

Democratic Services

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Date: 14th November 2012

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**To: All Members of the Economic and Community Development Policy
Development and Scrutiny Panel**

Councillor Robin Moss
Councillor Ben Stevens
Councillor Patrick Anketell-Jones
Councillor Brian Simmons
Councillor Michael Evans
Councillor Lisa Brett
Councillor Manda Rigby

Chief Executive and other appropriate officers
Press and Public

Dear Member

**Economic and Community Development Policy Development and Scrutiny Panel:
Thursday, 22nd November, 2012**

You are invited to attend a meeting of the **Economic and Community Development Policy Development and Scrutiny Panel**, to be held on **Thursday, 22nd November, 2012 at 1.00 pm** in the **Kaposvar Room - Guildhall, Bath**.

The agenda is set out overleaf.

Yours sincerely

Jack Latkovic
for Chief Executive

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 Jack Latkovic who is available by telephoning Bath 01225 394452 or by calling at the Riverside Offices Keynsham (during normal office hours).
- 2. 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. Advance notice is required not less than two full working days before the meeting (this means that for meetings held on Wednesdays notice must be received in Democratic Services by 4.30pm the previous Friday)

The public may also ask a question to which a written answer will be given. Questions must be submitted in writing to Democratic Services at least two full working days in advance of the meeting (this means that for meetings held on Wednesdays, notice must be received in Democratic Services by 4.30pm the previous Friday). If an answer cannot be prepared in time for the meeting it will be sent out within five days afterwards. Further details of the scheme can be obtained by contacting Jack Latkovic as above.

- 3. Details of Decisions taken at this meeting** can be found in the minutes which will be published as soon as possible after the meeting, and also circulated with the agenda for the next meeting. In the meantime details can be obtained by contacting Jack Latkovic as above.

Appendices to reports are available for inspection as follows:-

Public Access points - Riverside - Keynsham, Guildhall - Bath, Hollies - Midsomer Norton, and Bath Central, Keynsham and Midsomer Norton public libraries.

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

- 4. Attendance Register:** Members should sign the Register which will be circulated at the meeting.
- 5. THE APPENDED SUPPORTING DOCUMENTS ARE IDENTIFIED BY AGENDA ITEM NUMBER.**
- 6. 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.

**Economic and Community Development Policy Development and Scrutiny Panel -
Thursday, 22nd November, 2012**

at 1.00 pm in the Kaposvar Room - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

4. 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 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.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. MINUTES OF THE MEETING ON 27TH SEP 2012 (Pages 7 - 14)

To confirm the minutes of the above meeting as a correct record.

8. COMMUNITY SAFETY PLAN: AVON AND SOMERSET POLICE 'IMPACT' (30 MINUTES) (Pages 15 - 16)

In December 2010, Avon and Somerset Police launched IMPACT, which is a multi-agency Integrated Offender Management unit, which includes Police, Probation, Prisons and Drug services. Its key focus is to stop re-offending - working together to target those offenders of most concern in a more structured and coordinated way. The IMPACT approach was nationally recognised in the Government's green paper; 'breaking the cycle: effective punishment, rehabilitation and sentencing of offenders'. This report invites the Panel to receive and ask questions of a presentation about how this scheme has progressed since 2010 and, the outcomes it has achieved.

The Panel is asked to agree that:

- It receives and comments on a presentation setting out the key principles of this work and identifies questions for consideration
- It examines and tests this work and its outcomes and wider impacts
- It identifies where any further support is needed from the Council and partners

9. MEDIUM TERM SERVICE & RESOURCE PLANNING - 2013/14-2015/16 (90 MINUTES) (Pages 17 - 76)

The draft Regeneration, Skills and Major Projects (RS&MP) Medium Term Service & Resource Plan (MTSRP) together with the Place MTSRP is presented for consideration by the Panel:

- To ensure all members of the Panel are aware of the context for Service Action Planning and budget setting
- To enable comment on the choices inherent in the medium term plan
- To enable issues to be referred to the relevant Portfolio.

Please note that it is only the regeneration and skills aspect of the first plan and the Tourism, Leisure & Culture (including Heritage) aspect of the second plan that is directly relevant to this Panel.

The other aspects of the plans will be considered by the other PDS panels and this Panel is requested to focus on the aspects of these plans directly relevant to its remit. The PDS Resources Panel will be taking an overview.

The Panel is asked to:

- 1) Comment on the (relevant parts of the) medium term plan for Regeneration, Skills and Major Projects together with (the relevant parts of) the medium term plan for Place

- 2) Identify any issues requiring further consideration and highlighting as part of the budget process for 2013/14
- 3) Identify any issues arising from the draft plan it wishes to refer to the relevant portfolio holder(s) for further consideration.

10. WORKPLAN (Pages 77 - 82)

This report presents the latest workplan for the Panel.

The Committee Administrator for this meeting is Jack Latkovic who can be contacted on 01225 394452.

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BATH AND NORTH EAST SOMERSET

ECONOMIC AND COMMUNITY DEVELOPMENT POLICY DEVELOPMENT AND SCRUTINY PANEL

Thursday, 27th September, 2012

Present:- Councillors Robin Moss (Chair), Ben Stevens (Vice-Chair), Patrick Anketell-Jones, Brian Simmons, Michael Evans and Manda Rigby

Also in attendance:

26 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting.

27 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

28 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillor Lisa Brett had sent her apology to the Panel.

Councillor Cherry Beath (Cabinet Member for Sustainable Development) had sent her apology to the Panel.

29 DECLARATIONS OF INTEREST

Councillor Robin Moss declared the interest on item 9 of the agenda (Assets of Community Value) as a Member of Westfield Parish Council.

30 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

31 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

Peter Duppa-Miller made a statement under item 11 on the agenda (BDUK – Connecting Devon and Somerset Broadband Project).

32 MINUTES OF THE MEETING ON 12TH JULY 2012

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chairman.

33 COMMUNITY SAFETY PLAN: 'STUDENT WATCH' - BATH SPA UNIVERSITY AND UNIVERSITY OF BATH (20 MINUTES)

The Chairman invited Sue Dicks (Community Manager Partnership Delivery) to give the presentation.

Sue Dicks highlighted the following points in her presentation:

- Introduction and background of the scheme
- Student Watch launched in June 2010 due to steady increase of students being victims of crime and due to increase in house fires
- Overall aim was to increase students' awareness by running a campaign, work with Community Safety partnership and communicate with students
- Experience of one student who was victim of theft crime
- Water Safety Awareness - activities with Fire and rescue in terms of education on this matter
- Leaflets about the danger of being near river when on night out
- Property Marking campaign - over 4,000 mobile phones and laptops are registered
- Scam Mail
- Partnership
- Useful web links

A full copy of the presentation is available on the Minute Book in Democratic Services.

The Panel made the following points:

The Panel welcomed the presentation and welcomed the scheme as such. The Panel was also pleased that students are taught about self-help and asked who ensures the continuity that students will go on representing themselves.

Sue Dicks replied that generally there is behaviour change as students get older. Also, third year students mentor 1st year students.

The Panel commented that lot of cheap drinks are available for students and makes them easy target. The Panel asked if those messages could be passed to students.

Sue Dicks agreed that students become easy target once they get their hands on cheap drinks and took that suggestion on board.

The Panel **RESOLVED** to note the presentation and report.

34 ASSETS OF COMMUNITY VALUE - UPDATE (25 MINUTES)

The Chairman invited Andy Thomas (Group Manager for Partnership Delivery) to introduce the report.

The Panel made the following points:

The Panel welcomed the report and commented that it will be interesting to see how assets of community value will work in practice.

Councillor Rigby (who sit also on resources PDS Panel as Vice-Chair) commented that this matter was on Resources agenda not so long ago. The Panel set up working group and the Panel decided to go for couple of site visit. Councillor Rigby invited Members of this Panel to join Resources Panel for site visits.

Councillor Rigby also added that the Resources Panel identified large differences between the assets owned by the Council and those assets that are not owned by the Council. The Resources also looked into what will happen if there is bankrupt scenario with this matter.

Andy Thomas gave more detail about 2nd criteria outlined on pg 25 of the report. The legislation does refer to the Council and it is reasonable that the Council's priority and approach should at least be reflected somewhere. The intention is that some degree of safeguard is in place (in case if it is against to what Council wishes to achieve). We are very aware on the balance between the correct and fair process and light touch.

The Panel commented that this will have limited value as it is restricted to rural area, as oppose to town, simply because land prices are so high. There will be uneven distribution and also, because it will be more rural it will require significant resource from Local Authority to make it work.

Andy Thomas commented that the Government done some assessment on this. The Council discovered that the amount of officers' time to set this up was more than the Government expected because of the complexity of it. In terms of running the programme it is still unknown how it will work.

At this point of the meeting Councillor Robin Moss declared the interest as a Member of Westfield Parish Council.

It was **RESOLVED** to:

- 1) Ask Resources PDS Panel to invite this panel when they organise site visits;
- 2) Request from officers to circulate to Parish and Town Council information about assets of community value.

35 SCRUTINY INQUIRY DAY: THE RIVER CORRIDOR REPORT (10 MINUTES)

The Chairman invited Donna Vercoe (Policy and Development Scrutiny Manager) to introduce the report.

The Panel made the following points:

The Chairman confirmed that 3 Members of the Panel sitting on the steering group are Councillors Anketell-Jones, Stevens and Moss.

The Chairman also invited Members of the Panel to send their comments and suggestions for Scrutiny Inquiry Day to Donna Vercoe via email.

It was **RESOLVED** to:

- 1) Note the Terms of Reference and agree with the proposal to have a joint Scrutiny Inquiry Day investigation;
- 2) Confirm that Councillors Anketell-Jones, Stevens and Moss will act as key contacts for the co-ordination of the Scrutiny Inquiry Day; and
- 3) Invite Panel Members to send their comments and suggestions for Scrutiny Inquiry Day to Donna Vercoe via email.

36 BDUK - CONNECTING DEVON AND SOMERSET BROADBAND PROJECT (20 MINUTES)

The Chairman invited Jeremy Smalley (Divisional Director for Skills and Employability) and Anna Garner (Principal EEB Development Officer) to introduce the report.

The Chairman invited Peter Duppa-Miller (Secretary to the BANES Local Councils Association and the Clark to Combe Hay Parish Council) to address the Panel with his statement.

Peter Duppa-Miller asked the Panel to note that the B&NES Draft Core Strategy's Schedule of Rolling Changes (Core Document CD6/E2.2) now contains a further "Strategic Issue in the Rural Areas", which reads – "The urgent need to provide reliable broadband, with adequately fast speed, to every home and business." This addition was proposed by Peter Duppa-Miller and accepted by the Inspector at the Draft Core Strategy Examination in Public session on 24 January 2012.

Peter Duppa-Miller also asked the Panel to recognise that all the Parish Councils in the Rural Areas of B&NES are most eager, willing and able to assist the project – as a free resource. John Wilkinson and Anna Garner have been asked to update the Parishes Liaison meeting on 17 October 2012 concerning the progress of the project.

Peter Duppa-Miller asked the following questions: Referring to paragraph 4.13 of the report to this meeting, when will the data relating to B&NES be made available? It is understood that there are 10% (or is it 15%?) "hard to reach" areas in B&NES – where are these areas and when will they be identified? What is the status of the relevant Local Broadband Plan (LDP)? It is understood that the Connecting Devon and Somerset (CD&S) LDP was adopted by the CD&S Board in early 2012 – but what is the status of the "B&NES Addendum"?

The Panel made the following points:

The Panel asked about the State Aid process with European Commission and when realistically there will be an announcement from Brussels considering that the resolution of the State Aid process was expected by the end of September 2012.

Jeremy Smalley responded that the Council still don't know when the resolution on State Aid will be available. As soon as it is known it will be communicated with the Panel.

Anna Garner said that there is certain information on that which does give an indication on phasing. Following the model that Cornwall is taking announcement on delivery will not be made until 4 weeks in advance on going live in the area. There are two reasons for that: to manage the expectations for the area and to assess the area in terms of how difficult it is to deliver. Because of the assessment of area uncertainty it is difficult to say what are those 'hard to reach' areas in BANES.

The Panel asked if BT is the only bidder in the area. Businesses that are close to telephone exchange are not scheduled to get superfast broadband.

Anna Garner said that there is some good news on that matter. Those areas that are close to telephone exchanges will be considered along the areas that are already part of the BT Infinity project (rural areas).

It was **RESOLVED** to note the report and to request from officers to inform the Panel on the outcome of the State Aid process.

37 X MEDIA LAB (20 MINUTES)

The Chairman invited Anna Garner to introduce the report.

The Panel made the following points:

The Panel said that their ambition is to advertise more of these events and asked if the X-Play is funded by the Council.

Anna Garner responded that Council is providing the Assembly Rooms for the event.

The Panel commented that this is an interesting view of investment, something that Local Authority should be doing. It is not only promoting the area in terms of high-tech businesses we are looking for but also bringing the other businesses into the area.

It was **RESOLVED** to note the report and to endorse the approach set out in the report with next steps to include exploring alternative delivery models and core sponsorship, such that the Council may make a fixed contribution but is not required to underwrite the project.

38 REGENERATION UPDATE (20 MINUTES)

The Chairman invited Jeremy Smalley to introduce the report.

The Panel made the following points:

The Chairman thanked Jeremy Smalley for the report and asked the Panel to make their comments on the overall report and not on individual regeneration schemes. The Panel asked if we are resourced to do all of these projects or they are considered under some prioritisation process.

Jeremy Smalley responded that all of these projects together are very ambitious agenda with a lot of challenges. It is a complex operating environment and officers had asked Cabinet the same questions through budget process. Jeremy Smalley said that he is not convinced that there is operational capacity for all of the projects at the same time so there has to be prioritisation.

The Panel asked about Keynsham project and archaeological findings on the site and if there is an impact from those findings.

Jeremy Smalley responded that Keynsham is very self contained market with interesting economy there. River Corridor report will also be part of the Keynsham project. In terms of the archaeological findings – the findings are about Roman villa and Roma settlement. Jeremy Smalley said that he was not sure about the details and what needs to happen so he will report back to the Panel on that matter.

The Panel asked about the Planning and Financing Future study and asked if the Panel could have a report on that study on one of the future meetings.

Jeremy Smalley took that request on board.

It was **RESOLVED** to note the update and to receive a report on the 'Planning and Financing Future study' at one of the future meetings.

39 BATH FESTIVALS CONTRACT: ANNUAL REVIEW (20 MINUTES)

The Chairman invited Ann Cullis (Senior Arts Development Officer) and Belinda Kidd (Bath Festivals Chief Executive) to introduce the report.

The Panel made the following points:

The Panel welcomed that, according to the report, this year appeared to be quite successful and asked if there is expectation from Bath Festivals to continue to be successful.

Belinda Kidd replied that it is always a challenge to continue with successful year but Bath Festivals hope that will be the case. Bath has something very special to offer.

The Panel asked if Olympic and Paralympics Games had negative impact on the box office income.

Belinda Kidd replied that those events did have some impact on some festivals (music for example) although not on literature and children festivals.

The Panel asked about the ongoing VAT issue in particular if the decision will have backdate claw back of VAT and financial impact.

Belinda Kidd explained that Bath Festivals were always of view that they don't need to charge VAT on literature festivals under cultural exemption. For Performing Arts there is no VAT charge. For Film there is VAT charge whilst Literature Festivals are grey area. There was a tribunal that happened last November which made the decision on that matter. Normally the decision is passed after three months though in this case the decision is still not made. Belinda Kidd said that it is a worry and Bath Festivals have a backup plan in the worst case scenario.

Belinda Kidd also said that Bath box office has been upgraded recently.

It was **RESOLVED** to note the report and agree that officers should work with Bath Festivals to support improvement in performance.

40 HERITAGE SERVICES PROVISIONAL TRADING FIGURES DURING THE OLYMPIC GAMES PERIOD (20 MINUTES)

The Chairman invited Stephen Bird (Head of Heritage Services) to introduce the report.

Stephen Bird said that it will take couple of months to get the accurate picture of the impact of trading figures during the Olympic Games period.

Stephen Bird informed the Panel that for this year Heritage Services budgeted for 5% drop in the visitation. The updated figures for July and August this year are: down 18% on the previous year in comparison with the forecast of 5%; 7% down on the income by the end of August; spend per head over the summer was up 1%; during 17 days of Olympics total sales were down 17% (as forecasted).

The Panel made the following points:

The Panel asked about long term plan and in particular if Heritage Services talks to Community Safety about issues such as litter, anti-social behaviour, and similar.

Stephen Bird responded that those issues do concern Heritage Services. There are ongoing discussions about those issues with other services.

The Panel commented that they did forecast that Olympic Games will have detrimental effect on Bath and they hoped that we could learn a lesson.

The Panel also thanked Stephen Bird for the honest report and updated figures for July to August period.

It was **RESOLVED** to note the report.

41 WORKPLAN

It was **RESOLVED** to note the workplan with the following addition:

- Planning and Financing Future study report – date to be confirmed

The meeting ended at 3.20 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services

| Bath & North East Somerset Council | |
|---|--|
| MEETING: | Economic and Community Development Policy Development and Scrutiny Panel |
| MEETING DATE: | 22 November 2012 |
| TITLE: | Community Safety Plan: Avon and Somerset Police 'IMPACT' |
| WARD: | ALL |
| AN OPEN PUBLIC ITEM | |

1 THE ISSUE

- 1.1 In December 2010, Avon and Somerset Police launched IMPACT, which is a multi-agency Integrated Offender Management unit, which includes Police, Probation, Prisons and Drug services. Its key focus is to stop re-offending - working together to target those offenders of most concern in a more structured and coordinated way.
- 1.2 The IMPACT approach was nationally recognised in the Government's green paper; ['breaking the cycle: effective punishment, rehabilitation and sentencing of offenders'](#).
- 1.3 This report invites the Panel to receive and ask questions of a presentation about how this scheme has progressed since 2010 and, the outcomes it has achieved.

2 RECOMMENDATION

The Panel is asked to agree that:

- 2.1 It receives and comments on a presentation setting out the key principles of this work and identifies questions for consideration
- 2.2 It examine and test this work and its outcomes and wider impacts
- 2.3 It identifies where any further support is needed from the Council and partners

3 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications directly arising from this report. IMPACT is managed within existing criminal justice partner budgets and the intention is that the scheme reduces the cost of crime to the taxpayer.

4 THE REPORT

- 4.1 There is a duty on Community Safety Partnerships to reduce reoffending and cutting crime. Bringing criminals to justice are the significant objectives of organisations working in the criminal justice system and the police, prison and probation services have made this their key priority.

4.2 One of the most effective ways to cut crime is to focus work on the people who are committing most of the crimes in our communities. IMPACT is helping us to achieve this across Bath and North East Somerset.

4.3 The Impact Unit identifies the criminals who are committing most of the robberies, burglaries and thefts in the area. It helps break the cycle of crime by tackling the issues that are causing individuals to commit crime, such as drug and alcohol misuse. In doing this it reduces harm to local communities and the cost of crime to the public purse.

5 RISK MANAGEMENT

5.1 The presentation relates to the work of Avon & Somerset Police, Probation and Prison services and is subject to their risk assessment processes.

6 EQUALITIES

6.1 Promoting equality and opportunity for all groups and individuals and promoting community cohesion is integral to this work. There are potential differential impacts of crime and re-offending and these are reflected in this scheme.

7 CONSULTATION

7.1 Divisional Director, Policy and Partnerships

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 *Social Inclusion; Customer Focus; Corporate; Other Legal Considerations (Section 17 and 115 Crime and Disorder Act 1998)*

9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Council Solicitor) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication

| | |
|--|---|
| Contact person | Sue Dicks, Community Safety Manager - 01225 477415 Sue_dicks@bathnes.gov.uk |
| Background papers | |
| Please contact the report author if you need to access this report in an alternative format | |

| Bath & North East Somerset Council | | |
|--|--|--------------------------|
| MEETING: | Economic and Community Development Policy Development & Scrutiny Panel | |
| MEETING DATE: | 22 nd November 2012 | AGENDA ITEM NUMBER |
| TITLE: | Medium Term Service & Resource Planning – 2013/14-2015/16 | |
| WARD: | ALL | |
| AN OPEN PUBLIC ITEM | | |
| <p>List of attachments to this report:</p> <p>ANNEX 1 – Draft Regeneration, Skills and Major Projects Medium Term Service & Resource Plan 2013/14-2015/16</p> <p>ANNEX 2 – Draft Place Medium Term Service & Resource Plan 2013/14 to 2015/16</p> | | |

1 THE ISSUE

1.1 The draft Regeneration, Skills and Major Projects (RS&MP) Medium Term Service & Resource Plan (MTSRP) together with the Place MTSRP is presented for consideration by the Panel:

- (1) To ensure all members of the Panel are aware of the context for Service Action Planning and budget setting
- (2) To enable comment on the choices inherent in the medium term plan
- (3) To enable issues to be referred to the relevant Portfolio

1.2 Please note that it is only the **regeneration and skills** aspect of the first plan and the **Tourism, Leisure & Culture (including Heritage)** aspect of the second plan that is **directly relevant to this Panel**.

1.3 The other aspects of the plans will be considered by the other PDS panels and this Panel is requested to focus on the aspects of these plans directly relevant to its remit. The PDS Resources Panel will be taking an overview.

2 RECOMMENDATION

The Panel is asked to:

- (1) Comment on the (relevant parts of the) medium term plan for Regeneration, Skills and Major Projects together with (the relevant parts of) the medium term plan for Place

- (2) Identify any issues requiring further consideration and highlighting as part of the budget process for 2013/14
- (3) Identify any issues arising from the draft plan it wishes to refer to the relevant portfolio holder(s) for further consideration

3 FINANCIAL IMPLICATIONS

- 3.1 This report sets the framework for the service planning and budget processes relevant to this Panel for the next 3 years. The financial implications are set out in the enclosed annexes.
- 3.2 The overall financial background for the Council is set out in Appendix 5 to the medium term plans.

4 THE REPORT

- 4.1 This report forms part of the service and resource planning process. As set out in the enclosed medium term plans (Annex 1 and 2), the next steps include:
 - (1) Panel comments considered by Portfolio Holders
 - (2) PDS Resources meeting in January to take overview of comments from Panels and progress on budget setting plus equalities issues.
 - (3) February Cabinet budget recommendations to Council
 - (4) February Council approval of budget and Council Tax setting.
- 4.2 The draft Medium Term Service & Resource Plan for Resources is attached as Annex 1 and 2, and each includes its own Appendices (Appendix 4 shows the anticipated financial and staffing impacts of the plan).
- 4.3 Where the Panel wishes to either increase expenditure or reduce savings targets alternatives should be proposed.
- 4.4 The Panel should concentrate only on the parts of the plan relevant to its own remit as the PDS Resources meeting in January will be taking an overview.

5 RISK MANAGEMENT

- 5.1 A risk assessment will be completed as part of the final budget papers and inform the Council's reserves strategy. The main risks relate in the next financial year to:
 - (1) The robustness of the savings estimates.
 - (2) The potential for some service levels to deteriorate as a result of the savings, some savings are from service reductions but most savings are directed at efficiencies.
 - (3) The implications for staff arising from savings, albeit that the costs of severance will be budgeted for corporately, and unions are being consulted together with the affected staff.
 - (4) The need to maintain a planned and phased approach to savings at a time when pressures are starting to require substantial and immediate cuts.

(5) Equalities impacts of the savings.

6 EQUALITIES

6.1 Service Action Plans will be developed for management purposes and will be subject to Equalities Impact Assessments as they are completed.

6.2 Equalities issues will be considered in more detail as the budget is prepared. The PDS Resources meeting in January will take an overview of progress.

7 CONSULTATION

7.1 The corporate implications of this report have been considered by Senior Management Team (SMT) including the *Section 151 Finance Officer; Chief Executive & Monitoring Officer*

7.2 Further consultation has taken place as part of developing the revised Corporate Plan. Budget fairs took place on 6th and 7th November and feedback from these has helped inform the draft plan.

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 All the following issues are relevant to service and resource planning: *Social Inclusion; Customer Focus; Sustainability; Human Resources; Property; Young People; Human Rights; Corporate; Health & Safety; Impact on Staff; Legal Considerations*

9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Council Solicitor) and Section 151 Officer (Finance Director) have had the opportunity to input to this report.

| | |
|--|--|
| Contact person | <i>Andrew Pate – Strategic Director – Resources (also acting lead Strategic Director for Regeneration, Skills & Major Projects) Tel 01225 477300</i> <i>David Trigwell - Divisional Director – Planning & Transport Development Tel: 01225 394125</i> |
| Background papers | <i>Corporate Plan & Sustainable Community Strategy</i> |
| Please contact the report author if you need to access this report in an alternative format | |

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MEDIUM TERM SERVICE & RESOURCE PLAN

REGENERATION, SKILLS & MAJOR PROJECTS

Development & Regeneration, Skills and Employment and Project Management

2013-14 until 2015-16

Introduction

This plan shows the changes that are already taking place and proposals for the future in response to the key influences and challenges facing the Regeneration, Skills and Major Projects Division.

This plan is one of a series of plans that make up the Council's **Medium Term Service & Resource Plan**:

- Regeneration, Skills & Major Projects (This plan)
- Resources
- People & Communities
 - Children's
 - Housing, Health & Social Care
- Place
 - Service Delivery (Planning, Transport, Waste, Highways, Libraries, Tourism Leisure & Culture)

A separate document summarises the main financial assumptions and parameters (See Appendix 5).

The overall context is rising demand for services but public expenditure cuts that are unparalleled since the Second World War. In the short term this Council's reserves and commercial sources of income, together with its long term financial plans and efficiencies, put it in a strong position. However, the situation is now radically changing with the need for a shift towards substantial reductions in service provision to supplement efficiencies.

The **external and corporate influences** on this plan can be summarised as follows:

- Cuts in public expenditure and reduced council budgets – this is the third year of the 2010 Government Comprehensive Spending Review which covers the four years to 2014/2015 – the savings are very challenging and are set to continue well beyond 2013 – CSR 2010 took 28% out of local government funding (for the first 3 years of this settlement) and additional cuts are now coming in.
- There is a key demographic change with a projected 40% increase in the older population by 2026 creating a significant additional financial pressure and an increase of the entire population of 12% by the same date.
- Increases in Council Tax will in future be supplemented by 6 years' worth of new homes bonus – these changes are helping to offset the cuts but only have a relatively marginal impact.
- Business rates growth (or decline) will from April 2013 become the responsibility of local government (as at least 50% will be retained or lost locally) and a level of growth below 1% p.a. is expected - with 90% of growth occurring as a result of growth in the enterprise area in Bath.

- No end is yet in sight for the review of funding of social care – following the Dilnot Commission - the increasing costs of care run the risk of making Council budgets unviable over the next decade, although there have been suggestions there may be some announcements as part of CSR 2013 to help mitigate this.
- The Government estimates that there are 220 families in Bath and North East Somerset experiencing a range of needs and who are costing services between £250K and £300K p.a. per family. Joining up services between agencies supporting such families is becoming a national and local priority.
- Schools continue to self-fund (though the Direct School Grant ring fenced budgets) but those that become Academies, which is the majority of secondary schools, are independent of the Council and its support. This creates diseconomies that have to be absorbed as the local education authority role diminishes.
- Government expects that councils will continue to deliver further efficiencies and minimise Council Tax increases – Government guidance says increases are to be below 2% in 2013 to avoid triggering a local referendum and a 1% grant (for 2 years) to temporarily reward Councils for a 2013/14 Council Tax freeze.
- Changes in Government legislation, regulations and guidance - there are some simplifications and some new scope for local decision making but at the same time radical and demanding changes such as:
 - Localism, Planning Reform, new grant funding to support local government (less money and less types of grant),
 - Return of a share of Business Rates and related growth to local government, new Benefits system (Universal Credits and Council Tax Benefits – the latter now called Council Tax Support),
 - Incentives for growth (new homes bonus, regional growth fund, Business Rates growth, Local Enterprise Partnerships, more discretion over Council Tax discounts such as for empty homes and a second homes premium).
 - The Council will also be taking on significant statutory functions for Health and Wellbeing in the area and the connected strategies and Boards.

The Council published a new corporate plan in 2012 which outlined a new vision and objectives. The Council Change Programme remains a key driver for internal efficiencies and improvements in services to customers. Note: A summary from the latest Joint Strategic Needs Assessment – the source of some of the above needs-related statistics - is attached as an Appendix. (More detail is also available on the Council's website).

Existing Staff Resources & Finances

The services incorporated in this plan are listed below together with related staff numbers.

| | <i>Budget (Net)£m</i> | <i>Staff (fte)</i> |
|--|-----------------------|--------------------|
| <i>Major Projects</i> | <i>0.571</i> | <i>10.8</i> |
| <i>Development Regeneration, Skills and Employment</i> | <i>0.921</i> | <i>12.8</i> |
| <i>Regeneration, Skills and Major Projects</i> | <i>1.492</i> | <i>23.6</i> |

Key Proposed Changes – Years 1 to 3 – 2013/14 to 2015/16

There is a need to take a structured approach to the next 3 years. The scale of the public spending cuts means that individual years should not be progressed in isolation. **A 3-year programme** is needed, with savings front loaded as far as possible, whilst protecting priority services and service outcomes, being mindful of equalities impacts and involving the community as far as possible.

The **underpinning approach** in response to these drivers for change is to:

- All elements of the Development & Major Projects functions to be integrated with Place or Resources as appropriate to streamline delivery arrangements and integrate strategic and policy work in an appropriate way between the directorates. This will create areas of focus for the team to drive and deliver the development and regeneration agenda which is key to the economic wellbeing of B&NES
- Incorporate the Skills team, formally in the People Directorate, into a new Division to form a single team with a focus on Regeneration, Skills and Employment whilst maintaining the key interface with the People Directorate.
- Reduce the senior management costs by the transfer into Place or Resources
- Adopt a matrix working approach across all Directorates to deliver the wide ranging Growth Agenda of Development, Regeneration, Skills and Employment, driving further efficiencies

This adjustment responds to and aligns with the People, Place and Resources organisational change agenda, whilst retaining a unit, with capability and capacity to undertake and deliver the required programme of work.

The emphasis of Regeneration, Skills and Major Projects is to understand key current and future economic drivers, support businesses, develop skills initiatives and bring forward physical regeneration schemes and support the council with the delivery of capital projects.

The priorities for Regeneration, Skills and Major Projects Division is to establish initiatives and projects relating to the following programme and priorities:

- Physical regeneration of key development sites to address market need in the office, employment and enterprise sectors and allow our 'growth business sectors' to expand and grow as well as providing required infrastructure (such as, public transport infrastructure, public realm, flood mitigation ultra fast broadband, and housing).

The Division will work with other areas of the Council and external developers to bring forward significant regeneration sites include;

- Bath Enterprise Area Sites:
 - Bath Western Riverside
 - Bath Quays South
 - Manvers Street,
 - Bath Quays North
 - Grand Parade and Undercroft
 - Green Park station/Homebase
 - Bath Press
- District Wide Sites:
 - Somerdale Keynsham
 - Keynsham Town Centre
 - London Road Bath
 - MoD sites Bath
 - Radstock Town Centre regeneration
 - Midsomer Norton Town centre regeneration sites
- Economic development activities that support promoting the area for investment, supporting enterprise through business support and events
- The delivery of all major capital projects from across the council using proven project management and commercial management principles and practices
- Working to bring forward housing projects that support new partnerships and collaborations over key housing sites
- Public Realm programme in Bath to enhance the City as a place to live, work, play and invest
- Skills related projects with a tie into schools, into Education Employment and Training (EET), colleges, the Skills Funding Agency (and City Deal alternative) and ensure local provision reflects future business needs (i.e. addressing skills gaps that are preventing our businesses growing).
- Worklessness with a tie in to the Connecting Families agenda and ESF

The service impacts of the changes are set out in the attached impact analysis at Appendix 4.

In line with the strategy of front loading savings RS&MP will take steps to bring forward planned savings for 13/14 and 14/15 into the next financial year. The following net targets have been set for the next three years:

- 2013/14 £0.212K
- 2014/15 £0.000K
- 2015/16 £0.000K

The proposed budget for 13/14 represents a reduction of **22%** from the Base Level budget in 10/11. These efficiencies have been achieved as a result of greater use of matrix working eliminating duplication and waste.

The main **reduced service levels** for 2013/14 are detailed in the impact analysis at Appendix 4

Service Reductions 13/14

As a result of the Corporate initiative to move to 3 Directorates management efficiencies within Regeneration, Skills and Major Projects will be delivered in 13/14 which will result in the reductions of 3 posts including senior and support staff. This reduction in staff is a continuation of a programme of planned staffing reductions that has taken place over the past 3 years.

Estimated projections for Directorate core employed staff numbers:

| | <i>Base Level 10/11</i> | <i>11/12</i> | <i>12/13</i> | <i>13/14</i> |
|---------------------------|-----------------------------|--------------|--------------|--------------|
| <i>Core staff:FTE</i> | 34 | 26 | 23.6* | 20.6* |

*Figures excludes the FTE's from the Skills team transferring from the People and Communities Directorate which will take effect from April 2013

By 13/14 the Directorate will achieve a staff reduction of 39% as a result of efficiencies and reducing or stopping some activities from the base level of 10/11.

Workforce Planning

The impact on workforce planning as a result of this plan is set out below:

- Overall staff savings in Regeneration, Skills and Major Projects will be 3 FTE posts over the next year.
- A range of measures utilising the Council's Organisational Change Policy & Procedures, will be deployed to minimise job loss and compulsory redundancy

including vacancy management, redeployment, flexible retirement etc. Early and careful planning together with sound staff and union consultation will help to mitigate the potential impacts. However, it should be recognised that over time this process is likely to become more difficult and it will be increasingly important to pay careful attention to staff morale, wellbeing and motivation.

- Staff will benefit from bespoke training and development associated with their changing roles as agreed in the annual Personal Development Reviews (PDR). Staff will also be helped to achieve greater skills to equip them to compete for internal and external roles in anticipation of staff reductions within the department.
- Middle managers are benefiting from the development programme designed for them based on the needs arising from the change programme, not least strong and effective leadership during a period of change and staff reductions. Coaching will also be provided.

Longer Term Options – Years 4 to 10

The longer term solutions are more speculative and will in part be driven by the wider agenda for local government, city regions, Local Enterprise Partnerships, demand pressures on social care (with an aging population), climate change issues but also perhaps the growth and economic prosperity opportunities arising from an expanding population.

The proposed changes in the next 3 years are radical and will set the agenda for some years to come. Public expenditure reductions will also continue for some years to come. The slow recovery of the economy and public sector finances at a national level is a major concern and threat to local government.

The Council's role as an enabler and community leader is crucial so that local people have access to the right services is central to the changes described here. The changes in schools and health and social care alone will radically take this agenda forward over the next 3 years.

The fundamental issue remains the funding of social care. The increasing demands and associated costs are linked to the demographic change affecting all Councils as people are living longer and the population of people in care continues to grow. This runs the risk of making Council budgets unviable if a new approach and national funding system is not introduced. Councils will not be able to support their other priorities in the medium term if this issue remains unresolved.

A graph showing the potential effect of social care funding in the medium term is attached as Appendix 5. The analysis has been provided by the Local Government Association.

Approval of this plan

This plan is to be considered by the Housing and Major Projects Policy Development & Scrutiny Panel in November 2011.

The Portfolio holder for Sustainable Development will then review it again and make necessary changes which will be incorporated into a final version of the plan for approval alongside the overall budget in February 2013.

Appendices

Appendix 1 - Regeneration, Skills and Major Projects Department – Analysis of Headline Numbers

Appendix 2 - Regeneration, Skills and Major Projects Department - Capital programme

Appendix 3 - Regeneration, Skills and Major Projects Department - Service specific changes at Divisional level

Appendix 4 - Regeneration, Skills and Major Projects Department - Impact of proposed budget changes

Appendix 5 - Financial Planning Assumptions

More information about:

The **Change Programme**, the existing Sustainable Community /Strategy and Corporate Plan can be found on the Council's web site www.bathnes.gov.uk/

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Regeneration, Skills & Major Projects - Analysis of Headline Numbers

| | 2011-12 Actuals | | 2012-13 Budget | | | 2013-14 Budget One off | | | | | | | 2014-15 Budget | | | | | | 2015-16 Budget | | | | | |
|---|-----------------|--------------|----------------|--------------|---------------|---------------------------|---------------|---------------|--------------|--------------|----------------|---------------|----------------|---------------|--------------|--------------|----------------|---------------|----------------|---------------|--------------|--------------|----------------|---------------|
| | Gross £m | Net £m | Gross £m | Net £m | Staff FTEs | Growth £m | Savings £m | changes £m | Gross £m | Net £m | FTE changes | Staff FTEs | Growth £m | Savings £m | Gross £m | Net £m | FTE changes | Staff FTEs | Growth £m | Savings £m | Gross £m | Net £m | FTE changes | Staff FTEs |
| Regeneration Skills & Employment | 1.311 | 1.114 | 0.978 | 0.921 | 12.8 | 0.006 | 0 | 0 | 0.984 | 0.927 | 0 | 12.8 | 0.006 | 0 | 0.990 | 0.933 | 0 | 11.8 | 0.006 | 0 | 0.996 | 0.939 | | 11.8 |
| Major Projects | 1.412 | 0.504 | 1.163 | 0.571 | 10.8 | 0.018 | 0.000 | 0.000 | 1.181 | 0.589 | 0 | 10.8 | 0.013 | 0 | 1.194 | 0.602 | 0 | 8.8 | 0.008 | 0 | 1.202 | 0.610 | | 8.8 |
| Total cashlimits | 2.723 | 1.618 | 2.141 | 1.492 | 23.6 | 0.024 | 0 | 0 | 2.165 | 1.516 | 0 | 23.6 | 0.019 | 0 | 2.184 | 1.535 | 0 | 20.6 | 0.014 | 0 | 2.198 | 1.549 | 0 | 20.6 |
| Regeneration, Skills & Major Projects Management Structure changes | | | | | | | | | | | | | | | | | | | | | | | | |
| GRAND TOTAL | | | | | | | | | | | | | | | | | | | | | | | | |

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| Draft Capital Programme - 2013/14 - 2017/18 | | | | | | | |
|--|---------------|-----------------|---------------|------------------------------|---------------------------|---------------------------|---|
| Project Title | Costs | | | Funding | | | Comments |
| | 2013/14 | 2014/15 Onwards | 5 Year Total | Borrowing / Capital Receipts | Grants / External Funding | RIF / Development Funding | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Regeneration, Skills and Major Projects | | | | | | | |
| Full Approval | | | | | | | |
| BWR Council Project Team | 234 | 388 | 622 | 154 | 468 | | |
| BWR - Affordable Housing | 1,000 | 2,450 | 3,450 | 1,491 | 1,959 | | |
| BWR - Infrastructure | 2,200 | 1,800 | 4,000 | 279 | 3,721 | | |
| BDUK | 230 | 230 | 460 | 460 | - | | Fully Approved by Cabinet in January 2012 |
| Provisional Approval | | | | | | | |
| Public Realm Improvements Programme | 339 | - | 339 | 339 | - | | Detailed project plan required |
| Public Realm Improvements Programme | 0 | - | 0 | - | - | | Subject to Cabinet approval and detailed project plan |
| New/Emerging Schemes | | | | | | | |
| Bath Quays Footbridge Construction | 500 | 2,000 | 2,500 | - | - | 2,500 | Detailed project plan required |
| Bath Strategic Flood Scheme | 2,050 | 950 | 3,000 | - | - | 3,000 | Detailed project plan required |
| BWR - Relocation of Gas Holders | 2,000 | 2,000 | 4,000 | - | - | 4,000 | Detailed project plan required |
| BWR - Replacement of Destructor Bridge | 2,500 | 1,000 | 3,500 | - | 1,500 | 3,500 | Detailed project plan awaited |
| Total | 11,053 | 10,818 | 21,871 | 2,723 | 4,648 | 13,000 | |

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SERVICE SPECIFIC INITIATIVES AT DIVISIONAL LEVEL

Development & Regeneration

- *Continue to work with services across the Council to promote and bring forward the physical regeneration of a number of key sites across the district*
- *Provide continued support to the Keynsham Regeneration Project and act as an interface with all development projects currently planned for Keynsham*
- *Work with Developers and Land Owners to bring forward a regeneration scheme for Midsomer Norton Town Centre*
- *Work with the community groups to implement a range of regeneration schemes on the London Road in Bath*
- *Continue to work with developers to progress the Radstock Town Centre regeneration scheme*
- *Continue to develop the Bath Enterprise Area and seek external funding to enable the development of key employment and residential sites*

Skills and Employment

- *Continue to develop the whole journey pathway for out of work benefit claimants and young people leaving care with a link to the Connecting Families agenda*
- *Work across the Council to develop plans to become exemplar in providing and supporting placement opportunities through apprentices, interns, undergraduate placement schemes and Project Search*
- *Ensure local skills provision reflects future business need by developing clear sector pathways, working with the business community, colleges, universities and the Skills Funding Agency*
- *Develop a single employer gateway within B&NES for employers and job seekers*
- *Ensure a strong local business voice is fed into the West of England Local Enterprise Partnership*
- *Continue to promote the area for investment through targeted marketing and events*
- *Provide an efficient and effective property and business enquiries service*
- *Ensure a local support service exists to support businesses to start and grow*
- *Work with other members of the council to enable a small loans fund for viable but unbankable businesses*

- *Continue to support key growth sectors with advise and assistance, such as Creative Industries and the Business and Financial Services sector*
- *Refresh the Economic Strategy*

Major Projects

- *Integrate all elements of the Development & Major Projects functions with Place or Resources as appropriate to streamline delivery arrangements and integrate strategic and policy work in an appropriate way between the directorates.*
- *Create areas of focus for the Major Projects team to drive and deliver the development and regeneration agenda which is key to the economic wellbeing of B&NES*
- *Continue with the delivery of the Bath Transportation Package working with the Transportation team*
- *Support Property Service by delivering the Keynsham Regeneration capital project*
- *Develop plans for the redevelopment of the Riverside area of Keynsham working with Property Services, Planning and Transport and Development & Regeneration*
- *Manage the capital programme across the Council to ensure that projects are delivery on time and to budget*
- *Continue to work with the Environment Agency and Planning to agree and implement a strategic flood solution for Bath that will enable develop of its key sites*

MEDIUM TERM SERVICE & RESOURCE PLAN SUMMARY – SERVICE IMPACT STATEMENT – Regeneration, Skills, & Major Projects
Saving Items

1. PROPOSED REDUCTIONS TO BALANCE BUDGETS (excluding one off reversals)

| 13/14 Saving £'000s | 14/15 Saving £'000s | 15/16 Saving £'000s | How to be achieved? | Risk to delivery of saving (H/M/L) | Impacts on staff - (inch no of posts deleted) | Impacts on property / assets etc. | Impacts to service delivery | Additional Info (inch PD&S Panel feedback) | |
|--|------------------------|------------------------|---|---------------------------------------|---|-----------------------------------|---|--|--|
| Change Programme Savings | | | | | | | | | |
| 0 | 0 | 0 | Sub Total – Change Programme Savings | | | | | | |
| Other Cashable Efficiency Savings | | | | | | | | | |
| 212 | 0 | 0 | All Directorate - Management Structure Changes across directorate, including DD level, 3rd tier and DMP division. | L | 3 posts to be deleted | none | No impact as saving achieved by change in Strategic reporting and management input in line with Council policy of moving to 3 Directorates. | | |
| 212 | 0 | 0 | Sub Total – Other Cashable Efficiency Savings | | | | | | |
| Additional Income | | | | | | | | | |
| 0 | 0 | 0 | Sub Total – Additional Income | | | | | | |
| Reduced Service Levels | | | | | | | | | |
| 0 | 0 | 0 | Sub Total – Reduced Service Levels | | | | | | |
| Discontinued Services | | | | | | | | | |
| 0 | 0 | 0 | Sub Total – Discontinued Services | | | | | | |
| Other savings arising | | | | | | | | | |
| 0 | 0 | 0 | Sub Total – Other savings arising | | | | | | |
| 212 | 0 | 0 | TOTAL SAVINGS | | | | | | |

2. PROPOSED GROWTH (Including inflation)

| 13/14 Growth £000 | 14/15 Growth £000 | 15/16 Growth £'000s | Description of Growth (including driver) | Risk of not delivering growth (H/M/L) | Impacts on staff - (inch no of extra posts needed) | Impacts on property / assets etc. | Impacts to service delivery | Additional Info (inch PD&S Panel feedback) | |
|---|----------------------|------------------------|---|--|--|-----------------------------------|-----------------------------|--|--|
| General (Including Inflation) | | | | | | | | | |
| 14 | 14 | 14 | Salary inflation at 1% per annum | L | nil | none | none | | |
| 10 | 5 | 0 | Increase in accommodation costs (energy, rates, rent, cleaning) | L | nil | none | none | | |
| 24 | 19 | 14 | Sub Total – General | | | | | | |
| New Legislation / Government Initiatives | | | | | | | | | |
| 0 | 0 | 0 | Sub Total – New Legislation / Government Initiatives | | | | | | |

| 13/14 Saving £'000s | 14/15 Saving £'000s | 15/16 Saving £'000s | How to be achieved? | Risk to delivery of saving (H/M/L) | Impacts on staff - (inch no of posts deleted) | Impacts on property / assets etc. | Impacts to service delivery | Additional Info (inch PD&S Panel feedback) | |
|------------------------------------|------------------------|------------------------|---|------------------------------------|---|-----------------------------------|-----------------------------|--|--|
| Increase in Service Volumes | | | | | | | | | |
| 0 | 0 | 0 | Sub Total – Increases in Service Volumes | | | | | | |
| Improvement Priorities | | | | | | | | | |
| 0 | 0 | 0 | Sub Total – Improvement Priorities | | | | | | |
| Other | | | | | | | | | |
| 0 | 0 | 0 | Sub Total - Other | | | | | | |
| 24 | 19 | 14 | TOTAL GROWTH | | | | | | |

MEDIUM TERM SERVICE & RESOURCE PLANS – 2013/14 to 2015/2016

FINANCIAL PLANNING ASSUMPTIONS

1. Context – The Financial Challenge

The Council's Budget for 2013/2014 will present a full and detailed Medium Term Service and Resource Plan for the three-year period from 2013/2014 through to 2015/2016. This will enable the Council to take a planned and structured approach to meet the significant financial challenge facing the Council.

2013/2014 represents the third year of financial planning prepared in the context of the Government's Comprehensive Spending Review (CSR) announced in October 2010. This CSR included a deficit reduction programme with 28% cuts to local authority spending spread over the four year period from 2011/2012 to 2014/2015.

However as we approach the next Comprehensive Spending Review in 2013 it is clear that the reductions set out in the previous CSR will not be sufficient to meet the Government targets to reduce the fiscal deficit as, the on-going impact of economic uncertainty both across Europe and indeed worldwide, means the UK economy continues to fall short of previous expectations.

The financial implications for the Council will not be clear until the Provisional Local Government Financial Settlement which is not expected until mid December 2012 and the overall position will be impacted by a range of significant changes affecting local Government Finance as set out below.

- The needs based Formula Grant funding system (the Four Block Model) for local government will come to an end and be replaced a combination of localised Business Rates and (where appropriate) a top up grant to be know as Revenue Support Grant.
- The new Localised Business Rates (National Non Domestic Rates) will provide for the Council to retain 50% of local business rates going forwards to further incentivise growth. The Council will also share in the cost of non-payment, business cessation and NNDR appeals. There will be a safety net where business rates decrease by 10% or more. This system will be reset from time to time to allow an element of rebalancing – the first such reset being scheduled for 2020 or later.
- The new Revenue Support Grant will use a baseline needs assessment for 2013/2014 and will be set broadly at a level to cover the gap between funding need and the initial 50% share of local business rates. The RSG will then be reduced to reflect Government savings requirements from 2013/2014 onwards.
- Responsibility for setting Council Tax Benefit passes to local authorities from 2013/2014 in the form of the new Local Council Tax Support Scheme. At the same time the funding from Government will be reduced by over 10% resulting in a shortfall of around £1.5M, which is proposed to be met from adjustments to the new scheme. The elderly and most vulnerable claimants will be protected.

- Anticipated reforms to the Planning System to provide for full cost recovery did not progress as expected. Some fee increases are being permitted but this falls far short of the levels that had already been factored into budgets for 2012/2013.
- Public health responsibility and related services will pass to the Council from April 2013, together with an appropriate budget transfer from the PCT. It is assumed the grant received will fully cover all related costs of this service.
- The full implementation of planned changes to Government Funding for LEA and Academies through the Local Authority Central Spend Equivalent Grant (LACSEG) will go ahead in 2013/14. Whilst some recognitions of local authority concerns has been made by the Dept. for Education, the Council will still face reductions in funding well in excess of current levels of spending. This will become increasingly challenging as more schools move to become Academies.
- Early years funding for 2 year olds will move from the LEA into the Dedicated Schools Grant which is primarily a technical change however the remaining funding for Early Years within LEA's will be reduced nationally. The exact local implications of this will not be clear until the Settlement is announced.

These issues are reflected within the Medium Term Service and Resource Planning process for 2013/2014 to 2015/2016 to the extent the impacts can be reasonably anticipated.

There are also a range of service specific cost pressures that need to be addressed including impacts of national policy changes. The most significant of these include:

- Rising elderly population placing significant demands on Adult Social Care and Health services.
- Increased demand for Children's care services.
- Contractual inflationary costs particularly for care placements and external service contracts.
- Local impacts of the economic downturn and increasing competition e.g. car parking income.

It should be particularly highlighted that the scale of changes impacting in 2013/2014 makes the financial implications for the Council extremely difficult to predict and the Provisional Local Government Finance Settlement may vary from the assumptions we have made. However taking account of the anticipated reductions in government grant funding and the pressures outlined above suggests that around £30m of budget savings will be required over the period 2013/2014 to 2015/2016.

2. Summary of Budget approach for 2013/2014 – 2015/2016

The sound financial management of the Council over the years means it is in a better position than many other councils to face the continuing financial challenges arising as a result of the national economic situation.

The Council Budget currently being developed will cover the period from 2013/14 to 2015/2016, recognising the very difficult financial challenge now facing the whole of the public sector and the increasing need to prioritise resources. The following principles have been used to support this:

- Investing in economic growth
- Keeping Council Tax bills as low as possible
- Making every effort to protect essential frontline services 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 increasingly means difficult choices.

The development of the Budget has moved away from setting targets and budget top slices based on historic spending, to an approach more focussed on prioritisation supported where appropriate by zero based budgeting. This approach has included: -

- Ensuring only essential cost pressures are taken into consideration, challenging all proposals for inflationary increases and additional spending.
- A continued focus on achieving efficiency savings within and across service areas.
- Maximising savings achieved through the continued development of the Change Programme with projects like Customer Services and Procure to Pay.
- Seeking to increase income from new and existing sources. Developing and investing in a diversified income base to help protect the Council from reductions in Government funding.
- Minimising costs of borrowing utilising Council cash flow balances where appropriate to provide funding for capital projects.
- Exploring opportunities to support Communities to enable them to be more resilient and self-sustaining.
- Making better use of Council Assets, particularly council land and property, to reduce running costs and provide capital receipts.
- *Where Government is cutting its grants to local authorities, or other external sources of funding are being reduced, these savings requirements may need to be passed on to the relevant service.*

The scale of the projected savings required over the next three years, is such that the Council will need to prioritise services and whilst every effort will be made to protect essential frontline services for local people, this will inevitably lead to proposed reductions in service areas which are considered a lower priority.

The proposals put forward in the Medium Term Service and Resource Plans provide for a balanced budget in 2013/2014 and 2014/2015 subject to government funding announcements. 2015/2016 will be significantly dependant upon improvements to

the global and national economy and whilst these MTSRP's proposals go some way to addressing the financial challenge in this year, it is likely that further savings will be required.

3. Council Tax

Council tax levels have now been frozen since 2010/2011, supported by Council Tax Support Grants from the Government. These grants are time limited and create a funding pressure when they are discontinued. The Council Tax Support Grant for 2011/12 is payable until 2014/2015, whereas the Council Tax Support Grant for 2012/2013 was a one off grant. Each of these grants was conditional on a Council Tax freeze in the respective financial year.

On 8th October 2012 the Government announced the provision of grant funding to support councils who freeze their Council Tax for next year (2013/2014) at the current level (i.e. a zero increase). The grant is equivalent to a 1% increase in Council Tax (approximately £700K) and has been confirmed as payable for two years at present i.e. for 2013/14 and 2014/15.

This announcement also indicated that Council Tax increases over 2% would trigger the legislative requirements for a local referendum on the proposed Council Tax increase. This is subject to confirmation in the Provisional Local Government Finance Settlement.

The Cabinet currently expect to be in a position to make recommendations on Council Tax levels to Council in February 2013 as part of the 2013/2014 budget setting process.

The figures in this plan assume no increase in Council Tax and the administration will take into account the Government's settlement (grants to local authorities to be announced in December), together with the results of consultation, in deciding the level of Council Tax to be recommended.

4. Government Grants

The Council currently receives approximately £41m in formula grant from the Government which is distributed using a complex needs based formula known as the Four Block Model. This formula includes significant weightings attached to deprivation based indicators across a range of specific service blocks

The Council has historically lost significant funding (around £2.5m per annum) from its formula grant settlement through the application of the damping system or, in layman's language, the protection by Government of other authorities who should be getting less on a needs basis than they currently are. For 2012/2013 the level of damping was £2.3M.

This needs based formula is being replaced from 2013/2014 as part of the Local Government Resource Review. This formula is currently being updated in order to arrive at a baseline funding level for local authorities. This will be used as the starting point for the new system – beyond this point funding needs will only be considered on a periodic basis to reset funding for local authorities. The first such reset will not be until 2020.

The main element of the new system will provide for 50% of Business Rates (National Non Domestic Rates) to be retained locally. This will provide an added incentive to local authorities to stimulate and encourage business growth in their area with 50% of this effectively being retained by the Council. However the Council will also share in the risk of non-payment, business rate appeals and most significantly business closure or failure. A national safety net will be put in place to provide some protection although this will only operate once business rates have reduced by over 10%.

In the case of most councils, including BANES, it will be necessary for the Government to top up the retained business rates to the initial baseline funding level. This will be done by way of a top-up grant to be known as Revenue Support Grant (RSG). As already indicated, once this RSG is set in line with the initial baseline it will not be reassessed every year for changes in need. It will however be reduced each year in line with the reductions the Government wishes to make to local authority funding. It is therefore likely that for many Councils, including BANES, RSG may disappear altogether within the next 10 years.

Given these changes it is therefore very difficult to predict with any degree of certainty the overall level of funding the Council will receive going forwards. Based on the Government's technical consultation on the proposed changes received over the summer period, it is possible to model the potential funding outcomes. Indeed this consultation identified up to a 13% reduction in 2013/2014 although some of this reduction reflected potential changes to the funding for New Homes Bonus. Taking this into account an overall reduction in funding of up to 6% has been assumed for 2013/14 and approximately 5% in each of the years 2014/2015 and 2015/16.

The new arrangements for a localised 50% share of Business Rates provides the potential to produce some additional funding going forwards if new growth is achieved. However it should be recognised that the future planned closure of the MOD Sites will present an initial challenge as these business rates are lost. Based on modelling work a prudent assumption has been made for an initial ½% increase in Business rates income although this is reduced to a neutral position for 2015/2016 to reflect the aforementioned risk.

New Homes Bonus has been assumed to increase in line with experience to date – providing an additional £700K per annum. This income has been assumed to support the Revenue Budget to help minimise the impact of budget reductions on priority frontline services. This income will peak in 2016/2017 as New Homes Bonus is only payable for a 6 year period.

Whilst some small further reductions have been factored into specific service areas within the Medium Term Service and Resource Plans, the assumption for financial planning purposes will be for any further cuts in specific grants to be contained within the relevant service areas.

The Provisional Local Government Finance Settlement expected in mid December 2012 will provide further details of baseline funding allocations for 2013/2014. Future years funding will be dependant upon the outcome of the next Spending Review due in 2013 (CSR2013). The announcements will inevitable vary from the assumptions made above and may potentially require variations to be made to the proposals set out in these Medium Term Service and Resource Plans.

5. Medium Term Service and Resource Plans

The Medium Term Service and Resource Plans cover the financial planning period from 2013/2014 through to 2015/2016 and have been prepared by each service area to reflect the details of the specific proposed savings to ensure the Council is in a position to consider a balanced Budget proposal.

As set out in Section 2, the process was based on prioritisation of savings in order to meet the projected need to find £30M of spending reductions over the next three years.

All proposals are subject to on-going scrutiny and consultation with final proposals being put forward by the Cabinet to the Council in February 2013.

6. Reserves

The budget for the current financial year 2012/2013 provides for the Council's General Fund Balances to be maintained at their risk assessed minimum level of £10.5m. There are no assumptions to change this position going forwards and the risk assessed levels will be reviewed as part of the final Budget proposal in Feb 2013.

A range of Earmarked Reserves are maintained by the Council for specific purposes. The likely commitments against each of these reserves will be reviewed as part of the ongoing development of the Budget for 2013/2014.

The Council's reserves position remains relatively strong and will provide some flexibility to support the Budget over the Medium Term Service and Resource Planning period, particularly to facilitate timing and implementation of recurring savings.

Any proposed use of reserves will recognise that they can only be used once, and will take account of the overarching principle of not using reserves to provide support for recurring budget pressures.

7. Pensions

The most recent actuarial review as at 31 March 2010 concluded a number of positive factors which did not require any significant variation in the Council's employers contribution level overall. These factors included:-

- The Avon Pension Fund investments have performed relatively well albeit since that review investments generally have been volatile and affected by poor stock market performance.
- The Government has switched the rate for future pensions increases from the Retail Price Index (RPI) to the historically lower measure of the Consumer Price Index (CPI).
- A national review of public sector pensions schemes is being undertaken by the Government (the Hutton Review).

The outcome of the actuarial review has factored into the Budget plans and whilst no change was provided for in terms of the overall contribution level for the Council, the implications of a reducing workforce may require a further adjustment by the Council to maintain this neutral cash position going forwards.

Work is currently commencing to consider the potential impacts of the next actuarial review due as at 31 March 2013. The implications of this review may lead to changes in contribution rates from 2014/2015. This valuation will take into account the national changes to the Local Government Pension Scheme from 1 April 2014 reflecting changes to employee contribution rates and benefits including a move away from Final Salary to a Career Average scheme.

8. Pay Awards

Discussions are currently taking place nationally between the Employee and Employer representatives regarding the potential pay award offer for 2013.

Provision has been made within the MTSRP for a small increase (1%) in line with previous national government expectations for a public sector pay in 2013/2014. Similar provisions have been made for 2014/15 and 2015/16.

9. Other Assumptions

Some of the other key assumptions being used in the development of the medium term plans include:

- Contractual inflation of 2% has been provided for each year throughout the period where it is deemed essential, except in the case of Adult Social Care costs where the provision for inflation has been set at 1.75%. No further inflation has been provided for general supplies and services.
- Balanced budgets are delivered for 2012/2013 - there is no provision for overspending.
- Interest earnings on the Council's cash balances are based on a 1% return – this will be reviewed in line with the Council's Treasury Management Strategy.

10. The Local Government Finance Settlement 2013/2014

The Provisional Local Government Finance Settlement is now expected in mid-December 2012 following the Government's Autumn Budget Statement, which is scheduled for 5th December 2012.

This Settlement will provide the detailed position for the Council in terms of exactly what Government funding it will receive for the year ahead – 2013/2014. We expect this to include confirmation of the baseline position for the Localised Business Rates scheme, new homes bonus funding, and to also reflect the recently announced 2013/14 Council Tax Freeze Grant provisions

The Settlement should also confirm the limits on Council Tax increases above which a local Council Tax Referendum would be required.

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MEDIUM TERM SERVICE & RESOURCE PLAN PLACE

Planning, Transport, Building Control & Land Charges, Waste, Highways,
Neighbourhoods, Parking, Libraries, Tourism, Heritage, Sport & Active Leisure and Arts

2013-14 until 2015-16

Introduction

This plan shows the changes that are already taking place and proposals for the future in response to the key influences and challenges facing the **Place Directorate**.

This plan is one of a series of plans that make up the Council's Medium Term Service & Resource Plan:

- **Place (this plan)**
 - Planning
 - Transport
 - Waste
 - Highways
 - Libraries
 - Tourism
 - Heritage
 - Sport & Active Leisure & Arts
- **Resources**
 - Customer Services
 - Improvement & Performance
 - Finance
 - Legal & Democratic,
 - Policy & Partnerships
 - Property
 - Risk & Assurance
 - IT & Change Programme
- **Regeneration, Skills and Major Projects**
 - Economic Development and Regeneration
 - Project Management & Delivery
- **People & Communities**
 - Children's
 - Housing, Health & Social Care

A separate document summarises the main financial assumptions and parameters (See Appendix 1).

The overall context is rising demand for services but public expenditure cuts that are unparalleled since the Second World War. In the short term this Council's reserves and commercial sources of income, together with its long term financial plans and efficiencies, put it in a strong position. However, the situation is now radically changing with the need for a shift towards substantial reductions in and cessation of some service provision to supplement efficiencies.

The external and corporate influences on this plan can be summarised as follows:

- Cuts in public expenditure and reduced council budgets – this is the third year of the 2010 Government Comprehensive Spending Review which covers the four years to 2014/2015 – the savings are very challenging and are set to continue well beyond 2013 – CSR 2010 took 28% out of local government funding (for the first 3 years of this settlement) and additional cuts are now coming in.
- There is a key demographic change with a projected 40% increase in the older population of over by 2026 creating a significant additional financial pressure an increase of the entire population of 12% by the same date.
- Increases in Council Tax will in future be supplemented by 6 years' worth of new homes bonus – these changes are helping to offset the cuts but only have a relatively marginal impact.
- Business rates growth (or decline) will be from April 2013 become the responsibility of local government (as at least 50% will be retained or lost locally) and a level of growth below 1% p.a. is expected - with 90% of growth occurring as a result of growth in the enterprise area in Bath.
- No end is yet in sight for the review of funding of social care – following the Dilnot Commission - the increasing costs of care run the risk of making Council budgets unviable over the next decade, although there have been suggestions there may be some announcements as part of CSR 2013 to help mitigate this.
- The Government estimates that there are 220 families in Bath and North East Somerset experiencing a range of needs and who are costing services between £250K and £300K p.a. per family. Joining up services between agencies supporting such families is becoming a national and local priority.
- Schools continue to self-fund (though the Direct School Grant ring fenced budgets) but those that become Academia which is the majority of secondary schools, are independent of the Council and its support. This creates diseconomies that have to be absorbed as the local education authority role diminishes.
- Government expects that councils will continue to deliver further efficiencies and minimise Council Tax increases – Government guidance says increases are to be below 2% in 2013 to avoid triggering a local referendum and a 1% grant (for 2 years) to temporarily reward Councils for a 2013/14 Council Tax freeze.
- Changes in Government legislation, regulations and guidance - there are some simplifications and some new scope for local decision making but at the same time radical and demanding changes such as:
 - Localism, Planning Reform, new grant funding to support local government (less money and less types of grant),
 - Return of a share Business Rates and related growth to local government, new Benefits system (Universal Credits and Council Tax Benefits – the latter now called Council Tax Support),
 - Incentives for growth (new homes bonus, regional growth fund, Business Rates growth, Local Enterprise Partnerships, more discretion over Council Tax discounts such as for empty homes and a second homes premium).
 - The Council will also be taking on significant statutory functions for Health and Wellbeing in the area and the connected strategies and Boards.

The Council published a new corporate plan in 2012 which outlined a new vision and objectives. The Council Change Programme remains a key driver for internal efficiencies and improvements in services to customers. Note: A summary from the latest Joint Strategic Needs Assessment – the source of some of the above needs-related statistics - is attached as an Appendix. (More detail is also available on the Council's website).

Existing Staff Resources & Finances

The services incorporated in this plan are listed below together with related staff numbers. Changes start from this as the base position (September 2012):

| | Gross £m | Net £m | Staff FTEs |
|---|---------------------|-------------------|-----------------------|
| Planning & Transportation | | | |
| Transport Design & Projects | 1.124 | 0.842 | 7.4 |
| Transportation Planning (incl Public Transport) | 6.536 | 5.983 | 21.2 |
| Park & Ride | 1.465 | -0.687 | 0.0 |
| Planning | 3.477 | 2.283 | 62.2 |
| Building Control & Land Charges | 1.074 | 0.102 | 17.1 |
| Environmental Services | | | |
| Highways - Network Maintenance | 9.769 | 7.439 | 79.9 |
| Transport Services | 7.317 | -0.046 | 64.0 |
| Service Delivery Overheads | 0.928 | 0.928 | 2.0 |
| Parking Services | 2.491 | -7.141 | 71.7 |
| Waste Services | 13.215 | 10.913 | 115.8 |
| Public Protection | 1.913 | 1.028 | 39.0 |
| Neighbourhood Services | 8.453 | 5.292 | 168.3 |
| Tourism Leisure & Culture | | | |
| Libraries & Information | 2.640 | 2.487 | 54.6 |
| Arts | 0.556 | 0.519 | 2.8 |
| Tourism & Destination Management | 1.953 | 1.001 | 11.8 |
| Heritage including Archives | 10.382 | -3.794 | 121.1 |
| Leisure - Sports & Active Leisure | 1.398 | 0.996 | 12.3 |
| Total | 74.691 | 28.145 | 851.2 |

Notes:

(1) The gross figures are before income including government grants.

A copy of the current draft future capital programme is attached as Appendix 2. This will be subject to the normal consultation processes prior to approval.

Key Proposed Changes – Years 1 to 3 – 2013/14 to 2015/16

There is a need to take a structured approach to the next 3 years. The scale of the cuts means that individual years should not be progressed in isolation. A 3-year programme is needed with cuts front loaded as far as possible whilst involving the community as far as possible and being mindful of impacts on specific groups with our local community.

Taking account of the above the approach in Place is to:

- Support the Change Programme to reshape the organisation taking full account of:
 - Organisational development – one council approach
 - Business and customer improvements
 - Better community engagement
- Tailor support services to needs & to changing shape of the Council
- Rationalise and improve assets plus invest where this makes economic sense
- Maintain tight financial control and excellent financial planning
- Customer Transformation Programme - The Change Programme will help achieve further efficiencies in 2013/14 and a new way of working will be introduced.
- As agreed for the current year the Directorate will continue to:
 - Match staffing levels with business volumes.
 - Ensure objectives reflect the resources available and adhere to agreed work programmes
 - Balance the delivery of statutory services with discretionary services within available resources.
 - Review long term vacancies and the use of agency staff where appropriate.
 - Seek new external opportunities for funding service provision.
 - Ensure that there are adequate resources to deliver the capital programme
 - Provide appropriate services to customers and residents recognising the continued pressures on funding and the impact this has on service provision.
 - Simplify and, where appropriate, standardise common processes to avoid fragmentation and reduce “silo working”.
 - Ensure consultations with the public are proportionate to the matter in hand and are co-ordinated across Services.
 - Continue to develop best practice including business disciplines and innovations - focusing upon doing the job once, doing it right and doing it in a timely manner
 - Develop a trading culture that, where appropriate, recovers real costs, increases income generation and discontinues services which are uneconomic or inadequately funded
 - Enhance and adapt the skills required to meet future changes through workforce development, succession planning, ensure flexibility across the service and talent management.
 - Investigate new opportunities to transfer services within the Council to provide centres of excellence.

The main proposal for Place includes:

Environmental Services

- Continued savings and efficiencies realised through procurement of external contracts.
- Rationalisation of structures and reductions in costs of management and processing.
- Reduction of service levels in ‘non-essential’ areas to save costs.

- Further development of alternative methods of governance and service delivery to minimise costs falling against the authority. This includes increasing partnership working, encouraging the involvement of volunteers and exploring opportunities to develop shared services with similar organisations.
- **In Public Protection**
 - Delivering our services differently by providing the statutory minimum. This is likely to mean the likely cessation of proactive business support and the reduction of enforcement and partnership working. As a result, there will be challenges to achieve our statutory obligations,
 - Reorganise Licensing and Environmental street-based inspection and enforcement staff into multi-functional teams which focus on geographical areas to better co-ordinate staff resources and match times of demand.
- **In Highways Maintenance**
 - Achieve financial efficiencies through the renegotiation of the highway maintenance contract to secure a rate freeze
 - Reduce management costs through structure changes which will reduce support on traffic management requests and the capability to respond to prolonged emergencies.
- **In Transport Services**
 - Generate more income through reorganising service schedules to release capacity and by releasing in-house Passenger Transport capacity
 - Reduce management, supervision and administration costs through integrating teams and reducing processing.
- **In Waste Services**
 - Reduce subsidy for garden waste collections per bin in line with levels of neighbouring authorities
 - Introduce “residents only” permits at Recycling Centres;
 - Adjust opening times at Recycling Centres to reflect low use at certain times of the week and create financial headroom.
 - Radstock Rd Depot to be closed as this is largely a staff facility not open to the general public, it will have little impact on front line service.
 - Revert back to not collecting refuse at Bank Holidays and catch up in subsequent weeks.
 - Stop collecting missed bins except where this is the fault of the service.
 - Confirmation of Government funding to support weekly collections is expected.
- **In Parking Services**
 - Freeze charges in the majority of our existing of-street car parks.
 - Increase income to cover the cost of maintaining car parks and parking enforcement across by the district by introducing parking charges into car parks which are currently free of charge;
 - Revise charge rates at premium on street locations and increase charges in evenings in order to provide additional funding to invest in environmental and highway initiatives and support the local economy.
- **In Neighbourhoods Services**
 - Reduce Environmental Protection services.
 - Cease providing pest control services where these are provided by Private Sector.
 - Cease in-house plant production.

- Reduce parks maintenance and planting.
- Reduce management overheads by combining cleansing areas.
- Restructure our Estates Management function.
- Transfer the management of allotment sites and bowls to users.
- Concentrate the resources available for public conveniences at locations where there is little alternative provision. This will result in a reduction in a number of Public Conveniences provided.

Tourism Leisure and Culture

- **In Heritage Services**
 - Introduction of admission charges in 2013/14 at the Victoria Art Gallery
- **In Destination Management**
 - Assume responsibility for managing and co-ordinating events and securing the benefits that accrue from the management of the World Heritage Site within existing services resources.
 - Scope and reduce the activities funded and or supported by the Council.
 - Review the level of support for the Bath Tourism Plus through the identification of new and additional funding opportunities to protect the long term benefits of the organisation to the Tourism Business and Offer.
 - Working with the local tourist trade to support the resources available for the promotion of tourism through a voluntary Tourist Levy similar to proposals being developed by other locations in the UK, such as Edinburgh.
- **In Sports and Active Lifestyles**
 - Reduction in all non-core activities and therefore focus on the Wellbeing agenda and operated within grants and external funds.
 - Removal of all sponsorship or funding for events, these are now third party commercial activities only.
- **In Libraries**

Propose changes in order to support the retention of all eight library branches with existing operating hours. The focus of our priorities will be on library branches with the support of the developing Community Library Programme.

 - Reduce to one mobile library and change the frequency and length of stopover of the Mobile Library Service in local communities based upon the fact we are developing a more comprehensive Community Library Programme for areas of the authority that do not have a library;
 - Reduction in periodical costs, particularly those which go unread by library users and consider ways to reduce spend on books whilst not compromising the variety of our stock, for example purchasing fewer copies of a single title
- **In Planning and Transport**
 - Review the Management structure of Planning and Transport to ensure that the structure reflects the current priorities of Place Directorate. This will involve close working with Environmental Services to deliver efficient management of services.
 - Prioritise resources within Planning Policy and Environment to ensure that key Policy documents within the Local Development Framework are delivered to improve certainty for development and assist in the delivery of financial contributions such as CIL and New Homes Bonus.

- Ensure that Development Management performance is maintained to meet the requirements and to reduce financial risks identified in the emerging Growth and Infrastructure bill.
- Implement the delivery of the Planning Toolkit to provide a consistent customer focus service for Development Management across the West of England.
- Prioritise the completion of Transport strategies for Bath and the market towns in the district.
- Deliver the Local Sustainable Transport Fund and progress further bids with the West of England.
- Continue to ensure that Building Control improves its market share and competitive position within a difficult market.

Finances & Service Impacts

The service impacts of the changes are set out in the attached impact analysis at Appendix 4.

The following savings targets have been set for the next three years:

| | |
|-----------|---------|
| • 2013/14 | £2.930m |
| • 2014/15 | £1.331m |
| • 2015/16 | £0.656m |

Pay has been assumed to increase by 1% per annum from 2013/14. The unavoidable growth in 2013/14 is itemised in Appendix 4 and is mainly associated with contract inflation, pay increments and loss of Government grants. This means the real savings in each year will need to be in the region of 4% of gross spend.

The proposals to meet the three year targets (including the Corporate items) can be categorised as follows:

| | |
|--------------------------|--------|
| • Change Programme | £659k |
| • Cashable Efficiencies | £2142k |
| • Additional Income | £728k |
| • Reduced Service Levels | £1694k |
| • Discontinued Services | £192k |
| • Others | £400k |

The main reduced service levels for 2013/14 are detailed in the impact analysis at Appendix 4.

National and local Performance Frameworks

There have been significant changes in the national performance regime in the last 18 months. An initial reduction in the national performance framework has been replaced by a number of service specific. The services will continue to build upon recent improvements of performance where appropriate. The Place Directorate has a key role to play in delivering economic growth and housing within the district in support of the general need for economic recovery. Strong performance management will continue to play an important part in the management of services within the Directorate. Further details of this will be set out in service action plans.

Further national performance frameworks are anticipated to emerge in the future. The local government Association (LGA) has introduced a new national Peer Challenge scheme. Most local authorities are expected to participate in this scheme which replaces the Audit Commission's Corporate Peer Assessment (CPA). This will allow local authorities to identify their own strengths and areas for improvement. It is anticipated that Bath & North East Somerset Council will undergo a peer assessment in 2013.

Whilst there has been an initial reduction in the national performance framework, good performance in key areas remains important for both Government and the communities that we serve. Efficient services delivered through robust performance management is increasingly important during periods of increased financial pressure.

The Council has developed a performance framework which meets service specific national requirements and also provides local performance information to support effective decision making. This incorporates value for money (VFM) and benchmarking where information is available and a corporate VFM judgement continues to form part of the annual audit of accounts.

Currently, it is not possible for councils to compare their relative overall performance as this information is now not gathered nationally. However, continuing local monitoring indicates that levels of performance have been broadly sustained and we are currently reviewing how we can actively demonstrate this using new LGA mechanisms.

Workforce Planning

Workforce planning, as part of a broader Organisational Development, will remain critical during the course of this medium term plan as the Council reshapes to meet the financial challenges alongside the expectations of local communities. More diverse service delivery models both within the Place Directorate and elsewhere in the Council may bring additional challenge.

The aim must be to develop an agile workforce in terms of numbers, skill and competence that can be 'flexed' to meet changing needs. Each division in the Place Directorate will be considering future organisational models and service plans for the next and subsequent years will be identifying workforce issues that will inform the development of the Council's on-going Organisational Workforce Development plan.

Although a wide range of service activities is covered by this medium term plan, there are common themes in terms of workforce planning. Over the next 2-3 years, there will continue to be a reduction in overall staffing levels across the Directorate as a result of efficiencies and changing, reducing or stopping some activities. The scale of staff savings, the percentage and timing of reductions will vary between divisions.

A range of measures utilising the Council's Organisational Change Policy & Procedures, will be deployed to minimise job loss and compulsory redundancy. Forward planning, together with sound staff and union consultation will help to mitigate the potential impacts. The potential impacts on staff morale, wellbeing and motivation will need to be considered, given both the Council's financial decisions and the more general economic climate in the country.

The management structure for the department is under review. The intention is to ensure a new structure (to be implemented in 2013/14) reflects the new demands on the department, streamlines management arrangements and delivers savings.

Longer Term Options – Years 4 to 10

The longer term solutions are more speculative and will in part be driven by the wider agenda for local government, city regions, Local Enterprise Partnerships, demand pressures on social care (with an aging population), climate change issues but also perhaps the growth and economic prosperity opportunities arising from an expanding population.

The proposed changes in the next 3 years are radical and will set the agenda for some years to come. Public expenditure reductions will also continue for some years to come. The slow recovery of the economy and public sector finances at a national level is a major concern and threat to local government.

The Council's role as an enabler and community leader is crucial so that local people have access to the right services is central to the changes described here. The changes in schools and health and social care alone will radically take this agenda forward over the next 3 years.

The fundamental risk remains the funding of social care. The increasing demands and associated costs are linked to the demographic change affecting all Councils as people living longer and the population of people in care continues to grow. This runs the risk of making Council budgets unviable if a new approach and national funding system is not introduced. Councils will not be able to support their other priorities in the medium term if this issue remains unresolved.

Approval of this plan

This plan is to be considered by the Planning, Transport & Environment & Scrutiny Panel (PTE PDS) and Economic and Community Development Policy Development & Scrutiny Panel (ECD PDS) in November 2012.

The Portfolio holders for the Place Directorate will then review it again so that any changes can be incorporated into a final version of the plan for approval alongside the overall budget in February 2013.

Appendices

Appendix 1 - Place Directorate – Analysis of Headline Numbers

Appendix 2 - Place Directorate – Capital programme

Appendix 3 - Place Directorate – Service specific changes at Divisional level

Appendix 4 - Place Directorate – Impact of proposed budget changes

Appendix 5 - Financial Planning Assumptions (Council's financial context)

More information about:

The **Change Programme**, the existing Sustainable Community /Strategy and Corporate Plan can be found on the Council's web site www.bathnes.gov.uk/

CAPITAL PROGRAMME

| Draft Capital Programme - 2013/14 - 2017/18 | | | | | | | |
|---|---------------|-----------------|---------------|------------------------------|---------------------------|---------------------------|--|
| Project Title | Costs | | | Funding | | | Comments |
| | 2013/14 | 2014/15 Onwards | 5 Year Total | Borrowing / Capital Receipts | Grants / External Funding | RIF / Development Funding | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Place | | | | | | | |
| Planning & Transport | | | | | | | |
| Full Approval | | | | | | | |
| BTP - Main Scheme | 9,989 | 5,698 | 15,687 | 6,858 | 8,829 | | Fully approved in July 2012. |
| Sub Total - Planning & Transport | 9,989 | 5,698 | 15,687 | 6,858 | 8,829 | | |
| Environmental Services | | | | | | | |
| Full Approval | | | | | | | |
| 20mph Schemes | 311 | - | 311 | 241 | 70 | | Fully approved in 2012/13. |
| Victoria Bridge | 1,062 | 228 | 1,290 | 1,290 | - | | Fully approved in June 2012. |
| Better Bus Area | 171 | 559 | 730 | - | 730 | | Fully approved in line with October 2012 Cabinet Report |
| Provisional Approval | | | | | | | |
| Highways Maintenance Block | 3,667 | 10,035 | 13,702 | - | 13,702 | | Awaiting funding confirmation from DFT & annual project plan |
| Transport Improvement Programme | 1,225 | 5,169 | 6,394 | - | 6,394 | | Awaiting funding confirmation from DFT & annual project plan |
| Waste Services - Vehicles | 350 | 411 | 761 | 761 | - | | 2013/14 proposed for full approval - Business Case required annually for 2014/15 onwards |
| Allotments | 82 | - | 82 | 82 | - | | Business Case and detailed project plan required |
| Neighbourhood Services - Vehicles | 174 | 1,943 | 2,117 | 2,117 | - | | 2013/14 proposed for full approval - Business Case required annually for 2014/15 onwards |
| Neighbourhoods - Play Equipment | 225 | 340 | 565 | 565 | - | | Business Case & detailed project plan required |
| New/Emerging Schemes | | | | | | | |
| Public Protection - Vehicle | 15 | 15 | 30 | 30 | - | | Business Case & detailed project plan required |
| Highways Maintenance Programme - Vehicles | | 220 | 220 | 220 | - | | Business Case & detailed project plan required |
| Parking - Vehicle Replacement Programme | | 100 | 100 | 100 | - | | Business Case & detailed project plan required |
| Parking - Radio System Replacement | | 45 | 45 | 45 | - | | Business Case & detailed project plan required |
| Parking - Pay & Display Replacement Programme | | 400 | 400 | 400 | - | | Business Case & detailed project plan required |
| Parking - Enforcement Hand Held Computer Terminal Replacement | | 80 | 80 | 80 | - | | Business Case & detailed project plan required |
| Neighbourhoods - Haycombe Cemetery Florist/Café | 100 | 100 | 200 | 200 | - | | Business Case & detailed project plan required |
| Neighbourhoods - Bin and bench replacement | 50 | 150 | 200 | 200 | - | | Business Case & detailed project plan required |
| Bus Lane Camera Replacement | | 300 | 300 | 300 | - | | Detailed project plan awaited |
| Cycle Routes | 500 | 500 | 1,000 | 1,000 | - | | Detailed project plan awaited |
| River Corridor Fund | 100 | | 100 | 100 | - | | Detailed project plan awaited |
| Sydney Gardens | 500 | - | 500 | 500 | - | | Detailed project plan awaited & awaiting funding confirmation from the Heritage Lottery Fund |
| Sub Total - Environmental Services | 8,532 | 20,595 | 29,127 | 8,231 | 20,896 | - | |
| Tourism Leisure & Culture | | | | | | | |
| Provisional Approval | | | | | | | |
| Heritage Infrastructure Development | 200 | 500 | 700 | 700 | - | | Business Case & detailed project plan required |
| Roman Baths Development Phase 2 | 1,000 | 3,188 | 4,188 | 2,300 | 1,888 | | Business Case & detailed project plan required |
| New/Emerging Schemes | | | | | | | |
| Playing Fields Development | 300 | - | 300 | 200 | 100 | | Business Case & detailed project plan required |
| Historic Archive Relocation | | 1,000 | 1,000 | 200 | 800 | | Business Case & detailed project plan required |
| Visitor & Till Management System | 100 | - | 100 | 100 | - | | Business Case & detailed project plan required |
| Sub Total - Tourism, Leisure & Culture | 1,600 | 4,688 | 6,288 | 3,500 | 2,788 | - | |
| Total | 20,121 | 30,981 | 51,102 | 18,589 | 32,513 | 0 | |

SERVICE SPECIFIC INITIATIVES AT DIVISIONAL LEVEL

Environmental Services

Neighbourhood Services

- Review structures to further reduce management costs
- Increase community management of assets
- Review grounds maintenance, standards and resources
- Reduce volumes of seasonal planting
- Externalise plant production processes
- Cease providing pest control services where these are provided by Private Sector.
- Provide Environmental Protection Services at statutory levels
- Reprioritise our public convenience spend and close some facilities

Highways Network Management

- Review transport and highways functions to improve accountability
- Reduce highways maintenance to compensate for new scheme growth
- Reduce energy costs by investing in LED street lights
- Renegotiate highway maintenance contract

Parking Services

- Introduce parking charges into car parks which are currently free of charge
- Revise charge rates

Waste Services

- Increase fees for garden waste collection to the level charged by others
- Adjust opening hours of Recycling Centres to reflect demand
- Introduce “residents only” permits at Recycling Centres
- Await the outcome of bid to the government’s Weekly Collections Fund
- Cease collecting refuse at Bank Holidays and catch up in subsequent weeks
- Cease collecting missed bins except where this is the fault of the service

Public Protection

- Restructure to further reduce management costs
- Minimise the services provided
- Introduce generic street inspection and enforcement

Transport Services

- Provide training to contractors
- Generate more income
- Reduce management and processing costs

Planning & Transport

Following the changes made in the current year which saw Design and Projects and Highway Safety transferring to Environmental Services, the Directorate will continue to concentrate on Policy Development in key areas on behalf of the Council. Significant efficient savings have been made in recent years and these will continue to shape the provision of Service Delivery.

Transport Development:

- We will review the management structure to ensure that the existing commitment for a Bath Transport Strategy is delivered and the opportunities to develop Strategic Transport projects are maximized. We will also respond to the development of the Council's Core Strategy by identifying transport interventions to support sustainable growth in the District. The latter will involve significant joint working with the West of England Partnership.
- Opportunities will be taken to bid for funds from Government (e.g. Better Bus Area to manage reform of BSOG) and other sources to develop appropriate transport interventions for the District. This will allow us to build resilience in the service.
- We will continue to work with colleagues in Environmental Services to improve the delivery of Capital projects in order to improve efficiency.
- We will review the current methods of procuring supported bus services and our own transport fleet to see if there are common elements that could be delivered more efficiently.
- We will deliver the supported bus contracts reflecting the improved costs following the retender exercise.
- Completion of the CIVITAS projects and dissemination of best practise through other projects e.g. Capital Programme and LSTF.
- We will continue Joint working with the WoE to respond to DfT's policy of devolving the prioritisation and management of Major Transport Scheme funds to Local Transport Body. The joint working will need to take account of any changes arising out of the Mayoral Elections in Bristol.
- We will continue to work with the WoE to maximise the contribution that rail can make to travel within the District through the Greater Bristol Metro project, electrification of the GW mainline and the new GW franchise.

Policy & Environment

- Savings continue to be made by undertaking work related to the LDF internally that was previously outsourced.
- Work programme prioritisation has been agreed via the Local Development Scheme Review (work program 2011-2014). This provides for the progression of the Core Strategy, Gypsy and Traveller Sites Allocation Document and Placemaking Plan.
- Any additional work will have to be subject to one off funding bids and would be subject to availability of budgets.
- Collaboration with other service areas and external bodies on projects of joint interest.
- Work with other West of England colleagues on mutually beneficial projects to achieve savings where possible e.g. evidence base collation.
- Ensure CIL is progressed as rapidly as possible to maximise income to the Council.
- Work with other West of England authorities in conjunction with the LEP to secure government grant for infrastructure projects to support growth ambitions.

Development Management

- To ensure that the Customer Transformation Programme outcomes are implemented, these include:
 - Improvement to Customer Care
 - Greater efficiencies in working practices
 - Ensure that performance targets are met to achieve requirements of emerging Government legislation.
- In conjunction with other WOE UAs, we will implement the WOE LEP Planning Toolkit.
- Continue to offer a range of pre application services including Planning Delivery Agreements to those customers who require them.
- To seek to reduce the award of costs in relation to planning decisions.

- Continue to emphasise the priority of Planning Enforcement.
- Ensure that staff activities are prioritised to appropriate work streams.

Building Control

- Review all building regulation charges to ensure maximum competitiveness whilst also ensuring fee earning costs are covered.
- Review charges for Land Charge Search applications to ensure maximum competitiveness whilst ensuring all costs are recovered.
- Expand Building Control 'value added' services such as SAP/SBEM energy calculations and Code for Sustainable Homes audits to generate additional income and further improve competitiveness of service.

Tourism Leisure and Culture

Heritage Services

- Install new Visitor Management and EPOS System.
- Next phase of Roman Baths Development projects.
- Fashion Museum Forward Plan to achieve Accreditation.
- Implement new retail and exhibition charging measures at the Victoria Art Gallery.
- Introduce CREW training for front-of-house staff across the Service.

Sports & Active Lifestyles Service

- Leisure Strategy – Developed plan for the management of the Council-owned leisure facilities for the next 10-20 years.
- Passport to Health: Improving the life-expectancy opportunities for those with a range of health-risk factors and closing the gap on health inequality.
- Work with Sport England, County Sports Partnership (Wesport), National Governing Bodies of Sport and local sports clubs to develop clear pathways from beginner/ participation to performance, including a Portfolio of activities and events across the Authority.
- Developing Opportunities for children and young people at risk from exclusion and those not in employment, education or training.
- Delivery of Odd Down Re-Development

Film Office

- To promote and market the area to film-makers in order to a) maximise local expenditure on goods and services in the area and b) enhance its desirability as a tourism destination
- To ensure that filming in the area is managed and supervised rigorously; that it is carried out in a safe and secure manner, causing the minimum of inconvenience and disruption to the local community
- To liaise with outside agencies and educational establishments in the provision and improvement of the local media skills base
- To maintain and build upon Bath Film Office's reputation for service excellence within the media industry.
- To maintain a value-for-money service which seeks to maximise revenue without compromising our attractiveness as a filming destination

Arts Development

- Promoting independence and positive lives for everyone; Focus: Youth, schools, older people, people who are socially disadvantaged.
- Creating neighbourhoods where people are proud to live Focus: Safety, housing,

- clean streets, travel, community voice, sports/leisure/culture.
- Building a stronger economy Focus: Employment, local business, tourism, planning/development, CCI.
- Developing resilient communities Focus: Community capacity building, access, climate change, re-cycling.

Libraries

- Promoting independence and positive lives for everyone; Focus: Youth, schools, older people, people who are socially disadvantaged.
- Creating neighbourhoods where people are proud to live Focus: Safety, housing, clean streets, travel, community voice, sports/leisure/culture.
- Building a stronger economy Focus: Employment, local business, tourism, planning/development, CCI.
- Developing resilient communities Focus: Community capacity building, access, climate change, re-cycling.

MEDIUM TERM SERVICE & RESOURCE PLAN – IMPACT OF PROPOSED BUDGET CHANGES – PLACE DIRECTORATE BLOCK

Saving Items

1. PROPOSED REDUCTIONS TO BALANCE BUDGETS (excluding one off reversals)

This table summarises proposed savings. Departmental savings are distinguished from savings on behalf of the Council as a whole – various corporate initiatives.

The Place Directorate Block includes Planning & Transport Development, Environmental Services and Tourism, Leisure & Culture.

Staff Impacts - Full time Equivalents (FTE) – are approximate and to the nearest whole number. Some have still to be assessed and all are subject to consultation.

Equalities impact assessment are being completed for all savings and key issues are being taken into account.

| 13/14 Saving £'000s | 14/15 Saving £'000s | 15/16 Saving £'000s | How to be achieved? | Impacts on staff - (incl no of posts deleted) | Impacts to service delivery |
|--|------------------------|------------------------|---|--|--|
| 274 | 260 | 66 | Customer Services Project within the Change Programme | Up to 19.5 ftes | Better customer service and lower processing costs. |
| 29 | 30 | 0 | P2P savings - consolidation of income functions across council | Up to 3.5 ftes | Arising as part of other restructures. |
| | | | | | |
| 303 | 290 | 66 | Sub Total – Change Programme Savings | | |
| Other Cashable Efficiency Savings | | | | | |
| 98 | 300 | 300 | All Directorate - Management Structure Changes across directorate, including DD level, 3rd tier and DMP division. | Estimated at 8 ftes | Pending further work. £212K of 2013/14 savings from D&MP. |
| 85 | 0 | 0 | Transport Policy - Focus on transport planning and strategy. | Up to 2 ftes | Minimal |
| 50 | 50 | 50 | Heritage Services - Victoria Art Gallery - reduction in net subsidy of £50k per annum, including the introduction of admission charging in 2013/14, together with a reduction in planned building maintenance; the operating model for the museum will be fundamentally reviewed in order to achieve a similar level of savings in subsequent years | Introducing admission charges will require greater use of volunteers and changes to staff duties required ; the fundamental review of the operating model in years 2 and 3 could impact further on staff numbers | <p>Introducing admission charges will require physical alterations; the reduction in building maintenance could impact on the quality of decorations and the fabric of the building.</p> <p>There is a risk of a reduction in footfall. The introduction of museum admission charges typically leads to drop in footfall of between 50 and 75%. The measure will render the Gallery less accessible to seniors and 'hard to reach' groups; the fundamental review of the operating model for the museum is likely to significantly change the offer available to visitors.</p> <p>The introduction of charging will mean a change to the way exhibitions are sourced, requiring greater emphasis on finding crowd-pulling exhibitions in addition to exhibitions where works are for sale ; the review of the operating model could have more significant impacts that are yet to be determined.</p> |

| | | | | | |
|-----|-----|-----|---|---|---|
| 20 | 0 | 0 | Transportation Overheads - Seek to reduce management costs - joint review with DD Environmental Services | Up to 1 fte | Minimal |
| 39 | 0 | 0 | Highways (reduced management costs through structure changes) - potential to further consolidate and reduce service provision. This is the net saving after existing and emerging pressures absorbed. | Up to 7 ftes | Reduction in capacity, causing delays to delivery of work. Reduced support to Members and Parish Councils on traffic management requests. Reduction in capability to respond to prolonged emergency, e.g. flooding. Some equalities issues as traffic management supports minority groups, including people with disabilities. |
| 50 | 0 | 0 | Fleet Workshops - increase MOT / servicing income through reorganising service schedules and reliability to release capacity. Generate additional income through releasing in-house Passenger Transport capacity and reducing overtime costs. | Reduced overtime | Improved offer to customers including taxis and reduction in overall service costs. Improvements enabled by recent move of premises to Locksbrook Road |
| 50 | 0 | 0 | Highways Maintenance - potential to achieve further contract savings | nil | Contract extension likely to be required in order to secure a rate freeze. Failure to achieve a rate freeze may result in reductions to statutory services (with impacts on assets). Future opportunity to repackage services and include revised working methods in retendering. Risk that any new tender may bring in higher rates, creating further budget pressures. |
| 0 | 200 | 0 | Delivery Trust option for Parks, Heritage Services, Libraries, Arts, Festivals - Review potential to establish a Trust to manage and deliver a range of services and functions including Heritage, Parks etc. | All staff would be covered by TUPE arrangements | Lease and / or licence agreements to be put in place; no proposal to transfer assets. Externalisation of TLC services into a Trust needs to be done against the background of achieving financial benefit. It does have the potential to generate a net annual saving of c. £100k - £200k. One-off set up costs are likely to be in excess of £500k. These calculations are heavily dependent upon a large number of assumptions. |
| 200 | 200 | 200 | Heritage Services - Additional net profit over three years in line with the Heritage Services Business Plan. We will improve our offer through the Roman Baths Development Phase 2 which has £4.188 million of capital allocated. | The business plan provides for a sustained increase in visitor numbers to the Roman Baths, which will impact on staff workloads | Increased visitor numbers are likely to cause increased attrition on the site. Deterioration to the ancient monument cannot be reversed and therefore increased measures are needed to prevent this. Taking into account our investment in the Roman Baths over the coming years, this is an excellent opportunity to improve the reputation of Bath to a wider number of people. |
| 60 | 0 | 0 | Waste - Introduce residents only permits at RC sites (using existing ANPR) | nil | Stops use of B&NES Recycling Centres by non- residents and mirrors approach in neighbouring authorities Potential for shorter queues with nobody from outside the area using our facilities. Potential for increased fly tipping by people we no longer serve. |
| 70 | 0 | 0 | Reduce Transport Services management, supervision and admin teams through integration of teams and reduction of processing | Up to 2 ftes | Process efficiencies, including potential for reducing overall costs of service management, therefore no significant impact on users. |
| 20 | 0 | 0 | Radstock Rd Depot to be closed and put portacabin facilities on Old Welton for cleansing / grounds staff | nil | Redevelop facilities at Old Welton & install new accommodation. Releases Radstock Road Depot. Removes potential to use Old Welton as transfer station contingency site = risk. Risk that full saving not achieved after all risks and costs are factored in |

| | | | | | |
|-------------------------------|------------|------------|---|-------------|--|
| 40 | 20 | 0 | Reorganise Licensing and Environmental street-based inspection and enforcement staff into multi-functional teams which focus on geographical areas and are deployed to reflect varying levels of demand. | Up to 1 fte | Improved customer service, increased focus and hours of enforcement. Reduced net cost through savings and income. More "localised" approach |
| 20 | 0 | 0 | Restructure Estates Management / Play function | 1 fte | Reduction of duplication but also capacity. Improved focus on developer funding. |
| 20 | 0 | 0 | Reduce Neighbourhood Managers by combining cleansing areas | 1fte | Should improve fluidity of resources across boundaries. Net saving after supervision costs |
| | | | | | |
| 822 | 770 | 550 | Sub Total – Other Cashable Efficiency Savings | | |
| Additional Income | | | | | |
| 300 | 0 | 0 | Increase / introduce Car Parking Charges including: Introduction in car parks that are currently free intended to cover the cost of maintaining those car parks and parking enforcement across the wider community – charges likely to be in line with those in Keynsham (these are proposed to be frozen in 2013/14). | nil | Increases in a number of areas proposed. A majority would require changes to Traffic Regulation Orders. Some charging proposals likely to be opposed by local residents resulting in delays to implementation. Significant risk of reduction in numbers using affected car parks, renewing permits or visiting affected locations. Risk of displacement of parking resulting in increased requests for residents parking schemes. |
| 10 | 15 | 40 | Additional advertising income (13/14 = roundabouts, 14/15 = billboards & 15/16 = bus shelters) | nil | Risks of lack of market interests and possible planning constraints due to National and Council Planning Policy. Income targets to be reviewed. |
| 100 | 0 | 0 | Planning - additional income from Government fee increase (note - this is one side of the net £700k pressure with £800k growth to remove base budget assumption on full cost recovery) | nil | None - based on 15% extra allowed. Subject to government changing the fee schedule. Requires government decision. |
| 35 | 0 | 0 | Inflation on external income across Environmental Services (assumed at 2% for every income stream that is not a) set by statute, b) subject to a separate decision c) internal). | nil | Risk that total income may not increase as demand is reduced due to increases in charges |
| 108 | 0 | 0 | Review of Bus Subsidies | nil | Results from re-tender of existing subsidised bus contracts |
| 60 | 60 | 0 | Waste - Reduce subsidy for garden waste fees per bin in line with neighbouring authorities | nil | Minimal |
| | | | | | |
| 613 | 75 | 40 | Sub Total – Additional Income | | |
| Reduced Service Levels | | | | | |

| | | | | | |
|-----|-----|-----|--|--|---|
| 245 | 255 | 0 | Libraries & Information - To prioritise the retention of our eight Library branches we propose to deliver the service differently in the future with support from our emerging Community Library Programme. | Up to 10 ftes | <p>Involves non replacement of one mobile library (estimated cost of replacement c.£90,000)</p> <p>Fewer visits and for less time at stop-offs by the one remaining Mobile Library – this will be offset by the development of our Community Library Programme to provide services in communities without a library branch; restructuring of service; reduction in materials, and some PC's and services.</p> <p>Consultation last year indicated how strongly people felt about provision of library branches and willingness to be involved in shaping their local library service</p> |
| 200 | 200 | 200 | Destination Management - Reduction in subsidy for significant elements of activity, combined with increased Spa income and reduced water monitoring costs | 0.5 fte | Includes continued growth in Spa income, combined with reduced water monitoring costs; significant reduction in support for Destination Marketing phased over years 2 & 3 alongside action to increase external finance; reduced project budgets for World Heritage site management; deletion of residual budget for support to Future Bath Plus. Managed reduction in Council direct subsidy for destination marketing activity alongside action to increase external finance |
| 263 | 0 | 0 | Public Protection (Food Safety and Standards, Environment al Monitoring & Licensing, Health and Safety, Trading Standards) - consolidate services, review elements for delivery with a view to minimising service provided. | up to 5.5 ftes | <p>Restructure / reduction in service offer. Services will be at statutory minimum. Likely cessation of business support model with reduction in informal approach to securing compliance at a time of increasing business numbers. Reduction in enforcement. Cessation of routine sampling. Reduction in partnership working. Possible delays in response to corporate deadlines and complaint/service request response times.</p> <p>Risk of challenge due to failure to deliver statutory services. Reputational issues - service reductions - failure to meet expectations. Significant organisational change and development requiring project work to support change in working methods and consultation / redundancy processes.</p> |
| 0 | 31 | 0 | Neighbourhoods Services - reduce Environmental Protection services, cease in-house plant production, reduce parks maintenance and planting. | 1 fte plus some redeployment anticipated within service area | Revised pest control service to move from Radstock Rd depot and free up space (store relocated to RVP). No requirement for biomass boiler in RVP nursery. Saving in RVP energy consumption (gas) and therefore reduction in carbon. Significant change in Pest Control Service with reduced staffing and offer focussed around providing means-tested service for people in need (Year 1). Parks management streamlined to improve coordination, efficiency and effectiveness and reduce costs (Year 1). RVP Nursery will not close but savings made through stopping costs of heating greenhouses, procuring plants externally, reducing volume of planting and reducing staff within Parks service (Year 2). Cleansing service will continue to look for efficiencies, more effective ways of working and service standards (Year 1 onwards). Significant organisational change and development to achieve proposed savings whilst ensuring service continuity. |
| 0 | 0 | 100 | Planning Policy & Environment teams - Reduction in level of spending within Planning Policy and Environment teams to be achieved after the major elements of Planning Policy are completed, including core strategy, gypsy & travellers DPD, Placemaking and CIL | up to 3 ftes | Assumes reduction in Planning Policy work once these workstreams are complete. Rated as M rather than L because political priorities keep changing |

| | | | | | |
|------------------------------|------------|------------|---|-------------------------------|---|
| 0 | 120 | 0 | Public Conveniences - Reprioritise our spend on public conveniences to improve quality standards and service to the public | up to 2 ftes and agency staff | 15 public conveniences to be closed and re-invest some of the proceeds to improve the remainder of Council-run toilets. This will allow the public convenience budget to focus on the remainder to a higher standard than people currently experience. Currently provide 29 public conveniences in total. Better facilities for residents, visitors, and workers. Fewer Council-run toilets will be offset by the existing provision of non-Council toilets in places like Bath city centre, including SouthGate shopping centre and the new toilets agreed through the planning process at the Railway Vaults. Maintenance of remaining facilities transferred to other organisations where possible. Service is non-statutory but affects residents, tourists, visitors, mobile workers. Possible impacts across the equalities range but elderly and disabled particularly depending on the location of the toilets we may sell. Proposal would retain key Parks/Green space sites where no viable alternative provision (in shops, cafes, bars, Council facilities) and build in higher cleansing standard at remaining sites. Provision Strategy for Public Toilets (2011) to be reviewed/revised to reflect changes and increased need for delivery of the other strands - e.g. co-location in Council buildings, private sector developments, community led support, concession and property lease agreements. Note: concurrent tendering exercise in progress. Savings assumed all from yr 2 but could be delayed. Service likely to stagnate and unable to improve if decision left in limbo. |
| 50 | 0 | 0 | Waste - 2 recycling centres to be closed 2.5 days each in mid-week. | up to 5 ftes | Increased fly tipping; capacity issues at existing sites when open. Significant reduction in customer service |
| 0 | 20 | 0 | Transfer allotment management to user groups (i.e. provide them but do not manage them) | nil | Possible asset transfer. Move away from dependency on Council managed sites. Risks of dispute and of low take-up |
| 0 | 10 | 0 | Stop maintaining bowls at Sydney Gardens | nil | Possible asset transfer. There is currently over-provision of bowls facilities in Bath. Can offer facilities elsewhere |
| | | | | | |
| 758 | 636 | 300 | Sub Total – Reduced Service Levels | | |
| Discontinued Services | | | | | |
| 102 | 0 | 0 | Sports Development & Active Lifestyles: No longer provide Sky Ride and Wheels for All events; Deletion of grants to voluntary organisations; Reduce Performance Swimming Budget; Remove contingency budget. | nil | No direct impact. Highly successful events will not take place (Sky Ride and Wheels for All); at least one voluntary organisation would be at risk if grants are eliminated; Less funds available to finance one off issues within Leisure. Proposals impact across the Sports Development and Active Leisure service |
| 10 | 30 | 0 | Cease pest control service (extra reduction beyond that proposed above) | 2 ftes | Reputational risk through failure to properly discharge statutory duty - although private sector providers of pest control are available and some services could be recommended by us. Statutory obligations remain |
| 20 | 0 | 0 | Waste - stop collecting "missed bins" except where this is the fault of the service. | possibly reduced overtime | Increased complaints. Save staff and fuel costs. Most bins are not "missed" due to service errors |
| 0 | 30 | 0 | Waste - cease 5 bank holiday refuse collections except Xmas / New Year | possibly reduced overtime | Increased complaints due to changes. Recycling collections not affected. Net saving through reduction in premium rates / extra time off. |
| | | | | | |
| 132 | 60 | 0 | Sub Total – Discontinued Services | | |

| Other savings arising | | | | | |
|---|-------------------|---------------------|---|--|---|
| 400 | 0 | 0 | Weekly Collections Fund | nil | subject to announcement by end October 2012 |
| 400 | 0 | 0 | Sub Total – Other savings arising | | |
| 3028 | 1831 | 956 | TOTAL SAVINGS | | |
| 2. BUDGET PRESURES (Including inflation) | | | | | |
| 13/14 Growth £000 | 14/15 Growth £000 | 15/16 Growth £'000s | Description of Growth (including driver) | Impacts on staff - (incl no of extra posts needed) | Impacts to service delivery |
| General (Including Inflation) | | | | | |
| 224 | 227 | 228 | Inflation - Pay costs @ 1% per annum Based on 12/13 staffing budgets | | |
| 116 | 66 | 36 | Inflation - Pay costs (incremental growth) Based on current base and likely progression through grades | | |
| | | | Inflation - Non pay costs - list specifics below | | |
| 71 | 73 | 74 | - Highway Maintenance Contract £3.5m budget inflated by projected RPI of 2% | | |
| 20 | 20 | 21 | - Street Lighting Maintenance Contract £1.0m budget inflated by projected RPI of 2% | | |
| 151 | 0 | 0 | - Street Lighting Energy Contract Figure updated to reflect new 3 year fixed contract agreed 16th July 2012] £611k budget inflated by circa 25% following retender and agreement to 3 year fixed price contract following review in July 2012. | | |
| 61 | 62 | 63 | - Recycling Contract £3.1m budget inflated at projected RPI of 2% | | |
| 41 | 65 | 67 | - Other Landfill & Recycling Contracts (RC Site arisings) £2.0m budgets inflated at averaged out projected RPI of 2%. From 14/15 these budgets increase by £1.175m because of diversion from landfill to MBT, so inflation increases as landfill tax drops out. | | |
| 19 | 19 | 19 | - Grounds Maintenance, Public Protection and other related contracts £352k budgets inflated at projected RPI of 2% | | |
| 1 | 1 | 1 | - Parish Sweepers £68k budget inflated at projected RPI of 2% | | |
| 17 | 18 | 18 | - Fuel (transport) £859k budget inflated at projected RPI of 2% | | |

| | | | | | |
|---|------------|------------|---|--|--|
| 22 | 23 | 23 | - Other transport costs (routine maintenance, hires, insurance, fleet management, & taxi vehicles inspections) £1.12m budgets inflated by projected RPI of 2% | | |
| 6 | 6 | 6 | - Staff related inflation (added pensions & parking permits) Inflated by projected RPI of 2% | | |
| 19 | 19 | 20 | - Business Rates Inflated by projected RPI of 2% | | |
| 14 | 14 | 14 | - Other premises costs including electric, water & security Inflated by projected RPI of 2% | | |
| 2 | 2 | 2 | - Advertising Costs (statutory) Inflated by projected RPI of 2% | | |
| 9 | 9 | 10 | - Software Support Contracts (Confirm, Mayrise, IDOX, Uniform, etc) Inflated by projected RPI of 2% | | |
| 9 | 9 | 9 | - Community transport & planning SLA grants Inflated by projected RPI of 2% | | |
| 1 | 1 | 1 | - Advertising costs (statutory) Inflated by projected RPI of 2% | | |
| 45 | 45 | 45 | - General agreed inflation (TLC) - at 2% average | | |
| | | | | | |
| 848 | 679 | 657 | Sub Total – General (including inflation) | | |
| New Legislation / Government Initiatives | | | | | |
| 119 | 117 | 0 | Landfill Tax Legislative increase of £8 per tonne, based on estimated tonnage of 14,876 tonnes (would have been 30,468 tonnes at £8 = £244k without MBT). This reduces to 14,641 tonnes in 14/15. LFT reaches top level of price at that point | | |
| 207 | 0 | 0 | MBT (Mechanical Biological Treatment) increased to reduce effect of landfill tax (cost avoidance) This avoids landfill, and therefore any possible exposure to landfill fines. By the 15/16 year this becomes simple contract inflation, but shown here for simplicity. | | |
| 75 | 76 | 77 | Bus concessionary fares scheme [Information required from VH on what we legally have to fund] Volatile fuel prices expected to continue - allow 2 % inflation | | |
| 0 | 0 | 0 | Sustainable Urban Drainage Systems (SUDs) Additional consultation costs - assumed full cost recovery through fees | | |

| | | | | | |
|---|------------|-----------|---|--|--|
| 800 | 0 | 0 | Planning Fee Income Change in Government policy meaning we can't charge at full cost recovery as previously planned. This is partially offset by the saving item re extra 15% increase - net £700k pressure | | |
| 1201 | 193 | 77 | Sub Total – New Legislation / Government Initiatives | | |
| Other Unavoidable Cost Pressures | | | | | |
| 25 | 0 | 0 | Street Lighting [linked to energy costs above - review following energy tendering results] Difference between previous budget reduction of £50k and net savings generated of £25k (showing as an adverse forecast) | | |
| 77 | 0 | 0 | Trade Waste collections Pressure caused by increased and more competitive competition due to economic conditions [Note required on revised "profit" figure including this growth] | | |
| 6 | 0 | 0 | Increase in debt charges re spa water borehole 3 year step up in costs | | |
| | | | | | |
| 108 | 0 | 0 | Sub Total – Other Unavoidable Cost Pressures | | |
| Improvement Priorities | | | | | |
| | | | | | |
| | | | | | |
| 0 | 0 | 0 | Sub Total – Improvement Priorities | | |
| Other | | | | | |
| 1200 | 0 | 0 | - Parking Services Budget gap, reduced business volumes due to behavioural changes (bus gates and parking), increased competition. Fuller budget exercise carried out showing need for £1.618m further base budget. There is also a range on each budget which if totalled comes to circa £1m either way. This does not include effects of Avon St, Bus Gates etc which are unknown at this point but carry exceptional risks to the achievability of this budget. SMT Review proposed £1.2m included in budget with further £418k covered by management action plan. | | |
| 64 | 0 | 0 | - Cremation fees gaps Income reduction due to increased competition from new facilities | | |
| 76 | 0 | 0 | West of England contributions Some of fees previously capitalised - this represents shortfall in revenue budget | | |

| | | | | | |
|--------------|--------------|------------|---|--|--|
| 42 | 241 | 150 | Waste - Midland Rd relocation Provision for SSB repayments for replacement Transfer Station and HWRC sites. Potential eviction risk (BWR clause). 15/16 figure assumes realisable savings of £200k to fund. (refer to PID Sept 2012) | | |
| 30 | 0 | 0 | Article 4 Direction/HMO More planning applications, more planning enforcement cases relating to change of use but costs cannot be recovered through fees on HMOs | | |
| 15 | 0 | 0 | Localism Act Council must bear the costs of validating examining, referenda & adoption of Neighbourhood Plans of which around £5000 per Neighbourhood Plan relates to Planning & Transport. Assume 3 NPOs & NDOs a year over the next 3 years | | |
| 50 | 0 | 0 | World Heritage Site Development Great Spas of Europe & EHTTA | | |
| 15 | 0 | 0 | Christmas Lights Event Support funding | | |
| 5 | 0 | 0 | Additional premise costs Bath Central Library Increase in NNDR charges | | |
| | | | | | |
| 1497 | 241 | 150 | Sub Total - Other | | |
| 3,654 | 1,113 | 884 | TOTAL BUDGET PRESSURE | | |

MEDIUM TERM SERVICE & RESOURCE PLANS – 2013/14 to 2015/2016

FINANCIAL PLANNING ASSUMPTIONS

1. Context – The Financial Challenge

The Council's Budget for 2013/2014 will present a full and detailed Medium Term Service and Resource Plan for the three-year period from 2013/2014 through to 2015/2016. This will enable the Council to take a planned and structured approach to meet the significant financial challenge facing the Council.

2013/2014 represents the third year of financial planning prepared in the context of the Government's Comprehensive Spending Review (CSR) announced in October 2010. This CSR included a deficit reduction programme with 28% cuts to local authority spending spread over the four year period from 2011/2012 to 2014/2015.

However as we approach the next Comprehensive Spending Review in 2013 it is clear that the reductions set out in the previous CSR will not be sufficient to meet the Government targets to reduce the fiscal deficit as, the on-going impact of economic uncertainty both across Europe and indeed worldwide, means the UK economy continues to fall short of previous expectations.

The financial implications for the Council will not be clear until the Provisional Local Government Financial Settlement which is not expected until mid-December 2012 and the overall position will be impacted by a range of significant changes affecting local Government Finance as set out below.

- The needs based Formula Grant funding system (the Four Block Model) for local government will come to an end and be replaced a combination of localised Business Rates and (where appropriate) a top up grant to be known as Revenue Support Grant.
- The new Localised Business Rates (National Non Domestic Rates) will provide for the Council to retain 50% of local business rates going forwards to further incentivise growth. The Council will also share in the cost of non-payment, business cessation and NNDR appeals. There will be a safety net where business rates decrease by 10% or more. This system will be reset from time to time to allow an element of rebalancing – the first such reset being scheduled for 2020 or later.
- The new Revenue Support Grant will use a baseline needs assessment for 2013/2014 and will be set broadly at a level to cover the gap between funding need and the initial 50% share of local business rates. The RSG will then be reduced to reflect Government savings requirements from 2013/2014 onwards.
- Responsibility for setting Council Tax Benefit passes to local authorities from 2013/2014 in the form of the new Local Council Tax Support Scheme. At the same time the funding from Government will be reduced by over 10% resulting in a shortfall of around £1.5M, which is proposed to be met from adjustments to the new scheme. The elderly and most vulnerable claimants will be protected.

- Anticipated reforms to the Planning System to provide for full cost recovery did not progress as expected. Some fee increases are being permitted but this falls far short of the levels that had already been factored into budgets for 2012/2013.
- Public health responsibility and related services will pass to the Council from April 2013, together with an appropriate budget transfer from the PCT. It is assumed the grant received will fully cover all related costs of this service.
- The full implementation of planned changes to Government Funding for LEA and Academies through the Local Authority Central Spend Equivalent Grant (LACSEG) will go ahead in 2013/14. Whilst some recognitions of local authority concerns has been made by the Dept. for Education, the Council will still face reductions in funding well in excess of current levels of spending. This will become increasingly challenging as more schools move to become Academies.
- Early years funding for 2 year olds will move from the LEA into the Dedicated Schools Grant which is primarily a technical change however the remaining funding for Early Years within LEA's will be reduced nationally. The exact local implications of this will not be clear until the Settlement is announced.

These issues are reflected within the Medium Term Service and Resource Planning process for 2013/2014 to 2015/2016 to the extent the impacts can be reasonably anticipated.

There are also a range of service specific cost pressures that need to be addressed including impacts of national policy changes. The most significant of these include:

- Rising elderly population placing significant demands on Adult Social Care and Health services.
- Increased demand for Children's care services.
- Contractual inflationary costs particularly for care placements and external service contracts.
- Local impacts of the economic downturn and increasing competition e.g. car parking income.

It should be particularly highlighted that the scale of changes impacting in 2013/2014 makes the financial implications for the Council extremely difficult to predict and the Provisional Local Government Finance Settlement may vary from the assumptions we have made. However taking account of the anticipated reductions in government grant funding and the pressures outlined above suggests that around £30m of budget savings will be required over the period 2013/2014 to 2015/2016.

2. Summary of Budget approach for 2013/2014 – 2015/20126

The sound financial management of the Council over the years means it is in a better position than many other Councils to face the continuing financial challenges arising as a result of the national economic situation.

The Council Budget currently being developed will cover the period from 2013/14 to 2015/2016, recognising the very difficult financial challenge now facing the whole of the public sector and the increasing need to prioritise resources. The following principles have been used to support this:

- Investing in economic growth
- Keeping Council Tax bills as low as possible
- Making every effort to protect essential frontline services 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 increasingly means difficult choices.

The development of the Budget has moved away from setting targets and budget top slices based on historic spending, to an approach more focussed on prioritisation supported where appropriate by zero based budgeting. This approach has included: -

- Ensuring only essential cost pressures are taken into consideration, challenging all proposals for inflationary increases and additional spending.
- A continued focus on achieving efficiency savings within and across service areas.
- Maximising savings achieved through the continued development of the Change Programme with projects like Customer Services and Procure to Pay.
- Seeking to increase income from new and existing sources. Developing and investing in a diversified income base to help protect the Council from reductions in Government funding.
- Minimising costs of borrowing utilising Council cash flow balances where appropriate to provide funding for capital projects.
- Exploring opportunities to support Communities to enable them to be more resilient and self-sustaining.
- Making better use of Council Assets, particularly council land and property, to reduce running costs and provide capital receipts.
- *Where Government is cutting its grants to local authorities, or other external sources of funding are being reduced, these savings requirements may need to be passed on to the relevant service.*

The scale of the projected savings required over the next three years, is such that the Council will need to prioritise services and whilst every effort will be made to protect essential frontline services for local people, this will inevitably lead to proposed reductions in service areas which are considered a lower priority.

The proposals put forward in the Medium Term Service and Resource Plans provide for a balanced budget in 2013/2014 and 2014/2015 subject to government funding announcements. 2015/2016 will be significantly dependent upon improvements to the global and national economy and whilst these MTSRP's proposals go some way to

addressing the financial challenge in this year, it is likely that further savings will be required.

3. Council Tax

Council tax levels have now been frozen since 2010/2011, supported by Council Tax Support Grants from the Government. These grants are time limited and create a funding pressure when they are discontinued. The Council Tax Support Grant for 2011/12 is payable until 2014/2015, whereas the Council Tax Support Grant for 2012/2013 was a one off grant. Each of these grants was conditional on a Council Tax freeze in the respective financial year.

On 8th October 2013 the Government announced the provision of grant funding to support councils who freeze their Council Tax for next year (2013/2014) at the current level (i.e. a zero increase). The grant is equivalent to a 1% increase in Council Tax (approximately £700K) and has been confirmed as payable for two years at present i.e. for 2013/14 and 2014/15.

This announcement also indicated that Council Tax increases over 2% would trigger the legislative requirements for a local referendum on the proposed Council Tax increase. This is subject to confirmation in the Provisional Local Government Finance Settlement.

The Cabinet currently expect to be in a position to make recommendations on Council Tax levels to Council in February 2013 as part of the 2013/2014 budget setting process.

The figures in this plan assume no increase in Council Tax and the administration will take into account the Government's settlement (grants to local authorities to be announced in December), together with the results of consultation, in deciding the level of Council Tax to be recommended.

4. Government Grants

The Council currently receives approximately £41m in formula grant from the Government which is distributed using a complex needs based formula known as the Four Block Model. This formula includes significant weightings attached to deprivation based indicators across a range of specific service blocks

The Council has historically lost significant funding (around £2.5m per annum) from its formula grant settlement through the application of the damping system or, in layman's language, the protection by Government of other authorities who should be getting less on a needs basis than they currently are. For 2012/2013 the level of damping was £2.3M.

This needs based formula is being replaced from 2013/2014 as part of the Local Government Resource Review. This formula is currently being updated in order to arrive at a baseline funding level for local authorities. This will be used as the starting point for the new system – beyond this point funding needs will only be considered on a periodic basis to reset funding for local authorities. The first such reset will not be until 2020.

The main element of the new system will provide for 50% of Business Rates (National Non Domestic Rates) to be retained locally. This will provide an added incentive to local authorities to stimulate and encourage business growth in their area with 50% of this effectively being retained by the Council. However the Council will also share in the risk of non-payment, business rate appeals and most significantly business closure or failure. A national safety net will be put in place to provide some protection although this will only operate once business rates have reduced by over 10%.

In the case of most councils, including BANES, it will be necessary for the Government to top up the retained business rates to the initial baseline funding level. This will be done by way of a top-up grant to be known as Revenue Support Grant (RSG). As already indicated, once this RSG is set in line with the initial baseline it will not be reassessed every year for changes in need. It will however be reduced each year in line with the reductions the Government wishes to make to local authority funding. It is therefore likely that for many Councils, including BANES, RSG may disappear altogether within the next 10 years.

Given these changes it is therefore very difficult to predict with any degree of certainty the overall level of funding the Council will receive going forwards. Based on the Government's technical consultation on the proposed changes received over the summer period, it is possible to model the potential funding outcomes. Indeed this consultation identified up to a 13% reduction in 2013/2014 although some of this reduction reflected potential changes to the funding for New Homes Bonus. Taking this into account an overall reduction in funding of up to 6% has been assumed for 2013/14 and approximately 5% in each of the years 2014/2015 and 2015/16.

The new arrangements for a localised 50% share of Business Rates provides the potential to produce some additional funding going forwards if new growth is achieved. However it should be recognised that the future planned closure of the MOD Sites will present an initial challenge as these business rates are lost. Based on modelling work a prudent assumption has been made for an initial ½% increase in Business rates income although this is reduced to a neutral position for 2015/2016 to reflect the aforementioned risk.

New Homes Bonus has been assumed to increase in line with experience to date – providing an additional £700K per annum. This income has been assumed to support the Revenue Budget to help minimise the impact of budget reductions on priority frontline services. This income will peak in 2016/2017 as New Homes Bonus is only payable for a 6 year period.

Whilst some small further reductions have been factored into specific service areas within the Medium Term Service and Resource Plans, the assumption for financial planning purposes will be for any further cuts in specific grants to be contained within the relevant service areas.

The Provisional Local Government Finance Settlement expected in mid-December 2012 will provide further details of baseline funding allocations for 2013/2014. Future years funding will be dependent upon the outcome of the next Spending Review due in 2013 (CSR2013). The announcements will inevitably vary from the assumptions made above and may potentially require variations to be made to the proposals set out in these Medium Term Service and Resource Plans.

5. Medium Term Service and Resource Plans

The Medium Term Service and Resource Plans cover the financial planning period from 2013/2014 through to 2015/2016 and have been prepared by each service area to reflect the details of the specific proposed savings to ensure the Council is in a position to consider a balanced Budget proposal.

As set out in Section 2, the process was based on prioritisation of savings in order to meet the projected need to find £30M of spending reductions over the next three years.

All proposals are subject to on-going scrutiny and consultation with final proposals being put forward by the Cabinet to the Council in February 2013.

6. Reserves

The budget for the current financial year 2012/2013 provides for the Council's General Fund Balances to be maintained at their risk assessed minimum level of £10.5m. There are no assumptions to change this position going forwards and the risk assessed levels will be reviewed as part of the final Budget proposal in Feb 2013.

A range of Earmarked Reserves are maintained by the Council for specific purposes. The likely commitments against each of these reserves will be reviewed as part of the on-going development of the Budget for 2013/2014.

The Council's reserves position remains relatively strong and will provide some flexibility to support the Budget over the Medium Term Service and Resource Planning period, particularly to facilitate timing and implementation of recurring savings.

Any proposed use of reserves will recognise that they can only be used once, and will take account of the overarching principle of not using reserves to provide support for recurring budget pressures.

7. Pensions

The most recent actuarial review as at 31 March 2010 concluded a number of positive factors which did not require any significant variation in the Council's employers contribution level overall. These factors included:-

- The Avon Pension Fund investments have performed relatively well albeit since that review investments generally have been volatile and affected by poor stock market performance.
- The Government has switched the rate for future pensions increases from the Retail Price Index (RPI) to the historically lower measure of the Consumer Price Index (CPI).
- A national review of public sector pensions schemes is being undertaken by the Government (the Hutton Review).

The outcome of the actuarial review has factored into the Budget plans and whilst no change was provided for in terms of the overall contribution level for the Council, the implications of a reducing workforce may require a further adjustment by the Council to maintain this neutral cash position going forwards.

Work is currently commencing to consider the potential impacts of the next actuarial review due as at 31 March 2013. The implications of this review may lead to changes in contribution rates from 2014/2015. This valuation will take into account the national changes to the Local Government Pension Scheme from 1 April 2014 reflecting changes to employee contribution rates and benefits including a move away from Final Salary to a Career Average scheme.

8. Pay Awards

Discussions are currently taking place nationally between the Employee and Employer representatives regarding the potential pay award offer for 2013.

Provision has been made within the MTSRP for a small increase (1%) in line with previous national government expectations for a public sector pay in 2013/2014. Similar provisions have been made for 2014/15 and 2015/16.

9. Other Assumptions

Some of the other key assumptions being used in the development of the medium term plans include:

- Contractual inflation of 2% has been provided for each year throughout the period where it is deemed essential, except in the case of Adult Social Care costs where the provision for inflation has been set at 1.75%. No further inflation has been provided for general supplies and services.
- Balanced budgets are delivered for 2012/2013 - there is no provision for overspending.
- Interest earnings on the Council's cash balances are based on a 1% return – this will be reviewed in line with the Council's Treasury Management Strategy.

10. The Local Government Finance Settlement 2013/2014

The Provisional Local Government Finance Settlement is now expected in mid-December 2013 following the Government's Autumn Budget Statement, which is scheduled for 5th December 2012.

This Settlement will provide the detailed position for the Council in terms of exactly what Government funding it will receive for the year ahead – 2013/2014. We expect this to include confirmation of the baseline position for the Localised Business Rates scheme, new homes bonus funding, and to also reflect the recently announced 2013/14 Council Tax Freeze Grant provisions

The Settlement should also confirm the limits on Council Tax increases above which a local Council Tax Referendum would be required.

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| Bath & North East Somerset Council | |
| MEETING: ECONOMIC AND COMMUNITY DEVELOPMENT PANEL | |
| MEETING DATE: | 22nd November 2012 |
| TITLE: | WORKPLAN FOR 2012/13 |
| WARD: | All |
| AN OPEN PUBLIC ITEM | |
| List of attachments to this report: | |
| Appendix 1 – Panel Workplan | |

1 THE ISSUE

- 1.1 This report presents the latest workplan for the Panel (Appendix 1).
- 1.2 The Panel is required to set out its thoughts/plans for their future workload, in order to feed into cross-Panel discussions between Chairs and Vice-chairs - to ensure there is no duplication, and to share resources appropriately where required.

2 RECOMMENDATION

- 2.1 The Panel is recommended to
 - (a) consider the range of items that could be part of their Workplan for 2012/13

3 FINANCIAL IMPLICATIONS

- 3.1 All workplan items, including issues identified for in-depth reviews and investigations, will be managed within the budget and resources available to the Panel (including the designated Policy Development and Scrutiny Team and Panel budgets, as well as resources provided by Cabinet Members/Directorates).

4 THE REPORT

4.1 The purpose of the workplan is to ensure that the Panel's work is properly focused on its agreed key areas, within the Panel's remit. It enables planning over the short-to-medium term (ie: 12 – 24 months) so there is appropriate and timely involvement of the Panel in:

- a) Holding the executive (Cabinet) to account
- b) Policy review
- c) Policy development
- d) External scrutiny.

4.2 The workplan helps the Panel

- a) prioritise the wide range of possible work activities they could engage in
- b) retain flexibility to respond to changing circumstances, and issues arising,
- c) ensure that Councillors and officers can plan for and access appropriate resources needed to carry out the work
- d) engage the public and interested organisations, helping them to find out about the Panel's activities, and encouraging their suggestions and involvement.

4.3 The Panel should take into account all suggestions for work plan items in its discussions, and assess these for inclusion into the workplan. Councillors may find it helpful to consider the following criteria to identify items for inclusion in the workplan, or for ruling out items, during their deliberations:-

- (1) public interest/involvement
- (2) time (deadlines and available Panel meeting time)
- (3) resources (Councillor, officer and financial)
- (4) regular items/"must do" requirements (eg: statutory, budget scrutiny, etc)?
- (5) connection to corporate priorities, or vision or values
- (6) has the work already been done/is underway elsewhere?
- (7) does it need to be considered at a formal Panel meeting, or by a different approach?

The key question for the Panel to ask itself is - can we "add value", or make a difference through our involvement?

- 4.4 There are a wide range of people and sources of potential work plan items that Panel members can use. The Panel can also use several different ways of working to deal with the items on the workplan. Some issues may be sufficiently substantial to require a more in-depth form of investigation.
- 4.5 Suggestions for more in-depth types of investigations, such as a project/review or a scrutiny inquiry day, may benefit from being presented to the Panel in more detail.
- 4.6 When considering the workplan on a meeting-by-meeting level, Councillors should also bear in mind the management of the meetings - the issues to be addressed will partially determine the timetabling and format of the meetings, and whether, for example, any contributors or additional information is required.

5 RISK MANAGEMENT

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

6 EQUALITIES

- 6.1 Equalities will be considered during the selection of items for the workplan, and in particular, when discussing individual agenda items at future meetings.

7 CONSULTATION

- 7.1 The Workplan is reviewed and updated regularly in public at each Panel meeting. Any Councillor, or other local organisation or resident, can suggest items for the Panel to consider via the Chair (both during Panel meeting debates, or outside of Panel meetings).

8 ADVICE SOUGHT

- 8.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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| Contact person | Jack Latkovic, Senior Democratic Services Officer. Tel 01225 394452 |
| Background papers | None |
| Please contact the report author if you need to access this report in an alternative format | |

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Last updated 13.11.12.

Economic and Community Development Policy Development & Scrutiny Panel Workplan

| Meeting Date | Agenda Item | Director | Report Author | Format of Item | Requested By | Notes |
|-------------------------------|--|----------|-------------------|----------------|---------------------|-------|
| 22nd Nov 12 | Community Safety - IMPACT (30 min) | | Sue Dicks | | | |
| | Medium Term Service and Resource Plans (90 min) | | | | | |
| 24th Jan 13 | Community Safety –(tbc) | | | | | |
| | River Corridor Scrutiny Inquiry Day – recommendations | | D Vercoe | | | |
| | Parish Charter (tbc) | | | | | |
| 14th Mar 13 | Community Safety - | | | | | |
| | Police Commissioner update | | Andy Thomas | | | |
| Future items | | | | | | |
| | Sport and Active Lifestyle Partnership | | | | | |
| | Planning and Financial Future | | Jeremy Smalley | | Panel in Sep 2012 | |
| | World Heritage Site – 25 years on | | | | | |
| | 'Clawback' from Voluntary/3 rd Sector | | | | Panel in March 2012 | |
| | Post-Midnight Economy and its contribution to overall economy | | Andrew Cooper (?) | | Panel in May 2012 | |
| | Youth mentor to brief us on their role within the Youth Justice system | | | | Cllr Anketell-Jones | |

Last updated 13.11.12.