equalities Works | £5,250 |
| High Street, Paulton | Equalities Works | £13,475 |
| Timsbury | Equalities Works | £1,950 |
| Hollies | Equalities Works | £11,125 |
| JSW | Equalities Works | £17,540 |
| Kingsmead Sq | Equalities Works | £4,600 |
| London Rd, East | Equalities Works | £16,100 |
| London Street | Equalities Works | £2,350 |
| Lorne Rd | Equalities Works | £3,450 |
| Rossitor Road | Equalities Works | £950 |
| South Wansdyke | Equalities Works | £6,600 |
| Station Rd, Nursery | Equalities Works | £64,305 |
| Labbotts | Equalities Works | £8,575 |
| The Shallows | Equalities Works | £3,055 |
| Waterloo Road | Equalities Works | £3,750 |
| Weymouth Rd | Equalities Works | £18,005 |
| | Fees | £37,525 |
| | Contingency | £40,000 |
| Total | | £390,230 |

Council MRP Policy

Bath and North East Somerset will make a prudent minimum revenue provision for all new unsupported borrowing from 1st April 2008.

For all Government Supported Borrowing

a) The Council will determine that its MRP is equal as the amount determined in accordance with the former regulations 28 and 29 of the 2003 Regulations, as if they had not been revoked by the 2008 regulations.

For all new schemes of Council supported borrowing after 1st April 2008 it will use the Asset Life Method

b) This will be calculated where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be made in equal annual instalments over the life of the asset, in accordance with the following formula:

$$\frac{A - B}{C}$$

Where-

A is the amount of the capital expenditure in respect of the asset financed by borrowing or credit arrangements

B is the total provision made before the current financial year in respect of that expenditure

C is the inclusive number of financial years from the current year to that in which the estimated life of the asset expires.

c) Subject to paragraph f below, MRP will normally commence in the financial year following the one in which the expenditure was incurred.

d) Asset life. The estimated life of the asset will be determined in the year that MRP commences and not subsequently be revised.

e) Freehold land. If no life can reasonably be attributed to an asset, such as freehold land, the life will be taken to be a maximum of 50 years. However, in the case of freehold land on which a building or other structure is constructed, the life of the land will be treated as equal to that of the structure, where this would exceed 50 years.

f) Construction period. When borrowing to construct an asset, the authority will treat the asset life as commencing in the year in which the asset first becomes operational. It may accordingly postpone beginning to make MRP until that year. "Operational" here has its standard accounting definition. Investment properties will be regarded as becoming operational when they begin to generate revenues.

g) In respect of loans to third parties supported by borrowing, where these are treated as capital expenditure, and contractual terms are in place to secure repayment over a period not exceeding the life of the asset, the Council will not charge MRP on the related expenditure.

This page is intentionally left blank

COUNCIL TAX LEVELS 2014/2015
All of England Unitary Councils

| Authority | 2014/15 £ Band D |
|---------------------------------------|-----------------------------|
| Windsor & Maidenhead | 926.40 |
| Isles of Scilly | 1,050.64 |
| Bracknell Forest | 1,093.95 |
| Thurrock | 1,124.64 |
| Peterborough | 1,128.03 |
| Southend-on-Sea | 1,137.42 |
| Milton Keynes | 1,138.04 |
| Kingston-upon-Hull | 1,139.81 |
| Swindon | 1,146.09 |
| Telford & Wrekin | 1,147.49 |
| Medway | 1,164.24 |
| Shropshire | 1,164.72 |
| North Somerset | 1,164.84 |
| York | 1,165.54 |
| Derby City | 1,165.83 |
| Portsmouth | 1,171.53 |
| Slough | 1,173.27 |
| Halton | 1,181.56 |
| Warrington | 1,182.09 |
| Stoke-on-Trent | 1,183.46 |
| Bath & North East Somerset | 1,201.85 |
| Poole | 1,209.60 |
| East Riding of Yorkshire | 1,215.68 |
| Cheshire East | 1,216.34 |
| Wiltshire | 1,222.43 |
| Luton | 1,225.00 |
| Darlington | 1,238.64 |
| Average - Unitaries | 1,240.66 |
| Bournemouth | 1,244.97 |
| South Gloucestershire | 1,245.20 |
| Wokingham | 1,246.21 |
| Herefordshire | 1,251.32 |
| Torbay | 1,261.17 |
| West Berkshire | 1,263.44 |
| Blackburn with Darwen | 1,266.85 |
| Cornwall | 1,268.92 |
| North East Lincolnshire | 1,271.35 |
| Cheshire West and Chester | 1,275.23 |
| Leicester City | 1,276.55 |
| North Lincolnshire | 1,284.03 |
| Southampton | 1,287.90 |
| Plymouth | 1,294.81 |
| Bedford | 1,304.84 |
| Blackpool | 1,306.00 |
| Central Bedfordshire | 1,308.33 |
| Durham | 1,308.39 |
| Stockton-on-Tees | 1,312.66 |
| Brighton & Hove | 1,312.89 |
| Isle of Wight | 1,315.47 |
| Reading | 1,338.25 |
| Middlesbrough | 1,355.03 |
| Redcar & Cleveland | 1,390.14 |
| Bristol | 1,391.87 |
| Northumberland | 1,399.77 |
| Hartlepool | 1,418.70 |
| Rutland | 1,430.51 |
| City of Nottingham | 1,431.80 |

This page is intentionally left blank

| PROPOSED VARIATIONS TO 2015/2016 BUDGET | | |
|--|------------------|----------------|
| | <i>Sub Total</i> | 2015/16 |
| | <i>£M's</i> | £M's |
| Opening Budget Gap - per Feb 2014 Council Budget Meeting | | 3.84 |
| Medium Term Plan Variations | | |
| - Reduction in Education Support Grant | | 0.34 |
| - Deprivation of Liberty Safeguards | | 0.77 |
| - Care Act unfunded costs | | 1.50 |
| - Social Fund & Food Banks | | 0.32 |
| - Non-Deliverable MTSRP Savings | | 2.19 |
| - Local Government Finance Settlement Adjustments | | -0.18 |
| - Implementation of Living Wage (Council Staff) | | 0.21 |
| - 2015/16 Pay Award (Difference to MTSRP assumption) | | 0.13 |
| - Kelston Road - (Revenue Costs of Borrowing) - Urgent Decision July 2014 | | 0.08 |
| - Play Equipment & Bin and Benches - (Corporate Borrowing May 2014 Cabinet) | | 0.04 |
| - Additional Capital Proposals (Revenue Costs) | | 0.32 |
| Total Estimated Budget Gap | | 9.56 |
| Further Savings Proposals for 2015/2016 | | |
| Corporate | | |
| Increase in anticipated Business Rate Growth | 1.00 | |
| Somerset Business Rates Pool - Estimated Dividend | 0.35 | |
| Pensions Deficit Funding / Re-Financing | 1.10 | |
| Additional New Homes Bonus | 0.34 | |
| Council Tax baseline growth | 1.70 | |
| Thermae Spa - Increased Profit Share | 0.25 | |
| Community Energy Loan - Estimated Interest | 0.03 | |
| | | 4.77 |
| Place | | |
| Remove Fracking Consultancy Budget (cover risk from Reserves) | 0.03 | |
| | | 0.03 |
| People & Communities | | |
| Adult Social Care - Better Care Fund supporting demographic and cost pressures | 2.57 | |
| Remove Schools severance ongoing budget (cover risk from Reserves) | 0.14 | |
| Reduced provision required for impact of Academy Schools | 0.20 | |
| | | 2.91 |
| Resources | | |
| Housing Benefit Subsidy - debtor reclaims | 0.30 | |
| | | 0.30 |
| TOTAL SAVINGS IDENTIFIED | | 8.01 |
| REMAINING BUDGET GAP / (SURPLUS) | | 1.55 |
| Use of Financial Planning Reserve / Collection Fund Surplus | | 1.55 |
| Budget Gap To Be Identified | | 0.00 |

This page is intentionally left blank

BUDGET SETTING PROCESS – ADVICE OF THE MONITORING OFFICER

PROCESS

1. It is important to be clear on the process to be followed in setting the 2015/16 Budget. This paper sets out the guidance provided by the Council's Monitoring Officer.
2. The Cabinet has the responsibility to prepare and propose a draft Budget to Council for its approval.
3. The Cabinet can, in its absolute discretion, receive from any political group that so wishes, an alternative budget proposal to that published in the Cabinet agenda papers .It can only consider such proposals if it is satisfied that they have been discussed with the Council's statutory officers and relevant Directors and that an impact statement from Officers about such proposals is available.
4. All proposals that the Cabinet meeting is prepared to consider will therefore be cleared with the Section 151 Officer, the Monitoring Officer, and relevant Strategic / Divisional Directors beforehand.
5. The Cabinet will formulate a budget proposal and Council Tax recommendation to the Council meeting on 17th February 2015. Such budget proposal may either take the form of a composite proposal or may include agreed core proposals and options for allocating parts of the budget.
6. The Council has available to it at the budget setting meeting two options. It can object to specific parts of the proposals and if it does so must require the Leader on behalf of Cabinet to reconsider its proposals. The Council is required to give the Cabinet the reason(s) why it considers those proposal(s) should be changed and it is then for the Cabinet to consider those proposed changes and the reasons put forward. Alternatively it is, of course, open to the Council to accept the budget in its proposed form at the meeting, in which case no further action is necessary.
7. Council may then determine the budget on the basis of the Cabinet's recommendations as set out in paragraph 5 above plus any insignificant changes adopted as amendments at the Council meeting. The constitution provides that the meeting itself (on advice from the Chief Executive) will decide whether any amendment to the budget proposals is of such significance as to amount to an "objection" to the budget so as to require reconsideration by the Cabinet.
8. However if a significant proposal is accepted on a vote at Council, from those notified at the Cabinet meeting, this stands as a formal objection within the terms of the law and will be referred to the Leader for him to secure consideration by the Cabinet and report back to the Council meeting on 27th February 2015.

9. When the Cabinet has considered the objections, it is required to put its proposals (which may or may not be revised) back to the Council Meeting. If the Cabinet does not agree with Council's views on a proposed change, it is required to state why and the Council can then take those reasons into account, along with its original thoughts as to why the change was desirable. At the meeting, it is open to Council to take such decision as it sees fit on any variation from the budget as originally proposed that has been the subject of consideration under the process outlined in paragraphs 6 to 8.
10. In setting the budget the Council is required to approve a full budget resolution including the police, fire and parish precepts and the proposed Council revenue and capital budgets for 2015/16. That budget will include within it the overall proposed Council cash limits for 2015/16 including the provision for inflation, the proposed use of balances in the 2015/16 budget (if any) and the resulting budget requirement and Council Tax for Bath and North East Somerset including any recommendations for special expenses. The Council will also approve the borrowing limits for 2015/16 and prudential indicators.
11. Legally, the Council must set a balanced budget for the forthcoming year and determine the level of Council Tax. If a budget is not set by the date of the reserve budget-setting meeting (27th February), this will lead to a delay in billing and a loss in council tax cash flow. It is highly likely that this will also translate into a higher level of uncollectable debt and debt collection costs and in addition this will significantly impact on council tax performance indicators. A delay until 27th February will also compromise the Council's ability to meet current billing deadlines, and there is a serious risk billing will be delayed also with negative cash flow impacts.
12. The final Council Tax set will encompass all parish and police and fire precepts (that is the money we collect on behalf of the parishes, fire and police and pay to them).

Vernon Hitchman

Divisional Director – Legal & Democratic Services (Monitoring Officer)

Appendix 4 - Pay Policy Statement 2015 -16

Purpose and scope

- 1.1 The purpose of the statement is to provide a clear and transparent policy to the public, which demonstrates accountability and value for money.
- 1.2 The policy statement meets the Council's obligations under the Localism Act 2011 [Section 38 (1)] and the associated statutory guidance set out in the Openness and Accountability in Local Pay: Guidance and Supplementary Guidance under section 40 of the Localism Act (February 2012 & 2013) together with the Local Government Transparency Code 2014 (October 12014) from the Department for Communities and Local Government
- 1.3 It articulates the Council's policies towards a range of issues relating to the pay (including severance pay) of its direct workforce, in particular its Chief Officers, as defined by the Local Government and Housing Act 1989 and lowest paid employees. Details of 'Chief Officers' employed by the Council can be found on the Council's public website.
- 1.4 The Council's pay arrangements reflect the need to recruit, retain and motivate skilled employees to ensure high levels of performance balanced with accountability on the public purse. The policy recognises flexibility which is essential in delivering a diverse range of services and is underpinned by principles of fairness and equality.
- 1.5 The pay policy statement applies to both the lowest and the highest paid. In accordance with provisions of the Localism Act, it does not extend to schools and this statement does not, therefore, include school based employees.
- 1.6 The statement is approved by Full Council, i.e. not delegated as an executive or committee function, in advance of the financial year to which it relates and must be reviewed at least annually. Any amendments will be approved by Full Council.
- 1.7 The statement is published on the Council's public website.

Definitions

For the purposes of this Pay Policy Statement the following definitions apply:

- 2.1 **'Pay'** in addition to base salary includes charges, fees, allowances, benefits in kind, increases in/enhancement to pension entitlements and termination payments where applicable.
- 2.2 **'Chief Officers'** refers to the following roles in the Council:

Statutory Chief Officers are:

- Chief Executive, as 'Head of Paid Service'
- Strategic Director – People & Communities, as 'Director of Children's Services' and 'Director of Adult Social Services'
- Director of Public Health
- Divisional Director – Legal & Democratic Services as 'Monitoring Officer' (see also annex 1)
- Divisional Director –Business Support, as Section 151 Officer ('Chief Financial Officer')

Appendix 4 - Pay Policy Statement 2015 -16

Non- Statutory Chief Officers are:

- Strategic Director – Place
- Strategic Director – Resources
- Other Directors/Heads of Service are:

senior managers who report direct to/or are accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.

‘Lowest paid employee’ refers to those employees in substantive full time employment at the lowest scale point of the Council’s published pay scale. See paragraph 8.1 below

General principles & practice

- 3.1 All policy matters relating to the Council’s role as an employer including pay under section 112 of the Local Government Act, 1972 are delegated to the Employment Committee. The Restructuring Implementation Committee determine appointments to or dismissal from the posts of Strategic Director and other JNC Officers reporting to the Chief Executive, or Head of Paid Service, subject to there being no objection to the appointment/dismissal being lodged by the Leader of the Council and recommends to the Council the appointment or dismissal of the Head of Paid Service, the Monitoring Officer and the Chief Financial Officer.

Principles:

- 3.2 Bath & North East Somerset Council values all its employees and aims to apply a consistent and fair approach to pay and benefits in line with the following principles:
- ❖ To work within financial constraints and use those limited funds in the most effective way to support the Council in the provision of quality cost effective services and its workforce needs
 - ❖ To aim for consistency and fairness in the processes used to manage pay and benefits, as appropriate to service delivery and in line with its commitment to remaining within the framework of the relevant national pay and conditions agreements
 - ❖ To promote an equal pay agenda by ensuring that pay and job evaluation systems, processes and systems meet legislative requirements and to actively work towards reducing any unjustified gender pay gaps
 - ❖ To ensure that pay and benefits processes and policies are transparent and accessible to all employees
 - ❖ To be mindful of the market in making decisions about pay and benefits
 - ❖ To take account of affordability in the introduction and maintenance of any changes to pay structure
 - ❖ To be clear about the recognition and reward of performance, whether at whole organisation, service, team or individual level
 - ❖ To support a flexible approach to the acceptance of changes to tasks, duties and responsibilities by employees and allow for flexibility between posts. To enable the Council to attract and retain its employees and in order to do so, respond to situations where market forces dictate the necessity to apply supplements to established salaries.
 - ❖ To aim to retain a core set of benefits for all employees.

Appendix 4 - Pay Policy Statement 2015 -16

Practice:

3.3 Basic pay is determined through

- The job role and it's accountability in the overall context of the Council's services and responsibilities using the HAY job evaluation process which is based on objective criteria and free from discriminatory bias.
- Ensuring that all employees are dealt with on this basis with no distinction being made for senior management appointments including Chief Officers and their Deputies.
- The terms of the relevant national agreements on pay and conditions of service.
- The amount available for the pay review process is also impacted by what the Councils which are party to the national agreements can collectively afford.
- A comprehensive pay and grading structure has been adopted that positions the Council against median salary benchmarking compared to a national data base maintained by the Hay Group, is affordable and offers recruitment and retention incentive. This is kept under review.
- The outcome of reviews into the local pay and grading structures are determined within the terms of this policy and the Council's constitutional arrangements.

Note: This excludes apprentices, interns and trainees, who are paid less to reflect the nature of the training and development role.

3.4 Pay on appointment

- Staff are normally appointed at the bottom scale point of the grade at which the post has been evaluated.
- Managers have discretion to appoint at a higher scale point within the grade band if the appointee can demonstrate that they are currently earning more than the minimum salary for the grade or there are other extenuating circumstances such as difficulties in attracting suitable applicants.

3.5 Pay review dates

- Grade progression (i.e. movement from a lower to a higher salary scale point (scp) within a grade where applicable) takes place on 1st April of each year until the highest scp is reached.
- Grade progression is subject to satisfactory performance (and may be withheld if performance has been unsatisfactory) and a minimum of 6 months service in the grade. Where 6 months service cannot be achieved by 1 April, progression is considered on the anniversary of six months service.
- Where an increase in pay has been negotiated through the national pay bargaining framework, it will be implemented with effect from 1st April of the appropriate year (unless alternative implementation arrangements are specified in the agreement). Where the negotiations have not been concluded by 1st April, the increase will be paid at the earliest opportunity together with back pay from 1st April.

3.6 Honoraria & other allowances

- Work outside the scope of the post can be recognised by the award of an honorarium. The conditions and framework are set out in the 'Recognition for work outside the scope of the post' policy. Assessment and payment will be based on non - discriminatory, objective criteria.
- Allowances, for example standby, may be made to employees below senior manager level in connection with their role or pattern of hours they work in accordance with national or local collective agreements.

3.7 Re-employment of former local government employees

- The Council retains sufficient flexibility in its response to the re-employment of former local government employees to enable it to respond appropriately to the particular circumstances. It ensures that an open and fair selection process takes place before any appointment is confirmed. 'Merit' is the sole criteria for engagement.

Appendix 4 - Pay Policy Statement 2015 -16

- If the Council were to re-employ a previous local government employee who had received a redundancy or severance package on leaving, or who was in receipt of a pension covered by the Redundancy Payments (Continuity of Employment in Local Government Modification) Order 1999, known as the Modification Order) (with the same or another authority), then the Council's policy is to ensure that the rules of the Modification Order are applied.

3.8 Use of consultants, contractors and temporary 'agency' staff.

- Ordinarily staff will be engaged directly by the Council as employees but on an exceptional basis, where particular circumstances deem it necessary, people may be engaged under 'contracts for services' as consultants or contractors or on an 'agency basis'. When this situation arises, the Council will give detailed prior consideration to the benefit of doing so and that the overriding need to ensure value for money is achieved. Such arrangements must be in accordance with the Council's code of practice.

Equal pay

- 4.1 The Council is committed to the principle of equal pay for all posts of the same size and value and has implemented the national 'single status' agreement. In order to put its commitment to equal pay into practice, the Council:
- regularly reviews its pay grade and rates for all current staff and starting pay for new staff in line with Equality and Human Rights Commission guidance in line with the Council's Equality policy.
 - informs employees of how these practices work and how their own pay is arrived at.
 - provides training and guidance for managers and supervisory staff involved in decisions about pay and benefits.
 - regularly monitors pay and grading data and statistics.

Ensuring consistency

- 5.1 The Council seeks to ensure consistency through the following processes:
- All departments are provided with the same quality of internal support in the job evaluation process. The Human Resources Service (in conjunction with senior managers, as appropriate) has an on-going responsibility to review pay levels across the Council and highlight any potential anomalies.
- 5.2 If there is an exceptional need to review pay outside of the normal pay review timetable, proposals will be considered and approved by the relevant Director and the Head of Human Resources.

Pensions

- 6.1 Subject to the provisions of the relevant scheme, all directly employed staff who are the subject of this policy and are otherwise eligible are enrolled into a contributory statutory pension scheme. They may choose to opt out of membership. The Council has published a statement of policy in respect of discretionary provisions available within the relevant scheme in accordance with statutory requirements. This statement is available on the Avon Pension Fund Web site www.avonpensionfund.org.uk/employers/discretionarypolicies
- 6.2 The Council has in place a policy for flexible retirement which is specifically authorised by statute whereby individual staff, with employer approval, may draw their pension and continue in employment

Appendix 4 - Pay Policy Statement 2015 -16

at a lower pay grade/ working shorter hours. The Council considers all proposals on their individual merits but would not take any action beyond that authorised by existing policy without reference to the appropriate Council decision making body.

Senior pay

- 7.1 The remuneration of the Chief Executive and other senior management appointments in the Council (see Annex 1) is undertaken by external analysts using the Hay Job Evaluation process. Levels of pay have been market-related by being compared to a national data base maintained by the Hay Group of similar posts in a wide range of public and not for profit sector organisations. The pay structure for Chief Officers takes account of the clearly defined additional 'statutory responsibilities' (see section 2 above). Five pay bands will be available for the most senior officers as set out in the Annex 1.
- 7.2 Any increases in pay rates will be in line with those negotiated nationally by Joint Negotiating Committees (JNC's) for Chief Executives and Chief Officers respectively. The pay policy, whilst agreed in advance of the financial year to which it relates, can be amended during the course of the year to incorporate a pay award negotiated nationally or for other reasons.
- 7.3 Where there is a pay range for a job the Council's adopted aim is to offer an appointment to the minimum point of the appropriate salary band. In order to secure the services of the best candidate it may be necessary to offer a higher amount. In these circumstances approval by the employing Director or members of the appointing Member committee as appropriate, in consultation with the Head of Human Resources, is required.
- 7.4 Where a pay band consists of a number of different salary points, any progression to the next incremental point is subject to satisfactorily meeting performance criteria agreed in advance with the Chief Executive or Strategic Director, as appropriate (in consultation with the Group Leader(s)). Any increase is paid from 1 April subject to 12 months service in that pay band and the maximum not being exceeded.
- 7.5 This is no provision for the Council to pay any bonuses, charges, fees or allowances, benefits in kind to senior employees or any other employees other than expenses necessarily incurred in the performance of their duties.
- 7.6 Other conditions of service are those determined nationally by the JNC's specifically for these appointments or, as locally determined for all other Council staff.
- 7.7 Senior staff are not differentiated from other members of staff in terms of remuneration on resignation or termination. The Council's general arrangements for severance and scheme for discretionary payments apply to this staff group as to all employees.
- 7.8 Proposed severance packages in excess of £100,000 (this threshold includes [but not limited to] any proposals in respect of salary to be paid in lieu, redundancy compensation, pension entitlements and holiday pay as appropriate) are referred to the Restructuring Implementation Committee for consideration.
- 7.9 The Council's threshold level for disclosure of senior staff salaries will be at the minimum point of the senior civil service pay scale and above as at 31 March.

Appendix 4 - Pay Policy Statement 2015 -16

Relationship between senior pay and the 'lowest paid council employee'

- 8.1 The grading structure and pay line determine the salaries of the highest and lowest paid Council employees. The Council's highest paid employee is its Chief Executive (see Annex 1). Subject to the outcome of Council budget decisions and trade union consultation, the lowest salary offered for substantive, full time employment in 2015-16 will be £15,207 pa [pro-rated for part-time employees]. This rate will be reviewed annually as part of setting the Council's pay policy taking account of rates published by the Living Wage Foundation (UK rate) and the National Joint Council for Local Government Services.
- 8.2 The ratio between the highest paid salary and the median salary for the whole of the Council workforce (£21,530.00) is 1:7. It does not currently have a policy of maintaining or reaching a specific ratio of pay multiple between the Chief Executive and that of the median earner.

Publication

- 9.1 The Council's approach to the publication of and access to information on the remuneration of Chief Officers is to include it on its public website as part of its requirements within the Accounts and Audit (England) Regulations 2011 and in accordance with the Code of Recommended Practice for Local Authorities on Data Transparency. A copy of the Pay Policy Statement is published on the Council's website: www.bathnes.gov.uk/services/jobs/

Further information

For further information on the Council's pay policy please contact the Council's Human Resource Service email human_resources@bathnes.gov.uk. Tel: 01225 477203

Appendix 4 - Pay Policy Statement 2015 -16

Annex 1

SENIOR MANAGEMENT PAY & GRADING

| BAND | MIN/MID/MAX POINTS | Composition, Terms & Conditions |
|---|--------------------|--|
| CHIEF EXECUTIVE & HEAD OF PAID SERVICE | | |
| Band 1 | Fixed/Spot | <ul style="list-style-type: none"> - A fixed salary within the range £145,000 to £155,000 pa taking account of current public sector market median data provided by the independent analysts and the Council's general starting salary policy - No variable element within the remuneration package. - All other conditions in accordance with overall Council pay policy. |
| STRATEGIC DIRECTORS | | |
| Band 2 | Fixed/Spot | <ul style="list-style-type: none"> • People & Communities [statutory roles for Children's & Adult Services] (PC) • Place (P) • Resources (R) - A fixed salary within the range £115,000 to £130,000 pa taking account of current public sector market median data provided by the independent analysts and the Council's general starting salary policy - No variable element within the remuneration package. - All other conditions in accordance with overall Council pay policy. |

| BAND | MIN/MID/MAX POINTS | Composition, Terms & Conditions |
|--|--------------------|---|
| DIVISIONAL DIRECTORS/Heads of Service | | |
| Band 4 | Minimum | £91,869 |
| | Middle | £94,572 |
| | Maximum | £97,275 |
| | | <ul style="list-style-type: none"> • CYP Strategy and Commissioning (PC) • Adult Care and Health Strategy Commissioning (PC) • Business Support (R) [S151 Officer] • Property & Project Delivery (R) • Legal & Democratic [Monitoring Officer] (<i>until May 2015</i>) • Environmental Services (P) |
| NHS | Fixed | £90,263 |
| | | - Director of Public Health Part of the transfer of Public Health Services to Local Government & paid in accordance with NHS senior consultant rates with other statutory related protections |
| Band 5 | Minimum | £81,063 |
| | Middle | £83,763 |
| | Maximum | £86,469 |
| | | <ul style="list-style-type: none"> • CYP Specialist Services (PC) • Strategy and Performance (R) • Risk & Assurance (R) • Legal & Democratic [Monitoring Officer] (<i>from June 2015</i>) • Development (P) • Community Regeneration (P) • Customer Services (R) |
| Band 6 | Minimum | £70,254 |
| | Middle | £72,957 |
| | Maximum | £75,657 |
| | | <ul style="list-style-type: none"> • ICT(R) • Human Resources (R) |

Notes:

- 'Band 3' is not currently in use
- 'NHS' relates only to the Public Health statutory transfer provisions
- There has been no annual pay award to this staff group since April 2008; for other staff pay was increased by in line with the national pay settlement from 1 January 2015

This page is intentionally left blank

COMMUNITY ASSETS TRANSFER PROGRAMME UPDATE

BACKGROUND

The Council agreed a programme of potential Community Asset Transfers in 2013/2014 to help communities tackle the local issues of importance to them and achieve some or all of the following benefits:

- i. **Better community outcomes-** by releasing an organisation from its liabilities to the Council it can grow its work in the community. The Quirk Review noted that the crucial driver for asset transfer is not the disposal of assets per se but the empowerment of communities; any approach to community assets must therefore be seen in the context of the Council's aim to be an open and engaging Council that empowers communities and works in partnership with a range of public, private and voluntary organisations.
- ii. **Better Value for Money** – cutting costs through new, localised ways of working and involvement of volunteers as well as drawing in more resources, for example from parish councils.
- iii. **Greater support for our voluntary and community sector-** with opportunities for long-term planning by the community organisation involved in the building, including the ability to draw down external investment as well as greater freedom to tailor services to need. This support for local community organisations is urgent in the current climate and can make a real difference to long-run viability.

UPDATE ON PROGRAMME DELIVERY

Detailed work has been undertaken to assess the issues relating to each of the proposed Community Asset Transfers and ensure appropriate clauses are in place that are appropriate to protect the use of the land or building for the relevant community purpose. The update position in respect of the programme of transfers proposed for 2015/16 is as follows:

Completed

- Beacon Hall - transferred to Peasedown Parish Council
- Chapel Arts Centre, St James Memorial Hall, Bath

Subject to Final Approval by SMD

- 97/101 Walcot St to Genesis Trust, Bath
- South Wansdyke Leisure Centre to Writhlington Sports Trust
- Alexandra Bowls Club
- Bath Canoe Club

Approved and solicitors instructed

- Land North of Kelston Road – transfer to Bath Scouting Association
- WHISTY Hall, Radstock – transfer to WHISTY Community Association
- Former Midsomer Norton Railway Station, Silver Street, Midsomer Norton – transfer to Somerset and Dorset Railway Heritage Trust
- Midsomer Norton Town Hall and Other Land – transfer to Midsomer Norton Town Council/Town Trust

Approved and subject to further negotiation

- Percy Community Centre, Bath – transfer to Percy Community Association.

Subject to On-going Discussion and Consideration

- Fairfield House, Bath
- YMCA Broad St, Bath
- Timber Drying Shed, Spring Gardens Road to River Regeneration Trust
- 4 Abbey St to 44AD
- Batheaston Gardens, car park and PC block to Batheaston Parish Council
- Saltford Brass Mill to Saltford Parish Council

FURTHER POTENTIAL COMMUNITY ASSET TRANSFERS

It is proposed that following additional areas are considered for the Community Asset Transfer programme during 2015/16 subject to the process now established to safeguard appropriate use of the land or building for the relevant community purpose:-

- Cleveland Pools

RECOMMENDATION

The programme for this work will continue in accordance with the agreed approach for 2013/2014 and the Council is asked to note this position.

Tackling Poverty

Introduction

This Appendix sets out a range of measures, some of which are already in place and some of which are developed by the proposed Budget.

Welfare Support

In April 2013 the Department for Work and Pensions ceased to operate the Social Fund and provided local government with Local Welfare Support Funds to administer as it saw fit.

In Bath & North East Somerset we were allocated a sum of £250,000 per annum for the fund and a further £50,000 per annum towards administration costs.

We set up a small team to administer this fund along with a further £250,000 for Discretionary Housing Payment awards. We approved a Local Welfare Support Policy and the team have gone on to develop a wide range of support services for our most vulnerable customers, including provision towards food, shelter and warmth, supported accommodation, help towards payment of debt, debt advice and back to work help.

The support provided is on a non cash basis, so it is delivered by providing things like online shopping; white goods; direct payment of Council Tax etc. These awards are made following detailed conversations with the customers to ascertain the best way of supporting their needs.

Maintaining the Social Fund at £250K for 2015/16

In 2015/16 the Local Welfare Support funding will no longer be a direct grant from the Department for Work and Pensions as it has been handed back to the Treasury and in theory will form part of the overall settlement.

As detailed in the Budget report, the Council intends to continue supporting Local Welfare Support activity, including administrative costs and additional support for the provision of basic needs.

Work with Partners to help Residents with Pay Day Loans

In developing Local Welfare Support, the Council works closely with a range of partners such as the Credit Union, Housing Providers and Advice Agencies to provide debt advice and support, in order to reduce the impact of pay day loans and other financial burdens. We have helped around 112 Council Tax payers this year so far where they have been adversely impacted by the changes in Council Tax Support and we are planning to support CURO in the launch of an initiative with My Home Finance through our One Stop Shop in

the near future to help those people who may normally impacted most by taking out Pay Day type loans.

The Council has also recently launched a new strategy for Advice & Information which will help us to work with partners to reduce duplication and target our limited resources effectively.

Support our Local Food Banks

We have worked very closely with food banks across Bath & North East Somerset since the introduction of the Local Welfare Support Team by issuing vouchers and providing some financial support to enable them to work effectively. We have also provided retail vouchers, online shopping; Julian House meal vouchers and help towards utility costs to 851 applicants this year to-date.

In 2015/16 we intend to continue to develop relationships with our local food banks and partners to ensure resources and facilities are available to continue this good work and are targeted to the right people.

Continue to develop our Connecting Families Programme

As part of an ongoing review of how we administer Welfare Support and, in particular, target the most vulnerable the Local Welfare Support Team continue to work closely with the Connecting Families Team and over the next few months plan to trial a new way of working which will see some of the most vulnerable cases identified through the Welfare Support gateway being triaged to a small team working alongside the Connecting Families Team to deliver a more holistic and long term solution.

This approach has been developed through consultation and workshops held as part of the Council's contribution to the Local Government Transformation Network and are of interest to the Department for Work and Pensions as potentially a future model for payment by results through Universal Support.

Work to reduce Adult and Youth Unemployment

As a pilot live site for Universal Credits and through work with the Transformation Network we continue to develop joined up working solutions with the Job Centre, partners and Council departments. The number of JSA claimants is now less than 1,000.

We continue to pursue conversations with the Job Centre about co-location of offices and, at present, have one officer from the DWP working from our One Stop Shop with further DWP resource to be provided to support our Connecting Families programme in the future.

Remove some Lower Pay Bands to help Low Paid

The Living Wage is an hourly rate set independently of any employer group and is based on principles of preventing in-work poverty. This requires that a wage takes account of area-specific costs of living as well as the basic expenses involved in supporting a family. The current UK rate (November 2014) is £7.85 per hour and is supported by a variety of employers across the public, private and third sectors with a stated aim of preventing 'in-work poverty.' Advocates consider that the Living Wage is the minimum necessary to provide adequate income to ensure economic and social wellbeing.

The Council's pay arrangements reflect the need to recruit, retain and motivate skilled employees to ensure high levels of performance balanced with accountability on the public purse. Currently, the lowest salary offered for substantive, full time employment is £ 13,500 pa rising to £ 13,614 pa in October 2015 whilst this meets statutory National minimum wage requirements (£6.50 per hour) it falls short on the ' Living Wage' (see above).

Subject to trade union consultation, it is proposed to increase minimum pay rate for the Council's direct work force from 1 April 2015 to a sum that equates to Living Wage (UK) rate in 2015-16 and thereafter to review this sum annually taking account of national local government pay rates and the published Living Wage rate.

Based upon current workforce figures around 550 Council and schools workers, many part-time would benefit from this proposal.

This page is intentionally left blank

Bath and North East Somerset Council

Three year budget; year 3: 2015/16 – equality analysis

1 Introduction

- a. This document provides a mechanism to understand the broader community impacts of proposals made as part of the 2015/16 financial planning process.
- b. The Equality Act 2010 makes it unlawful to discriminate against an individual because of certain personal characteristics. It also places a duty on public sector bodies to consider the impact of decisions on groups of people with protected characteristics, and identify opportunities to counter discrimination and promote equality (the 'equality duty').
- c. The Council's Human Resources policies already ensure there is proper consultation and consideration of staffing matters and that employment-related equality issues are fully taken into account.
- d. Equality issues are considered as part of decision-making and where service reductions or closures are proposed; proportionate equality analysis is carried out and published.
- e. The majority of budget savings will be achieved by internal efficiencies and additional income generation activity rather than through service cuts or disproportionate increases in charges.
- f. The Council three year financial plan was agreed in 2013; full equality analysis was carried out and the cumulative impact report for the three-year financial plan was considered.
- g. To date, as a result of carrying out the medium, term service resource plans, no further or additional adverse effects requiring mitigation have been identified.
- h. Detail on the nature and makeup of our population against key equality groups are continually updated and are provided through links to our Joint Strategic Needs Assessment: [JSNA](#).
- i. During period 2014-15 we have not experienced changes in service demand or population change that will affect the three-year financial plan proposals. However we are continually reviewing intelligence and data that are reflected in individual equality analysis/impact assessment documents.

2 Bath & North East Somerset Council's approach to equality & diversity

- a. B&NES council takes a proportionate approach to equality where service leads complete, when necessary, a simple analysis template enabling the Council to demonstrate that we have met the equality duty and "paid due regard" to equality. This approach helps to ensure that services are tailored to the needs of all service users in particular vulnerable people.
- b. Training in equality issues is provided largely in-house by the Equality Team (comprising 1.8 staff) through the corporate training standard programmes alongside bespoke customised training, briefings and updates

3 Capital investment:

- a. It is considered that there are no specific adverse impacts on individuals or groups of people with protected characteristics within the continuing capital programme of works.
- b. Positive improvement of facilities within the capital programme include:
 - the completion of the Civic Centre and staff offices at Keynsham
 - the continuation of programme of improving access for Disabled people into public buildings and spaces (the Equality Act capital programme of works').
 - Improvement of the quality of substandard footways in the area with a result of increasing independence for older people, Disabled people and those with young children.
 - Consideration of the improvement of the riverside path as part of the transport strategy along with River Corridor and RoSPA safety works if approved will deliver environmental, safety and usage improvements to the River Avon, specifically the stretch within the city of Bath. It is anticipated that this will have benefits for all residents and visitors to Bath city, however specific beneficial effects are expected for gypsy travellers (boat dwellers), students and young people.
 - The consideration of the leisure facility modernisation (refurbishment of Bath and a newly built centre at Keynsham) if approved, will address some of the long standing issues of limited access for some Disabled people and people with long term health conditions.

- The consideration of the Saw Close pedestrianised highway ‘shared’ space will be influenced by the current ‘street scape’ audit being carried out (due to report during April 2015). The audit is consulting with Disabled people and key stakeholders to identify possible improvements to the built environment in the city centre.

4 Revenue proposals and one-off funding:

- a. It is considered that the additional spend proposals are a positive demonstration of how we are committed to protecting front line services and our staff and how these revenue proposals may go towards mitigating some of the wider effects of our financial decisions.
- b. These include but are not exclusive to:
 - Meeting the costs associated with the changes to the provisions for Deprivation of Liberty Safeguards
 - Costs arising from the implementation of the Care Act
 - Maintaining the Welfare Support Scheme and local food banks.
 - Implementing the Living Wage for Council staff and for non-teaching schools staff (for one year for schools).
 - Implementing the Green Deal: Energy at Home scheme
 - Supporting the proposed adult advice and information strategy.
 - The delivery of the Council’s Advice Services Strategy and protect as far as possible the universal services currently provided under contract to the Council.

5 Actions taken

- a. Equality issues identified in the three-year budget were addressed at Policy Development and Scrutiny meetings in their consideration of medium term plans. Where services reductions were deemed necessary, interventions were made to minimise the effects.
- b. In implementing service reductions, consideration was given to any substantial negative impact on vulnerable people and avoided wherever possible including, for example, ensuring that cuts in voluntary sector funding (when commissioned) are kept to a minimum; that there is investment in supporting communities to gain better access to services will not affect our most vulnerable communities.

6 Mitigations; positive actions, projects and interventions

- a. Some recent examples of how the Council is committed to delivering services that meet the needs of our diverse community include but are not exclusive to:
 - Development of a new One Stop Shop, partners' areas and community space in Keynsham has improved access to services and information for people outside the Bath city area; improvements to the entrance to the One Stop Shop and Shop Mobility at Lewis House in Bath further ensuring that all customers including people with mobility impairment have improved and often instant access to public services and to information. Closer working with external partners has greatly improved the way we identify and provide appropriate services for our communities.
 - Through working with partners in our One Stop Shops we aim to provide the right intervention at the right time to help those at risk or to stop people falling more into risk. (Our key partners include Housing, Social Care, Family Information Services, Curo, Learning Partnership West and Bristol Credit Union.)
 - Research into the needs of vulnerable people trying to access health and public services has been carried out and the findings have been integrated into the JSNA. This includes the needs of gypsy travellers and boat dwellers, Black minority ethnic communities and lesbian, gay, bisexual and transgender people. The results have influenced commissioning decisions of services across the public sector in B&NES. Further research during 2015 is being carried out into the needs of older people; those with sensory impairment and into the efficacy of social prescribing for people with mental ill health.
 - The Council continues to address the difficulties faced by families and households through the 'connecting families' project, focussing on households with at least one young person with education absence of greater than 15%; those involved in housing related anti-social behaviour, and young offenders. Research shows there are over 300 households meeting one or more of these criteria.
 - In order to deliver good services that meet people's needs, we use the Joint Strategic Needs Assessment to work closely with our partners in providing good services that in turn help us to address inequality. The use of the JSNA is instrumental in assisting the Council and our partners to make difficult decisions about budget and spending priorities, we refer to this as 'evidence based commissioning'.

Resolution for Setting Council Tax for 2015/16

That Council approves:

1. The revenue budget as set out in Appendix 1 Annex 1 to the report.
2. The 2015/16 capital budget as set out in Appendix 1 Annex 3 to the report.
3. That the 2015/16 expenditure is funded as follows:

| | Total £ |
|--|--------------------|
| 2015/16 Gross Expenditure | 321,059,224 |
| 2015/16 Income (service income and specific grants) | 192,121,074 |
| Core Funding: | |
| Revenue Support Grant | 20,504,292 |
| Retained Business Rates* | 31,581,233 |
| Use of Reserves | 819,098 |
| Collection Fund Surplus | 1,578,177 |
| 2015/16 Gross Income | 246,603,874 |
| Council Tax Requirement (excluding Parish Precepts) | 74,455,350 |

* Before Tariff Payment

4. a) That it be noted that on the 19th December 2014 the Divisional Director of Business Support (as authorised section 151 officer) agreed **61,950.62** Band D property equivalent as the Council Tax Base for the year 2015/16 in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 35(5) of the Local Government Finance Act 1992.

b) The amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amount of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate is given as Annex 1 (1).
[Annex 1 (1) gives Band D Tax base by parish]

5. That the following amounts be now calculated by the Council for the 2015/16 financial year in accordance with Sections 31 to 36 of the Local Government and Finance Act 1992, as amended:

a) **£323,288,909** (=£321,059,224 (gross expenditure) +£2,229,685 (Parish precepts)) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the 1992 Act.

[This is the gross expenditure incurred in performing functions and charged to the revenue account, contingencies for revenue, any financial reserves to be raised, financial reserves to meet prior year deficit not yet provided for, any amounts transferred from its general fund to its collection fund in accordance with section 97(4) of the Local Government Finance 1988 Act, and any amounts transferred from general fund to collection fund under section 98(5) of 1988 Act.]

b) **£246,603,874** (gross income including use of reserves) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the 1992 Act.

[This is the income estimated to accrue which will be credited into the revenue account for the year in accordance with proper practices, any amounts transferred in the year from the collection fund to the general fund in accordance with section 97(3) of the 1988 Act, any amounts which will be transferred from the collection fund to the general fund pursuant to

a direction under section 98(4) of the 1988 Act and will be credited to the revenue account for the year, and financial reserves used to provide for items in Section 31A(2)]

c) **£76,685,035** being the amount by which the aggregate at 5(a) above exceeds the aggregate at 5(b) above calculated by the Council in accordance with Section 31A(4) of the 1992 Act as its **Council Tax requirement** for the year.

d) **£ 1,237.84** being the amount at 5(c) above divided by the amount at 4(a) above, calculated in accordance with Section 31B of the 1992 Act, as the basic amount of Council Tax for the year.

[This is the average Council tax including B&NES and parish precepts]

e) **£ 2,229,685** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the 1992 Act.

[This is the total of parish precepts]

f) **£1,201.85** being the amount at 5(d) above less the result given by dividing the amount at 5(e) above by the amount at 4(a) above, calculated by the Council, in accordance with Section 34(2) of the 1992 Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no special item relates.

[This is the B&NES Council tax only excluding parish precepts]

g) The amounts given by adding to the amount at 5(f) above the amounts of special items or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 4(b) above, calculated by the Council, in accordance with section 34(3) of the 1992 Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate are given at Annex 1 (3).

*[Annex 1 (3) gives the Band D Council tax for each area **including** the parish precepts]*

h) The amounts given by multiplying the amounts at 5(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the 1992 Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands are given in Annex 1 (4).

[Annex 1 (4) shows the B&NES and parish Council Tax for all bands.]

Precepting Authorities

6. That it be noted that for the year 2015/16 the Police & Crime Commissioner for Avon and Somerset has determined the amount in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:-

7. Avon and Somerset Police

Valuation Bands

| A | B | C | D | E | F | G | H |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| £116.52 | £135.94 | £155.36 | £174.78 | £213.62 | £252.46 | £291.30 | £349.56 |

8. That it be noted that for the year 2015/16 Avon Fire Authority met on 6th February 2015 to determine the amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:-

9. Avon Fire Authority

Valuation Bands

| A | B | C | D | E | F | G | H |
|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| £44.40 | £51.80 | £59.20 | £66.60 | £81.40 | £96.20 | £111.00 | £133.20 |

10. That, having calculated the aggregate in each case of the amounts 7, 9 and 5(h) above, the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992 hereby sets the following amounts as the amounts of Council Tax for the 2015/16 financial year for each of the categories of dwellings shown, as listed in Annex 1 (5).

11. On average (for a Band D, 2 adult household) the Council Tax for 2015/16 will be as follows:

| <i>Reference Band D 2014/15 £</i> | | £ Band D 2015/16 | % Increase on 2014/15 |
|---|--------------------------------------|---------------------|--------------------------|
| 1,201.85 | Bath and North East Somerset Council | 1,201.85 | 0.00 |
| 35.72 | Average Parish Precept | 35.99 | 0.76 |
| 65.30 | Avon Fire Authority | 66.60 | 1.99 |
| 171.37 | Avon and Somerset Police | 174.78 | 1.99 |
| 1,474.24 | Total Tax charged | 1,479.22 | 0.34 |

[Overall annual increase in average Band D Council Tax is £4.98]

12. The Council's basic amount of Council Tax for 2015/16 is not determined to be excessive in accordance with principles approved under section 52ZB Local Government Finance Act 1992.

Band D Tax Base Bath and North East Somerset Council Annex 1 (1)

| Town/Parish/City of:- | Tax Base |
|------------------------------|-----------------|
| Bath | 30,170.81 |
| Bathampton | 719.58 |
| Batheaston | 1,085.78 |
| Bathford | 783.88 |
| Cameley | 432.27 |
| Camerton | 242.61 |
| Charlcombe | 208.79 |
| Chelwood | 60.99 |
| Chew Magna | 596.52 |
| Chew Stoke | 458.08 |
| Claverton | 69.79 |
| Clutton | 546.64 |
| Combe Hay | 93.15 |
| Compton Dando | 284.66 |
| Compton Martin | 247.69 |
| Corston | 190.46 |
| Dunkerton | 225.10 |
| East Harptree | 302.42 |
| Englishcombe | 129.06 |
| Farmborough | 428.77 |
| Farrington Gurney | 321.74 |
| Freshford | 282.98 |
| High Littleton | 787.17 |
| Hinton Blewett | 138.12 |
| Hinton Charterhouse | 237.48 |
| Kelston | 84.62 |
| Keynsham | 5,376.16 |
| Marksbury | 182.01 |
| Midsomer Norton | 3,692.80 |
| Monkton Combe | 174.56 |
| Nempnett Thrubwell | 93.30 |
| Newton St. Loe | 65.16 |
| North Stoke | 42.96 |
| Norton Malreward | 110.41 |
| Paulton | 1,832.18 |
| Peasedown St. John | 2,101.55 |
| Priston | 124.26 |
| Publow | 472.99 |
| Radstock | 1,553.74 |
| St. Catherine | 39.45 |
| Saltford | 1,785.94 |
| Shoscombe | 161.94 |
| South Stoke | 227.95 |
| Stanton Drew | 313.00 |
| Stowey Sutton | 591.94 |

| Town/Parish/City of:- | |
|------------------------------|------------------|
| Swainswick | 132.99 |
| Timsbury | 911.34 |
| Ubley | 173.48 |
| Wellow | 241.06 |
| West Harptree | 196.84 |
| Westfield | 1,775.17 |
| Whitchurch | 448.28 |
| | |
| TOTAL | 61,950.62 |

Annex 1 (2)

Charter Trust / Parish Council Tax Rates 2015/16

| Parish/Charter Trust/Town Council | Precept £ | Tax base | Band D £ |
|--|------------------|-----------------|-----------------|
| Bath | £198,524 | 30,170.81 | £6.58 |
| Bathampton | £23,000 | 719.58 | £31.96 |
| Batheaston | £35,000 | 1,085.78 | £32.23 |
| Bathford | £16,884 | 783.88 | £21.54 |
| Cameley | £20,000 | 432.27 | £46.27 |
| Camerton | £12,075 | 242.61 | £49.77 |
| Charlcombe | £1,470 | 208.79 | £7.04 |
| Chelwood | £350 | 60.99 | £5.74 |
| Chew Magna | £21,500 | 596.52 | £36.04 |
| Chew Stoke | £15,000 | 458.08 | £32.75 |
| Claverton | £2,970 | 69.79 | £42.56 |
| Clutton | £30,639 | 546.64 | £56.05 |
| Combe Hay | £8,500 | 93.15 | £91.25 |
| Compton Dando | £7,011 | 284.66 | £24.63 |
| Compton Martin | £8,960 | 247.69 | £36.17 |
| Corston | £6,900 | 190.46 | £36.23 |
| Dunkerton | £6,997 | 225.10 | £31.08 |
| East Harptree | £9,150 | 302.42 | £30.26 |
| Englishcombe | £5,994 | 129.06 | £46.44 |
| Farmborough | £13,880 | 428.77 | £32.37 |
| Farrington Gurney | £10,260 | 321.74 | £31.89 |
| Freshford | £17,920 | 282.98 | £63.33 |
| High Littleton | £25,500 | 787.17 | £32.39 |
| Hinton Blewett | £7,985 | 138.12 | £57.81 |
| Hinton Charterhouse | £12,432 | 237.48 | £52.35 |
| Kelston | £1,560 | 84.62 | £18.44 |
| Keynsham | £423,953 | 5,376.16 | £78.86 |
| Marksbury | £5,320 | 182.01 | £29.23 |
| Midsomer Norton | £318,172 | 3,692.80 | £86.16 |
| Monkton Combe | £5,935 | 174.56 | £34.00 |
| Nempnett Thrubwell | £1,600 | 93.30 | £17.15 |
| Newton St. Loe | £4,500 | 65.16 | £69.06 |
| North Stoke | - | 42.96 | 0.00 |

| Parish/Charter Trust/Town Council | Precept £ | Tax base | Band D £ |
|--|-------------------|------------------|-----------------|
| Norton Malreward | £4,000 | 110.41 | £36.23 |
| Paulton | £214,250 | 1,832.18 | £116.94 |
| Peasedown St. John | £162,771 | 2,101.55 | £77.45 |
| Priston | £6,210 | 124.26 | £49.98 |
| Publow | £11,000 | 472.99 | £23.26 |
| Radstock | £207,968 | 1,553.74 | £133.85 |
| St. Catherine | £750 | 39.45 | £19.01 |
| Saltford | £29,702 | 1,785.94 | £16.63 |
| Shoscombe | £6,813 | 161.94 | £42.07 |
| South Stoke | £7,680 | 227.95 | £33.69 |
| Stanton Drew | £8,416 | 313.00 | £26.89 |
| Stowey Sutton | £18,730 | 591.94 | £31.64 |
| Swainswick | £2,800 | 132.99 | £21.05 |
| Timsbury | £47,000 | 911.34 | £51.57 |
| Ubley | £6,730 | 173.48 | £38.79 |
| Wellow | £10,115 | 241.06 | £41.96 |
| West Harptree | £8,000 | 196.84 | £40.64 |
| Westfield | £171,810 | 1,775.17 | £96.79 |
| Whitchurch | £25,000 | 448.28 | £55.77 |
| Total | £2,229,685 | 61,950.62 | £35.99 |

**B&NES Council Tax Band D Rates 2015/16 - including parishes but without
Police and Fire Precept**

| Parish/Charter Trust/Town Council | Council element of Band D Council Tax £ | Parish Precept Band D Council Tax £ | Total Band D Council Tax £ |
|--|--|--|---------------------------------------|
| Bath | £1,201.85 | £6.58 | £1,208.43 |
| Bathampton | £1,201.85 | £31.96 | £1,233.81 |
| Batheaston | £1,201.85 | £32.23 | £1,234.08 |
| Bathford | £1,201.85 | £21.54 | £1,223.39 |
| Cameley | £1,201.85 | £46.27 | £1,248.12 |
| Camerton | £1,201.85 | £49.77 | £1,251.62 |
| Charlcombe | £1,201.85 | £7.04 | £1,208.89 |
| Chelwood | £1,201.85 | £5.74 | £1,207.59 |
| Chew Magna | £1,201.85 | £36.04 | £1,237.89 |
| Chew Stoke | £1,201.85 | £32.75 | £1,234.60 |
| Claverton | £1,201.85 | £42.56 | £1,244.41 |
| Clutton | £1,201.85 | £56.05 | £1,257.90 |
| Combe Hay | £1,201.85 | £91.25 | £1,293.10 |
| Compton Dando | £1,201.85 | £24.63 | £1,226.48 |
| Compton Martin | £1,201.85 | £36.17 | £1,238.02 |
| Corston | £1,201.85 | £36.23 | £1,238.08 |
| Dunkerton | £1,201.85 | £31.08 | £1,232.93 |
| East Harptree | £1,201.85 | £30.26 | £1,232.11 |
| Englishcombe | £1,201.85 | £46.44 | £1,248.29 |
| Farmborough | £1,201.85 | £32.37 | £1,234.22 |
| Farrington Gurney | £1,201.85 | £31.89 | £1,233.74 |
| Freshford | £1,201.85 | £63.33 | £1,265.18 |
| High Littleton | £1,201.85 | £32.39 | £1,234.24 |
| Hinton Blewett | £1,201.85 | £57.81 | £1,259.66 |
| Hinton Charterhouse | £1,201.85 | £52.35 | £1,254.20 |
| Kelston | £1,201.85 | £18.44 | £1,220.29 |
| Keynsham | £1,201.85 | £78.86 | £1,280.71 |
| Marksbury | £1,201.85 | £29.23 | £1,231.08 |
| Midsomer Norton | £1,201.85 | £86.16 | £1,288.01 |
| Monkton Combe | £1,201.85 | £34.00 | £1,235.85 |
| Nempnett Thrubwell | £1,201.85 | £17.15 | £1,219.00 |
| Newton St. Loe | £1,201.85 | £69.06 | £1,270.91 |
| North Stoke | £1,201.85 | 0.00 | £1,201.85 |
| Norton Malreward | £1,201.85 | £36.23 | £1,238.08 |
| Paulton | £1,201.85 | £116.94 | £1,318.79 |
| Peasedown St. John | £1,201.85 | £77.45 | £1,279.30 |
| Priston | £1,201.85 | £49.98 | £1,251.83 |
| Publow | £1,201.85 | £23.26 | £1,225.11 |
| Radstock | £1,201.85 | £133.85 | £1,335.70 |
| St. Catherine | £1,201.85 | £19.01 | £1,220.86 |
| Saltford | £1,201.85 | £16.63 | £1,218.48 |
| Shoscombe | £1,201.85 | £42.07 | £1,243.92 |
| South Stoke | £1,201.85 | £33.69 | £1,235.54 |

| Parish/Charter Trust/Town Council | Council element of Band D Council Tax £ | Parish Precept Band D Council Tax £ | Total Band D Council Tax £ |
|--|--|--|---------------------------------------|
| Stanton Drew | £1,201.85 | £26.89 | £1,228.74 |
| Stowey Sutton | £1,201.85 | £31.64 | £1,233.49 |
| Swainswick | £1,201.85 | £21.05 | £1,222.90 |
| Timsbury | £1,201.85 | £51.57 | £1,253.42 |
| Ubley | £1,201.85 | £38.79 | £1,240.64 |
| Wellow | £1,201.85 | £41.96 | £1,243.81 |
| West Harptree | £1,201.85 | £40.64 | £1,242.49 |
| Westfield | £1,201.85 | £96.79 | £1,298.64 |
| Whitchurch | £1,201.85 | £55.77 | £1,257.62 |

B&NES Council Tax Rates 2015/16 - including parishes but without Police and Fire Precept

| £ Parish/Charter Trust | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|------------------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bath | £805.62 | £939.89 | £1,074.16 | £1,208.43 | £1,476.97 | £1,745.51 | £2,014.05 | £2,416.86 |
| Bathampton | £822.54 | £959.63 | £1,096.72 | £1,233.81 | £1,507.99 | £1,782.17 | £2,056.35 | £2,467.62 |
| Batheaston | £822.72 | £959.84 | £1,096.96 | £1,234.08 | £1,508.32 | £1,782.56 | £2,056.80 | £2,468.16 |
| Bathford | £815.59 | £951.52 | £1,087.46 | £1,223.39 | £1,495.26 | £1,767.12 | £2,038.98 | £2,446.78 |
| Cameley | £832.08 | £970.76 | £1,109.44 | £1,248.12 | £1,525.48 | £1,802.84 | £2,080.20 | £2,496.24 |
| Camerton | £834.41 | £973.48 | £1,112.55 | £1,251.62 | £1,529.76 | £1,807.90 | £2,086.03 | £2,503.24 |
| Charlcombe | £805.92 | £940.25 | £1,074.57 | £1,208.89 | £1,477.53 | £1,746.18 | £2,014.81 | £2,417.78 |
| Chelwood | £805.06 | £939.23 | £1,073.41 | £1,207.59 | £1,475.95 | £1,744.30 | £2,012.65 | £2,415.18 |
| Chew Magna | £825.26 | £962.80 | £1,100.35 | £1,237.89 | £1,512.98 | £1,788.07 | £2,063.15 | £2,475.78 |
| Chew Stoke | £823.06 | £960.24 | £1,097.42 | £1,234.60 | £1,508.96 | £1,783.32 | £2,057.66 | £2,469.20 |
| Claverton | £829.60 | £967.87 | £1,106.14 | £1,244.41 | £1,520.95 | £1,797.49 | £2,074.01 | £2,488.82 |
| Clutton | £838.60 | £978.36 | £1,118.13 | £1,257.90 | £1,537.44 | £1,816.97 | £2,096.50 | £2,515.80 |
| Compton Dando | £862.06 | £1,005.74 | £1,149.42 | £1,293.10 | £1,580.46 | £1,867.82 | £2,155.16 | £2,586.20 |
| Compton Martin | £817.65 | £953.93 | £1,090.20 | £1,226.48 | £1,499.03 | £1,771.59 | £2,044.13 | £2,452.96 |
| Compton Martin | £825.34 | £962.90 | £1,100.46 | £1,238.02 | £1,513.14 | £1,788.26 | £2,063.36 | £2,476.04 |
| Corston | £825.38 | £962.95 | £1,100.51 | £1,238.08 | £1,513.21 | £1,788.34 | £2,063.46 | £2,476.16 |
| Dunkerton | £821.95 | £958.94 | £1,095.94 | £1,232.93 | £1,506.92 | £1,780.90 | £2,054.88 | £2,465.86 |
| East Harptree | £821.40 | £958.31 | £1,095.21 | £1,232.11 | £1,505.91 | £1,779.72 | £2,053.51 | £2,464.22 |
| Englishcombe | £832.19 | £970.89 | £1,109.59 | £1,248.29 | £1,525.69 | £1,803.09 | £2,080.48 | £2,496.58 |
| Farmborough | £822.81 | £959.95 | £1,097.08 | £1,234.22 | £1,508.49 | £1,782.77 | £2,057.03 | £2,468.44 |
| Farrington Gurney | £822.49 | £959.57 | £1,096.66 | £1,233.74 | £1,507.91 | £1,782.07 | £2,056.23 | £2,467.48 |
| Freshford | £843.45 | £984.03 | £1,124.60 | £1,265.18 | £1,546.33 | £1,827.49 | £2,108.63 | £2,530.36 |
| High Littleton | £822.82 | £959.96 | £1,097.10 | £1,234.24 | £1,508.52 | £1,782.80 | £2,057.06 | £2,468.48 |
| Hinton Blewett | £839.77 | £979.73 | £1,119.70 | £1,259.66 | £1,539.59 | £1,819.51 | £2,099.43 | £2,519.32 |
| Hinton Charterhouse | £836.13 | £975.49 | £1,114.84 | £1,254.20 | £1,532.91 | £1,811.63 | £2,090.33 | £2,508.40 |
| Kelston | £813.52 | £949.11 | £1,084.70 | £1,220.29 | £1,491.47 | £1,762.65 | £2,033.81 | £2,440.58 |
| Keynsham | £853.80 | £996.11 | £1,138.41 | £1,280.71 | £1,565.31 | £1,849.92 | £2,134.51 | £2,561.42 |
| Marksbury | £820.72 | £957.50 | £1,094.29 | £1,231.08 | £1,504.66 | £1,778.23 | £2,051.80 | £2,462.16 |

B&NES Council Tax Rates 2015/16- including parishes but without Police and Fire Precept (continued)

| £ Parish/Charter Trust | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|------------------------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Midsomer Norton | £858.67 | £1,001.78 | £1,144.90 | £1,288.01 | £1,574.24 | £1,860.46 | £2,146.68 | £2,576.02 |
| Monkton Combe | £823.90 | £961.21 | £1,098.53 | £1,235.85 | £1,510.49 | £1,785.12 | £2,059.75 | £2,471.70 |
| Nempnett Thrubwell | £812.66 | £948.11 | £1,083.55 | £1,219.00 | £1,489.89 | £1,760.78 | £2,031.66 | £2,438.00 |
| Newton St. Loe | £847.27 | £988.48 | £1,129.70 | £1,270.91 | £1,553.34 | £1,835.76 | £2,118.18 | £2,541.82 |
| North Stoke | £801.23 | £934.77 | £1,068.31 | £1,201.85 | £1,468.93 | £1,736.01 | £2,003.08 | £2,403.70 |
| Norton Malreward | £825.38 | £962.95 | £1,100.51 | £1,238.08 | £1,513.21 | £1,788.34 | £2,063.46 | £2,476.16 |
| Paulton | £879.19 | £1,025.72 | £1,172.26 | £1,318.79 | £1,611.86 | £1,904.92 | £2,197.98 | £2,637.58 |
| Peasedown St. John | £852.86 | £995.01 | £1,137.15 | £1,279.30 | £1,563.59 | £1,847.88 | £2,132.16 | £2,558.60 |
| Priston | £834.55 | £973.64 | £1,112.74 | £1,251.83 | £1,530.02 | £1,808.20 | £2,086.38 | £2,503.66 |
| Publow | £816.74 | £952.86 | £1,088.99 | £1,225.11 | £1,497.36 | £1,769.61 | £2,041.85 | £2,450.22 |
| Radstock | £890.46 | £1,038.88 | £1,187.29 | £1,335.70 | £1,632.52 | £1,929.35 | £2,226.16 | £2,671.40 |
| St. Catherine | £813.90 | £949.56 | £1,085.21 | £1,220.86 | £1,492.16 | £1,763.47 | £2,034.76 | £2,441.72 |
| Saltford | £812.32 | £947.70 | £1,083.09 | £1,218.48 | £1,489.26 | £1,760.03 | £2,030.80 | £2,436.96 |
| Shoscombe | £829.28 | £967.49 | £1,105.71 | £1,243.92 | £1,520.35 | £1,796.78 | £2,073.20 | £2,487.84 |
| South Stoke | £823.69 | £960.97 | £1,098.26 | £1,235.54 | £1,510.11 | £1,784.67 | £2,059.23 | £2,471.08 |
| Stanton Drew | £819.16 | £955.68 | £1,092.21 | £1,228.74 | £1,501.80 | £1,774.85 | £2,047.90 | £2,457.48 |
| Stowey Sutton | £822.32 | £959.38 | £1,096.43 | £1,233.49 | £1,507.60 | £1,781.71 | £2,055.81 | £2,466.98 |
| Swainswick | £815.26 | £951.14 | £1,087.02 | £1,222.90 | £1,494.66 | £1,766.42 | £2,038.16 | £2,445.80 |
| Timsbury | £835.61 | £974.88 | £1,114.15 | £1,253.42 | £1,531.96 | £1,810.50 | £2,089.03 | £2,506.84 |
| Ubley | £827.09 | £964.94 | £1,102.79 | £1,240.64 | £1,516.34 | £1,792.04 | £2,067.73 | £2,481.28 |
| Wellow | £829.20 | £967.41 | £1,105.61 | £1,243.81 | £1,520.21 | £1,796.62 | £2,073.01 | £2,487.62 |
| West Harptree | £828.32 | £966.38 | £1,104.43 | £1,242.49 | £1,518.60 | £1,794.71 | £2,070.81 | £2,484.98 |
| Westfield | £865.76 | £1,010.05 | £1,154.35 | £1,298.64 | £1,587.23 | £1,875.82 | £2,164.40 | £2,597.28 |
| Whitchurch | £838.41 | £978.15 | £1,117.88 | £1,257.62 | £1,537.09 | £1,816.57 | £2,096.03 | £2,515.24 |

B&NES Council Tax Rates 2015/16 with Parish, Police and Fire Precept

| £ Parish/Charter Trust | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Bath | £966.54 | £1,127.63 | £1,288.72 | £1,449.81 | £1,771.99 | £2,094.17 | £2,416.35 | £2,899.62 |
| Bathampton | £983.46 | £1,147.37 | £1,311.28 | £1,475.19 | £1,803.01 | £2,130.83 | £2,458.65 | £2,950.38 |
| Batheaston | £983.64 | £1,147.58 | £1,311.52 | £1,475.46 | £1,803.34 | £2,131.22 | £2,459.10 | £2,950.92 |
| Bathford | £976.51 | £1,139.26 | £1,302.02 | £1,464.77 | £1,790.28 | £2,115.78 | £2,441.28 | £2,929.54 |
| Cameley | £993.00 | £1,158.50 | £1,324.00 | £1,489.50 | £1,820.50 | £2,151.50 | £2,482.50 | £2,979.00 |
| Camerton | £995.33 | £1,161.22 | £1,327.11 | £1,493.00 | £1,824.78 | £2,156.56 | £2,488.33 | £2,986.00 |
| Charlcombe | £966.84 | £1,127.99 | £1,289.13 | £1,450.27 | £1,772.55 | £2,094.84 | £2,417.11 | £2,900.54 |
| Chelwood | £965.98 | £1,126.97 | £1,287.97 | £1,448.97 | £1,770.97 | £2,092.96 | £2,414.95 | £2,897.94 |
| Chew Magna | £986.18 | £1,150.54 | £1,314.91 | £1,479.27 | £1,808.00 | £2,136.73 | £2,465.45 | £2,958.54 |
| Chew Stoke | £983.98 | £1,147.98 | £1,311.98 | £1,475.98 | £1,803.98 | £2,131.98 | £2,459.96 | £2,951.96 |
| Claverton | £990.52 | £1,155.61 | £1,320.70 | £1,485.79 | £1,815.97 | £2,146.15 | £2,476.31 | £2,971.58 |
| Clutton | £999.52 | £1,166.10 | £1,332.69 | £1,499.28 | £1,832.46 | £2,165.63 | £2,498.80 | £2,998.56 |
| Gombe Hay | £1,022.98 | £1,193.48 | £1,363.98 | £1,534.48 | £1,875.48 | £2,216.48 | £2,557.46 | £3,068.96 |
| Gompton Dando | £978.57 | £1,141.67 | £1,304.76 | £1,467.86 | £1,794.05 | £2,120.25 | £2,446.43 | £2,935.72 |
| Gompton Martin | £986.26 | £1,150.64 | £1,315.02 | £1,479.40 | £1,808.16 | £2,136.92 | £2,465.66 | £2,958.80 |
| Corston | £986.30 | £1,150.69 | £1,315.07 | £1,479.46 | £1,808.23 | £2,137.00 | £2,465.76 | £2,958.92 |
| Dunkerton | £982.87 | £1,146.68 | £1,310.50 | £1,474.31 | £1,801.94 | £2,129.56 | £2,457.18 | £2,948.62 |
| East Harptree | £982.32 | £1,146.05 | £1,309.77 | £1,473.49 | £1,800.93 | £2,128.38 | £2,455.81 | £2,946.98 |
| Englishcombe | £993.11 | £1,158.63 | £1,324.15 | £1,489.67 | £1,820.71 | £2,151.75 | £2,482.78 | £2,979.34 |
| Farmborough | £983.73 | £1,147.69 | £1,311.64 | £1,475.60 | £1,803.51 | £2,131.43 | £2,459.33 | £2,951.20 |
| Farrington Gurney | £983.41 | £1,147.31 | £1,311.22 | £1,475.12 | £1,802.93 | £2,130.73 | £2,458.53 | £2,950.24 |
| Freshford | £1,004.37 | £1,171.77 | £1,339.16 | £1,506.56 | £1,841.35 | £2,176.15 | £2,510.93 | £3,013.12 |
| High Littleton | £983.74 | £1,147.70 | £1,311.66 | £1,475.62 | £1,803.54 | £2,131.46 | £2,459.36 | £2,951.24 |
| Hinton Blewett | £1,000.69 | £1,167.47 | £1,334.26 | £1,501.04 | £1,834.61 | £2,168.17 | £2,501.73 | £3,002.08 |
| Hinton Charterhouse | £997.05 | £1,163.23 | £1,329.40 | £1,495.58 | £1,827.93 | £2,160.29 | £2,492.63 | £2,991.16 |
| Kelston | £974.44 | £1,136.85 | £1,299.26 | £1,461.67 | £1,786.49 | £2,111.31 | £2,436.11 | £2,923.34 |
| Keynsham | £1,014.72 | £1,183.85 | £1,352.97 | £1,522.09 | £1,860.33 | £2,198.58 | £2,536.81 | £3,044.18 |

B&NES Council Tax Rates 2015/16 with Parish, Police and Fire Precept

| £ Parish/Charter Trust | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Marksbury | £981.64 | £1,145.24 | £1,308.85 | £1,472.46 | £1,799.68 | £2,126.89 | £2,454.10 | £2,944.92 |
| Midsomer Norton | £1,019.59 | £1,189.52 | £1,359.46 | £1,529.39 | £1,869.26 | £2,209.12 | £2,548.98 | £3,058.78 |
| Monkton Combe | £984.82 | £1,148.95 | £1,313.09 | £1,477.23 | £1,805.51 | £2,133.78 | £2,462.05 | £2,954.46 |
| Nempnett Thrubwell | £973.58 | £1,135.85 | £1,298.11 | £1,460.38 | £1,784.91 | £2,109.44 | £2,433.96 | £2,920.76 |
| Newton St. Loe | £1,008.19 | £1,176.22 | £1,344.26 | £1,512.29 | £1,848.36 | £2,184.42 | £2,520.48 | £3,024.58 |
| North Stoke | £962.15 | £1,122.51 | £1,282.87 | £1,443.23 | £1,763.95 | £2,084.67 | £2,405.38 | £2,886.46 |
| Norton Malreward | £986.30 | £1,150.69 | £1,315.07 | £1,479.46 | £1,808.23 | £2,137.00 | £2,465.76 | £2,958.92 |
| Paulton | £1,040.11 | £1,213.46 | £1,386.82 | £1,560.17 | £1,906.88 | £2,253.58 | £2,600.28 | £3,120.34 |
| Peasedown St. John | £1,013.78 | £1,182.75 | £1,351.71 | £1,520.68 | £1,858.61 | £2,196.54 | £2,534.46 | £3,041.36 |
| Priston | £995.47 | £1,161.38 | £1,327.30 | £1,493.21 | £1,825.04 | £2,156.86 | £2,488.68 | £2,986.42 |
| Publow | £977.66 | £1,140.60 | £1,303.55 | £1,466.49 | £1,792.38 | £2,118.27 | £2,444.15 | £2,932.98 |
| Radstock | £1,051.38 | £1,226.62 | £1,401.85 | £1,577.08 | £1,927.54 | £2,278.01 | £2,628.46 | £3,154.16 |
| St. Catherine | £974.82 | £1,137.30 | £1,299.77 | £1,462.24 | £1,787.18 | £2,112.13 | £2,437.06 | £2,924.48 |
| Saltford | £973.24 | £1,135.44 | £1,297.65 | £1,459.86 | £1,784.28 | £2,108.69 | £2,433.10 | £2,919.72 |
| Shoscombe | £990.20 | £1,155.23 | £1,320.27 | £1,485.30 | £1,815.37 | £2,145.44 | £2,475.50 | £2,970.60 |
| South Stoke | £984.61 | £1,148.71 | £1,312.82 | £1,476.92 | £1,805.13 | £2,133.33 | £2,461.53 | £2,953.84 |
| Stanton Drew | £980.08 | £1,143.42 | £1,306.77 | £1,470.12 | £1,796.82 | £2,123.51 | £2,450.20 | £2,940.24 |
| Stowey Sutton | £983.24 | £1,147.12 | £1,310.99 | £1,474.87 | £1,802.62 | £2,130.37 | £2,458.11 | £2,949.74 |
| Swainswick | £976.18 | £1,138.88 | £1,301.58 | £1,464.28 | £1,789.68 | £2,115.08 | £2,440.46 | £2,928.56 |
| Timsbury | £996.53 | £1,162.62 | £1,328.71 | £1,494.80 | £1,826.98 | £2,159.16 | £2,491.33 | £2,989.60 |
| Ubley | £988.01 | £1,152.68 | £1,317.35 | £1,482.02 | £1,811.36 | £2,140.70 | £2,470.03 | £2,964.04 |
| Wellow | £990.12 | £1,155.15 | £1,320.17 | £1,485.19 | £1,815.23 | £2,145.28 | £2,475.31 | £2,970.38 |
| West Harptree | £989.24 | £1,154.12 | £1,318.99 | £1,483.87 | £1,813.62 | £2,143.37 | £2,473.11 | £2,967.74 |
| Westfield | £1,026.68 | £1,197.79 | £1,368.91 | £1,540.02 | £1,882.25 | £2,224.48 | £2,566.70 | £3,080.04 |
| Whitchurch | £999.33 | £1,165.89 | £1,332.44 | £1,499.00 | £1,832.11 | £2,165.23 | £2,498.33 | £2,998.00 |

| Bath & North East Somerset Council | | |
|---|--|--|
| MEETING: | Council | |
| MEETING DATE: | 17 th February 2015 | |
| | | |
| TITLE: | Treasury Management Strategy Statement and Investment Strategy 2015/16 | |
| WARD: | All | |
| AN OPEN PUBLIC ITEM | | |
| List of attachments to this report: Appendix 1 - Treasury Management Strategy 2015/16 Appendix 2 - Investment Strategy 2015/16 Appendix 3 - Authorised Lending List | | |

1 THE ISSUE

- 1.1 In February 2012, the Council adopted the revised CIPFA Treasury Management in Public services Code of Practice 2011 Edition, which requires the Council to approve a Treasury Management Strategy before the start of each financial year and for this to be scrutinised by an individual / group of individuals or committee.
- 1.2 In addition, the Department for Communities and Local Government (CLG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.
- 1.3 This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.
- 1.4 This report is tabled to be scrutinised by the Corporate Audit Committee at the 26th March 2015 meeting, following which any recommended amendments to the strategy will be reported back to Cabinet.

2 RECOMMENDATION

The Council agrees to:

- 2.1 the actions proposed within the Treasury Management Strategy Statement (Appendix 1) are approved.
- 2.2 the Investment Strategy as detailed in Appendix 2 is approved.

2.3 the changes to the authorised lending lists detailed in Appendix 2 and highlighted in Appendix 3 are approved.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 The resource implications are included in the report and appendices.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 These are detailed in paragraphs 1.1 – 1.3 above.

5 THE REPORT

Background

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

5.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Investment Strategy; this sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments.

5.3 The suggested strategy for 2015/16 in respect of the following aspects of the treasury management function is based on the Treasury Officers’ views on interest rates, supplemented with leading market forecasts provided by the Council’s treasury advisor.

The strategy covers:

| | |
|---|--|
| • | Treasury limits in force which will limit the treasury risk and activities of the Council; |
| • | Treasury Management Indicators; |
| • | The current treasury position; |
| • | The borrowing requirement; |
| • | Prospects for interest rates; |
| • | The borrowing strategy; |
| • | The investment strategy. |

5.4 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby the impact on the revenue budget from: -

1. increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
2. any increases in running costs from new capital projects , and

3. increases in the Minimum Revenue Provision for capital expenditure

are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

- 5.5 The revised CIPFA Treasury Management in Public services Code of Practice 2011 Edition, adopted by Council in February 2012, requires the Treasury Management Strategy and policies to be scrutinised by an individual / group of individuals or committee. This report is tabled to be scrutinised by the Corporate Audit Committee at the 26th March 2015 meeting, following which any recommendations will be reported back to cabinet.

2015/16 Treasury Management & Investment Strategy

- 5.6 The Strategy Statement for 2014/15 set Treasury Indicators for 2014/15 – 2016/17, which included a total borrowing requirement at the end of 2014/15 of £179 million. At the end of December 2014, external borrowing was at £98 million, which may increase before the end of the 2014/15 financial year should a review of the daily cashflow highlight additional liquidity funding is required.
- 5.7 The proposed Treasury Management Strategy is attached as Appendix 1 and includes the Treasury Management Indicators required by the Treasury Management Code.
- 5.8 Although the indicators provide for a maximum level of total borrowing, this should by no means be taken as a recommended level of borrowing as each year affordability needs to be taken into account together with other changes in circumstances, for example revenue pressures, levels and timing of capital receipts, changes to capital projects spend profiles, and levels of internal cash balances.
- 5.9 The budget report, which is also on the agenda, includes appropriate provision for the revenue costs of the capital programme in accordance with this Treasury Management Strategy.
- 5.10 Appendix 1 also details the Council's current portfolio position as at 31st December 2014, which shows after the netting off of the £22.1 million investments, the Council's net debt position was £75.9 million.
- 5.11 The 2015/16 Investment Strategy is attached at Appendix 2. This sets 'outer limits' for treasury management operations. While the strategy uses credit ratings in a "mechanistic" way to rule out counterparties, in operating within the policy Officers complement this with the use of other financial information when making investment decisions, for example Credit Default Swap (CDS) prices, Individual Ratings, and the financial press. This has been the case in recent years, which protected the Council against losses of investment in Icelandic banks.
- 5.12 The Counterparty listing in Appendix 3 includes credit ratings from three agencies, as well as a sovereign rating for each country. Counterparties who now meet the minimum criteria as recommended in Appendix 2 as at 31st December 2014 are included in the listing in Appendix 3.
- 5.13 Interest rate forecasts from the Council's Treasury advisors are included in Appendix 1.

6 RATIONALE

6.1 This report is a statutory requirement.

7 OTHER OPTIONS CONSIDERED

7.1 None.

8 CONSULTATION

8.1 Consultation has been carried out with the Cabinet Member for Community Resources, Section 151 Finance Officer, Chief Executive and Monitoring Officer.

8.2 Consultation was carried out via e-mail.

8.3 This report was also on the agenda at February Cabinet.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 The Council's lending & borrowing list is regularly reviewed during the financial year and credit ratings are monitored throughout the year. All lending/borrowing transactions are within approved limits and with approved institutions. Investment & Borrowing advice is provided by our Treasury Management consultants Arlingclose.

9.3 The 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice requires the Council nominate a committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies. The Corporate Audit Committee carry out this scrutiny.

9.4 In addition, the Council maintain a risk register for Treasury Management activities, which is regularly reviewed and updated where applicable during the year.

| | |
|--|--|
| Contact person | <i>Tim Richens - 01225 477468 ; Jamie Whittard - 01225 477213</i> Tim_Richens@bathnes.gov.uk Jamie_Whittard@bathnes.gov.uk |
| Background papers | <i>2014/15 Treasury Management & Investment Strategy</i> |
| Please contact the report author if you need to access this report in an alternative format | |

APPENDIX 1

TREASURY MANAGEMENT STRATEGY – 2015/2016

Introduction

In February 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice Fully Revised 2011 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised guidance on local authority investments in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.

The Authority has substantial amounts of borrowing and lending, and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

Treasury Borrowing Limits for 2015/16 to 2017/18

It is a statutory duty under s.3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. This amount is termed the 'Affordable Borrowing Limit'.

The Council must have regard to the Prudential Code when setting the Affordable Borrowing Limit. The Code requires an authority to ensure that its total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.

The Affordable Borrowing Limit must include all planned capital investment to be financed by external borrowing and any other forms of liability, such as credit arrangements. The Affordable Borrowing Limit is to be set on a rolling basis for the forthcoming year and two successive financial years.

Treasury Management Indicators for 2015/16 – 2017/18

The Council measures and manages its exposures to treasury management risks using the following indicators. The council is asked to approve the following indicators:

Security: average credit rating

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the weighted average credit rating of its investment portfolio.

| | 2015/16 |
|---|---------|
| Minimum Portfolio average credit rating | A- |

Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as an amount of net principal borrowed will be:

| | 2015/16 | 2016/17 | 2017/18 |
|---|---------|---------|---------|
| Upper limit on fixed interest rate exposures | £182m | £193m | £190m |
| Upper limit on variable interest rate exposures | £104m | £115m | £112m |

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

| | Upper | Lower |
|---------------------------------|-------|-------|
| Under 12 months | 50% | 0% |
| 12 months and within 24 months | 75% | 0% |
| 24 months and within five years | 75% | 0% |
| Five years and within 10 years | 100% | 0% |
| 10 years and above | 100% | 0% |

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than 364 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the proportion of total principal sum invested to final maturities over 364 days will be:

| | 2015/16 | 2016/17 | 2017/18 |
|---|---------|---------|---------|
| Limit on proportion of principal invested over 364 days | £50m | £50m | £50m |

Borrowing limits

The Authorised limits for external debt include current commitments and proposals in the budget report for capital expenditure, plus additional headroom over and above the operational limit for unusual cash movements.

The Operational boundary for external debt is based on the same estimates as the authorised limit but without the additional headroom for unusual cash movements. This level also factors in the proposed approach to use internal cash-flow and future capital receipts as the preferred financing method for the capital programme.

| | 2015/16 | 2016/17 | 2017/18 |
|--|------------|------------|------------|
| Operational boundary – borrowing | £182m | £193m | £190m |
| Operational boundary – other long-term liabilities | <u>£2m</u> | <u>£2m</u> | <u>£2m</u> |
| Operational boundary – TOTAL | £184m | £195m | £192m |
| Authorised limit – borrowing | £219m | £227m | £224m |
| Authorised limit – other long-term liabilities | <u>£2m</u> | <u>£2m</u> | <u>£2m</u> |
| Authorised limit – TOTAL | £221m | £229m | £226m |

External Context & Prospects for Interest Rates (Arlingclose Ltd)

The Council has appointed Arlingclose as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following section gives their commentary on the economic context and views on the prospects for future interest rates.

Economic background: There is momentum in the UK economy, with a continued period of growth through domestically-driven activity and strong household consumption. There are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP. However, inflationary pressure is currently extremely benign and is likely to remain low in the short-term. There have been large falls in unemployment but levels of part-time working, self-employment and underemployment are significant and nominal earnings growth remains weak and below inflation.

The MPC's focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee. Despite two MPC members having voted for an 0.25% increase in rates at each of the meetings between August and December 2014, the minutes of the January 2015 meeting showed unanimity in maintaining the Bank Rate at 0.5% as there was sufficient risk that low inflation could become entrenched and the MPC became more concerned about the economic outlook.

Credit outlook: The transposition of two European Union directives into UK legislation in the coming months will place the burden of rescuing failing EU banks disproportionately onto unsecured local authority investors. The *Bank Recovery and Resolution Directive* promotes the interests of individual and small businesses covered by the Financial Services Compensation Scheme and similar European schemes, while the recast *Deposit Guarantee Schemes Directive* includes large companies into these schemes. The combined effect of these two changes is to leave public authorities and financial organisations (including pension funds) as the only senior creditors likely to incur losses in a failing bank after July 2015.

The continued global economic recovery has led to a general improvement in credit conditions since last year. This is evidenced by a fall in the credit default swap spreads of banks and companies around the world. However, due to the above legislative changes, **the credit risk associated with making unsecured bank deposits will increase** relative to the risk of other investment options available to the Authority.

Interest rate forecast: The Authority's treasury management advisor Arlingclose forecasts the first rise in official interest rates in August 2015 and a gradual pace of increases thereafter, with the average for 2015/16 being around 0.75%. Arlingclose believes the normalised level of the Bank Rate post-crisis to range between 2.5% and 3.5%. The risk to the upside (i.e. interest rates being higher) is weighted more towards the end of the forecast horizon. On the downside, Eurozone weakness and the threat of deflation have increased the risks to the durability of UK growth. If the negative indicators from the Eurozone become more entrenched, the Bank of England will likely defer rate rises to later in the year. Arlingclose projects gilt yields on an upward path in the medium term, taking the forecast average 10 year PWLB loan rate for 2015/16 to 2.7%.

Arlingclose Interest Rate Forecasts

Arlingclose central interest rate forecast – January 2015

| | Bank Rate | 3 month LIBID | 12 month LIBID | 20-year gilt yield* |
|---------|-----------|---------------|----------------|---------------------|
| Q1 2015 | 0.50 | 0.55 | 0.95 | 2.10 |
| Q2 2015 | 0.50 | 0.60 | 1.00 | 2.20 |
| Q3 2015 | 0.75 | 0.80 | 1.20 | 2.30 |
| Q4 2015 | 0.75 | 0.90 | 1.30 | 2.35 |
| H1 2016 | 1.00 | 1.15 | 1.55 | 2.50 |
| H2 2016 | 1.25 | 1.40 | 1.80 | 2.75 |
| H1 2017 | 1.50 | 1.65 | 2.05 | 3.00 |
| H2 2017 | 1.75 | 1.95 | 2.35 | 3.20 |

* The Council can currently borrow from the PWLB at 0.80% above gilt yields

The Council has budgeted for investment interest rates to remain constant at 0.45% for 2014/15 & beyond, reflecting the planned short-term duration of investments.

Local Context

Current Portfolio Position

The Council's treasury portfolio position at 31st December 2014 comprised:

| | Principal | Ave. rate |
|----------------------------------|------------------|------------------|
| | £m | % |
| External Borrowing | | |
| Fixed rate funding – PWLB | 50 | 4.79 |
| Fixed rate funding – LA's | 28 | 1.28 |
| Variable rate funding – LOBOs | 20 | 4.50* |
| Other long term liabilities | Nil | N/A |
| TOTAL GROSS EXTERNAL DEBT | 98 | 3.73 |
| | | |
| Investments | | |
| Short Term Investments | 22.1 | 0.47 |
| Long Term Investments | Nil | N/A |
| TOTAL INVESTMENTS** | 22.1 | 0.47 |
| NET DEBT | 75.9 | |

* The market loans are 'lenders options' or LOBO's. These are fixed at a relatively low rate of interest for an initial period but then revert to a higher rate of 4.5%. When the initial period is over the loans are then classed as variable, as the lender has the option to change the interest rate at 6 monthly intervals, however at this point the borrower has the option to repay the loan without penalty.

** Total Investments includes Schools balances where schools have not opted for an external bank account and cash balances related to B&NES CHC Pooled budgets and West of England Growth Points funding.

Borrowing Strategy

The Council currently holds £98 million of long-term loans (a increase of £28m on the previous year) as part of its strategy for funding previous years' capital expenditure, and we will continue to monitor appropriate opportunities for borrowing in line with the overall Capital Financing Requirement.

The Council's capital financing requirement (CFR, or underlying need to borrow) as at 31st March 2015 is expected to be £187 million, and is forecast to rise to £219 million by March 2016 as capital expenditure is incurred.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

The maximum expected long-term borrowing requirement for 2015/16 is:

| | £m |
|--------------------------------|------------|
| Not borrowed in previous years | 89 |
| Forecast increase in CFR | 32 |
| Loans maturing in 2015/16 | 10 |
| TOTAL | 131 |

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2015/16 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Authority may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

Sources of borrowing

The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board (PWLB) and its successor body
- any institution approved for investments that meets the investment criteria (this includes other local authorities)
- any other bank or building society approved by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds (except the Avon Pension Fund)
- Capital market bond investor
- Local Capital Finance Company and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised the majority of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

LGA Bond Agency: The Local Capital Finance Company was established in 2014 by the Local Government Association as an alternative, and in competition to, the PWLB. It plans to issue bonds on the capital markets on behalf of participating local authorities. The Municipal Bonds Agency as it is referred to, is a company set up and owned by Local Government to provide access to Capital Finance at advantageous borrowing rates. The Company will also seek to facilitate inter-local authority lending and access to other financial instruments. Whilst the Municipal Bond Agency will be a more administratively complicated source of finance than the PWLB, it has the potential to directly or indirectly reduce borrowing costs for local authorities. Borrowing authorities will be required to provide a joint and several liability to other participating local authority borrowers at each bond issuance, although the risks associated with this are likely to be very small given the statutory protections relating to local authority defaults. Any decision to borrow from the Municipal Bonds Agency will be subject to specific approval of the Cabinet

The Authority holds £20m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2015/16, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

Short-term and variable rate loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk.

Policy on use of Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Derivative counterparties

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

APPENDIX 2

INVESTMENT STRATEGY

Investment Policy

Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

The strategy of this policy is to set outer limits for treasury management operations. In times of exceptional market uncertainty, Council Officers will operate in a more restrictive manner than the policy allows, as has been the case during recent years.

Avon Pension Fund Investments

The Council's Treasury Management team also manage the Avon Pension Fund's internally held cash on behalf of the Fund. The regulations requires that this cash is accounted for separately and needs to be invested separately from the Council's cash, and the split has been managed this way since 1st April 2010. The Fund's investment managers are responsible for the investment of cash held within their portfolios and this policy does not relate to their cash investments.

The cash balance held internally is a working balance to cover pension payments at any point in time and as a result the working balance will be c. £10 million. This working balance represents around 0.3% of the overall assets of the Fund. These investments will operate within the framework of this Investment Strategy, but the maximum counterparty limit and investment term with any counterparty are set annually by the Avon Pension Fund Committee. These limits are in addition to the Council's limits for counterparties as set out in Appendix 3.

West of England Revolving Investment Fund (RIF)

Bath and North East Somerset Council is the Accountable Body for the West of England Revolving Investment Fund, and acts as an agent holding Government grants until they are ready to be distributed to Local Authorities for infrastructure works over the coming years.

These funds are kept separate from those of the Council, and therefore do not form part of the Council's counterparty limit restrictions. The funds are invested primarily to protect the capital, and in order to achieve this high level of capital security, investments are made solely with UK Central Government and UK Local Authorities. Any interest earned on these investments is reinvested into the fund.

Approved Investment Counterparties

The Council may invest its surplus funds with any of the counterparties in the flowing table, subject to the cash and time limits shown:

| Credit Rating | Banks Unsecured | Banks Secured | Government | Corporates | Registered Providers |
|-------------------------|------------------------|----------------------|------------------------|-------------------|-----------------------------|
| UK Central Govt. | N/A | N/A | £unlimited 50 Years | N/A | N/A |
| AAA | £10m 5 Years | £15m 20 Years | £10m 30 Years | £5m 5 Years | £5m 5 Years |
| AA+ | £10m 5 Years | £15m 10 Years | £10m 30 Years | £5m 5 Years | £5m 5 Years |
| AA | £10m 4 Years | £15m 5 Years | £10m 30 Years | £5m 5 Years | £5m 5 Years |
| AA- | £10m 3 Years | £15m 4 Years | £10m 30 Years | £5m 5 Years | £5m 5 Years |
| A+ | £10m 2 Years | £15m 3 Years | £10m 30 Years | £5m 2 Years | £5m 5 Years |
| A | £10m 1 Year | £10m 2 Years | £10m 30 Years | £5m 2 Years | £5m 5 Years |
| A- | £10m 6 Months | £10m 1 Year | £10m 30 Years | £5m 2 Years | £5m 5 Years |
| BBB+ | £5m 3 Months | £5m 6 Months | £10m 30 Years | N/A | £2m 2 Years |
| BBB | £2m Overnight | £5m 3 Months | £10m 30 Years | N/A | £2m 2 Years |
| BBB- | £2m Overnight | £5m 3 Months | £10m 30 Years | N/A | £2m 2 Years |
| None | N/A | N/A | £10m 30 Years | £5m 1 Year | £2m 2 Years |
| Pooled Funds | £10m Per Fund | | | | |

The majority of the Council's investments will be made for relatively short periods and in higher credit rated investments, giving priority to security and liquidity ahead of yield. However, where the Council has identified a core cash balance that is not required for any cash outflows in the short term, these funds will be considered suitable for a wider range of investments, with a greater focus on achieving a level of investment income that can support Council services. These may include long-term investments with registered providers of social housing, small businesses or corporate bond funds where an enhanced return is paid to cover the additional risks presented. Standard risk mitigation techniques, such as wide diversification and external credit assessments, will be employed, and no such investment will be made without a specific recommendation from the Council's treasury management adviser.

In addition, the Authority may invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Authority's treasury management adviser.

Banks Unsecured

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Current Bank Account: The Council's current accounts are held with National Westminster Bank plc (NatWest), which is close to the bottom of the above credit rating criteria. The Council will treat NatWest as "high credit quality" for the purpose of making investments that can be withdrawn on the next working day, subject to the bank maintaining a credit rating no lower than BBB-.

Banks Secured

Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government

Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates

Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent.

Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely. They will however only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

Registered Providers

Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain a high likelihood of receiving government support if needed.

Pooled Funds

Shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Other Organisations

The Council may also invest cash with other organisations, for example by making loans to small businesses. Because of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Council's treasury management adviser.

Risk Assessments & Credit Ratings

The Council uses long-term credit ratings from the three main rating agencies Fitch Ratings Ltd, Moody's Investors Service Inc and Standard & Poor's Financial Services LLC to assess the risk of investment default. The lowest available credit rating will be used to determine credit quality, unless an investment-specific rating is available.

Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade, while ratings of BB+ and below are described as speculative grade. The Council's credit rating criteria are set to ensure that it is unlikely that the Council will hold speculative grade investments, despite the possibility of repeated downgrades.

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that an BBB+ rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

If further counterparties are identified during the year that meet the minimum credit rating criteria and conform to the other criteria set out in the Treasury Management Practice Schedules, they can be added to the lending list following the agreement of the Chief Financial Officer.

The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will

cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Foreign countries

Investments in foreign countries will be limited to those that hold a AAA or AA+ sovereign credit rating from all three major credit rating agencies, and to a maximum of £15m per country for those rated AAA and £10 million per country for those rated AA+. There is no limit on investments in the UK, irrespective of the sovereign credit rating.

Sovereign credit rating criteria and foreign country limits will not apply to investments in multilateral development banks (e.g. the European Investment Bank and the World Bank) or other supranational organisations (e.g. the European Union).

Specified Investments

Specified investments are those expected to offer relatively high security and liquidity, and can be entered into with the minimum of formalities. The CLG Guidance defines specified investments as those:

- denominated in pounds sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Council defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-Specified Investments

Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown below.

| | £m |
|--|-----------|
| Total long-term investments | 50 |
| Total investments without credit ratings or rated below A- | 10 |
| TOTAL | 60 |

The time limit for long-term investments in UK Local Authorities & Local Government will be 50 years.

Long-term investments will be limited to 50% of a counterparty's limit where it meets the above credit rating criteria (except the UK Government). The combined value of short-term and long-term investments with any organisation will not exceed the limits for specified investments highlighted above.

Liquidity management

The Council regularly reviews and updates its cash flow forecasts to determine the maximum period for which funds may prudently be committed. Limits on long-term investments are set by reference to the Council's medium term financial plan, levels of reserves and cash flow forecast.

Planned investment strategy for 2015/16

Investments are made in three broad categories:

- Short-term – cash required to meet known cash outflows in the next month, plus a contingency to cover unexpected cash flows over the same period.
- Medium-term – cash required to manage the annual seasonal cash flow cycle, including amounts to cover forecast shortages, planned uses of reserves, and a longer-term contingency.
- Long-term – cash not required to meet cash flows, and used primarily to generate investment income.

Short-term funds are required to meet cash flows occurring in the next month or so, and the preservation of capital and liquidity is therefore of paramount importance. Generating investment returns is of limited concern here, although it should not be ignored. Bank deposit accounts and Money Market Funds will be the main methods used to manage short-term cash.

Medium-term funds which may be required in the next one to twelve months will be managed concentrating on security, with less importance attached to liquidity but a slightly higher emphasis on yield. The majority of investments in this period will be in the form of fixed term deposits with banks and building societies. Preference will continue to be given to investments with UK banks with approved credit ratings.

Cash that is not required to meet any liquidity need can be invested for the longer term with a greater emphasis on achieving returns that will support spending on local authority services. Decisions on making longer term investments (i.e. over 1 year) will be considered during the year after taking account of the interest rate yield curve, levels of core cash and the amount of temporary internal borrowing related to funding of capital spend. A wider range of instruments, including structured deposits, certificates of deposit, gilts and corporate bonds may be used to diversify the portfolio. The use of external fund managers that have the skills and resources to manage the risks inherent in a portfolio of long-term investments may be considered.

The Council has already reduced its cash position to repay fixed interest debt held at higher rates. The continuing low level of short-term interest rates will mean the on-going use of internal cash resources to minimise the new borrowing. This approach will be regularly reviewed in light of market conditions and the wider economic outlook.

Review Reports

The revised CIPFA Code of Practice requires that both mid year and annual review reports on treasury activities are reported to Full Council.

Other Matters

The CLG Investment Guidance also requires the Council to note the following matters each year as part of the investment strategy:

Treasury management advisers

The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues, although responsibility for final decision making remains with the Council and its officers. The services received include:

- advice and guidance on relevant policies, strategies and reports,
- advice on investment decisions,
- notification of credit ratings and changes,
- other information on credit quality,
- advice on debt management decisions,
- accounting advice,
- reports on treasury performance,
- forecasts of interest rates, and
- training courses.

The quality of this service is monitored by officers on a regular basis, focusing on supply of relevant, accurate and timely information across the headings above.

Investment training

The needs of the Council's treasury management staff for training in investment management are assessed every year as part of the staff performance development review process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment of money borrowed in advance of need

The Council may, from time to time, borrow in advance of spending need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the 2015/16 authorised borrowing limit of £219 million. The maximum periods between borrowing and expenditure is expected to be two years, although the Council does not link particular loans with particular items of expenditure.

This page is intentionally left blank

Proposed Counterparty List - Unsecured Bank Investments

| 2015/16 | | | | | | | | | | | |
|--|--|--|--------------------|--------|---------|-----------------|--------|-------------|--------|------|-----|
| CRITERIA | | | | | | | | | | | |
| | | | FITCH RATINGS | | | Moody's Ratings | | S&P Ratings | | | |
| | | | S/Term | L/Term | Support | S/Term | L/Term | S/Term | L/Term | | |
| Duration | | | Council Limit (£m) | | | | | | | | |
| UK Banks | | | Sovereign Rating | | AA+ | | Aa1 | | AAA | | |
| Barclays Bank plc | | | 1 Year | 10 | F1 | A | 1 | P-1 | A2 | A-1 | A |
| Goldman Sachs International | | | 1 Year | 10 | F1 | A | | P-1 | A2 | A-1 | A |
| HSBC Bank plc | | | 3 Years | 10 | F1+ | AA- | 1 | P-1 | Aa3 | A-1+ | AA- |
| Lloyds Banking Group | | | | | | | | | | | |
| Lloyds Bank plc | | | 1 Year | 10 | F1 | A | 1 | P-1 | A1 | A-1 | A |
| Bank of Scotland plc | | | 1 Year | 10 | F1 | A | 1 | P-1 | A1 | A-1 | A |
| Royal Bank of Scotland Group | | | | | | | | | | | |
| National Westminster Bank plc | | | 3 Months | 5 | F1 | A | 1 | P-2 | Baa1 | A-2 | A- |
| Royal Bank of Scotland plc | | | 3 Months | 5 | F1 | A | 1 | P-2 | Baa1 | A-2 | A- |
| Santander UK plc (domiciled in UK) | | | 1 Year | 10 | F1 | A | 1 | P-1 | A2 | A-1 | A |
| Standard Chartered Bank | | | 2 Years | 10 | F1+ | AA- | 1 | P-1 | A1 | A-1 | A+ |
| UK Building Societies | | | | | | | | | | | |
| Nationwide | | | 1 Year | 10 | F1 | A | 1 | P-1 | A2 | A-1 | A |
| Yorkshire | | | 3 Months | 5 | F1 | A- | 5 | P-2 | Baa1 | - | - |
| Coventry | | | 6 Months | 5 | F1 | A | 5 | P-2 | A3 | - | - |
| Leeds | | | 6 Months | 5 | F1 | A- | 5 | P-2 | A3 | - | - |
| Foreign Banks | | | | | | | | | | | |
| Australia | | | Sovereign Rating | | AAA | | Aaa | | AAA | | |
| Australia & New Zealand Banking Group | | | 2 Years | 10 | F1+ | AA- | 1 | P-1 | Aa2 | A-1+ | AA- |
| Commonwealth Bank of Australia | | | 2 Years | 10 | F1+ | AA- | 1 | P-1 | Aa2 | A-1+ | AA- |
| National Australia Bank Group | | | | | | | | | | | |
| National Australia Bank Ltd | | | 2 Years | 10 | F1+ | AA- | 1 | P-1 | Aa2 | A-1+ | AA- |
| Westpac Banking Corporation | | | 2 Years | 10 | F1+ | AA- | 1 | P-1 | Aa2 | A-1+ | AA- |
| Canada | | | Sovereign Rating | | AAA | | Aaa | | AAA | | |
| Bank of Montreal | | | 2 Years | 10 | F1+ | AA- | 1 | P-1 | Aa3 | A-1 | A+ |
| Bank of Nova Scotia | | | 2 Years | 10 | F1+ | AA- | 1 | P-1 | Aa2 | A-1 | A+ |
| Canadian Imperial Bank of Commerce | | | 2 Years | 10 | F1+ | AA- | 1 | P-1 | Aa3 | A-1 | A+ |
| Royal Bank of Canada | | | 3 Years | 10 | F1+ | AA | 1 | P-1 | Aa3 | A-1+ | AA- |
| Toronto-Dominion Bank | | | 3 Years | 10 | 10 | AA- | 1 | P-1 | Aa1 | A-1+ | AA- |
| Finland | | | Sovereign Rating | | AAA | | Aaa | | AAA+ | | |
| Nordea Bank Finland ABP | | | 3 Years | 10 | F1+ | AA- | 1 | P-1 | Aa3 | A-1+ | AA- |
| Pohjola Bank plc | | | 2 Years | 10 | F1 | A+ | 1 | P-1 | Aa3 | A-1+ | AA- |
| Germany | | | Sovereign Rating | | AAA | | Aaa | | AAA | | |
| Deutsche Bank AG | | | 6 Months | 5 | F1+ | A+ | 1 | P-2 | A3 | A-1 | A |
| Landesbank Hessen-Thuringen | | | 1 Year | 10 | F1+ | A+ | 1 | P-1 | A2 | A-1 | A |
| Netherlands | | | Sovereign Rating | | AAA | | Aaa | | AAA+ | | |
| Bank Nederlandse Gemeenten | | | 5 Years | 10 | F1+ | AAA | 1 | P-1 | Aaa | A-1+ | AA+ |
| Coöperatieve Centrale Raiffe | | | 2 Years | 10 | F1+ | AA- | 1 | P-1 | Aa2 | A-1 | A+ |
| ING Bank NV | | | 1 Year | 10 | F1+ | A+ | 1 | P-1 | A2 | A-1 | A |
| Singapore | | | Sovereign Rating | | AAA | | Aaa | | AAA | | |
| Development Bank of Singapore Ltd | | | 3 Years | 10 | F1+ | AA- | 1 | P-1 | Aa1 | A-1+ | AA- |
| Oversea-Chinese Banking Corp | | | 3 Years | 10 | F1+ | AA- | 1 | P-1 | Aa1 | A-1+ | AA- |
| United Overseas Bank Ltd | | | 3 Years | 10 | F1+ | AA- | 1 | P-1 | Aa1 | A-1+ | AA- |
| Sweden | | | Sovereign Rating | | AAA | | Aaa | | AAA | | |
| Svenska Handelsbanken | | | 3 Years | 10 | F1+ | AA- | 1 | P-1 | Aa3 | A-1+ | AA- |
| Switzerland | | | Sovereign Rating | | AAA | | Aaa | | AAA | | |
| Credit Suisse AG | | | 1 Year | 10 | F1 | A | 1 | P-1 | A1 | A-1 | A |
| USA | | | Sovereign Rating | | AAA | | Aaa | | AAA+ | | |
| J P Morgan Chase Bank NA | | | 2 Year | 10 | F1 | A+ | 1 | P-1 | Aa3 | A-1 | A+ |
| Supernational | | | | | | | | | | | |
| Council of Europe Development | | | 5 Years | 10 | F1+ | AA+ | - | P-1 | Aa1 | A-1+ | AA+ |
| European Bank for Reconstruction & Dev | | | 5 Years | 10 | F1+ | AAA | - | P-1 | Aaa | A-1+ | AAA |
| European Investment Bank | | | 5 Years | 10 | F1+ | AAA | - | P-1 | Aaa | A-1+ | AAA |
| Inter-American Development Bank | | | 5 Years | 10 | F1+ | AAA | - | P-1 | Aaa | A-1+ | AAA |
| IBRD (World Bank) | | | 5 Years | 10 | F1+ | AAA | - | P-1 | Aaa | A-1+ | AAA |
| Kreditanstalt Fuer Wiefrauf | | | 5 Years | 10 | F1+ | AAA | - | P-1 | Aaa | A-1+ | AAA |
| Nordic Investment Bank | | | 5 Years | 10 | - | - | - | P-1 | Aaa | A-1+ | AAA |

Summary Guide to Credit Ratings

| Rating Details | |
|----------------|---|
| AAA | Highest credit quality – lowest expectation of default, which is unlikely to be adversely affected by foreseeable events. |
| AA | Very high credit quality - expectation of very low default risk, which is not likely to be significantly vulnerable to foreseeable events. |
| A | High credit quality - expectations of low default risk which may be more vulnerable to adverse business or economic conditions than is the case for higher ratings. |
| BBB | Good credit quality - expectations of default risk are currently low but adverse business or economic conditions are more likely to impair this capacity. |
| BB | Speculative - indicates an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time. |
| B | Highly speculative - indicates that material default risk is present, but a limited margin of safety remains. Capacity for continued payment is vulnerable to deterioration in the business and economic environment. |
| CCC | Substantial credit risk - default is a real possibility. |
| CC | Very high levels of credit risk - default of some kind appears probable. |
| C | Exceptionally high levels of credit risk - default is imminent or inevitable. |
| RD | Restricted default - indicates an issuer that has experienced payment default on a bond, loan or other material financial obligation but which has not entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, and which has not otherwise ceased operating. |
| D | Default - indicate an issuer that has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. |

| Bath & North East Somerset Council | |
|---|---|
| MEETING | Council |
| MEETING DATE: | 17th February 2015 |
| TITLE: | Approval of Bath & North East Somerset Community Infrastructure Levy |
| WARD: | All |
| AN OPEN PUBLIC ITEM | |
| List of attachments to this report: Attachment 1: B&NES Charging Schedule | |

1 THE ISSUE

- 1.1 This report recommends approval of the B&NES Community Infrastructure Levy (CIL). Following the examination hearings on the 8th January 2015, the Examiner recommended approval of the CIL, with modifications. The Council can only approve the CIL if it accepts the Examiner's modifications.

2 RECOMMENDATION

2.1 That Full Council ;

- 1) approve the B&NES Community Infrastructure Levy as modified by the Examiner (Attachment 1) with a commencement date of 6th April 2015
- 2) delegate responsibility to the Divisional Director for Development, in consultation with the Cabinet Member for Homes and Planning, to make minor amendments and to correct any errors to the documentation before CIL comes into effect.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

Background

- 3.1 The purpose of CIL is to contribute to the funding of the infrastructure needed to support the District's long term growth aspirations as set out in the Core Strategy. CIL could secure between £12.5 and £17 million funding for infrastructure. This essentially replaces that part of Section 106 funding which the Council can no longer seek after 6th April 2015 when developer contributions are scaled back. CIL can only be levied if there is a funding gap in infrastructure provision.

- 3.2 The preparation of the CIL charging schedule and the review of the Planning Obligations SPD has been funded by the Local Development Framework budget.

CIL Spend: The Regulation 123 List vs. Planning obligations

- 3.3 The use of income generated through CIL must be spent on infrastructure. The types of infrastructure for CIL spend are listed in the B&NES Regulations 123 list guided by the Infrastructure Delivery Programme (IDP). The Regulation 123 list is only a high level clarification of the types of infrastructure that CIL will be spent. Its preparation is a requirement in order to avoid double charging developers with both CIL and Section 106 contributions. The Regulation 123 List was reported to Cabinet on 11th February 2015 and can be amended at the authority's discretion.
- 3.4 The Council has secured nearly £20 million through Section 106 agreements in the last 10 years. The current Planning Obligation SPD has had to be reviewed to align it with CIL because the Council's ability to seek Section 106 is being scaled back. This will affect what infrastructure or contributions the Council seeks developers to provide through new development. The Regulation 123 List sets out the infrastructure that CIL will be spent on to distinguish it from the infrastructure that will be secured via s.106 planning obligations. The amended Planning Obligations SPD was adopted by Cabinet on 11th February and is due to come into effect alongside CIL on 6th April 2015.
- 3.5 The IDP identifies the infrastructure required across a broad range of Service Providers and statutory undertakers to deliver the District's plans for growth as set out in the Core Strategy. The IDP includes an estimate of the costs and is regularly updated and refined. The costs and requirements in the longer term are unavoidably more difficult to identify. The IDP is therefore subject to on-going updating and refinement. It is not a formal investment programme and does not entail financial commitment by the Council or other statutory providers.
- 3.6 Once the Council has completed the regulatory process to enable it to charge CIL, the arrangements for agreeing priorities for CIL spend will need to be clarified. This is a level of detail greater than that required in the Regulation 123 list and will need to take into account future budget decisions and the Capital Programme. The IDP confirms that there is a funding gap to which CIL will need to make a contribution. However CIL will not be the sole funding source. It will supplement other potential funding streams such as Business Rate Growth, New Homes Bonus, the Revolving Infrastructure Fund, HCA funding and site specific Section 106 developer contributions.
- 3.7 Each of these will need to be considered by the Council as part of its medium term service and resource planning process and the Capital Programme. The IDP lists the infrastructure requirements to support new growth, including provision to be provided by developers and other organisations such as utility companies and other public bodies.
- 3.8 Fifteen per cent of CIL income (a cap applies) must be passed on to the local community where it is generated and this rises to 25% (uncapped) where there is an adopted Neighbourhood Plan.

Implementation of CIL

- 3.9 Alongside setting the CIL charging schedule, work is underway to establish the Local Authority as a CIL Charging Authority. This includes the appointment of a CIL Coordinator to arrange and oversee charging arrangements and Section 106/CIL Monitoring Officer to implement CIL. Charging Authorities can use up to 5% of their total receipts to cover the cost of setting up and administering the levy.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The CIL Charging Schedule must comply with relevant legislation, and the National Planning Policy Framework (2012). The Planning Act 2008 (Part 11) made provision for the introduction of the Community Infrastructure Levy (CIL). Regulations governing the preparation and operation of CIL Charging Schedule were first introduced in April 2010, and have subsequently been amended a number of times - the CIL (Amendment) Regulations 2011, the CIL (Amendment) Regulations 2012, the CIL (Amendment) Regulations 2013, and the CIL (Amendment) Regulations 2014. In addition, Part 6, Chapter 2 of the Localism Act 2011 has the effect of amending parts of the Planning Act 2008 as it relates to CIL.
- 4.2 The Council can only approve the CIL if it accepts the Examiner's modifications.
- 4.3 CIL Regulations 2010 (Part 11) (as amended) also incorporate a corresponding scaling back of tariff based approaches to planning obligations under Section 106 of the Town and Country Planning Act 1990.

5 THE REPORT

The Charging Schedule

- 5.1 The hearings into the B&NES CIL were held on 8th January 2015 and the Examiner's report was received on 30th January. The Examiner concluded that, subject to some modifications, the B&NES Draft CIL Charging Schedule should be approved because provides an appropriate basis for the collection of the levy in the area. On this basis, the report seeks Council's approval of the CIL Charging Schedule (Attachment 1).
- 5.2 CIL is effectively a tax on new development and therefore cannot be used as a policy tool. The key issue in setting the rate is that local authorities must strike "*an appropriate balance*" between revenue maximisation on one hand and the potentially adverse impact upon the viability of development on the other. It must be informed by evidence of **viability** of development although there is some room for pragmatism. The Council therefore commissioned a development viability assessment to inform the formulation of the charging schedule.
- 5.3 Given that CIL is a fixed tariff, it is important that the Council sets rates that are reasonable and not at the margins of viability. It is necessary to ensure that a 'buffer' or margin is included, so that the levy is able to support development when economic circumstances adjust and also to absorb some abnormal development costs. The Council must also be careful not to frustrate its other key objectives such as delivering affordable housing. Consequently, sensitive CIL rate setting for residential schemes is vital.
- 5.4 The proposed rates in the draft charging schedule, with modifications by the Examiner, are set out below. It reflects a careful consideration of balancing the costs of development with the need to maximise income for infrastructure. It should be born in mind that the CIL charge is only a relatively small part of development costs which will ultimately be born by the land owner. The Council has been careful to set general rates which do not cause viability difficulties for development. Particular issues are explained in the table below.

| Use | £/m ² | Notes | Examiner's recommendations |
|-------------|------------------|---|---|
| Residential | £100 | Viability varies across the district with highest rates in the environs of Bath and lower viability in the south and west. However these differences are not significant because whilst house prices are higher in the Bath | The Examiner endorses the proposed rate. He concluded that |

| | | | |
|--|--------------------------------------|---|---|
| | | area, so are build costs and the Core Strategy sets a higher affordable housing requirement for the higher value area. Also, the rural environs of Bath fall almost entirely within the Green Belt where very limited housing is likely to come forward. In the interests of simplicity, a flat rate across the district is considered reasonable. | the proposed rate is soundly based with a sufficient buffer level and does not pose a threat to development viability. |
| urban extensions | £50 | These sites warrant a different charge to the district-wide residential rate. The most effective approach to provision of site specific infrastructure, primarily for primary school provision should be via Section 106 agreements. This justifies the lower rate to be charged in the urban extension sites identified in the Core Strategy. | |
| Specialised, Extra Care & Retirement Accommodation | Urban extensions £50, elsewhere £100 | <p>The viability evidence recognises that these uses have different viability consideration due to their lower gross to net ratio of developments (due to the need for communal facilities), and the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. However, these developments typically command premium sales values that outperform local markets. Furthermore, the sites tend to be more efficiently used, due to lower car parking requirements and higher densities in comparison to standard residential developments. These factors help to offset the lower internal efficiency and longer sales period. Then the appraisal concludes that such developments are unlikely to generate significantly different results from those generated by other residential development.</p> <p>During the Examination, evidence showed that schemes with higher non-saleable floorspace may have viability issues and the proposal to exclude the schemes which provide non-saleable floorspace in excess of 30% of Gross Internal Area from CIL rate was discussed at the hearings.</p> | <p>The examiner acknowledges an additional significant cost associated with communal spaces. Higher than 30% non-saleable space would become more challenging or rendered unviable.</p> <p>Therefore he recommended excluding the schemes that provide non-saleable floorspace in excess of 30% of Gross Internal Area.</p> |
| Retail | £150 | <p>The viability of high street retail development is higher in central Bath which would support a rate of £150/m². In other centres, the viability evidence indicates that a £nil charge is appropriate.</p> <p>An exception to this is large supermarket, superstores and retail warehouses which would support a charge of £150 across the district.</p> | <p>The Examiner endorses the proposed rates.</p> <p>He concluded that the proposed rates and differentiation to be reasonable and supported by the evidence.</p> |
| Hotel | £100 | In Bath this rate allows an adequate buffer for site-specific factors. Outside Bath, hotel values are lower, which adversely impacts on the viability of new hotel development. A nil rate on hotel development outside the city | The Examiner endorses the proposed rate. |

| | | | |
|--|---|--|--|
| | | boundary of Bath is therefore recommended. | |
| Student housing | Market £200 Sub-market: £nil | <p>The degree to which developments can absorb CIL is largely dependent on the rent levels set. There is a significant differential between rents in the private sector and the University Sector (with sub market rent). Student housing let at commercial rents can absorb a higher charge than at the sub-market rents.</p> <p>The submitted draft charging schedule differentiated student housing as 'on-campus' and 'off-campus'. In order to reflect the evidence more closely and make the intention clear, the rate differentiation of student accommodation types was discussed at the hearings.</p> | The Examiner accepted the rates and the post submission changes recommends to set £nil for schemes with sub-market rents and £200 for schemes with market rents. |
| Office | £nil | Although there is a demand for space, such development does not generate rents that would be high enough to support new development, particularly in Bath where build costs are significantly higher. The viability evidence identifies that office development is unlikely to come forward in the short to medium term. This can be monitored in order to inform future reviews of CIL. | The Examiner endorses the proposed rate. |
| Industrial and warehousing | £nil | The viability evidence indicates that these uses are unlikely to generate positive residual land values and therefore a zero rate is recommended. | The Examiner endorses the proposed rate. |
| Other uses. | £nil | BNP Paribas has also tested Use classes D1 (community facilities eg schools, health centres, museums and places of worship) and D2 (leisure). These typically do not include revenue generating operations. Other uses that do generate an income stream (such as swimming pools) have operating costs that are far higher than the income and require public subsidy. Many D1 uses will be infrastructure themselves, which CIL will help to provide. It is therefore unlikely that D1 and D2 uses will be capable of generating any contribution towards CIL. These will sometimes include developments that are operated commercially (such as gyms) but with many new operations opening in existing floorspace, very little, if any CIL income could be secured. On this basis BNP Paribas has recommended a nil rate on such uses. | The Examiner endorses the proposed rate. |
| All uses in Bath Western Riverside (BWR) See map in Charging Schedule Attachment 1 | £nil | At the examination Hearing sessions, the developer's representative explained that circumstances regarding BWR had changed which may result in a new planning application being submitted. Any new permission would fall under the CIL regime and the developer representative was of the view that this would cause significant viability issues. | The Examiner had considered the evidence submitted and recommends £nil for all development within the BWR area. |

| | | | |
|--|--|---|--|
| | | <p>Given the strategic significance of BWR to the Core Strategy, the Examiner has asked the Council and BWR developer to prepare a Statement of Common Ground.</p> <p>The Statement sets out the viability issues and acknowledges that the development (including appropriate infrastructure provision such as a new primary school) is most effectively delivered through the s.106 mechanism if a new planning application were to be submitted.</p> | |
|--|--|---|--|

- 5.5 Reflecting the above considerations, the proposed Charging Schedule is set out in Attachment 1. The Regulation 123 List was due to be agreed by Cabinet in February.

Discretionary Relief & Payment in Kind

- 5.6 A local authority wishing to offer discretionary relief in its area must first give public notice of its intention to do so. Likewise, under the CIL Regulations, a charging authority (the Council) may accept one or more land payments instead of all or part of the CIL due (ie a payment in kind). Also, the Council may set a policy to accept one or more “infrastructure payments” (value of infrastructure) in place of the whole or part of the CIL due. The infrastructure must be strategic in nature (as in types of infrastructure listed in the Reg 123 list).
- 5.7 The report to Cabinet on 11th February sought delegation to the Divisional Director for Development, in consultation with the Cabinet Member for Homes and Planning, to give notice that Discretionary Exceptional Circumstances Relief, will be made available in the District and that ‘Payment in Kind and Infrastructure Payment’s will be made available in the District.

Instalment Policy

- 5.8 A charging authority can set its own levy payment deadlines and/or offer the option of paying by instalments. If it does so, it must publish an instalments policy on its website and make it available for inspection at its principal offices. It requires at least 28 days’ notice to adopt or change the policy. Where no instalment policy is in place, payment is due in full at the end of 60 days after development commenced.
- 5.9 The report to Cabinet on 11th February sought delegation to implement the following instalment policy where the total CIL liability is greater than £35,000;
- 33% paid 60 days after development commenced
 - 33% paid 12 months after deployment commenced
 - 34% paid 18 months after development commenced.

Monitoring and review arrangements

- 5.10 The CIL, the IDP, the Regulation 123 List and the Planning Obligations will be regularly monitored and key issues reported through the Authority Monitoring Report where appropriate. This monitoring will inform the need for future reviews. Cabinet agreed on 11th February to recommend to Full Council that CIL should be reviewed within at least 2 years of approval.

Planning Obligations Supplementary Planning Document

- 5.11 The Planning Obligations SPD supplements the Core Strategy and Local Plan and it will also supplement the Placemaking Plan when adopted. The SPD sets out the Council requirements on developer contributions related to new development. It has been reviewed alongside the preparation of CIL in order to reflect the new regulations which

scale back developer contributions to site specific infrastructure. The revised SPD was due to be adopted by Cabinet on 11th February, to become effective alongside CIL in April 2015.

6 RATIONALE

- 6.1 The Council has sought to set CIL rates which have struck an appropriate balance between revenue maximisation on one hand and the potentially adverse impact upon the viability of development on the other.

7 OTHER OPTIONS CONSIDERED

- 7.1 The adoption of a CIL Charging Schedule is discretionary for the Council, however, the scaling back of the use of pooled Section 106 obligations is not discretionary. As such, should the Council elect not to adopt a CIL Charging Schedule, it is likely to have significant implications with regard to funding infrastructure in the District.

8 CONSULTATION

- 8.1 CIL was subject to statutory consultation procedures which were undertaken in line with the B&NES Statement of Community Involvement. The parties consulted in the ongoing preparation of the Draft Charging Schedule (and the preliminary Draft Charging Schedule) include;

- Internal Council Services
- External Infrastructure providers
- Commercial agents
- Local Chambers of Commerce and economic groups
- Adjoining Councils
- The local community
- Other bodies set out in the Statement of Community Involvement

- 8.2 Consultation arrangements for the DCS, Reg 123 List and the revised Planning Obligations SPD were;

- Notification of those who have requested to be kept informed;
- Notification in the Local Press & website;
- Targeted consultation within the business sector;
- Engagement with Parish & Town Councils; and
- Engagement with other bodies set out in the Statement of Community Involvement.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

| | |
|---|--|
| Contact person | <p><i>Lisa Bartlett 01225 477550,</i></p> <p><i>Simon de Beer 01225 477616,</i></p> <p><i>Kaoru Jacques 01225 477288</i></p> |
| Background papers | <p><i>Background papers available from; www.bathnes.gov.uk/cil</i></p> <ul style="list-style-type: none"> <i>• B&NES draft Regulation 123 list</i> <i>• Viability Test Update by BNP Paribas</i> <i>• B&NES CIL Evidence Paper</i> <i>• B&NES Core Strategy (July 2014)</i> <i>• B&NES CIL Examiner's Report</i> <i>• B&NES Infrastructure Delivery Plan IDP</i> <i>• B&NES EqlA Report</i> <i>• SEA/SA Screening Report Regulation 15(7) Consultation Statement</i> |
| <p>Please contact the report author if you need to access this report in an alternative format</p> | |

Bath and North East Somerset Council

**Community Infrastructure Levy (CIL)
Charging Schedule**

Final Version for Adoption

Approved Date: *To be inserted following approval*

Takes effect on: **6th April 2015** *[subject to approval]*

COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE

The Charging Authority

The Charging Authority is the Bath and North East Somerset District (B&NES) Council.

Date of Approval

The Council approved this Community Infrastructure Levy (CIL) Charging Schedule on [date to be inserted following Council approval].

Date of Effect

The CIL Charging Schedule takes effect on [date to be inserted following Council approval].

Statutory Compliance

The CIL Charging Schedule has been approved and published in accordance with the Community Infrastructure Levy Regulations 2010 (as amended 2011, 2012, 2013, and 2014) and Part 11 of the Planning Act 2008 (as amended by Part 6 of the Localism Act 2011). In setting the levy rates, Bath and North East Somerset Council has struck an appropriate balance between:

- The desirability of funding from CIL, in whole or in part, the estimated cost of infrastructure required to support the development of its area, taking into account other actual and expected sources of funding, and
- The potential effects, taken as a whole, of the imposition of CIL on the economic viability of development across its area

CIL RATES

| DEVELOPMENT TYPE | LOCATION / CRITERIA | CIL CHARGE £/M ² |
|---|---|-----------------------------|
| RESIDENTIAL (Class C3) including Specialised, Extra Care and Retirement Accommodation ¹ | District wide | £ 100 |
| | Strategic Sites/ Urban Extensions | £ 50 |
| | Bath Western Riverside | £Nil |
| HOTEL (Class C1) | In Bath | £ 100 |
| | Bath Western Riverside | £ Nil |
| | Rest of District | £ Nil |
| RETAIL In-centre / High Street Retail | Bath city centre | £ 150 |
| | Other centres | £ Nil |
| | Bath Western Riverside | £ Nil |
| SUPERMARKETS, SUPERSTORES AND RETAIL WAREHOUSE (over 280m ²) | District wide | £ 150 |
| | Bath Western Riverside | £ Nil |
| OFFICES (Class B1) | District wide | £ Nil |
| INDUSTRIAL AND WAREHOUSING | District wide | £ Nil |
| STUDENT ACCOMMODATION | Schemes with market rents | £ 200 |
| | Schemes with submarket rents ² to be set in Section 106 planning agreement | £ Nil |
| | Bath Western Riverside | £Nil |
| ANY OTHER DEVELOPMENT | District wide | £Nil |

¹ Excludes Specialist, Extra Care and Retirement accommodation that provides non-saleable floorspace in excess of 30% of Gross Internal Area.

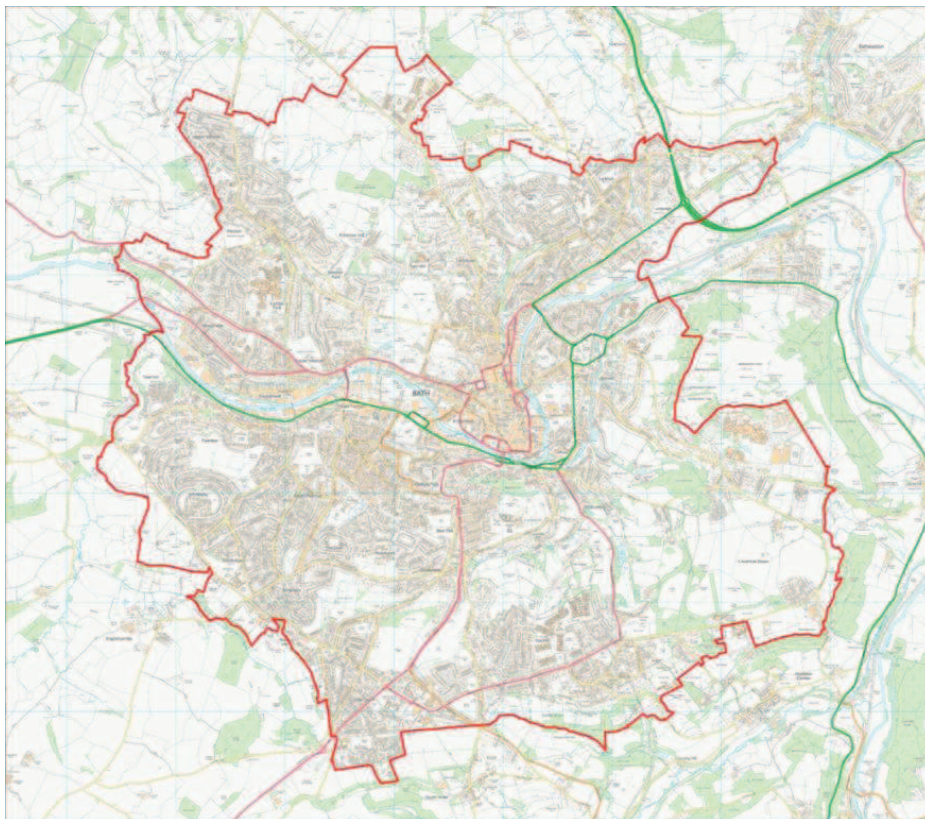
² Sub-market rent means student accommodation units which are to be let at a rent which is no more than 80% of the local market rent (including any service charges).

- Strategic sites/urban extensions:
As defined within the Core Strategy (Policies B3A, B3C, KE3A, KE4 and RA5)
- Retail (Class A1/A2/A3/A4/A5)
- In-centre / High Street Retail as defined within the Core Strategy

- Supermarket - large format convenience-led stores. The area used for the sale of goods will be above that applied for the purposes of the Sunday Trading Act of 280sq. m sales area.
- Student Accommodation (purpose built accommodation for students). (Planning Use Classes under Town and Country Planning (Use Classes) Order 1987 (as amended))

The attached plans identify the locations and boundaries to which the residential and non-residential CIL charges apply.

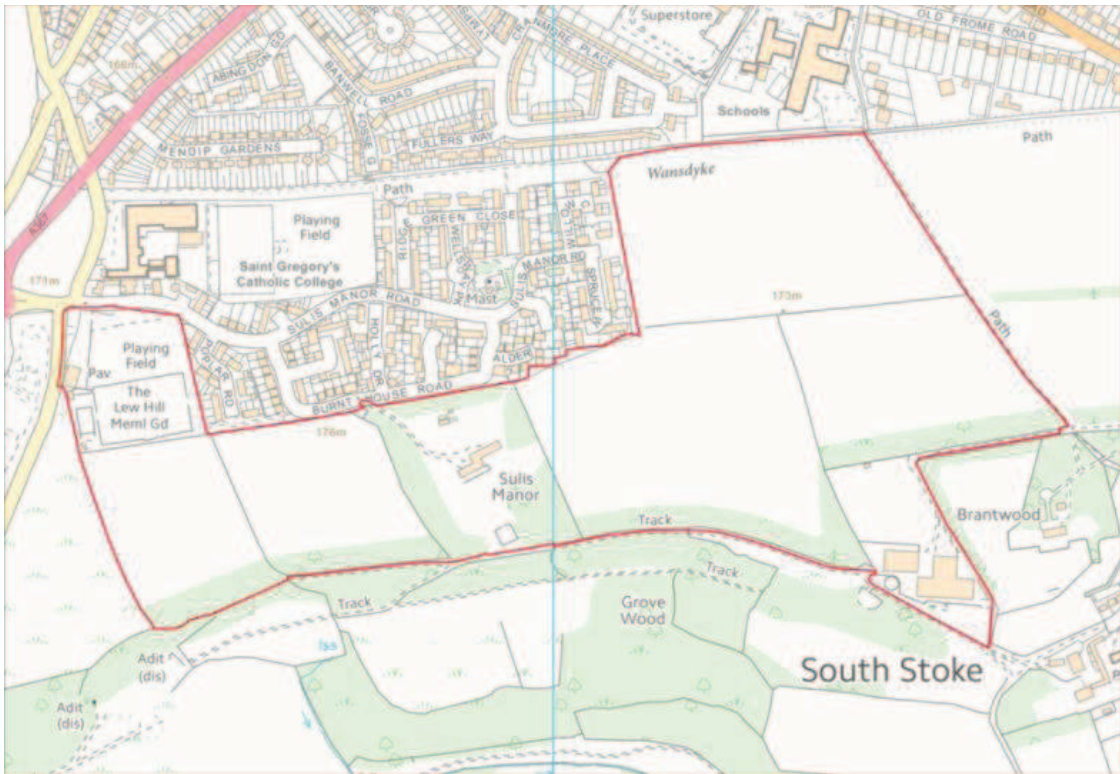
Plan 1 The CIL Charging Zone for Hotel Development in Bath



Plan 2 The Charging Zone for Bath City Centre Retail Development



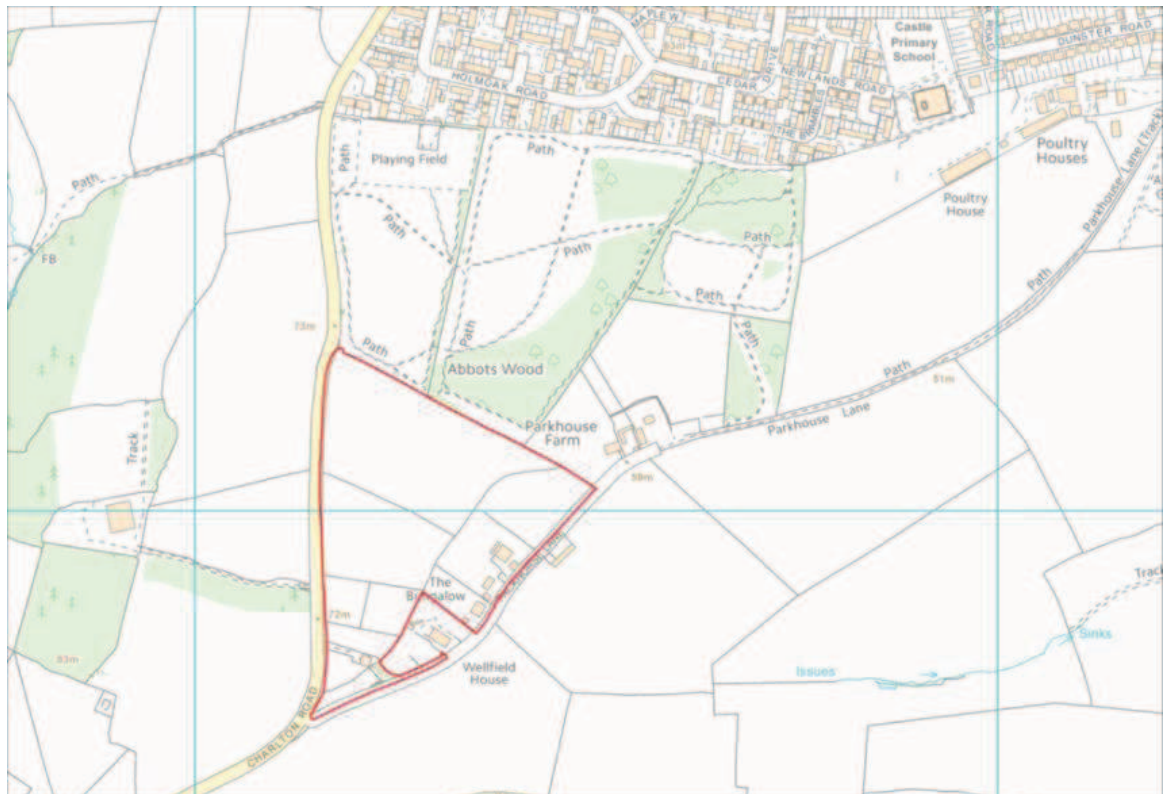
Plan 3 Strategic Site: Land adjoining Odd Down Charging Zone



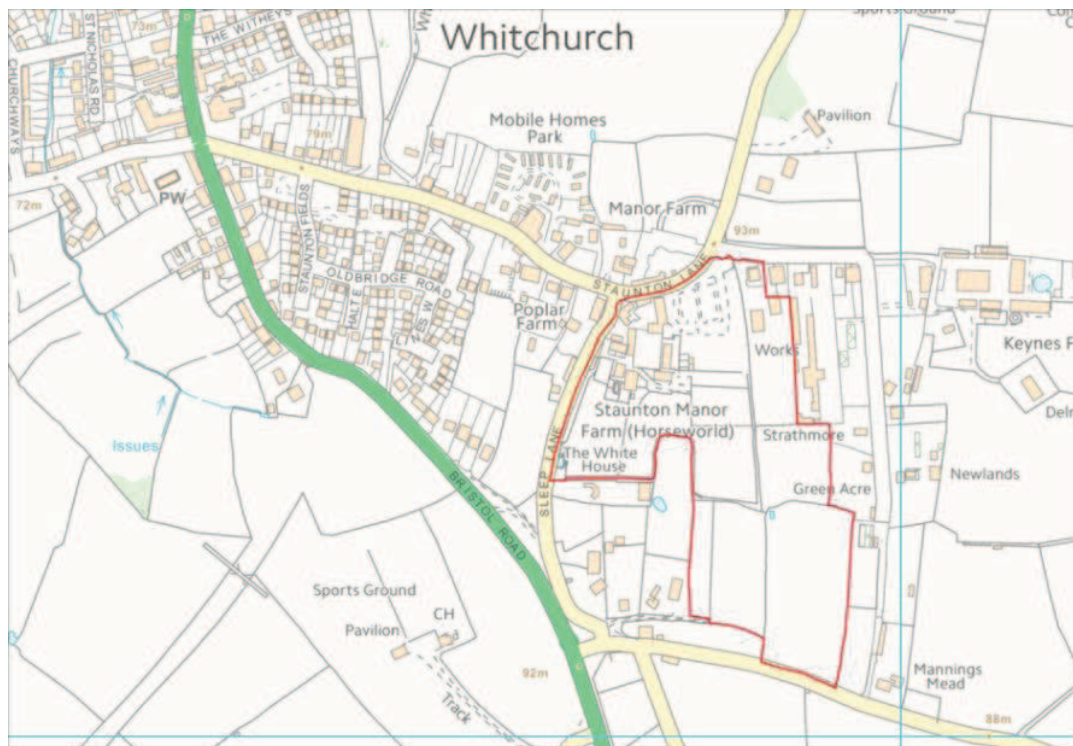
Plan 4 Strategic Site: Land adjoining East Keynsham Charging Zone



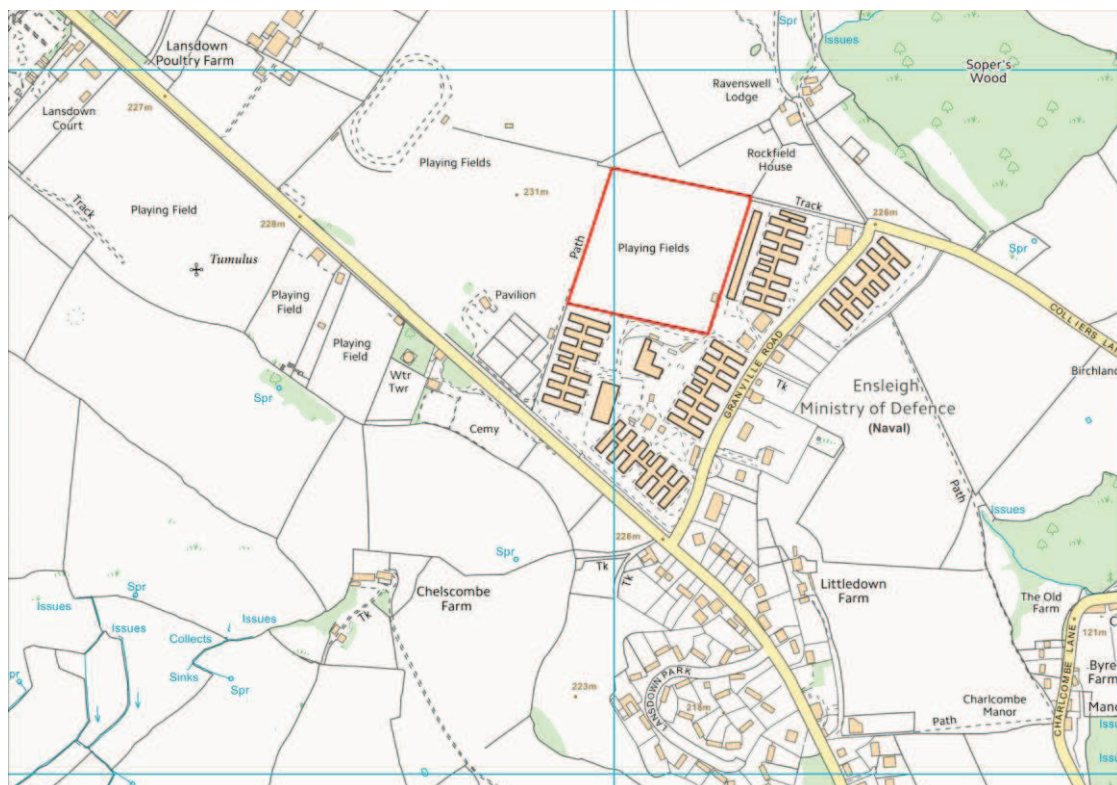
Plan 5 Strategic Site: Land adjoining South West Keynsham Charging Zone



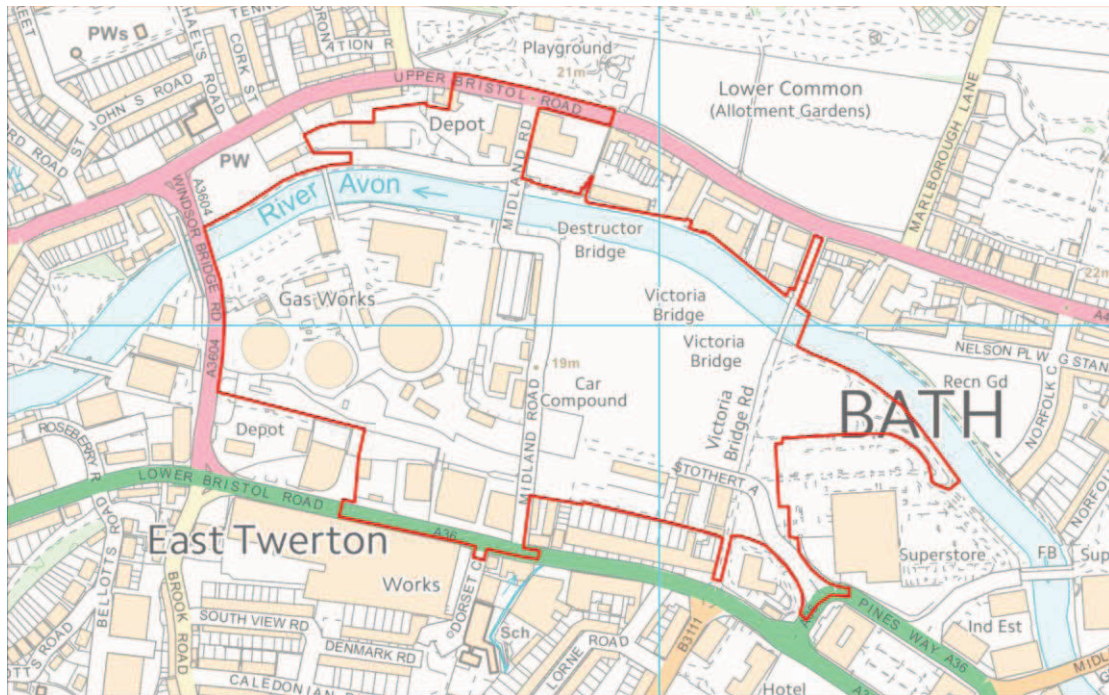
Plan 6 Strategic Site: Land at Whitchurch Charging Zone



Plan 7 Strategic Site: Extension to MoD Ensleigh, Bath Charging Zone



Plan 8: Bath Western Riverside Charging Zone



CALCULATION OF CHARGEABLE AMOUNT

CIL charges will be calculated in accordance with CIL Regulation 40 (as amended) of the Community Infrastructure Levy Regulations 2010 (as amended). The chargeable amount will relate to the net additional Gross Internal Area and the CIL rate as set out in the Charging Schedule, index linked using the Royal Institution of Chartered Surveyors' All-in Tender Price Index figures for the year in which the planning permission is granted and the year in which this charging schedule took effect.

A summary of how the CIL charge will be calculated is as follows:

$$\frac{\text{CIL Rate (R)} \times \text{Chargeable Gross Internal Area (A)} \times \text{BCIS Tender Index (Ip)}}{\text{BCIS Tender Index (Ic)}}$$

Where

R= CIL Rate as set out in the Charging Schedule for relevant use/ area

A = net increase in Gross Internal floor area

Ip = The BCIS All-in Tender Price Index for the year in which planning permission was granted

Ic = The BCIS All-in Tender Price Index for the year in which the charging schedule containing rate R took effect (and the figure for a given year is the figure for 1st November of the preceding year)

All maps within this publication are © Crown Copyright 2014 and reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. Licence number 100023334.

This page is intentionally left blank