

Democratic Services

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Date: 7th November 2011

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To: All Members of the Housing and Major Projects Policy Development and Scrutiny Panel

Councillor Rob Appleyard
Councillor Steve Hedges
Councillor Les Kew
Councillor Barry Macrae
Councillor Brian Simmons
Councillor Will Sandry
Councillor Paul Fox

Cabinet Member: Homes and Planning - Councillor Tim Ball

Cabinet Member: Sustainable Development - Councillor Cherry Beath

Chief Executive and other appropriate officers
Press and Public

Dear Member

Housing and Major Projects Policy Development and Scrutiny Panel: Tuesday, 15th November, 2011

You are invited to attend a meeting of the **Housing and Major Projects Policy Development and Scrutiny Panel**, to be held on **Tuesday, 15th November, 2011 at 5.30 pm** in the **Council Chamber - Guildhall, Bath**.

The agenda is set out overleaf.

Yours sincerely

Mark Durnford
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 Mark Durnford who is available by telephoning Bath 01225 394458 or by calling at The Guildhall, Bath (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 Mark Durnford 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 Mark Durnford 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**

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

**Housing and Major Projects Policy Development and Scrutiny Panel - Tuesday, 15th
November, 2011**

at 5.30 pm in the Council Chamber - 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 UNDER THE LOCAL GOVERNMENT ACT 1972

Members who have an interest to declare are asked to:

- a) State the Item Number in which they have the interest
- b) The nature of the interest
- c) Whether the interest is personal, or personal and prejudicial

Any Member who is unsure about the above should seek advice from the Monitoring Officer prior to the meeting in order to expedite matters at the meeting itself.

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 - 20TH SEPTEMBER 2011 (Pages 7 - 16)

8. CABINET MEMBER UPDATE

This item gives the Panel an opportunity to ask questions to the Cabinet Member(s) and for them to update the Panel on any current issues.

9. ARTICLE 4 DIRECTION ON HOUSES IN MULTIPLE OCCUPATION

The Policy & Environment Manager will give the Panel a verbal update on this item.

10. MEDIUM TERM SERVICE & RESOURCE PLAN (Pages 17 - 56)

The draft Development & Major Projects Medium Term Service & Resource Plan (MTSRP) is presented for consideration by the Panel.

11. HOUSING & MAJOR PROJECTS UPDATE (Pages 57 - 80)

This report provides an update in respect of housing delivery and the projects currently managed by the Development & Major Projects Directorate.

12. PANEL WORKPLAN (Pages 81 - 86)

This report presents the latest workplan for the Panel (Appendix 1).

The Committee Administrator for this meeting is Mark Durnford who can be contacted on 01225 394458.

BATH AND NORTH EAST SOMERSET COUNCIL

HOUSING AND MAJOR PROJECTS POLICY DEVELOPMENT AND SCRUTINY PANEL

Tuesday, 20th September, 2011

Present:- Councillors Rob Appleyard (Chair), Steve Hedges (Vice-Chair), Barry Macrae, Paul Fox, Patrick Anketell-Jones (In place of Les Kew) and Neil Butters (In place of Will Sandry)

Also in attendance: John Betty (Strategic Director, Development & Major Projects), Derek Quilter (Divisional Director, Project Management Major Projects), Graham Sabourn (Associate Director (Housing and Health) B&NES), David Langman (Business Services Manager Major Projects) and John Wilkinson (Economic Enterprise & Business Development Manager)

11 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting.

12 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

13 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillors Kew, Sandry and Simmons had sent their apologies to the Panel. Councillor Anketell-Jones was present as a substitute for Councillor Kew and Councillor Butters was present as a substitute for Councillor Sandry.

14 DECLARATIONS OF INTEREST UNDER THE LOCAL GOVERNMENT ACT 1972

There were none.

15 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

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

There were none.

17 MINUTES - 2ND AUGUST 2011

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

18 CABINET MEMBER UPDATE

Councillor Tim Ball, Cabinet Member for Homes & Planning addressed the Panel.

Homeless Provision: He informed the Panel that several meetings had taken place recently with Julian House and he hoped to be able to update them further in the coming months.

Travellers Site: He stated he had been working on a policy that would enable an actual site to be provided and that it was his intention to have the policy in place as soon as the democratic process will allow. A site currently within the Green Belt is under consideration and funding for the site is being investigated.

Councillor Steve Hedges asked for an assurance that the current policy will be appropriately amended.

Councillor Tim Ball replied that he would bring a full report to the November meeting of the Panel in the hope that he could make the site come to fruition inside 12 months.

The Chairman wished to congratulate him on his work so far relating to the travellers site and reminded him of the upcoming Hostel Review that had been agreed at the recent Policy Development & Scrutiny Chair's meeting.

Councillor Tim Ball replied that he welcomed the review.

Councillor Cherry Beath, Cabinet Member for Sustainable Development addressed the Panel.

Keynsham Regeneration: She wished to highlight that the consultation process would begin on September 26th.

Radstock Economic Forum: She had attended a very positive meeting recently which had produced a very helpful ongoing schedule.

Radstock Traffic Regulation Orders (TRO): A decision on this proposal has been deferred to give time to assess all of the comments that have been received.

Sustainable Economic Development: Financial models will be drafted for the Enterprise Area. She acknowledged that the Enterprise Zone was a big magnet and that the Council was doing its best to retain as many businesses as possible.

Councillor Steve Hedges commented that the concerns of the public in relation to the Radstock TROs should be addressed as much as possible.

Councillor Cherry Beath replied that the solution needs to be viable to bring forward regeneration which is why she was looking at possible amendments.

The Chairman commented that the road works that had been in place over the past two weekends were a prime example of how important signage will be if the TROs do proceed. He called for adequate signage to be on all roads and well in advance of Radstock. He also posed the question of whether any of the TRO work could take place at night without too much disturbance.

Councillor Barry Macrae said that he agreed with the comments made by the Chairman and added that the traders within Radstock who will lose income as a result of the works must be taken into account. He also urged the Cabinet Member to accommodate skills where they lie and to encourage businesses to set up in areas where a knowledge base already existed.

The Panel thanked them both for their updates.

19 HOUSING & MAJOR PROJECTS UPDATE

The Strategic Director for Development & Major Projects introduced this item to the Panel. He highlighted some of the key points from the beginning of the report.

Housing Delivery – The Council has published a Core Strategy which seeks to provide 11,000 new homes in B&NES by 2026. This will require a step change in annual delivery rates over the plan period from 393 per annum (2006-2011) to achieve the required average of 550 pa. (Core Strategy Target 2006-2026). These figures are challenging, but sites are currently being progressed.

A brief review of the current arrangements within the council has been commissioned by SDG. The report will cover the capabilities and effectiveness of the organisation and the capacity currently in place and will recommend actions necessary to ensure that there is a co-ordinated approach across the council and accountable to the Strategic Director of Development and Major Projects.

The Chairman asked if work was ongoing to find potential new sites.

The Strategic Director for Development & Major Projects replied that yes work was ongoing to find appropriate opportunities on more modest sites. He added that to gain the maximum potential from the New Homes Bonus it would be beneficial to build sooner rather than later.

The Associate Director for Housing and Health addressed the Panel in relation to the Housing Services section of the report.

Councillor Steve Hedges asked for an update on the Council's position relating to the compulsory purchase of empty properties.

The Associate Director for Housing and Health replied that the Revenues and Benefits team had advised that according to their records there are 500 properties that had been empty for more than six months. He then added that officers within his team had, following visits to these properties, reduced the list to 100 properties that

are empty and have been so for more than a year, with another 100 that are probably empty and also have been for more than one year. The remaining properties were either not empty or had been empty for less than 1 year. From this list, 8 properties have been identified as high priority properties that should be pursued with formal action.

Councillor Neil Butters asked how many of the eight properties they hoped to have in use within a year and if there was a timeline for the process.

The Associate Director for Housing and Health replied that the Council would be lucky to bring forward one property within a year, given that advice from other authorities suggests that legal action can be both time consuming and potentially very expensive.

Councillor Steve Hedges commented that the Council should examine the approach taken by Brighton Council. He stated that following one compulsory purchase, thirty other properties were worked upon very swiftly by their landlords.

The Associate Director for Housing and Health addressed the Panel on the matter of Housing Services. He informed them that the Localism Bill was expected to receive Royal Assent in November and will introduce a number of housing reforms and flexibilities which will affect some of the Council's housing activities around homelessness, housing allocations and tenancies. One of the key proposals is the requirement that Councils produce a 'Strategic Tenancy Policy' (STP) which Registered Providers of social housing (RPs) "are to have regard in formulating policies".

The STP should articulate the Councils view on the kind of tenancies that RPs should use and how they should be operated. There may be merits in using the STP as a vehicle to articulate a more comprehensive view of the Council's housing policies, including guiding principles, RP asset management, housing allocation priorities, housing advice and how it will monitor and review the policy.

A future report, later in the financial year, will bring the proposed STP and housing allocations policy to this panel.

The proposed housing changes include:

- Introducing the option to offer social tenants flexible tenancies and at a rent of up to 80% of local market rents, known as Affordable Rent.
- Allowing significantly greater freedoms for the Council to decide who is eligible to join the housing waiting list & how they are prioritised.
- A requirement to produce and publish an STP which RPs "are to have regard in formulating policies". The STP should articulate the Councils view on the kind of tenancies that RPs should use and how they should be operated.
- Abolition of Housing Revenue Account, which although a significant change has no effect for 'Large Scale Voluntary Transfer' LSVT authorities such as Bath & North East Somerset which no longer own their own stock.
- Enabling authorities to discharge their homelessness duty through accommodating a household in the private rented sector.

Councillor Paul Fox asked if additional funds are received by a Registered Provider how are they monitored.

The Associate Director for Housing and Health replied that the Homes & Communities Agency has a process to ensure funds are used for deliverability.

Councillor Barry Macrae thanked the Associate Director for Housing and Health for his explanation on the current challenges facing the department. He added that he believed Councillor Ball had a large problem to address within this area and asked him to bring his priorities back to the Panel.

The Strategic Director for Development & Major Projects addressed the Panel in relation to the overview of the department.

Affording the Future

- The Council needs to understand the impact of the new financial regimes brought in by Government, which moving forward place more emphasis on delivering housing and employment growth, and how these might impact on the Authorities revenue and capital funding streams.

City of Ideas & Enterprise Area

- Earlier in the year, the West of England Local Enterprise Partnership (LEP) determined that Bristol Temple Quarter would be given a new designation as an Enterprise Zone. This means Bristol City Council will need to produce a Local Development Order outlining how they will encourage business to locate there through relaxing planning rules.
- The Government will also offer a business rate holiday for new businesses starting in the zone and allow the LEP to retain business rates from new businesses. As part of this agreement the 4 Enterprise Areas within the West of England have also been agreed. One of these is Bath City Riverside.
- This designation means that these areas will be the first to benefit from some of the financial gains from business rate retention accrued from the Bristol Temple Quarter Enterprise Zone. A Memorandum of Understanding between the Local Authorities is currently being prepared to articulate exactly how this will work.

Work has started to articulate the scope of the Bath Enterprise Area. Key activities have been:

- Starting the development of a financial model to establish the overall viability of the Enterprise Area. This will be based on an examination of all available and potential funding mechanisms (e.g. Community Infrastructure Levy (CIL), New Homes Bonus, Tax Increment Finance, leverage, feed in tariffs etc). This work will start in September and report later in the year.

Councillor Martin Veal addressed the Panel and proceeded to ask the following questions.

He asked if Council officers would now take on board the issue of cellar degradation within the London Road area as part of the Regeneration Action Plan with a view to the results informing and empowering the debate on traffic, weight limits and HGV's

using the London Road to transit Bath. He suggested that as the Council owns the freehold of three buildings in the area – numbers 2, 3, and 4 Long Acre that this would be a good place to start.

The Strategic Director for Development & Major Projects replied that the request will be taken on board by officers and added that any decision should be looked at in parallel to consideration of the overall regeneration and community needs of the London Road, and the sustainability and deliverability of any proposal.

Councillor Martin Veal asked how does the consultation on the Visitor Accommodation Study address the significant body of opinion that through the planning process and its inadequacies Bath could end up with a series of down market bucket shops and cheap bed hotels that will do little to maintain the high quality of visitor attractions, shops and leisure facilities that the city offers.

The Strategic Director for Development & Major Projects replied that hotel quality is not a matter that is within the control of Planning Policy and assured Councillor Veal that planning officers will keep monitoring developments.

Councillor Martin Veal asked why the workings of the Local Enterprise Partnership (LEP) were not scheduled for transparent scrutiny and called upon the Panel to scrutinise the LEP Business Plan to ensure it is within our Core Strategy, our core values and the priorities of our residents.

The Strategic Director for Development & Major Projects replied that he represents the Council as lead officer on the LEP Project Team and subject to receiving advice saw no reason why the Business Plan could not be brought to the Panel.

Councillor Martin Veal asked who will be leading on the 'active engagement of sector sub groups e.g. Tourism', who will they be reporting to and will their reports be referred to the Panel. He added that whoever represents the 'active engagement' must have a qualified and strategic awareness of the tourism offer and requirement of Bath & North East Somerset or very quickly Bath's unique tourism offer and delivery will be subsumed by an inferior global Bristol offer. Destination Bristol has less than half the membership of Bath Tourism Plus and covers not only twice the number of businesses but twice the area and over twice the budget. He stated he was very worried that the Council would shrink from the challenge of the LEP and that this in turn would be to the benefit of Greater Bristol and their inferior offer.

The Strategic Director for Development & Major Projects replied that currently it had been officers that have attended meetings, not Members and that he had been involved in two reporting sectors, namely construction and retail and tourism.

The Business Support and Development Manager added that Mary Lynch from Bath Tourism Plus currently sits on the LEP Board.

Councillor Barry Macrae commented that he felt that as Midsomer Norton had now been installed with High Speed Broadband as a result of a government grant that more businesses should be encouraged to start up / move to the area.

Councillor Neil Butters commented that he wished for this to be expanded to the villages of the Council such as Wellow.

The Economic Enterprise & Business Development Manager addressed the Panel on the matter of Business Support. He informed them that through monitoring of the 2011/12 SLA it shows that in quarter 1 BusinessWest provided advice to 500 pre-start and established businesses and recorded 43 new business starts and are currently on track to exceed the annual targets under the Agreement. He added that the Council are continuing to work with BusinessWest on the implications of the closure of the regional Business Link offices in November 2011 and how this will affect service delivery under the SLA. To assess the future priorities for business support an Evaluation Report is being commissioned which will look at the demand for and effectiveness of business support services and inform any continued Council support for service delivery.

Councillor Barry Macrae stated that he wished for Evaluation Report to be shared with the Panel.

The Economic Enterprise & Business Development Manager replied that it was likely he would be able to produce the report for the January meeting of the Panel.

Councillor Patrick Anketell-Jones asked for a brief update on the regeneration of Keynsham Town Hall.

The Divisional Director for Project Management replied that the department were currently preparing a planning application with a view to presenting a report to Cabinet in December.

The Panel **RESOLVED** to note the report and thanked all the officers present for their contributions to the debate.

20 DELIVERING SUSTAINABLE ECONOMIC GROWTH IN B&NES

The Economic Enterprise & Business Development Manager introduced this item to the Panel. He explained that the format of the report forms a potential skeleton of the Cabinet paper that they will receive in November. He highlighted that there was a risk that without intervention, at current levels of economic performance, the Council will not create the level of job growth that is planned for by the Core Strategy. He added that the area's current economic performance shows that if it continued into the future at current rates that not enough jobs, particularly of the target quality, will be created for local people.

He also wished to set out some real strengths of the area and potential future actions.

Strengths

- A highly skilled workforce, with world class Higher Education provision focussed on growth sectors
- Clusters of highly productive businesses, many of them identified as key sectors in driving the UK's economic recovery

- Public sector and tourism jobs providing a backbone to the local economy and a steady flow of income somewhat protected from recession and international competition
- Once they start, very good business survival rates indicating a strong underlying economy

Potential future actions

- Ensure the District has an attractive profile and strong competitive identity to attract inward investment in accordance with the Bath and North East Somerset Economic Strategy
- Ensure there is a regulatory, finance and support environment which enables existing businesses to develop and grow
- Ensure there is sufficient and appropriate employment space available for local job creation, building on the opportunity of the Bath Enterprise Area but also focussed on local neighbourhoods outside Bath
- Ensure there are sufficient and appropriate homes built to provide accommodation for people taking up these new jobs as set out in the Core Strategy, including university graduates
- Ensure that the transport, communications and cultural infrastructure supports the delivery of the above

Councillor Barry Macrae commented that he felt that most of the important issues were covered within the report and he urged that Cabinet to carry out the implementation as soon as possible.

Councillor Paul Fox commented that he acknowledged that something needs to be done and said that any growth must be sustainable. He called for key employment space / business accommodation to be identified and asked what the Council could do to aid this. He also stated that B&NES should not have an inferiority complex regarding Bristol and the LEP as it should be seen as an opportunity.

The Chairman commented that he felt that sites should be identified so that businesses can have the ability to expand.

Councillor Patrick Anketell-Jones commented that taking forward proposals for a creative/digital “hub” workspace for co-location of creative companies was a sound proposition for the future.

Councillor Steve Hedges commented that he felt that the report should be written with more confidence. He also called for the former Clark’s site to be promoted further as part of the solution.

Councillor Paul Fox stated the need for Bath to get itself onto the Cities Map as they are seen as the drivers for growth.

The Chairman commented that mobility and public transport were both important issues that should be considered. He added that the Panel should also have a role in how money in relation to the New Homes Bonus is spent.

The Strategic Director for Development & Major Projects commented that the Government currently sees the West of England and Bristol as a priority. He called for the Council to be bold and to make the relationship work by showing them a credible offer of our own.

The Panel **RESOLVED** to commend the report to the Cabinet.

21 PANEL WORKPLAN

The Chairman introduced this item to the Panel. He proposed that prior to the next meeting the Panel has an 'Away Day' to discuss the Medium Term Service and Resource Plans and the future priorities of the Panel.

The Panel agreed with this proposal and set a provisional date of Friday 11th November, 3.00pm.

The meeting ended at 8.45 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services

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Bath & North East Somerset Council		
MEETING:	Housing and Major Projects Policy Development & Scrutiny Panel	
MEETING DATE:	15th November 2011	AGENDA ITEM NUMBER
TITLE:	Medium Term Service & Resource Planning – 2012/13-2015/16	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
ANNEX 1 – Development & Major Projects Medium Term Service & Resources Plan 2012/13-2015/16		
ANNEX 2 - Equalities Impact Assessment		

1 THE ISSUE

1.1 The draft Development & Major Projects Medium Term Service & Resource Plan (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
- (2) To enable comment on the strategic choices inherent in the medium term plan
- (3) To enable issues to be highlighted for consideration in January by the Panel as part of the service action planning and budget processes
- (4) To enable issues to be referred to the relevant Portfolio holder at an early stage in the service planning and budget process

2 RECOMMENDATION

The Panel is asked to:

- (1) Comment on the medium term plan for Development & Major Projects
- (2) Identify any issues requiring further consideration and highlighting as part of the service action plans and budget reports to be considered in January by the Panel
- (3) Identify any issues arising from the draft plan it wishes to refer to the relevant portfolio holder 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.

4 THE REPORT

4.1 This report forms part of the service and resource planning process. As set out in the enclosed medium term plan (Annex 1), the next steps include:

- (1) Service Action Plans being presented to January PDS Panels.
- (2) February Cabinet recommendations to Council
- (3) February Council approval of budget and Council Tax setting.

4.2 The draft Medium Term Service & Resource Plan for Development & Major Projects is attached as Annex 1, and includes its own appendices.

4.3 The Panel needs to consider the implications of this medium term plan and make recommendations to the relevant portfolio holder(s) and Cabinet. Where the panel wishes to either increase expenditure or reduce savings targets alternatives should be proposed.

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 services to suffer and the implications for service users, as a result of the savings, albeit that most savings are directed at efficiencies or services which do not directly relate to Corporate Priorities
- (3) The implications for staff arising from savings
- (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.

6 EQUALITIES

6.1 An Equalities Impact Assessment for this plan is included in Annex 2 to this report.

6.2 Service Action plans will be subject to Equalities Impact Assessments as they are completed.

7 CONSULTATION

7.1 This corporate implications of this report have been considered by Strategic Directors Group (SDG) including the *Section 151 Finance Officer; Chief Executive & Monitoring Officer*

7.2 Further consultation has taken place as part of the Corporate Plan process. A budget fair took place on 31st October and feedback from the fair has helped inform the draft plan. The main feedback summary quotations from the budget fare workshop were:

- 'Do the bits we can' (but remember the Vision)
- Emphasis on the river - its economic potential and opportunities as infrastructure
- Strong support for Treasure and Transform ideas and aspirations and make it part of the on-going communications
- The group confirmed that the Housing agenda is important
- The City of Ideas was well supported
- Bath - Keynsham - Bristol economic corridor - ensure benefits spill to support Somer Valley
- Consider how Council property assets can be utilised to initiate development schemes

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 (Strategic Director – Resources & Support Services) have had the opportunity to input to this report.

Contact person	<i>John Betty Strategic Director. Tel. 01225 477158</i>
Background papers	
Please contact the report author if you need to access this report in an alternative format	

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ANNEX 1 - MEDIUM TERM SERVICE & RESOURCE PLAN DEVELOPMENT & MAJOR PROJECTS

Development & Regeneration and Project Management

2012-13 until 2014-15

Introduction

This plan sets out the key influences on Development & Major Projects together with the intended approach to service and resource planning.

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

- **Development & Major Projects** (this plan)
- Resources
- People & Community Services
- Housing, Health & Social Care (this is jointly produced with the PCT)
- Service Delivery (Planning, Transport, Waste, Highways, Libraries, Tourism Leisure & Culture)

A separate document summarises the main financial assumptions and parameters (See Appendix 4).

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

- Cuts in public expenditure – this is the second year of the 2010 Government Comprehensive Spending Review – savings have been ‘front loaded’ and are very challenging
- 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), consultation on the return of business rates to local government, new benefits system (the Work Programme, Universal Credits and Council Tax Benefits), Incentives for Growth (New Homes Bonus, Regional Growth Fund, Local Enterprise Partnerships)
- Sustainable Community Strategy and Council Priorities – these are being reviewed by the new administration and will be considered by Council in February 2011.

- Council change programme – this remains a key driver for internal efficiencies and improvements in services to customers to target priorities and needs as well as initiatives to join up services between public agencies

Specifically related to Development & Major Projects is:

- The need to bring forward Housing Delivery in line with the Core Strategy
- The requirement to initiate development to create growth
- The formation of the West of England (WEP) Local Enterprise Partnership (LEP) and the B&NES Enterprise Area
- The aspiration to develop the digital and creative industries
- The need to facilitate the creation of jobs to address worklessness, particularly among young people
- Delivery of the capital programme and promotion of the council's project management system.

Further detail about these external and corporate influences is given in Appendix 3.

Staff Resources & Finances

The services incorporated in this plan are listed below together with related staff numbers. Changes start with this as the base:

	<i>Budget (Net)£m</i>	<i>Staff (fte)</i>
<i>Major Projects</i>	<i>0.560</i>	<i>12.2</i>
<i>Development and Regeneration</i>	<i>1.026</i>	<i>13.8</i>
<i>Development & Major Projects</i>	<i>1.586</i>	<i>26</i>

Notes:

(1) Revenue budgets are for 2011/12 - prior to any changes arising from this plan.

A copy of the current draft future capital programme is attached as Appendix 1.

Key Proposed Changes – Years 1 to 3 – 2012/13 to 2014/15

The main national and local drivers for change for the Council and for the Development & Major Projects Services are as set out in Appendix 3.

The **underpinning approach** in Development & Major Projects response to these drivers for change is to:

- Lead a corporate initiative called Development Delivery (specifically the Enterprise Area) supported by Planning and Financing the Future (PFF), that will drive the Growth Agenda for B&NES including Keynsham and the Somer Valley and deliver the Bath Enterprise Area
- Support businesses to grow the number and productivity of jobs in B&NES
- Play a strong role at the West of England Local Enterprise Partnership to maximise the benefits from being part of a strong sub region
- Bring forward integrated regeneration schemes which address the need to mitigate social and economic pressures across the District
- Ensure we maximise the advantages of having 2 local Universities and strong FE colleges to the economy, encouraging innovation and the establishment of start up businesses
- Support the opportunity for expansion of Digital / Creative industries by developing a creative hub
- Support interventions that deliver good quality, modern, business space
- Support and bring forward the development of an appropriate mix and level of housing securing New Homes Bonus
- Support the change programme in developing the Council's commissioning approach
- The local Council funding is essentially no different from the national situation. The budget position will not be resolved only through cuts – growth will be essential. Growth of the Council's income will only come via economic growth and use of NHB, CIL, TIF, fit, etc and therefore the development and economic agenda in D&MP will provide the resources for further Council investment.
- Delivery of capital projects

The Directorate's focus remains on creating the right climate for economic growth within Bath and North East Somerset and on delivery.

The emphasis of the Directorate is on delivering regeneration schemes, capital projects and economic support to businesses and driving the Growth Agenda.

The directorate also will act as sponsor for a range of corporate initiatives and project specific responsibilities including:

- The Development Agenda
 - Bath City Riverside (Enterprise Area) especially Bath Western Riverside SPD area
 - City centre development sites
 - The Public Realm Project
 - Norton Radstock Regeneration scheme and associated economic development
 - Economic Assessments of the Somer Valley area leading to the development of regeneration strategies
 - Keynsham Regeneration,
 - Local Enterprise Partnership (LEP)
 - Housing Delivery
 - Providing project and programme management
 - Developing the role of Intelligent Client in the core council

The Government has introduced its Localism Bill and as part of this approach the Government is now also consulting on future financing of Local Authorities

The scope of the initial consultation is on proposals to allow local authorities to retain business rates, and to explore options for enabling authorities to carry out Tax Increment Financing within the business rates retention system. The Government has already introduced a new way of financing housing growth, through the New Homes Bonus (NHB) and the Community Infrastructure Levy which will apply to new development.

The NHB and the potential for business rate retention mark a radical change in the way local authorities are funded. The consultation claims that any council that grows its local economy will be better off under this new system. Conversely without growth local authority income will reduce as Government seeks to reduce the proportion of funding provided by Local Authority grants.

The opportunity presented by the Bath City Riverside Enterprise Area (EA) is therefore central in delivering our jobs and growth targets and the financing of the Authority.

In addition the Directorate will continue to work to deliver the key objectives of the **Sustainable Community Strategy** includes the following priorities which affect Development & Major Projects:

- Facilitating the development of low-carbon modern business space appropriate for business needs across the District, particularly in Bath City Centre, Midsomer Norton and Radstock and Keynsham, to deliver local jobs as well as local housing

- Bringing forward the development of Bath Western Riverside to deliver more / affordable housing in the centre of Bath
- Facilitating the growth and development of key sector businesses in the District (including creative, ICT and low-carbon technology firms and the independent retail sector), building on the work of the Universities and Innovation Centre, and by supporting the development of key sector networks locally
- The Clean Energy Agenda Forum

Against the background of the need to drive economic growth for the benefit of the residents of B&NES the Directorate will deliver further efficiencies during 12/13 to achieve the required savings target. Efficiencies have been identified through a review of the structure of the directorate, reducing the levels of management by organising the directorate into 2 main areas:

- Policy and Corporate Initiatives
- Delivery of Capital and Development schemes

Additional savings have been achieved by reviewing the method of delivering inward investment support, reducing the need for external expenditure.

Finances & service impacts

The service impacts of the changes are set out in the attached impact analysis at Appendix 3.

The savings targets for the Directorate for the next 3 years are as follows:

- | | |
|------------------|----------------|
| • 2011/12 | £0.125m |
| • 2012/13 | £0.095m |
| • 2013/14 | £0.076m |

Workforce Planning

An assessment of the Directorate workload and priorities has been undertaken to understand the likely emerging changes of demand for employee skills and staff numbers. This indicates a shifting emphasis in demand for skills is emerging, broadly as outlined below.

Staff numbers

Estimated projections for Directorate core employed staff numbers over next 5 years:

	<i>Base Level 10/11</i>	<i>11/12</i>	<i>12/13</i>	<i>Up to 5 years time</i>
<i>Core staff:FTE</i>	34	26	23	Circa 20

By 12/13 the Directorate will achieve a staff reduction of 32% as a result of efficiencies and reducing or stopping some activities from the base level of 10/11. Further reductions will be required in 13/14 and 14/15 to achieve the target savings however in 11/12 the Directorate has taken on the following additional responsibilities of:

- **Housing Delivery**
- **LEP Interface**
- **Enterprise Area**

The Directorate has been able to meet this additional demand by the use of flexible / task related specialist resources.

To achieve the savings for 12/13 D&MP the following changes to the workforce will be made:

- In total about 3 posts including current vacancies are being removed across the directorate in 2011/12 to achieve the savings in this plan, ready for the start of the 2012/13 financial year.
- As a result of reviewing vacancies, flexible arrangements including the use of agency staff, changes to working hours, early planning and good consultation the number of compulsory redundancies in 2011/12 will be very low.

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.

Change coaches will continue to facilitate and support change in each Division.

Divisional Directors will benefit from continuing leadership development and one to one coaching.

Some of the new/stronger skills requirements are associated with:

- Business planning and financial awareness
- Lean systems thinking as a means of reducing waste in systems and helping improve customer experience whilst increasingly focusing on high priority needs
- ICT Systems training where new IT is implemented such as Agresso finance systems upgrade, e-procurement, & changes to customer relationship management.
- Commissioning skills especially for staff in core roles associated with all the services including strategic roles, assessment of need, consultation, intelligence and research, procurement, community engagement and partnership working.

A review of the use of IT will be undertaken to investigate how this can support the additional workload of the growing Directorate agenda and the resultant complexities of communications.

The reduction in the size of the department will also require Divisional Directors to look closely at other delivery models for their services and to further develop the relevant HR skills to manage redundancies, redeployment and transfers of staff.

The strong position of the Departments' financial management should enable a planned and phased approach to be adopted.

Each service has reviewed its staff profiles to facilitate the above changes. Early retirements will facilitate some of the changes subject to affordability. Flexible retirements and other flexible employment options will be considered. Some compulsory redundancies will probably be necessary but early planning will be used to keep these to a minimum. Staff structures will be reviewed to ensure the core/commissioning roles in the current Departments are clearly defined.

To achieve the necessary changes there will need to be the right programme management in place. The first moves to facilitate change are:

- Appointing change programme managers and setting up project teams for each strand of change activity in the department and to ensure these strands link to the overall corporate change programme
- Use consultancy support only where skills or experience is missing and external support is needed to bring about rapid and effective change – the lean review in Housing Benefits is an example of this approach. The PWC diagnostic was another example. In both cases the approach has been to develop skills in Council staff.
- Restrict recruitment when posts become vacant (a managed recruitment freeze with each vacant post being carefully reviewed before being filled or deleted, and where filled increasingly this will be on a temporary basis with appropriate use of redeployment).
- Designing in more detail the workforce requirements of each Division over the next 3 years to reflect the principles set out herein. Some management re-organisations will be required.

The commitment to equalities will remain as these changes are progressed with the Departments continuing to build on recent improvements in its approach to equalities. Major changes will be properly impact assessed. Worker groups will also be properly involved.

Medium Term Options – 2013/14 to 2014/15

The previous sections set out the direction of travel. It is very difficult to be precise about these two years as there is so much fundamental change. The aim will be to review the medium term plan early in the 2012/13 period and to rebase budgets in the light of the emerging information which will have an impact across the whole of the Council:

- New government grant system and return of local business rates growth to local Councils and new savings targets - albeit these will still flow from the last comprehensive spending review in 2010.
- Agreement of the Core Strategy for land use in the district which affects growth
- Agreement of the new Corporate Plan and Sustainable Community Strategy.
- New local Council Tax benefits system and subsidy arrangements
- National system of universal Credits that incorporates housing benefits and subsidy arrangements
- National funding arrangements for Academies and locally proposed structure of LEA role

- New health commissioning arrangements following the demise of PCT's
- New Police Commissioners.
- New Local Enterprise Partnership investment plan.
- New pensions arrangements following the Hutton review
- Continued need to ensure the growth agenda is sustained

All of the above will take full effect in 2013 except perhaps much of the pensions changes (which may be partially implemented and fully implemented in 2015). This level of change is unprecedented in recent years and of course remains in the context of the financial cuts arising from the public sector deficit. The new grant system and subsidy arrangements make forecasting particularly difficult. However, the default assumption is that a 5% cut in gross expenditure will continue (on average) in each year with no allowance for inflation and restricted pay awards.

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, demand pressures on social care (with an aging population), climate change issues but also 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 continue for some years to come. Most of the remaining expenditure cuts will probably be over the next 3 years but after that tight control over public expenditure is likely to need to continue.

The Council's role as an enabler and commissioner 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.

Equalities Issues

The equalities impacts of this plan will need to be assessed before decisions on the budget are taken. This will be done as part of the service planning process with the focus on savings costing more than £50,000 and other changes expected to have the most significant equalities impacts.

The savings are set out in full in appendix 3 with some initial indication of impacts.

Approval of this plan

This plan has been considered by the Housing & Major Projects PD&S Panel in November 2011.

The Portfolio holder for Sustainable Development & Major Projects will review it after that so that changes will be incorporated prior to January when service action plans will be considered by the panel.

The various plans will be brought together for consideration by the Corporate Resources panel in February and then Cabinet with budget recommendations made to the February meeting of Council.

Appendices

Appendix 1 - Capital programme

Appendix 2 - Impact of proposed budget changes

Appendix 3 - Key national and local drivers for medium term plans

Appendix 4 - Council's financial context (to follow)

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 .

APPENDIX 1 – CAPITAL PROGRAMME

Service:	Development & Major Projects			
	2012/13	2012/13	2013/14	2014/15
	Draft Budget for Approval £'000	Draft Budget for Provisional Approval £'000	Draft Budget for Provisional Approval £'000	Draft Budget for Provisional Approval £'000
Combe Down Stone Mines (HCA)*	43	tbc	tbc	tbc
Public Realm - Wayfinding	1			
Public Realm - Preparatory Project **		143	tbc	tbc
Public Realm - Union Street/Stall Street		226	tbc	tbc
Public Realm - High Street		325	tbc	tbc
Total	44	694	0	0
Funded by:				
Government/EU Grant		43		
Capital Receipts		695		
Unsupported Borrowing				
s106 receipts/3P				
Total		738	0	0
Corporate				
	2012/13	2012/13	2013/14	2014/15
	Draft Budget for Approval £'000	Draft Budget for Provisional Approval £'000	Draft Budget for Provisional Approval £'000	Draft Budget for Provisional Approval £'000
BWR				
BWR Council Project Team		243	234	234
BWR - Social Housing Grant	1450		1000	1000
BWR - Infrastructure	1000		2200	1800
Total	2450	243	3434	3034
Funded by:				
Government/EU Grant		1000	1921	
Revenue				1778
Capital Receipts/RTB		300	579	200
Income from Developers		80	80	315
Unsupported/Corporately Supported Borrowing		1313	854	741
Total		2693	3434	3034
Notes:				
* Combe Down Stone Mines budget is dependent on agreement of the final claim figure with HCA.				
** The timing of the Public Realm Programme of works is currently being reviewed.				

APPENDIX 2

IMPACT OF PROPOSED BUDGET CHANGES

See attached Annex 2

APPENDIX 3

KEY NATIONAL & LOCAL DRIVERS FOR MEDIUM TERM PLANS

National

The public sector is facing severe **financial cuts** over the 4 years starting in 2011/12 - . the Comprehensive Spending Review period. Although these vary between departments, on average these represent 30% or more real cuts after allowing for inflation. This Council faced a 16% cash reduction in funding from Government in 2011/12, will see at least an 8% reduction in 2012/13, and is yet to find out what the reductions will be in the following two years under the new grant and business rates system.

Further financial changes include:

- Removal of ring fencing from most Government grants to local authorities but excluding public health and a simplified schools grant – Most ring fencing of grants have now been removed and many specific grants have been cut. Funding to finance academies is being ‘top sliced’ from the grant to support the LEA role i.e. the schools grant.
- Incentives such as national funding (£2 billion nationally and £1.6M locally) to encourage better integration between health and social care (with the latter seen as a means of preventing or reducing demands on health). Also real financial implications of not reducing carbon usage (a new carbon tax) and a financial incentive to freeze Council Tax in 2011/12 – These were all implemented last year albeit the funding for health and social care was ‘top sliced’ nationally and was not new money, however the funding received locally was ‘pass ported’ to those services in 2011/12 as part of this Council’s budget.
- National guidelines will be published for Council Tax increases as part of the Localism Initiative and if exceeded these could trigger a local referendum. The implementation date for this change is not yet announced.
- The funding for local government is being looked at as part of what is known as the Resource Review and was published by the department for Communities & Local Government in July and August. It includes returning business rates growth to local authorities.
 - Those local authorities that grow local business rates more than the average will benefit. However, there is no additional money in the system nationally so the pressures remain.

- Government will continue to set levels business rates using an inflation index as now.
- Much depends on the way the first year of the new system is implemented, how the grant figures are initially set, how any short term impacts on business rates such as from vacated MOD sites might impact etc.
- It is possible this Council will be relatively worse off under the new system in the first few years, later years will depend on how much growth is delivered. We should have greater clarity by the end of 2011 calendar year.

Changes in **Government Legislation** and regulation are a key issue following the national elections and the creation of the Coalition Government with its radical change agenda. Changes include:

- Creation of Academies – creation of new Academies largely free from LA control with immediate effect – schools go through a relatively fast application process that can take only a few months - this is progressing quickly for secondary schools and challenges the way the LEA role should work in future especially as the funding for that role is being removed by Government
- Reform of Health – including demise of PCT's by 2013 and requirement for all delivery functions, including Community Health, to be arms length in 2011/12 – this has now been achieved. Public health will effectively return to the Council as a responsibility from April 2012. The B&NES PCT will become part of a cluster PCT for B&NES plus Wiltshire from April 2012 but may go when a national commissioning body plus GP commissioning fully takes over in 2013.
- Removal of Quangos such as the RDA, creation of Local Enterprise Partnerships (at sub regional level such as the West of England), removal of large parts of the performance monitoring regime, removal of the Audit Commission etc.- the LEP is in place and the RDA has now effectively gone.
- Localism reforms to encourage more local decision making, greater transparency, reform of the way decisions get taken in LA's, local referenda for any excessive Council Tax increases and various 'Big Society' initiatives – this legislation has still to be implemented by the direction of travel is clear.
- Reform of the planning system – new simplified guidelines for planning, greater presumption in favour of development, community infrastructure

levy (to replace much of the role of S106 agreements), removal of top down targets in the regional special strategy.

- Tightening of Benefits rules and a radical move towards one unified benefits system (Universal Credit – also in the CSR) over 10 years but with capping of benefits being led by LA's from 2013 as a first move – this remains on target although the concerns about how this will be delivered and the impact on our customers and our joined up front office is increasing

Local

This Council has a Corporate Plan and Sustainable Community Strategy under review. The details will be published for consideration by Council in February. Once set this will guide future priorities and methods for working with key partners.

The existing sustainable Community Strategy has the following priorities:

- The causes and effects of *climate change*
- The impacts of *demographic change*
- The need for *growth*
- *Inequalities* in our communities
- A focus on '*thinking local*'
- The impact of recession on our *economy*

In the meantime the Change Programme remains as an essential way of delivering efficiencies and service change. The programme is quite radical and will see the creation of an improved front office – one stop shops, phone enquiry service and web. This has already begun. Similarly the amount of offices is reducing and better more efficient workplaces are being developed with some space shared with key partners such as health, the police and aspects of the voluntary sector. Better procurement is also delivering savings and the Council is increasingly collaborating with neighbouring authorities in the same market, notably Bristol.

The Council's change programme is constantly reviewed and programme managed. The focus is on

- joining up public services - so that strategic planning, community engagement and customer interaction is simpler and even more effective
- designing services around the needs of individual customers - to remove waste, provide choice and improve customer satisfaction
- meeting the stringent financial challenges - that are facing local government as the major squeeze on public expenditure starts to bite

The work streams are:

:

- Resources
 - customer services (customer contact)
 - strategic commissioning
 - support services future delivery
 - all enabling change programme work

- People & Communities
 - Children's Services
 - Academies
 - Review of LEA role
 - 11-19 Services
 - children's social care
 - Health & Wellbeing
 - public health
 - commissioning role (post NHS reforms)
 - community services - creation of provider arm (Sirona)

With various enablers:

- workplaces/office accommodation/flexible working
- communications and organisational development
- processes and systems including lean 'systems thinking' reviews and ICT
- finance including medium term planning and service prioritisation
- legal
- procurement

The change programme is fundamental to the achievement of some of the council's main efficiency targets and is scheduled to deliver £8M of recurring annual saving by the end of the next 3 years. It has already delivered over £3M so is on target but the complexity of some of the changes does increase as the programme develops. The emphasis will increasingly require cross departmental co-operation.

In response to the growth agenda the Council has progressed its land use planning Core Strategy. This will set the context for future business and residential development in the district.

The Council's revenue budget, use of reserves and capital programme needs to be designed to reflect all of these national and local influences.

APPENDIX 4

MEDIUM TERM SERVICE & RESOURCE PLANS – 2012/13 to 2015/2016

FINANCIAL PLANNING ASSUMPTIONS

1. Context – The Financial Challenge

The Council's Budget for 2012/2013 will represent the second 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 with a significant element front loaded to the first two years.

The financial implications for the Council were set out in the Local Government Finance Settlement in December 2010 which showed a 16% cash reduction in funding from Government in 2011/12 and, at least an 8% reduction in 2012/13. The Settlement did not go beyond two years as a result of the significant changes to the grant and business rates system from 2013/2014 although the direction of travel is clear from the CSR.

Since the approval of the Council Budget for 2011/2012, including the three-year Medium Term Financial plans, the Council continues to gain more information on emerging national and local issues which will add to the financial challenges over the medium term financial planning period – these include:

- In response to the health reforms, the establishment of a Social Enterprise in B&NES on 1st October 2011 to continue the delivery of integrated Community Health and Social Care Services.
- A potential significant increase in the funding to finance Academy schools which is 'top sliced' from the Council general revenue grant funding. The Council was already expecting this to rise to £750K in 2012/2013 but this may now increase to over £2.25M.
- A one-off grant will be provided by the Government in 2012/2013 to support those councils agreeing a freeze in council tax.
- Public health responsibility and related services will return to the Council from April 2013, together with an appropriate budget transfer from the PCT.

- National guidelines will be published for Council Tax increases as part of the Localism Initiative and if exceeded these could trigger a local referendum. The implementation date for this change is not yet announced.
- The funding for local government is being reviewed with the intention of returning at least an element of future business rate growth to local authorities. The impact either positive or negative on the Council will depend on the way the new system is implemented and it is possible this Council will be relatively worse off under the new system in the first few years, with later years depending on how much growth is delivered.
- Responsibility for setting Council Tax Benefit returning to local authorities from 2013/2014 with subsidy funding from Government reduced by 10% at the same time.
- Reform of the planning system – new simplified guidelines for planning with a community infrastructure levy to replace much of the role of S106 agreements.
- New proposals for the future of the Local Government Pension Scheme will be brought forward following the Hutton Review.

These issues are reflected within the Budget planning process for 2012/2013 and the supporting medium term financial plans to the extent the impacts can be reasonably anticipated. It should be particularly highlighted that the scale of changes impacting in 2013/2014 makes the financial implications for the Council beyond the next financial year extremely difficult to predict.

2. Summary of Budget approach for 2012/2013

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 for 2012/13 recognises the very difficult financial challenge now facing the whole of the public sector and the continuing need to prioritise resources. The Council will do this using the following principles:

- Protecting wherever possible priority front line services especially where these support the most vulnerable
- Maximising efficiency savings and using invest to save as a means to achieve this.

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 following objectives are being used to help prioritise and will be refined as part of the process of compiling a new corporate plan and sustainable community strategy.

- Promoting independence and positive lives for everyone
- Creating neighbourhoods where people are proud to live
- Building a stronger economy
- Developing resilient communities

The approach also needs to be kept under review and linked to the Government's localism agenda is the need to help communities be more resilient and self-sustaining.

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

- National increase to the funding 'top sliced' from local authorities to fund Academy schools.
- Rising elderly population placing significant demands on Adult Social Care and Health services.
- Increased demand from adults with learning difficulties.
- Increased demand for Childrens care services.
- Inflationary costs particularly for care placements and external service contracts.
- National increase in the rate of the landfill tax.
- Local impacts of the economic downturn and increasing competition.

Taking account of the reductions in government grant funding and the pressures outlined above suggests that around £12m of budget savings will be required in 2012/2013.

It is anticipated that the majority of these savings will be delivered from efficiencies through service review and the Council's change programme. However, the scale of the projected savings in 2012/2013 coming on top of those delivered in 2011/2012 is such that the Council will need to prioritise services and whilst every effort will be made to protect frontline services, this will inevitably lead to cuts in service areas which are considered lower priority.

In the medium term the need to strike an appropriate balance between the diminishing resources available to the Council and the demands placed on all its services will require an even greater prioritisation of services.

3. Council Tax

On 3rd October 2011 the Government announced the provision of one-off funding to support councils who freeze their Council Tax for next year at the current level (i.e. a zero increase). The Cabinet currently expect to be in a position to make recommendations for a zero increase in Council Tax for 2012/13 to Council in February 2012 as part of the 2012/2013 budget setting process.

4. Government Grants

The Council currently receives approximately £43.5m in formula grant from the Government which is distributed using a complex 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 is expected to be £2.3M.

Whilst a reduction in formula grant of at least 8% is anticipated for 2012/2013, following a recent consultation by the Government in respect of the funding for Academy Schools, we are anticipating a further significant adjustment to this grant when announced towards the end of 2012. Our modelling indicates that a potential significant increase in the funding which is 'top sliced' from this grant funding. The Council was already expecting this to rise to £750K in 2012/2013 but this may now increase to over £2.25M.

As set out in Section 1 above, this funding distribution method for local government finance is being reviewed with the intention of returning at least an element of future business rate growth to local authorities. The impact either positive or negative on the Council will depend on the way the new system is implemented and it is possible this Council will be relatively worse off under the new system in the first few years, with later years depending on how much growth is delivered.

In addition the Council receives a range of specific and area based grants directly supporting activity in each service area. These grants were simplified but subject to significant reductions during 2010/2011 and 2011/2012. The ring fence around many of the grants was also removed therefore offering more local choice albeit within tougher financial constraints.

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 and area based grants will be contained within the relevant service areas. High levels of further cuts in specific grant are not anticipated.

5. Medium Term Service and Resource Plans

The Medium Term Service and Resource Plans prepared by each service area provide for the anticipated level of savings required to ensure the Council is in a position to consider a balanced Budget proposal for 2012/2013. Savings in excess of £12M are estimated for 2012/2013 at this stage equating to over 5% of gross expenditure (excluding schools).

Due to the changes in the government grant funding system for local authorities from 2013/2014 and the significant range of additional changes impacting from this year, it is extremely difficult to forecast future savings requirements. The implications for local authorities set out in the Comprehensive Spending Review together with the potential impacts of these changes do indicate the potential for significant financial pressures in future years.

The comprehensive spending review indicated a further 1% cut in funding for local Government in 2012/13 and a 5.6% cut in 2014/15.

6. Reserves

The budget for the current financial year 2011/2012 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.

A range of Earmarked Reserves are maintained by the Council for specific purposes and commitments. The likely commitments against each of these reserves will reviewed as part of the ongoing development of the Budget for 2012/2013.

The Council's reserves position remains relatively strong but can only used once, with 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 was factored into the Budget for 2011/2012 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 from 2012/2013 or subsequent financial years.

8. Pay Awards

In accordance with national government expectations for a public sector pay freeze continuing into 2012, no provision for pay increases will be provided for financial planning purposes in developing the 2012/2013 Budget.

9. Other Assumptions

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

- No further provision has been made for retrospective or additional cuts to the Government funding levels announced in the 2011/2012 financial settlement.
- Balanced budgets are delivered for 2011/2012 - there is no provision for overspending.
- No general provision for inflation has been made although services have provided for known specific costs pressures.
- Interest earnings are based on a 1% return – the average Council investment return has fallen in recent years to just over 1%. No increase is now expected going forwards into 2012/2013.

10. The Local Government Finance Settlement 2012/2013

The Local Government Finance Settlement is expected in early December 2011 and this will provide the detailed position for the Council in terms of exactly what Government funding it will receive for the year ahead. We

expect this to include confirmation of any further reduction in grant funding to finance Academy schools as set out in Section 1.

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MEDIUM TERM SERVICES & RESOURCES PLAN
Development & Major Projects SERVICES BLOCK
PROPOSED REDUCTIONS TO BALANCE BUDGETS

The savings are grouped into: **Cashable Efficiency Savings and Reduced Service Levels,**

12/13 Saving £000	13/14 Saving £000	14/15 Saving £'000s	How to be achieved?	Priority (1/2/3)	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl O&S Panel feedback)
			<u>Cashable Efficiency</u>						
163	115	96	Savings from employment of permanent staff and a reduction in external expenditure for 2012/13 following a zero based budget review. Reduction in employment support costs. Reduction in the external expenditure budget.	1	L	3	none	Transferring the responsibility for skills and developing a plan in partnership with learning and training providers locally to ensure the District's workforce is equipped with skills for the future to the Children Services, Divisional Director of Skills and Employability The organisation review has been undertaken to deliver the priorities set out in the MTFRP from a zero based budget. Reduction in the ability of the Directorate to undertake additional duties without further budget.	
50			Savings achieved by stopping payments to the WEP for support with inward investment. Duties to be covered by existing staff resources.	1	M	0	n/a	Directorate will undertake this role within its existing staffing structure.	
			<u>Stopping Services</u>						

5			GIS Service to Developers	1	L	0	n/a	Service not offered to potential developers in the District	
218	115	96	TOTAL SAVINGS						

2. PROPOSED GROWTH

12/13 Growth £000	13/14 Growth £000	14/15 Growth £'000s	Description of Growth (including driver)	Priority (1/2/3)	Risk of not delivering growth (H/M/L)	Impacts on staff - (incl no of extra posts needed)	Impacts on property / assets etc	Impacts to service delivery	Additional Info (incl O&S Panel feedback)
			General (incl Inflation)						
13	10	10	Salary Increments	1	L	0			
10	10	10	Non pay inflation	1	L	0			
			Loss of Income						
30	0	0	Reduction in Growth Point Income	1	L	0			
40	0	0	Reduction in recharge to capital projects	1	L	0			
93	20	20	TOTAL GROWTH						

ANNEX 2 - Equality impact assessment for financial plans

Financial Plan	Medium Term Service & Resource Plan 2012-15
Name of directorate and service	Development & Major Projects
Name and role of officers completing the EIA	David Langman – Directorate Services Manager
Date of assessment	2 Nov 2011

This Equality Impact Assessment (EAI) is used to systematically analyse a financial plan to identify what impact or likely impact it will have on different groups within the community. It should identify any discriminatory or negative consequences for a particular group or sector of the community but will also highlight beneficial impacts.

It is intended that this is used as a working document throughout the EIA process, with a final version including the action plan section being published on the Council's and NHS Bath and North East Somerset's websites.

1. Identify the scope of the financial plan		
	Key questions	Answers / Notes
1.1	<p>Briefly describe the aims of the financial plan including</p> <ul style="list-style-type: none"> • How the financial plan is delivered and by whom • If responsibility for its implementation is shared with other services or organisations • Intended outcomes 	<p>The MTSRP sets out the key influences on Development & Major Projects together with the intended approach to service and resource planning.</p> <p>This plan is one of a series of plans that make up the Council's Medium Term Service & Resource Plan:</p> <p>The purpose of the document is:</p> <ul style="list-style-type: none"> • To facilitate the delivery of the Services responsibility within the Council's Corporate Plan and Bath & North East Somerset's Community Strategy and to achieve established policy priorities • To ensure maximum economy, efficiency and effectiveness in the use of financial resources • To ensure the sustainability of the Council's budget in the medium term • To facilitate proactive, strategic management of the Council's budget • To guarantee responsiveness to an ever-changing and uncertain financial climate
1.2	<p>Provide brief details of the scope of the financial plan being reviewed, for example:</p>	<p>The Medium Term Service & Resource Plan for 2012/13-2014/15 sets out the key influences affecting Development & Major Projects in the next 1-3 years; the</p>

	<ul style="list-style-type: none"> • Is it a new financial or review of an existing one? • Is it a national or legislative requirement? • How much room for review is there? 	changes that we want to make in order to be able to deliver our vision and priorities, and proposed actions to achieve financial balance in an increasingly challenging local and national context. It is a refresh of the Medium Term Service & Resource Plan 2011/12-2013/14.
1.3	Do the aims of the financial plan conflict with any other financial plan or service activity of the Council or Partnership?	<p>No, in fact they aim to positively encourage cross-service corporate activity, e.g.</p> <ul style="list-style-type: none"> • Establishment of Housing Delivery Group – co-ordinating the Council's total approach to new homes delivery including affordable homes and social issues relating to housing by involvement of Housing Services & Planning Services. • Transferring the responsibility for skills (and developing a plan in partnership with learning and training providers locally to ensure the District's workforce is equipped with skills for the future) to the Children Services Divisional Director of Skills & Employability.
1.4	What steps have you taken to ensure your financial plan does not <i>inadvertently</i> affect another service?	<p>Draft plans co-ordinated and shared via Divisional Directors Group.</p> <p>Provisional budget proposals for 2012/13 discussed at Strategic Directors Group and with Cabinet.</p> <p>Council Budget Fair with invited stakeholders, 31 October 2011.</p> <p>Open public papers and discussion at H&MP PD&S panel meeting; 15th Nov 2011 & Jan 2012.</p>
2. Consideration of available data, research and information		
<p>You need to show that you have made decisions based on evidence. Monitoring data and other information can help you analyse whether you are developing fair financial proposals: a decision which is informed by relevant local and national data about equality is a better quality decision. Please consider the availability of the following as potential evidence:</p> <ul style="list-style-type: none"> • Demographic data and other statistics, including census findings • Recent research findings • Results from recent consultation or surveys • Service user monitoring data (including ethnicity, gender, disability, religion/belief, sexual orientation and age) • Information from relevant groups or agencies, for example trade unions and voluntary and community organisations • Analysis of records of enquiries about your service, or complaints or compliments about them 		

● Recommendations of external inspections or audit reports		
	Key questions	Data, research and information that you can refer to
2.1	What equality training have those who developed the financial plan received?	<ul style="list-style-type: none"> • General equalities awareness training • Training and practice undertaking EqlAs • Involvement in Corporate Equalities Group • Participation in I&DeA Corporate assessment • Involvement in Directorate Level Equalities Group (DLEG) meetings • Information sharing lunch to discuss good practice
2.2	What is the equality profile of the employees who will be affected by this financial plan? Are there any particular staffing issues? (e.g. high proportion of female workers etc)	No particular issues. The service reflects the local population, having a broad range of ages; male:female ratio is balanced; some minority ethnic representation, etc. – all within context of a very small service comprising just circa 26 employees.
2.3	If there are proposed staffing reductions: what are the potential knock-on effects of this on other service areas including other public services where we collectively serve our citizens?	<p>By 12/13 the Directorate will achieve a staff reduction of 32% as a result of efficiencies and reducing or stopping some activities from the base level of 10/11. Further reductions will be required in 13/14 and 14/15 to achieve the target savings.</p> <ul style="list-style-type: none"> • In total about 3 posts are being removed across the directorate in 2011/12 to achieve the savings in this plan, ready for the start of the 2012/13 financial year. • As a result of reviewing vacancies, flexible arrangements including the use of agency staff, changes to working hours, early planning and good consultation the number of compulsory redundancies in 2011/12 will be very low. <p>The organisational review has been undertaken to deliver the priorities set out in the MTSRP from a zero based budget.</p> <p>Staffing reductions are being achieved through transfers to other Services or voluntary measures and are proportionate across age, male/female strands.</p> <p>The potential 'knock-on effects' are that the Directorate will have reduced capacity</p>

		and will not be able to take on additional responsibilities that the Corporate Body may require without additional capacity.
2.4	What is the equality profile of service users who will be affected by this financial plan?	<ul style="list-style-type: none"> • The age profile of B&NES is somewhat older than the national average, though we also have more people than expected in their early twenties due to the two universities. In ten years time, we estimate that people over age 85 will number around 6,800 in B&NES compared with 4,300 in 2007 – an increase of about 50%. • As this older age group grows, the younger age group will fall as a percentage of the total population, which has significant implications for the local economy and the business that operate here. • The area's ethnic make up is predominantly white: 94.5% British, Irish or other white compared to the English average of 88.7%.
2.5	What do you know about service users' needs in relation to this service area? (e.g. results of customer satisfaction surveys, results of previous consultations)	Development & Major projects uses a variety of routes to take into account the needs and experiences of its internal project clients, local people, businesses and organisations. Service Planning is developed in collaboration with other services and delivery partners (such as Business West and The Initiative in B&NES (run by Bath Chamber of Commerce), Low Carbon Southwest, Creative Bath, Bath Spark, Federation of Small Businesses, Small Business Focus, Universities) using stakeholder events, exhibitions, consultations, etc. for particular service groups or users. Formal consultation exercises are undertaken on areas of major change or on significant projects, (such as Public Realm and Street Furniture implementation projects) where specialist advice on equalities and access issues has also been sought. The combined results of the various strands of ongoing engagement has given the Directorate a clear picture of what people see as important:
2.6	Are there any gaps in the data, research or information that is available? What additional information would assist you in developing your financial plan?	None identified
2.7	What consultation have you carried out on your financial plan?	<ul style="list-style-type: none"> • Council Budget Fair, 31 Oct 2011 • Papers and discussion at public H&MP PD&S Panel meetings, Nov 2010 & Jan 2011.

3. Assessment of impact			
	Based upon any data you have analysed, or the results of consultation or research, use the spaces below to list how the financial plan:		
	<ul style="list-style-type: none"> • Meets any particular needs of each of the equality groups or helps promote equality in some way. • Could have a negative or adverse impact for each of the equality groups 		
	Identify the impact / potential impact of the financial plan on	Examples of how the financial plan promotes equality	Examples of potential negative or adverse impact and what steps have been or could be taken to address this
3.1	Age – different age groups	No adverse impact identified. Positive impact – Development & Major Projects is actively working with other Council Services (Housing, Planning) leading the Housing Advisory Group to interpret and align approaches to new Government housing policies such as New Homes Bonus, Affordable Housing targets, Affordable Rent products. Aim is to understand and align local community needs and bring forward housing development opportunities with developers, registered social landlords and Homes & Communities Agency. Age equalities relevance is the opportunity to influence development of 'whole lifetime' housing. Also relates to disability, rural communities & socio-economically disadvantaged.	
3.2	Disability –	No adverse impact identified.	

	<p>Disabled people (ensure consideration of a range of impairments including both physical and mental impairments)</p>	<p>Positive impact – Public Realm design & delivery of street layout, transport & street furniture improvement schemes. Disability equality relevance is the opportunity to improve access and movement around public realm spaces. Also relates to Age.</p> <p>Positive Impact - Our programme of Capital projects (e.g. new schools & sports facilities) positively improve access for disabled people construction of buildings to appropriate current design & access standards (e.g. DDA). Many of these facilities replace old facilities or create new alternative provision.</p> <p>Positive Impact – Keynsham Regeneration project has involved:</p> <ol style="list-style-type: none"> 1. Community Focus Groups (inc. Equality B&NES representing disabled groups across the district) 2. Stakeholder consultation workshops (inc. invitations to all Equality Groups (corporate database maintained by Equalities Team), The Keynsham Network, and the Council's own Disabled Worker Challenge Group (for office design issues). 3. Public consultation – general public / user comments. 	
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3.3	Gender – women and men	No impact identified.	
3.4	Gender identity - transgender people	No impact identified	
3.5	Race – People from black and minority ethnic groups	No impact identified	
3.6	Religion / belief – people of different religious/faith groups and those with no religion or belief	No impact identified	
3.7	Rural communities – people living in rural communities	No impact identified	
3.8	Sexual orientation - lesbian, gay, bisexual & heterosexual people	No impact identified	
3.9	Socio-economically disadvantaged – people who are disadvantaged due to factors like family background, educational attainment, neighbourhood and employment status	<p>Some potential impact on this group.</p> <p>Positive impact – by co-ordinating role with local businesses, colleges and universities to align workforce skills development needs of the local and regional economy, and in so doing:</p> <ul style="list-style-type: none"> • To ensure economic regeneration interventions benefit the life chances and improved health of all B&NES residents, and; • Support job creation with an emphasis on high value jobs in key sectors, as a means of increasing the overall size, productivity and diversity of the B&NES economy. 	<p>Potential negative impact – Transferring the responsibility for skills (and developing a plan in partnership with learning and training providers locally to ensure the District's workforce is equipped with skills for the future) to the Children Services Divisional Director of Skills & Employability.</p> <p>We are working collaboratively with Children Services to mitigate and impacts and transfer skills. We expect to develop a relationship where D&MP retain the 'client' role responsibilities and Children Services pick up the 'supply' side.</p> <p>Also relates to Age (young people) inequality.</p>
4. Monitoring and review			

4.1	What arrangements have you put in place to monitor the <i>actual</i> effect of your financial plan following its implementation?	<ul style="list-style-type: none"> • Ongoing continuous dialogue and review with delivery partners (such as Business West) and stakeholders, particularly local businesses/employers. • Ongoing monitoring of key performance indicators, particularly those measuring economic performance of the area.
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5. Bath and North East Somerset Council & NHS B&NES Equality Impact Assessment Improvement Plan

The outcome of this EIA will fall into one of four categories:

Please tick which is appropriate:

1	No major change required	✓
2	Adjustments to remove barriers identified by EIA or to better promote equality	
3	Continue despite having identified some potential for adverse impact or missed opportunities to promote equality	
4	Stop and rethink	

List actions below that you plan to take as a result of this EIA. These actions should be based upon the analysis of data, any gaps in the data you have identified, and any steps you will be taking to address any negative impacts or remove barriers. The actions need to be built into your financial plan and future service planning framework. Actions/targets should be measurable, achievable, realistic and time framed. (Add rows as appropriate)

Issues identified	Actions required	Progress milestones	Officer responsible	By when
Transfer of responsibility for Skills to Children Services	Transfer knowledge & experience	Through Autumn 2011	JW	End Mar 12
Housing Delivery Group	Increase the role of the group in championing all aspects of housing need and focussing delivery accordingly. Appointment of Head of Development with responsibility for Housing Delivery.		JB	During 11/12 and into 12/13

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5. Sign off and publishing

Once you have completed this form, it needs to be 'approved' by your Divisional Director or their nominated officer. Following this sign off, send a copy to the Equality Team (equality@bathnes.gov.uk), who will publish it on the Council's and/or NHS B&NES' website. Keep a copy for your own records.

Signed off by:

Derek Quilter (Divisional Director – Major Projects)

Date: 4 November 11

**Housing, Major Projects & Delivering Sustainable
Economic Growth**

15th November 2011

**Prepared by the Development and Major Projects Strategic Director - John Betty
Housing Services Update – Graham Sabourn**

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Sustainable Development Overview

- The most significant work currently being undertaken is the work entitled Planning, Delivery Financing the Future programme. This is being carried out to establish the impact of development upon viability and corporate financing.
- The Directorate is focused on delivering Sustainable Economic Growth as set out in the Economic Strategy of April 2010 and the Smart Economic Growth Cabinet paper of November 2010.
- Joint corporate working is now progressing on this agenda. Grant Thornton have been appointed and a Delivering the future, Financing the Future Steering Group and Project Team meetings are taking place 21st October 2011 with BELG members.
- The delivery of this is manifested through Business development and support, Regeneration and Development projects, Housing Delivery and the continued delivery of Capital projects.
- This work is set against a background of significant Government changes to funding and support, continuing macro-economic challenges and increasing pressure on housing.
- The ability of the Council to deliver its priorities and aspirations in this area will depend on the alignment of policies in Planning, Transport and the ability of the Council to influence and encourage growth and development through its asset base and influence.
- The Directorate is responsible for providing a co-ordinated and integrated approach to the provision of Housing, Jobs, Business growth and Economic activity.
- There are significant challenges ahead in bringing forward development but there are also major opportunities through our Enterprise Area -Bath City Riverside, Bath Western Riverside, Bath Quays South and Manvers Street. Also Norton Radstock Regeneration, MOD Sites, Keynsham, Somerdale and Temple Street. All of which could and should have significant ability to help the economic growth, development agenda and Housing delivery.
- The Directorate is currently reviewing its capacity and organisation in order to respond to this agenda.
- The requirement to ensure that the agenda is rooted in the Administrations requirement to ensure local engagement.

Part 1. Housing

1.1 Housing Delivery

- **Commitment**

- The Council has published a Core Strategy which seeks to provide 11,000 new homes in B&NES by 2026. This will require a step change in annual delivery rates over the plan period from 393per annum (2006-2011) to achieve the required average of 550pa. (Core Strategy Target 2006-2026)
- The Core Strategy will be subject to an Examination in Public in January 2012, including the proposed Housing numbers and delivery locations.
- Given the scope of the changes and demands of this the Strategic Director for Development & Major Projects has been given the corporate responsibility for developing a Council-Wide action plan to ensure a corporate co-ordinated approach to the delivery of housing, including affordable housing.
- A brief review of the current arrangements within the council has been commissioned by SDG. The report will cover the capabilities and effectiveness of the organisation and the capacity currently in place and will recommend actions necessary to ensure that there is a co-ordinated approach across the council and accountable to the Strategic Director of Development and Major Projects.
- The report will address:
 - an assessment of current governance structures and future needs
 - priorities for action against Council corporate objectives
 - targets, reporting and accountabilities
 - skills/capacity/gap analysis
 - Current management reporting arrangements.

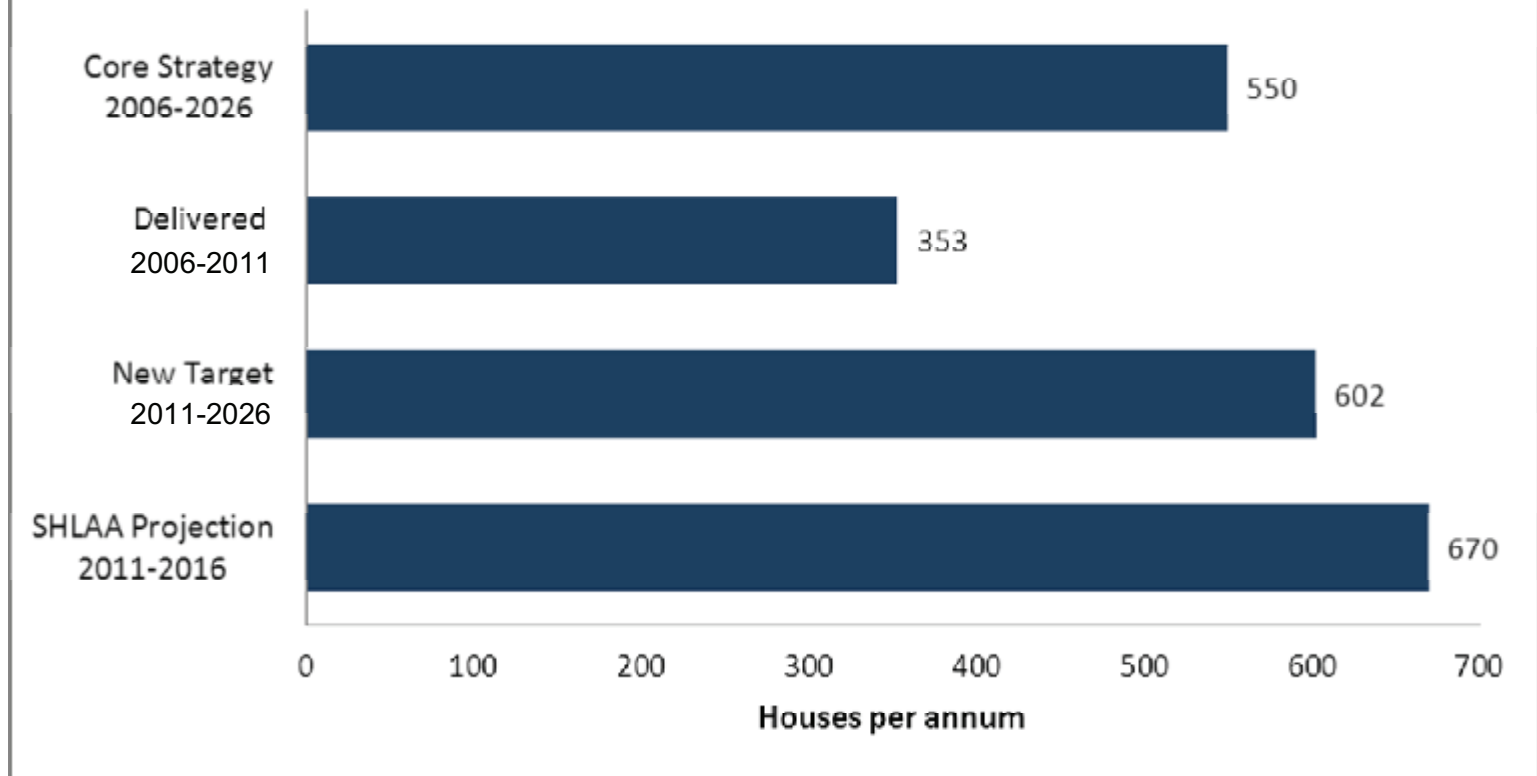
- **Delivery update and targets**

- Based on demographic, migration, household and housing market indicators the Bath and North East Somerset future housing growth requirements study concluded that in order for housing supply to absorb demographic change and support economic and employment growth potential it would need to increase by 12,000 dwellings to 2026. The Core Strategy plans for 11,000 homes as 12,000 presents unacceptable environmental and Green Belt impacts.
- Between 2006 and 2011 1967 homes (an annual average of 393 homes were built. This leaves 9,033 homes to be delivered over the next 15 years at an annual average of 602 per annum. This results in a requirement for the next 5 years of 3011
- The Strategic Housing Land Availability Assessment considers that 3,346 homes could reasonably be expected to come forward between 2011/12 and 2015/16.
- The Council’s policy is to focus on brownfield land in delivering these targets in order to protect the quality of life for residents in Bath and North East Somerset.
- Sufficient brownfield land has been identified to achieve these targets. However there remain some challenges in delivery:
 - Working with the MOD and other partners to bring forward sites vacated in Bath
 - Ensuring infrastructure is in place to allow development in Bath City Centre sites (including Bath Western Riverside)
 - High land values in Bath and Keynsham in particular
 - Influencing other land owners to ensure disposal of other key sites (e.g. Somerdale in Keynsham and Polestar in Poulton)
 - Reluctance of some developers to build, given the on-going uncertainty about house prices and availability of credit.

- **Affordable Housing Delivery**

○ Previous delivery 2006-2011	(5yrs)	632 (Average pa = 126)
○ Target delivery 2011-2015	(4yrs)	610 (Average pa = 153)
○ Position to date 2011/12	2nd quarter	95 (On track)

Housing Delivery



Major sites coming forward (e.g. BWR, MoD, Keynsham) will assist delivery

West of England Housing Delivery Panel (HDP)

- Following an Official Journal of the European Community (OJEC) compliant tender process, initiated in 2010, we have recently signed up to a four year framework of selected housing providers which aims to:
 - Help increase jobs and new homes;
 - Develop better engagement and collaboration;
 - Improve quality and innovation;
 - Maximise investment and delivery;
 - As an OJEU compliant framework assist “state aid” requirements.
- This framework agreement replaces the former “HomesWest Partnership” which comprised of: Sovereign; Aster; Knightstone and Somer and which officially ended on 30 September 2011;
- On 23rd September 2011 a mobilisation event was held prior to the effective commencement date for the panel of 1st October 2011
- An official publicity launch will held for the panel on 18th November 2011 – to date there are 19 organisations that have contracted (possible max 22 organisations).
- Launch will have key speakers including Neil Gibson - Oxford Economics, David Warburton - HCA, James Gibson - Sovereign Housing Group.

Homes & Communities Agency Investment Framework 2011-15

- We now know that 17 investment partners (Registered Providers) have received allocations within the South and South West Region
- Individual contracts are currently being finalised – published details are pending.

- **Positive Key issues in relation to Housing:**

- **BWR** - Phase 1 underway. 60 homes expected in 2011/12. Remaining 240 between 2012/13 and 2014/15. 'Strategic Housing Land Availability Assessment' (SHLAA) expects phase 2 to begin to deliver from 2015/16.
- **Somer Schemes in Bath** – progressing well and in line with SHLAA trajectory.
- **MOD** – MOD proposing to dispose of sites by March 2013. SHLAA forecasts first completions from 2016/17 (i.e. nothing within the next 5 years). Significant planning policy and development management stages to be progressed in advance of redevelopment of sites. Dialogue established with MoD and HCA. Concept Statements being prepared by BANES to inform sale/ value of the sites.
- **South West Keynsham (K2)** - Planning permission for 285 homes granted at appeal. Decision received July 22 2011. Essential to SHLAA housing delivery trajectory that the Council now progresses its part of the site and that it begins to deliver within the next couple of years.
- **Somerdale** – Sale of site progressing. Scope for development towards end of current 5 year period.
- **NRR** – Linden Homes intent on progressing redevelopment after road works have been implemented. Extension to Planning consent currently pending.
- **Polestar Phase 1** – Major elements delivered but development of final quadrant of site (c.30 flats) has been delayed.

- **The effect of Government Policy on viability to deliver**
 - **Community Infrastructure Levy (CIL)**
 - Consultants have been appointed to prepare the key evidence ‘viability assessment’ to set the CIL charging schedule. The draft report is due in early November followed by the final report in December.
 - There are a number of informal engagements scheduled as part of the viability assessment process. We had a developers’ workshop on 17th October to ensure that the viability assessment reflects the conditions with B&NES and seek their views on the methodology and assumptions behind the viability work. A briefing session with statutory providers is also scheduled on 2nd November.
 - We also started to scope the review of the Planning Obligations Supplementary Planning Document and the framework to produce our Regulation 123 lists. The Regulation 123 lists the Infrastructure that CIL funding will pay for.

Commence	July 2011
Public consultation on Preliminary Draft Charging Schedule	March-April 2012
Public consultation on Draft Charging Schedule	September 2012
Submission	December 2012
Hearings	March 2013
Adoption	September 2013

- **New Homes Bonus (NHB)**
 - The Government has put in place the New Homes Bonus. This is a new scheme which provides a financial incentive to Local Authorities for every home built and an additional bonus for affordable homes built. Bath and North East Somerset received £611,349 in its first allocation.

- **Grant Applications - Regional Growth Fund (RGF)**
 - In 2010 the Government launched the Regional Growth Fund. This is a £1.4 billion fund over three years to create private sector jobs, particularly in areas with a high reliance on public sector employment. Bath and North East Somerset has strongly supported a bid to round 2, worth £4 million from the University of Bath to develop a Tech Hub for Bath, building on the areas existing strengths in digital and media sectors. In round 2 nationally 492 bids were received with a combined value of £3.3bill. The outcome of the applications will be announced in the Autumn.

1.2. Housing Services Update: Graham Sabourn

Home Improvement Agency Re-commission (HIA)

- Bath & North East Somerset, Bristol, North Somerset & South Gloucestershire are undertaking the joint commissioning of a single Home Improvement Agency for the sub-region.
- HIAs help vulnerable people live independently by providing housing related support, such as minor repairs, handy person services, adaptations and advice. The core customer groups for HIAs are disabled, elderly and otherwise vulnerable households across all tenures, although the focus is on owner occupiers. The service is means tested: provided free to those on benefits, with a modest charge levied for those who can pay. HIAs also provide services through self-funding options to non-vulnerable households.
- The lead commissioners organised a workshop with Foundations, the Government appointed advisors on HIAs, to investigate whether the business case supported this partnership approach. This highlighted the following potential benefits for commissioners and users of the service:
- Financial Benefits:
 - Savings in procurement costs. With an increasing complex and hostile procurement environment these costs are increasing. By working together we can, and do, make significant savings.
 - Economies of scale in the commissioned service associated with the reduction in back room duplication, particularly around governance, management, IT and other professional support costs.
 - Reduced contract management costs, through less duplication by the contract and field officers of the 4 authorities.
- Non-Financial Benefits:
 - A larger contract value is likely to interest more potential providers, thus generating greater competition. The increase in bidders would also improve the sustainability of the sector reducing the likelihood of only a single or even no bidders for a single authority commission.
 - A larger contract value would provide the economies of scale to develop services which may prove unviable for a single authority.

- It is more effective for a single provider to market themselves across the sub-region, particularly given that referrers, such as client's children & siblings may live out of district though within the sub-regional.
- The successful provider will be expected to offer authorities a range of services including:
 - information and advice, particularly around housing options for older people;
 - casework, advocacy and support;
 - home safety assessments;
 - hospital discharge and re-ablement services;
 - independent living centre services, including product and equipment testing;
 - independent living centre assessment facilities;
 - co-ordination and technical support for repairs, maintenance, adaptations and improvements; and
 - Handy person repairs, maintenance and security improvements.
- Each local authority will identify at the outset the particular services that it wishes to buy throughout the contract. The contract will work flexibly to allow local authorities to take up un-purchased services in future.
- A twelve week consultation period will be undertaken from the beginning of October in accordance with local authority compacts. This will include public availability of the commissioning strategy and equality impact assessment, the opportunity to feedback through an online survey, local stakeholder drop in events and a single market providers' day. The consultation feedback will be used to draw up the tender specification. The tender will then be advertised at the beginning of February with a contract award anticipated in by mid-June 2012.

Home Energy Efficiency

- Joint working between Housing Services and the Public Health Team at NHS BANES resulted in the Council's Warm Streets home energy efficiency scheme being promoted with this year's Flu Jab mail out to over 36,000 residents over 60 years of age. At the time of writing this had resulted in 822 referrals for loft or cavity wall insulation. This may increase further in the weeks ahead. Past experience would suggest that this is likely to result in at least half as many actual installed after a follow up survey

by the contractor. Improving the energy efficiency of these homes has the potential to provide vulnerable residents the triple benefit of:

- Better health through warmer homes
 - Lower fuel bills
 - Lower carbon emissions to help reduce climate change
- To ensure that these most vulnerable residents are able to receive the maximum impact from this scheme Housing Services are providing "top-up" funding where the Government sponsored schemes fail to pay the full costs. The likely cost will be in the region of £50,000, funded through the Housing Renewal budget. Central Government funding of Housing Renewal was cut from 1st April 2011. Subsequently, locally a proportion of the lost funding was replaced through Housing Services efficiency savings and use of new Department of Health funding for social care, including services that facilitate early hospital discharge, keep people out of hospital and support people to remain in their own homes.

Access to Housing Advice & Options

- Housing Services are now able to provide clients with daily appointments to provide a full housing advice and options interview over the phone. Users receive a return call from the adviser at an agreed time, and advice given will be backed up with written information. The new appointments ensure that people in isolated and rural locations are not excluded from the service, and reduce the need to travel. This is in addition to the housing advice and options services operated from the Guildhall, The Hollies and Keynsham Town Council Offices.

Part 2.

Major Projects & Development

2.1 Development & Regeneration

- **Somerdale**
 - Kraft continue to analyse the bids for the Somerdale site - a decision as to their preferred developer has not yet been made. An announcement is imminent.

- **Planning, Delivering & Financing the Future**
 - The Council has commissioned the “Planning Delivering & Financing the Future” (PDaFF)project to gain a better understanding of the issues and constraints surrounding the delivery of development sites linked to a financial model which will assess the impact on the Council’s income and expenditure streams over time.
 - The project is a response to the new and emerging income streams available to local authorities such as New Homes Bonus (NHB), Tax Increment Finance (TIF), Community Infrastructure Levy (CIL) and the potential for retention of Business Rates which are linked to the delivery of housing and employment growth
 - The PDaFF project will initially consist of a pilot study to develop a delivery and funding model based on the Bath City Riverside “City of Ideas” Enterprise Area. It is intended to complete the pilot study by the ends of December.

- **Bath City Riverside - City of Ideas Enterprise Area**
 - Earlier in the year, the West of England Local Enterprise Partnership (LEP) determined that Bristol Temple Quarter would be given a new designation as an Enterprise Zone. The LEP also agreed the establishment of 4 Enterprise Areas within the West of England. One of these is Bath City Riverside. This designation means that the area will be one of the first to benefit from some of the financial gains from business rate retention accrued from the Bristol Temple Quarter Enterprise Zone. A MoU between the Local Authorities is currently being prepared to articulate exactly how this will work.
 - Bath City Riverside is being used as a pilot project for the Planning Delivering & Financing the Future initiative to test the potential for rolling out the project across the whole of B&NES
 - Work has started to articulate the scope of the Bath City Riverside Enterprise Area. Key activities have been:
 - A study has been commissioned to identify options for the delivery of up-stream flood storage as part of a Strategic Flood Risk Management Strategy for the river corridor in Bath

- Work will begin on a Competitive Identity project with key members of the local business community to better promote the area as a business location. In addition the Council is about to award a contract to re-design the business facing website so that it promotes the district more effectively to businesses
- Within the Enterprise Area Bath Western Riverside phase 1 will deliver climate change adaptation through flood alleviation measures, sustainable transport routes and a district heat grid ready to use when the first homes are occupied in January 2012

- **London Road:**

- Following extensive recent local consultation on the issues and potential solutions for addressing problems in the London Road area, Council officers are now considering the activities which could form a Regeneration Action Plan, and the funding which is available / which may be necessary to take such activities forward.
- The Council owns the freehold of three buildings in the area – numbers 2, 3, and 4 Long Acre, which have the potential to contribute towards the wider regeneration of the vicinity.
- During July and August the Council invited Expressions of Interest from community groups and from the open market for numbers 3 and 4 Long Acre. Resources have been identified to develop an overall plan for the area, including initial ideas for the Long Acre properties.

- **MOD SITES:**

- The MOD have confirmed that, following the transfer of 1,700 – 2,000 staff currently base in Bath to Abbey Wood in South Gloucestershire they will dispose of their three sites in Bath by March 2013. This will cover 33ha of land in total at Foxhill, Warminster Road and Ensleigh
- The MOD, in conjunction with the Council and the HCA, are preparing a Project Delivery Plan (PDP) which will cover :
 - Preparation and adoption of Concept Statements for each of the MOD sites
 - The marketing and disposal of the MOD sites
 - The relocation programme & procedures for Bath based MOD staff
- The PDP will be finalised and monitored through the Strategic Working Group between the MOD, Council and HCA. The Council is leading on the preparation of Concept Statements, which will include community consultation, with the intention of seeking their adoption by Council in May 2012

- **Midsomer Norton:**
 - Cllr Beath and John Betty met with Midsomer Norton Town Council to discuss future ways of working and are currently considering proposals to set up the Midsomer Norton Development Partnership to oversee various planning and development projects as well as the Somer Valley 100 which would be led by Midsomer Norton and District Chamber of Commerce, working with the top businesses in the area to encourage growth and job creation.

- **Other Council projects: Radstock Infrastructure Project:**
 - At the Cabinet meeting on 14th September members decided to postpone their decision on the TROs for the proposed highway improvements in Radstock. Cabinet asked highway officers to review the objections to the TROs, look again at the traffic data and, in the light of this information and the many changes that have been suggested to the current proposal, see if the scheme can be further amended to maintain traffic flows and pedestrian movements through the town.

2.2 Council Direct Projects

- **Keynsham Town Hall**

- Project is on programme and budget.
- The tender for a Construction Delivery Partner has been issued (via OJEU) to 6 Contractors.
- Over 1,000 people attended the public consultation, which was held over 6-days in Keynsham.
- The planning pre-application has been updated, and meetings have been held with planning officers to discuss Urban Design and Highways.
- Design development is on-going – taking reference from the comments provided by the Planners and Public.

- **Norton Radstock Public Infrastructure**

- Following a debate at Cabinet Highways are re-considering some options prior to re-submission to Cabinet in order to achieve the TRO approval
- Current programme is for works to commence on site after January 2012.

- **Southgate**

- Revised programme completed, Station works have commenced and are to be delivered in 2 parts:
 - **Initial works:** Lift & Toilets
 - **Remaining works:** Excavation of ramp & completion of station environment including refurbishment of vaults works due to commence October 2011 including Front plaza and 2 storey retail units.

- **Public Realm**

- **Preparatory Projects -City Info, Street Furniture & Pattern book**

- Manufacture due for completion November 2011 for December 2011 finish.
- PQQs will be issued once design has been signed off by the client – some street furniture elements are being re-visited.
- Pattern Book is currently on hold and will be reviewed at the next Steering Group meeting.
- PRMP coming to PID 18th October 2011

- **High Street**

- Team looking to improve quality the original scheme to make significant improvements. Enhancements to High street will be raised at Steering group on how to take this forward including funding.
- High Street works due to commence March 2012.
- Planned completion August 2012.

Children's Services

- **Primary Capital Programme (Batheaston)**

- The school is now completed and occupied.
- A straw bale classroom is currently being built and independently funded.
- There are minor landscaping works to complete such as completion of Pond and outdoor fencing.

- **Primary Capital Programme (Midsomer Norton)**

- Mid November 2011 expected for build completion.

- **Primary Capital Programme (Weston all Saints Primary)**
 - New Key Stage 2 block is scheduled for completion in October Half Term.

- **Ralph Allen School Applied Learning Centre and all weather pitch (RAS) (ALC)**
 - Team are ready to submit Full Planning application November 2011.
 - Design team working towards designs for tender package.
 - All surveys have been completed, Ecology, Contaminated Land as a part of the Planning process.

- **Wellsway Sports Centre**
 - School is on programme.
 - Planning Application anticipated 1st November 2011.
 - Contractor interviews took place at the school 29th September 2011.
 - Scoring has taken place and team now in a position to formally identify the preferred contractor subject to planning permission.

- **Oldfield School Bath**
 - School is on programme.
 - Planning consent was granted 28th September 2011.
 - Contractor appointment completed 10th October 2011, Contract awarded to E R Hemmings.
 - E R Hemmings on site start date 24th October 2011.

- **Radstock Schools**
 - **St Nicks**
 - School is on programme
 - Phase 2 due for completion December 2011.
 - Warings have targeted to complete their works and clear site during the October 2011 half term ready for decant.

 - **Trinity**
 - Currently on programme for completion over October 2011 Half Term

- **BWR – secured land**
 - **Residential element** is on programme and not critical to any programme delay.
 - **Phase 1b**
 - Final completion for Somer Affordable Homes due October 2011.
 - Show Homes open during November 2011 and are on programme.
 - Marketing to commence & Occupations expected in the New Year 2012

 - **Phase 2**
 - Occupation due 2013.
 - Potential issues of progress on secured land if gas holders not decommissioned

 - **Main scheme** is currently behind programme due to the works to Victoria Bridge. Morrisions are increasing resources should there be infrastructure delays.
 - A proposal is expected to come to B&NES at a later date.

- **BWR – unsecured land**
 - Initial discussions are underway to bring forward the unsecured land in order to ensure continued progress

- **Victoria Bridge**
 - Heritage has been consulted and programme has been tested with them.
 - **Stage 1**
 - Emergency monitoring instructed to be undertaken weekly.
 - Gateway review completed 3rd October 2011
 - Feasibility study incorporating a 3 stage action plan has been signed off by Strategic Director of Service Delivery.

 - **Stage 2**
 - Commence the Temporary works
 - Design commence November 2011
 - Tenders to be issued early December 2011

 - **Permanent works**
 - Design commence January 2012
 - Works due for completion Autumn 2013
 - Structural analysis undertaken by Fenton Holloway and completed 6th September 2011.
 - It has been noted that the structure is in a worse condition than previously reported, however weekly inspections of the cracked members can provide a degree of mitigation to sudden collapse until the temporary works is installed
 - A programme to reopen the bridge for public access in the spring has been proposed.

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Bath & North East Somerset Council	
MEETING: HOUSING AND MAJOR PROJECTS POLICY DEVELOPMENT & SCRUTINY PANEL	
MEETING DATE:	15th November 2011
TITLE:	WORKPLAN FOR 2011/12
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 2011/12 and into 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.

Contact person	Michaela Gay, Democratic Services Officer. Tel 01225 394411
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 31st October 2011

Housing and Major Projects Policy Development & Scrutiny Panel Workplan

Meeting Date	Agenda Item	Director	Report Author	Format of Item	Requested By	Notes
2nd Aug 2011	Major Projects Routine Report	JB	John Betty	Report		
	Housing Renewal Policy	AA	Graham Sabourn	Report		
	Cabinet Member Update			Verbal		
20th Sept 2011						
	Cabinet Member Update			Verbal		
	Housing & Major Projects Update	JB	John Betty / Graham Sabourn	Report		
	Delivering Sustainable Economic Growth in Bath and North East Somerset	JB	John Betty	Report		
15th Nov 2011						
	Cabinet Member Update			Verbal		
	Article 4 Direction	GC	Simon de Beer	Verbal		
	Medium Term Service & Resource Plans	JB	John Betty	Report		
	Housing & Major Projects Update	JB	John Betty / Graham Sabourn	Report		
31st Jan 2012						
	Cabinet Member Update			Verbal		

Last updated 31st October 2011

Meeting Date	Agenda Item	Director	Report Author	Format of Item	Requested By	Notes
	Service Action Plans					
	Strategic Tenancy Policy & Housing Allocations (Localism Bill)					
	Somer CHT Blueprint for the Future	AA	Graham Sabourn	Report		
	Empty Homes / Empty Property Policy Update	AA	Graham Sabourn	Report		
	Housing & Major Projects Update	JB	John Betty	Report		
27th March 2012						
	Cabinet Member Update			Verbal		
	House Condition Surveys (Private Sector Stock / HMO)					
	Housing Renewal Policy – Review					
	Housing & Major Projects Update	JB	John Betty	Report		
Future items						
	New Homes Bonus	JB				