

Democratic Services

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Date: 2nd February 2015

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To: All Members of the Cabinet

Councillor Paul Crossley	Leader of the Council
Councillor David Dixon	Deputy Leader and Cabinet Member for Neighbourhoods
Councillor Simon Allen	Cabinet Member for Wellbeing
Councillor Tim Ball	Cabinet Member for Homes and Planning
Councillor David Bellotti	Cabinet Member for Community Resources
Councillor Caroline Roberts	Cabinet Member for Transport
Councillor Dine Romero	Cabinet Member for Early Years, Children and Youth
Councillor Ben Stevens	Cabinet Member for Sustainable Development

Chief Executive and other appropriate officers
Press and Public

Dear Member

Cabinet: Wednesday, 11th February, 2015

You are invited to attend a meeting of the **Cabinet**, to be held on **Wednesday, 11th February, 2015** at **6.30 pm** in the **Council Chamber - Guildhall, Bath**.

The agenda is set out overleaf.

Yours sincerely

Col Spring
for Chief Executive

The decisions taken at this meeting of the Cabinet are subject to the Council's call-in procedures. Within 5 clear working days of publication of decisions, at least 10 Councillors may signify in writing to the Chief Executive their wish for a decision to be called-in for review. If a decision is not called-in, it will be implemented after the expiry of the 5 clear working day period.

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 Col Spring who is available by telephoning Bath 01225 394942 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 normally be received in Democratic Services by 4.30pm the previous Friday but Bank Holidays will cause this to be brought forward).

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 normally be received in Democratic Services by 4.30pm the previous Friday but Bank Holidays will cause this to be brought forward). 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 Col Spring 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 Col Spring as above.

Appendices to reports are available for inspection as follows:-

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

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

- 4. Recording at Meetings:-**

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

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

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

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

- 5. Attendance Register:** Members should sign the Register which will be circulated at the meeting.

6. THE APPENDED SUPPORTING DOCUMENTS ARE IDENTIFIED BY AGENDA ITEM NUMBER.

7. Emergency Evacuation Procedure

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

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

8. Officer Support to the Cabinet

Cabinet meetings will be supported by the Senior Management Team.

9. Recorded votes

A recorded vote will be taken only when requested by a member of Cabinet.

Cabinet - Wednesday, 11th February, 2015

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 in the Notes

3. APOLOGIES FOR ABSENCE

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

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

(b) The nature of their interest.

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

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

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

6. QUESTIONS FROM PUBLIC AND COUNCILLORS

Questions submitted before the deadline will receive a reply from an appropriate Cabinet member or a promise to respond within 5 days of the meeting. Councillors may ask one supplementary question for each question they submitted, up to a maximum of two per Councillor.

7. STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Councillors and members of the public may register their intention to make a statement if they notify the subject matter of their statement before the deadline. Statements are limited to 3 minutes each. The speaker may then be asked by Cabinet members to answer factual questions arising out of their statement.

8. MINUTES OF PREVIOUS CABINET MEETING (Pages 9 - 16)

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

9. CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

This is a standard agenda item, to cover any reports originally placed on the Weekly list for single Member decision making, which have subsequently been the subject of a Cabinet Member requisition to the full Cabinet, under the Council's procedural rules

10. MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

This is a standing agenda item (Constitution rule 14, part 4D – Executive Procedure Rules) for matters referred by Policy Development and Scrutiny bodies. The Chair of the relevant PDS Panel will have the right to attend and to introduce the Panel's recommendations to Cabinet.

11. SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING (Pages 17 - 20)

This report lists Cabinet Single Member decisions taken and published since the last Cabinet meeting.

12. TREASURY MANAGEMENT MONITORING REPORT TO 31ST DECEMBER 2014 (Pages 21 - 34)

This report gives details of performance against the Council's Treasury Management Strategy and Annual Investment Plan 2014/15 for the first nine months of 2014/15.

13. REVENUE & CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO DECEMBER 2014 (Pages 35 - 64)

This report presents the financial monitoring information for the Authority as a whole for the financial year 2014/15 to the end of December 2014

14. BUDGET & COUNCIL TAX 2015/16 AND MEDIUM TERM FINANCIAL OUTLOOK (Pages 65 - 158)

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

15. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2015/16 (Pages 159 - 184)

This report meets the Council's obligation to have regard to both the CIPFA Treasury Management in Public services Code of Practice and the Department for Communities and Local Government revised guidance on local authority investments. The report will be scrutinised by the Corporate Audit Committee at the 26th March 2015 meeting, following which any recommended amendments to the strategy will be reported back to Cabinet.

16. GATEWAY CENTRE COOPERATION AGREEMENT (Pages 185 - 188)

The report seeks permission to explore the development of a Cooperation Agreement with the Trustees of the Gateway Centre to secure a venue for the delivery of community activities and service delivery for the Snow Hill/London Road area of Bath. Broader consultation work will also be done to ascertain if there are other agencies/groups wishing to engage in such a development.

17. COMMUNITY INFRASTRUCTURE LEVY APPROVAL & PLANNING OBLIGATIONS SPD (Pages 189 - 296)

This report seeks Cabinet and then Council approval of the B&NES Community Infrastructure Levy and the associated Regulation 123 Infrastructure List. It also seeks Cabinet adoption of the revised Planning Obligations Supplementary Planning Document.

The Examiner's final report was received on 30/1/2015 and he has recommended approval of the CIL, with modifications. An update report will therefore be tabled at the Cabinet meeting since the Council can only adopt the CIL if it accepts the Examiner's modifications.

18. ALCOHOL HARM REDUCTION STRATEGY 2014-2019 (Pages 297 - 312)

The current Alcohol Harm Reduction Strategy was adopted by the Council 2012. A Joint Scrutiny Inquiry Day in October 2013 and its subsequent recommendations have informed this Strategy refresh, alongside national and local developments since 2012.

19. VOLUNTARY SECTOR FUNDING APPLICATIONS FOR COMMUNITY TRANSPORT 2015-16 (Pages 313 - 324)

Funding applications have been received from voluntary sector bodies for the provision of community transport services in 2015-16. This Report gives details of those applications with recommendations on the allocation of funding.

20. HERITAGE SERVICES BUSINESS PLAN 2015-2020 AND MUSEUM FORWARD PLANS (Pages 325 - 406)

The report introduces the Heritage Services Business Plan 2015-2020 that has been prepared following the annual in-depth review of business activity. The report also seeks formal adoption of 3-year forward plans for the Roman Baths and Victoria Art Gallery and two additional museum policies which are required for the museums to renew their Accreditation status with Arts Council England.

The Committee Administrator for this meeting is Col Spring who can be contacted on 01225 394942.

Protocol for Decision-making

Guidance for Members when making decisions

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

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

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

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

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These minutes are draft until confirmed as a correct record at the next meeting.

BATH AND NORTH EAST SOMERSET

CABINET

Wednesday, 3rd December, 2014

Present:

Councillor Paul Crossley	Leader of the Council
Councillor David Dixon	Deputy Leader and Cabinet Member for Neighbourhoods
Councillor Simon Allen	Cabinet Member for Wellbeing
Councillor Tim Ball	Cabinet Member for Homes and Planning
Councillor David Bellotti	Cabinet Member for Community Resources
Councillor Caroline Roberts	Cabinet Member for Transport
Councillor Dine Romero	Cabinet Member for Early Years, Children and Youth
Councillor Ben Stevens	Cabinet Member for Sustainable Development

93 WELCOME AND INTRODUCTIONS

The Chair was taken by Councillor Paul Crossley, Leader of the Council.
The Chair welcomed everyone to the meeting.

94 EMERGENCY EVACUATION PROCEDURE

The Chair drew attention to the evacuation procedure as set out in the Agenda.

95 APOLOGIES FOR ABSENCE

There were no apologies for absence.

96 DECLARATIONS OF INTEREST

Councillor David Dixon declared that in relation to Item 14 Procurement of Leisure Contract, he felt that as a member of the Board of the Bath Recreation Ground Trust he would have an "Other" interest in parts of the contract and so would not take any part in the eventual decision to award the contract.

97 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR

There was none.

98 QUESTIONS FROM PUBLIC AND COUNCILLORS

There were 11 questions from Councillors and 6 questions from members of the public.

[Copies of the questions and responses, including supplementary questions and responses if any, have been placed on the Minute book as Appendix 1 and are available on the Council's website.]

99 STATEMENTS, DEPUTATIONS OR PETITIONS FROM PUBLIC OR COUNCILLORS

Katie Hedges in a statement thanked all those who had helped by organising, running and contributing to the “Run for Harmonie” on the previous Sunday.

The Chair congratulated Katie on organising such a successful Fun Run.

Councillor Eleanor Jackson in a statement appealed to Cabinet to secure the future of the 414/424 bus service which was essential for people living in the area between Frome, Radstock and Midsomer Norton. She asked the Cabinet to consider taking on the service if Somerset Council were to cut funding. She presented a petition to Councillor Roberts to this effect.

Lesley Mansell (Chair, Radstock Town Council) in a statement [*a copy of which is attached to the Minutes as Appendix 2 and on the Council's website*] asked the Cabinet to declare a Dementia Friendly Area and asked whether the Council had adopted the Dementia Quality Mark for Care Homes.

Phil Harding (Chair, Saltford Environment Group) in a statement relating to Saltford Station, item 16 on the agenda, [*a copy of which is attached to the Minutes as Appendix 3 and on the Council's website*] welcomed the Council's investment of £250K to take forward the feasibility study for the station. He asked the Cabinet to work closely with the Saltford community on the designs and proposals, including the car parking provision.

Chris Warren (Saltford Environment Group Station Campaign) in a statement relating to Saltford Station, item 16 on the agenda, [*a copy of which is attached to the Minutes as Appendix 4 and on the Council's website*] asked the Cabinet to support proposals to continue development of the business case for a reopened station in Saltford. He stressed that in his view the existing site, planned by Brunel, was the best site available and that suggestions to move the station closer to Keynsham presented a number of problems, not least of which was its distance from the village.

Councillor Steve Hedges in a statement observed that a meningitis vaccine had been available privately since March but the Department of Health had been negotiating the price with the supplier which had delayed its public availability. He asked the Cabinet to write to the Department of Health urging that the vaccine should be made available as soon as possible for pre-school and infants. Councillor Paul Crossley said that he had already begun drafting a letter which would soon be ready to be sent. Councillor Hedges thanked him for this assurance.

100 MINUTES OF PREVIOUS CABINET MEETING

On a motion from Councillor Paul Crossley, seconded by Councillor David Dixon, it was

RESOLVED that the minutes of the meeting held on Wednesday 12th November 2014 be confirmed as a correct record and signed by the Chair.

101 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET

There were none.

102 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES

There were none.

103 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING

The Cabinet agreed to note the report.

104 REVIEW OF THE COUNCIL'S "THINK LOCAL" PROCUREMENT STRATEGY

Wera Hobhouse (North East Somerset Liberal Democrats) in an *ad hoc* statement welcomed the proposals as a very good way to ensure that local businesses were encouraged. She referred to the statement in the report which said that it was not possible to ascertain the level of sub-contracting to local businesses; and she suggested that the Council should attach conditions when awarding contracts.

Councillor David Bellotti, proposing the item, said that the strategy which had been launched in October 2013 had already increased local procurement from 33% to 35%. He referred to Section 10 of the Guide and observed that the threshold of £25K would be increased to £50K. He highlighted the "Meet the Buyer" events, especially in the NE Somerset rural areas. He emphasised that Cabinet had discouraged the aggregation of small contracts into larger ones, which did not facilitate local procurement.

Councillor Bellotti referred to paragraph 5.4 of the report in which it was laid out that the guidance encouraged suppliers not to use zero hours contracts. He asked contractors to align with the Council on this.

Councillor Ben Stevens seconded the proposal. He had been delighted that the council was at the cutting edge of bringing benefit to the local economy. He was thrilled that Appendix 3, the Social Value Policy, would build on what had already been achieved.

Councillor David Dixon said that he had found the "Selling To the Council" guide very easy to read and understand. He welcomed the knock-on effect that the policy was having on local independent businesses.

Councillor Dine Romero felt that the benefits would be felt across the authority and emphasised that the measures must cut across all of the Council's services.

Councillor Simon Allen said that the strategy was having an excellent impact across the community in both economic and mental health wellbeing terms.

Councillor David Bellotti in summing up said that the contribution made by Richard Howroyd, Acting Procurement Manager, had been outstanding. He referred to the positive feedback from a number of local businesses following the Meet the Buyer events.

On a motion from Councillor David Bellotti, seconded by Councillor Ben Stevens, it was

RESOLVED (unanimously)

(1) To NOTE the progress report on implementing the Councils "Think Local" Procurement Strategy;

(2) To NOTE the intention to revise the Council's Contract Standing Orders to reflect the implementation of the Public Contract Regulations 2015 and other legislation, including Revising financial limits to provide local businesses with the opportunity to obtain contracts up to £50,000;

(3) To NOTE the draft Selling to the Council Guide; and

(4) To ADOPT the Social Value Policy to ensure that the Council meets its statutory requirements under the Public Services (Social Value) Act 2012.

105 REVIEW OF THE COUNCIL'S STREET TRADING POLICY AND CONDITIONS

Councillor Patrick Anketell-Jones in an *ad hoc* statement observed that the proposals fitted well with the Walkable City. He felt that the Bath "brand" must always be synonymous with excellence. He welcomed the recent trial of mains electricity provision for a small number of street traders and asked for it to be extended. He asked for enforcement action when traders allow their pitches to creep out onto the pavement.

Councillor David Dixon in proposing the item expressed his thanks to the officers who had consulted widely during the preparation of the report. He assured Councillor Patrick Anketell-Jones that he was already considering the points he had made. He referred to the increasing practice of buskers offering their CDs for sale and said that action would be taken to ensure a level playing field for other traders.

Councillor Ben Stevens in seconding the proposals emphasised the need to ensure that the street trading offering must be of a high standard.

On a motion from Councillor David Dixon, seconded by Councillor Ben Stevens, it was

RESOLVED (unanimously)

(1) To ADOPT the revised policy and notes the proposed conditions and guidance.

106 PROCUREMENT OF LEISURE CONTRACT

Wera Hobhouse (North East Somerset Liberal Democrats) in an *ad hoc* statement said she was particularly pleased that it was proposed to invest heavily in Keynsham. This would be vital to bringing visitors into the town..

Councillor David Dixon said that the plans for the Council's leisure facilities were bold and ambitious, underpinned by the Leisure Strategy, which he was determined to deliver. In Keynsham, a new facility would be built; at Culverhay, the running facilities would be retained; and in Bath, he was very excited that a fantastic facility would be delivered.

Because of his declared interest as a member of the Bath Recreation Ground Trust, he moved a different motion from the one recommended in the report so as to ensure that he would take no part in awarding the leisure contract.

Councillor Paul Crossley seconded the proposal and said that the entire community would be helped by the proposals. Cabinet had ensured that the new facilities were fully funded and would be delivered.

Councillor David Bellotti said that Cabinet had put £12M into the budget to ensure delivery of this project. The new facility at Keynsham would be a pool and gym, which was possible because the Council's finances had been run well. The partner

company selected for the project would not only put £3M into the project up front, but would also pay the Council each year a portion of their income from the contract.

Councillor Bellotti referred to the facility in Bath which he had not found impressive when he had last visited. He would be delighted to see the updated facilities. He referred to the separation of the two golf courses from the leisure contract, which he felt was a good move.

Councillor Tim Ball said that he was pleased that the centre at Culverhay was being retained.

On a motion from Councillor David Dixon, seconded by Councillor Paul Crossley, it was

RESOLVED (unanimously)

(1) To DELEGATE authority to the Strategic Director for Place in consultation with the Leader of the Council, the Cabinet Member for Resources and s151 officer to award the contract to the preferred bidder. This authority extends to agreeing a lease, or other appropriate arrangements, with the Recreation Ground Trust and all other decisions that may be required to secure the contract.

107 CONNECTING COMMUNITIES: UPDATE

Lesley Mansell (Chair, Radstock Town Council) in an *ad hoc* statement [*a copy of which is attached to the Minutes as Appendix 5 and on the Council's website*] observed that it would be important not to overlook previous very good work which had taken place in Radstock. She asked whether the Bath City Conference would include the other more rural areas.

Peter Duppa-Miller (Secretary of the local Town and Parish Councils Association) in an *ad hoc* statement [*a copy of which is attached to the Minutes as Appendix 6 and on the Council's website*] felt that the initiative would enable considerable opportunities to narrow the gaps which had existed. He welcomed the empowerment of Town and Parish Councils to contribute their own local knowledge in the context of the aspirations of their communities. He urged Cabinet to extend the Connecting Communities Area Forum approach, and to set up a Bathavon Area Forum early in 2015.

Councillor Eleanor Jackson in an *ad hoc* statement asked that the venue and times of new meetings should be considered so as to be convenient for as many local people as possible. She observed that it was not true that because something worked in Keynsham, it would work in the Somer valley.

Wera Hobhouse (North East Somerset Liberal Democrats) in an *ad hoc* statement said that having attended all 3 of the forums, she was aware that they were all different. She congratulated the Cabinet for putting the arrangements in place but had noticed that very few members of the public had attended. She hoped that ways would be found to issue direct invitations to the public.

Councillor Tim Warren in an *ad hoc* statement observed that members of the public often attended Parish Councils.

Councillor Paul Crossley, in proposing the item, agreed with Councillor Eleanor Jackson that location was an important factor influencing attendance. He agreed that although the model adopted for Keynsham was working very well, this would not be imposed on the Somer valley. He thanked Wera Hobhouse for her endorsement of the proposals.

Councillor Dine Romero in seconding the proposal emphasised the importance of local communities having a voice. She appealed for meetings to be relevant, and not so long that people would disengage. She looked forward to hearing the outcome of the cross-party review and agreed with Lesley Mansell that existing working arrangements must not be ignored.

Councillor Tim Ball felt that it was essential before moving forward to understand how each community worked. There was a danger of not reaching some of the smaller communities. Even in his ward, Twerton, 14 identifiable communities had been identified.

Councillor David Dixon said that the message to communities was not “this is how you must do it”, but was “this is your toolkit”. It was essential to ask each local community how the Council can get involved.

Councillor Simon Allen referred to the Community Covenant with local businesses in Radstock, which had been involved in creating new signage with pictures in the town. He felt that in time, the Community Forums would become the accepted way of involving local people.

Councillor Paul Crossley in summing up agreed that local communities defined themselves differently. He felt the Community Forums were breaking new ground.

On a motion from Councillor Paul Crossley, seconded by Councillor Dine Romero, it was

RESOLVED (unanimously)

(1) To NOTE the progress made in implementing the Connecting Communities programme, particularly the establishment of the three Connecting Communities Forums in the Keynsham, Chew Valley and Somer Valley areas;

(2) To NOTE the removal and reduction in duplication of meetings and therefore savings in staff time arising from this work;

(3) To ASK the Divisional Director (Strategy and Performance) to continue to develop the work of the Forums in order to:

a) Better understand local needs and priorities

b) Engage effectively with parishes, partners and local people

c) Continue to streamline local partnership arrangements and remove duplication

(4) To EXTEND the Connecting Communities Forum approach to Parish Cluster Groups 2 and 3 (encompassing Bathavon North, Bathavon South and Bathavon West wards);

(5) To NOTE that the fourth Bath City Conference is currently proposed to take place in June 2015; and

(6) To REQUEST officers to begin planning for a “conference”- style event for the parished area, comparable to the Bath City Conference.

108 SALT FORD STATION

The Chair referred to the statements made earlier in the meeting by Phil Harding and Chris Warren relating to this agenda item. He referred to an email he had received from David Wood of the RMT Union, in which David said that with his local knowledge, he supported the existing location for a re-opened station.

Councillor Anthony Clarke in an *ad hoc* statement said that his political Group supported the proposals for electrification and MetroWest, which would allow re-opening of one station. He was keen to see progress.

Councillor Eleanor Jackson in an *ad hoc* statement was very pleased to see the report and hoped that, if successful, Radstock Station would be the next to re-open.

Councillor Caroline Roberts, in proposing the item, thanked both the previous speakers for their support and hard work. She confirmed that although consultants had looked at two sites, she felt that the existing site was the optimum but nothing had been ruled out. She told Cabinet that the previous day the Government had announced its Infrastructure Plan which had recognised the need for congestion relief to the east of Bath. The plans being considered for Saltford Station would begin to address issues to the west of Bath. Cabinet were actively looking at walking and cycling routes to serve a re-opened station.

Councillor Paul Crossley seconded the proposal and said that it was crucial to get rail invigorated. It would be a massive investment.

On a motion from Councillor Caroline Roberts, seconded by Councillor Paul Crossley, it was

RESOLVED (unanimously)

(1) To AGREE that work should continue to develop the Business Case for a station at Saltford and that this should include the option of opening a station to the west of the village where future development may support the new facility.

109 EDUCATION CAPITAL PROJECTS FOR BUDGETARY APPROVAL FOR EXPENDITURE 2014-15

Lesley Mansell (Chair, Radstock Town Council) in an *ad hoc* statement [*a copy of which is attached to the Minutes as Appendix 7 and on the Council's website*] welcomed the proposals for investment in St Mary's Writhlington and reminded the cabinet that there would soon be 52 new homes close to the school.

Councillor Dine Romero, in proposing the item, asked the Cabinet to support the proposals to allocate the capital maintenance grant from Government, to which had been added some s.106 money for Bishop Sutton. She referred to section 5 of the report for detail. She promised that further plans would be put forward at February Cabinet.

Councillor Tim Ball seconded the proposals.

Councillor Simon Allen felt that the proposals were investing in the future.

On a motion from Councillor Dine Romero, seconded by Councillor Tim Ball, it was

RESOLVED (unanimously)

To APPROVE for inclusion in the 2014-15 Capital Programme:

(1) 2014-15 and 2015-16 Basic Need funding totalling £1,102,000, 2014-15 Capital Maintenance funding of £810,000 and S106 of £42,000 at Bishop Sutton Primary School to meet statutory requirements for pupil places.

(2) 2015-16 Capital Maintenance funding of £100,000 at St Marys Primary School, Writhlington to replace and expand a poor condition temporary classroom block.

(3) Basic Need funding of £394,258 at Weston All Saints Primary School to meet the extra cost arising from delays in the planning process.

(4) Basic Need funding of £74,000 for St Saviours Infant School to enable it to accommodate a bulge year from September 2014.

(5) Capital Maintenance funding of £90,000 for Chandag Infants School for works arising from the UIFSM statutory requirements.

(6) funding of £142,000 from 2013-14 capital programme savings for the replacement of classroom block at Chew Magna Primary School.

(7) £68,000 from the 2013-14 capital programme savings, £130,000 from the remainder of the unallocated £500,000 earmarked funding and £52,000 from 2014-15 Maintenance grant totalling £250,000 for phase 2 works at Southdown Primary School.

The meeting ended at 8.45 pm

Chair _____

Date Confirmed and Signed _____

Prepared by Democratic Services

Cabinet Single-Member Decisions and Responses to Recommendations from PDS Panels

published 28-Nov-14 to 2-Feb-15

Further details of each decision can be seen on the Council's Single-member Decision Register at <http://democracy.bathnes.gov.uk/mgDelegatedDecisions.aspx?&dm=3>

Date	Decision Maker
Reference	Title

10-Nov-14 Cllrs David Bellotti, Paul Crossley

E2707 Approval of Cost Plan - K2(a) Development Site Abbots Wood

The Cabinet Member agreed to the acquisition of Abbots Wood

13-Nov-14 Cllr Caroline Roberts

E2699 Lansdown Road Zebra Crossing TRO

The Cabinet Member approved the proposals as advertised

24-Nov-14 Cllrs Caroline Roberts, Paul Crossley

E2622 Queen Square Cycle Link

The Cabinet Member approved the proposals as advertised

27-Nov-14 Cllr Caroline Roberts

E2628 Area 10 Batheaston/Bathampton/Bathford 20mph TRO

The Cabinet Member approved the proposals with some amendments

27-Nov-14 Cllr Caroline Roberts

E2629 Area 11 Odd Down/Combe Down 20mph TRO

The Cabinet Member approved the proposals as advertised

Date	Decision Maker
Reference	Title

27-Nov-14 Cllr Caroline Roberts

E2630 Area 12 Saltford 20mph TRO

The Cabinet Member approved the proposals as advertised

18-Dec-14 Cllr David Dixon

E2729 Public Space Protection Order policy

The Cabinet Member agreed a 12 week consultation period on whether or not to introduce a PSPO prohibiting the use of amplification during street performances in Abbey Church Yard, Kingston Parade and Abbey Green

22-Dec-14 Cllr Caroline Roberts

E2714 Zones 1-16 TRO 2014

The Cabinet Member approved the proposals with some amendments and some deletions

02-Jan-15 Cllrs Paul Crossley, Caroline Roberts

E2687 MetroWest Phase 1 Update

The Cabinet Members agreed the proposed funding

02-Jan-15 Cllr Caroline Roberts

E2705 Parking Zones 15 and 16 - Proposed amendments TRO

The Cabinet Member approved the proposals with some amendments and some deletions

02-Jan-15 Cllrs Paul Crossley, David Bellotti

E2731 Audit & Assurance Partnership with N.Som Council

The Cabinet Members agreed to the creation of a local authority partnership with N.Som Council for the provision of its Audit & Assurance functions and delegated authority to the Strategic Director (Resources) to finalise the contract arrangements

Date	Decision Maker
Reference	Title

08-Jan-15 Cllr Tim Ball

E2730 Lower Bristol Road Gypsy and Traveller Site Allocation Policy

The Cabinet Member agreed to adopy the proposed Pitch Allocation Scheme

31-Jan-15 Cllr David Dixon

E2736 Sydney Gardens Refurbishment – Enabling Works

The Cabinet Member approved capital expenditure of up to £250k for renovation works in Sydney Gardens; and delegated authority to the Divisional Director, Environmental Services, in consultation with the Cabinet Member, to spend the above sum on works identified by a site survey and public consultation

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Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	11th February 2015	
TITLE:	Treasury Management Monitoring Report to 31st December 2014	EXECUTIVE FORWARD PLAN REFERENCE: E 2653
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1 – Performance Against Prudential Indicators</p> <p>Appendix 2 – The Council’s Investment Position at 31st December 2014</p> <p>Appendix 3 – Average monthly rate of return for 1st 9 months of 2014/15</p> <p>Appendix 4 – The Council’s External Borrowing Position at 31st December 2014</p> <p>Appendix 5 – Arlingclose’s Economic & Market Review Q3 of 2014/15</p> <p>Appendix 6 – Interest & Capital Financing Budget Monitoring 2014/15</p> <p>Appendix 7 – Summary Guide to Credit Ratings</p>		

1 THE ISSUE

1.1 In February 2012 the Council adopted the 2011 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a Treasury Management Strategy before the start of each financial year, review performance during the year, and approve an annual report after the end of each financial year.

1.2 This report gives details of performance against the Council’s Treasury Management Strategy and Annual Investment Plan 2014/15 for the first nine months of 2014/15.

2 RECOMMENDATION

The Cabinet agrees that:

2.1 the Treasury Management Report to 31st December 2014, prepared in accordance with the CIPFA Treasury Code of Practice, is noted

2.2 the Treasury Management Indicators to 31st December 2014 are noted.

3 RESOURCE IMPLICATIONS

3.1 The financial implications are contained within the body of the report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 This report is for information only.

5 THE REPORT

Summary

- 5.1 The average rate of investment return for the first nine months of 2014/15 is 0.44%, which is 0.04% above the benchmark rate.
- 5.2 The Council's Prudential Indicators for 2014/15 were agreed by Council in February 2014 and performance against the key indicators is shown in **Appendix 1**. All indicators are within target levels.

Summary of Returns

- 5.3 The Council's investment position as at 31st December 2014 is given in **Appendix 2**. The balance of deposits as at 30th September 2014 and 31st December 2014 are also set out in the pie charts in this appendix.
- 5.4 The Council is the accountable body for the West of England Revolving Investment Fund (RIF) and received grant funding of £57 million at the end of the 2011/12 financial year. The Council acts as an agent and holds these funds on behalf of the West of England Local Enterprise Partnership until they are allocated in the form of repayable grants to the constituent Local Authorities to meet approved infrastructure costs. Since these funds are invested separately from the Council's cash balances and have been placed short term with the Debt Management Office and other Local Authorities, they are excluded from all figures given in this report. The current value of the fund is £45.1 million.
- 5.5 Gross interest earned on investments for the first nine months totalled £106k. Net interest, after deduction of amounts due to Schools, the West of England Growth Points, CHC and other internal balances, is £51k. **Appendix 3** details the investment performance, showing the average rate of interest earned over this period was 0.44%, which was 0.04% above the benchmark rate of average 7 day LIBID +0.05% (0.39%).

Summary of Borrowings

- 5.6 £28 million of borrowing was arranged in the third quarter of 2014/15, with five different Local Authorities, for periods of between one and five years. The borrowing was undertaken to replenish cash-flow used to fund a specific commercial estate investment opportunity and to maintain appropriate working cash balances. The Council's total borrowing was £98 million as at 31st December 2014.
- 5.7 The Council's Capital Financing Requirement (CFR) as at 31st March 2014 was £153 million with a projected total of £215 million by the end of 2014/15 based on the capital programme approved at February 2014 Council. This represents the Council's underlying need to borrow to finance capital expenditure, and demonstrates that the borrowing taken to date relates to funding historical capital spend.

5.8 Following Local Government Reorganisation in 1996, Avon County Council's residual debt is administered by Bristol City Council. All successor Unitary Authorities make an annual contribution to principal and interest repayment, for which there is a provision in the Council's revenue budget. The amount of residual debt outstanding as at 31st March 2014 apportioned to Bath & North East Somerset Council is £14.54m. Since this borrowing is managed by Bristol City Council and treated in the Council's Statement of Accounts as a deferred liability, it is not included in the borrowing figures referred to in paragraph 5.6.

5.9 The borrowing portfolio as at 31st December 2014 is shown in **Appendix 4**.

Strategic & Tactical Decisions

5.10 As shown in the charts at **Appendix 2**, the proportion of investments in Foreign Banks increased during the quarter, reflecting new short term investments in very highly rated counterparties (AA-). To increase diversification, the Council invests in AAA rated Money Market funds, with a balance of £7.4m invested in these as at 31st December 2014.

5.11 The Council continues to not hold any direct investments with banks in countries within the Eurozone reflecting both on the underlying debt issues in some Eurozone countries and the low levels of interest rates. The Council's investment counterparty list does not currently include any banks from Portugal, Ireland, Greece, Spain and Italy.

5.12 The Council's average investment return is running slightly above the budgeted level of 0.35%, although the impact is offset by the lower than budgeted investment balances held.

Future Strategic & Tactical Issues

5.13 Our treasury management advisors economic and market review for the third quarter 2014/15 is included in **Appendix 5**.

5.14 The Bank of England base rate has remained constant at 0.50% since March 2009. In the opinion of the Council's treasury advisors, Arlingclose, falling oil prices and sub-target inflation (with CPI falling to 0.5% in December) is easing pressure on officials to act, though forward expectations are still focusing on a rate rise in Q3 2015.

5.15 In their opinion the lack of inflationary signals is expected to allow policymakers to hold off monetary tightening for longer than the market currently expects. However, the near-term risk is that the Bank Rate could rise sooner than anticipated.

5.16 The benefits of the Council's current policy of internal borrowing are monitored regularly against the likelihood that long term borrowing rates are forecast to rise in future years. The focus is now on the rate of increase and the medium-term peak and, in this respect, the current forecast is that rates will rise slowly and to a lower level than in the past.

5.17 The borrowing that has taken place in the last quarter is therefore driven by a need to maintain an appropriate working cash balance rather than any immediate changes to interest rates.

Budget Implications

- 5.18 A breakdown of the revenue budget for interest and capital financing and the forecast year end position based on the period April to December is included in **Appendix 6**. This is currently forecast to remain on target for 2014/15.
- 5.19 This position will be kept under review during the remainder of the year, taking into account the Council's cash-flow position and the timing of any new borrowing required.

6 RATIONALE

- 6.1 The Prudential Code and CIPFA's Code of Practice on Treasury Management requires regular monitoring and reporting of Treasury Management activities.

7 OTHER OPTIONS CONSIDERED

- 7.1 None.

8 CONSULTATION

- 8.1 Consultation has been carried out with the Cabinet Member for Community Resources, Section 151 Finance Officer and Monitoring Officer.
- 8.2 Consultation was carried out via e-mail.

9 RISK MANAGEMENT

- 9.1 The Council's lending & borrowing list is regularly reviewed during the financial year and credit ratings are monitored throughout the year. All lending/borrowing transactions are within approved limits and with approved institutions. Investment and Borrowing advice is provided by our Treasury Management consultants Arlingclose.
- 9.2 The CIPFA Treasury Management in the Public Services: Code of Practice requires the Council nominate a committee to be responsible for ensuring effective scrutiny of the Treasury Management Strategy and policies. The Corporate Audit Committee carries out this scrutiny.
- 9.3 In addition, the Council maintain a risk register for Treasury Management activities, which is regularly reviewed and updated where applicable during the year.

Contact person	<i>Tim Richens - 01225 477468 ; Mark Angus - 01225 477180</i> Tim_Richens@bathnes.gov.uk Mark_Angus@bathnes.gov.uk
Background papers	<i>2014/15 Treasury Management & Investment Strategy</i> <i>1st Quarter Treasury Performance Report (Cabinet)</i> <i>2nd Quarter Treasury Performance Report (Cabinet)</i>
Please contact the report author if you need to access this report in an alternative format	

APPENDIX 1

Performance against Treasury Management Indicators agreed in Treasury Management Strategy Statement

1. Authorised limit for external debt

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

	2014/15 Prudential Indicator	2014/15 Actual as at 31st Dec. 2014
	£'000	£'000
Borrowing	215,000	98,000
Other long term liabilities	2,000	0
Cumulative Total	217,000	98,000

2. Operational limit for external debt

The operational boundary for external debt is based on the same estimates as the authorised limit but without the additional headroom for unusual cash movements.

	2014/15 Prudential Indicator	2014/15 Actual as at 31st Dec. 2014
	£'000	£'000
Borrowing	177,000	98,000
Other long term liabilities	2,000	0
Cumulative Total	179,000	98,000

3. Upper limit for fixed interest rate exposure

This is the maximum amount of total borrowing which can be at fixed interest rate, less any investments for a period greater than 12 months which has a fixed interest rate.

	2014/15 Prudential Indicator	2014/15 Actual as at 31st Dec. 2014
	£'000	£'000
Fixed interest rate exposure	177,000	78,000*

* The £20m of LOBO's are quoted as variable rate in this analysis as the Lender has the option to change the rate at 6 monthly intervals (the Council has the option to repay the loan should the rate increase).

4. Upper limit for variable interest rate exposure

While fixed rate borrowing contributes significantly to reducing uncertainty surrounding interest rate changes, the pursuit of optimum performance levels may justify keeping flexibility through the use of variable interest rates. This is the maximum amount of total borrowing which can be at variable interest rates.

	2014/15 Prudential Indicator	2014/15 Actual as at 31st Dec. 2014
	£'000	£'000
Variable interest rate exposure	127,000	20,000

5. Upper limit for total principal sums invested for over 364 days

This is the maximum amount of total investments which can be over 364 days. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

	2014/15 Prudential Indicator	2014/15 Actual as at 31st Dec. 2014
	£'000	£'000
Investments over 364 days	50,000	0

6. Maturity Structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk.

	Upper Limit	Lower Limit	2014/15 Actual as at 31st Dec. 2015
	%	%	%
Under 12 months	50	Nil	31*
12 months and within 24 months	50	Nil	0
24 months and within 5 years	75	Nil	8
5 years and within 10 years	100	Nil	10
10 years and above	100	Nil	51

* The CIPFA Treasury management Code now requires the prudential indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e. the next call date (which are at 6 monthly intervals for the £20m of LOBO's). However, the Council would only consider repaying these loans if the Lenders exercised their options to alter the interest rate.

7. Average Credit Rating

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the weighted average credit rating of its investment portfolio. A summary guide to credit ratings is set out at **Appendix 7**. The Council agreed a reduction to the minimum portfolio average credit rating from A to A- at its meeting on 13th November in order to be able to respond to any changes to UK banks credit ratings resulting from implementation of the bail-in provisions of the EU Bank Recovery and Resolution Directive.

	2014/15 Prudential Indicator	2014/15 Actual as at 31st Dec. 2014
	Rating	Rating
Minimum Portfolio Average Credit Rating	A-	AA

8. Liquidity

The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	2014/15 Prudential Indicator	2014/15 Actual as at 31st Dec. 2014
Total cash available within 3 months	£15m	£22.15m

APPENDIX 2

The Council's Investment position at 31st December 2014

The term of investments, from the original date of the deal, are as follows:

	Balance at 31st Dec. 2014
	£'000's
Notice (instant access funds)	12,150
Up to 1 month	0
1 month to 3 months	0
Over 3 months	10,000
Total	22,150

The investment figure of £22.150 million is made up as follows:

	Balance at 31st Dec. 2014
	£'000's
B&NES Council	5,200
B&NES CHC	8,256
West Of England Growth Points	688
Schools	8,006
Total	22,150

The Council had an average net positive balance of £32.5m (including Growth Points & B&NES CHC Funding) during the period April 2014 to December 2014.

**Chart 1: Council Investments (£22.15m) as
at 31st Dec. 2014**

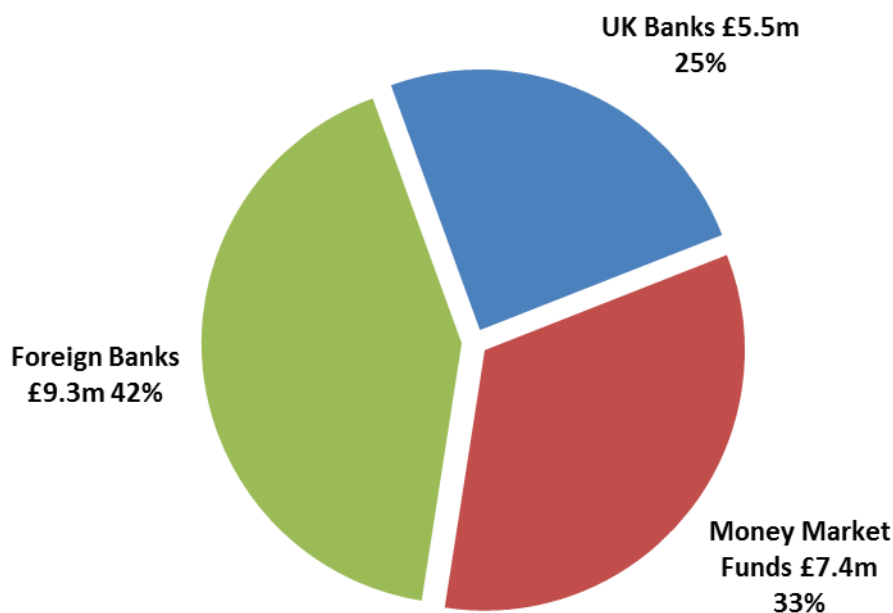


Chart 2: Council Investments (£9.85m) as at 30th Sep. 2014

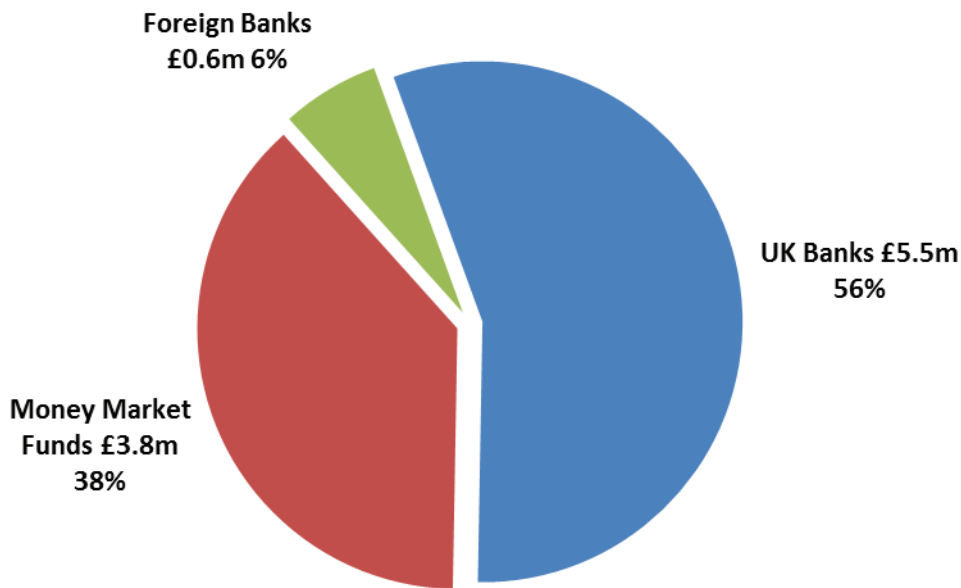


Chart 3: Council Investments per Lowest Equivalent Long-term Credit Ratings (£22.15m) 31st Dec. 2014

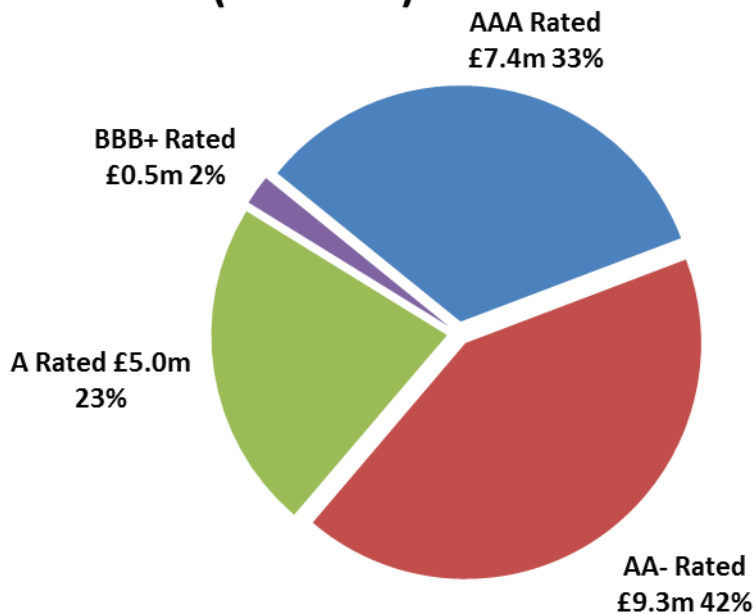
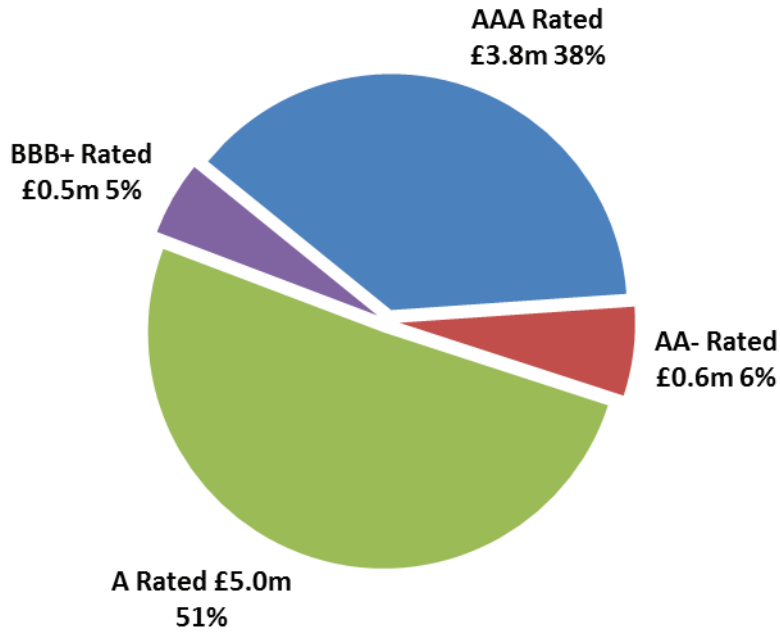


Chart 4: Council Investments per Lowest Equivalent Long-term Credit Ratings (£9.85m) 30th Sep 2014



APPENDIX 3

Average rate of return on investments for 2014/15

	April %	May %	June %	July %	Aug %	Sep %	Oct %	Nov %	Dec %	Average for Period
Average rate of interest earned	0.40	0.43	0.44	0.47	0.42	0.42	0.44	0.45	0.44	0.44%
Benchmark = Average 7 Day LIBID rate +0.05% (source: Arlingclose)	0.39	0.39	0.40	0.39	0.40	0.40	0.40	0.40	0.40	0.40%
Performance against Benchmark %	0.01	0.04	0.04	0.08	0.02	0.02	0.04	0.05	0.04	0.04%

APPENDIX 4

Councils External Borrowing at 31st December 2014

LONG TERM	Amount	Start Date	Maturity Date	Interest Rate
PWLB	10,000,000	15/10/04	15/10/35	4.75%
PWLB	5,000,000	12/05/10	15/08/35	4.55%
PWLB	5,000,000	12/05/10	15/08/60	4.53%
PWLB	5,000,000	05/08/11	15/02/31	4.86%
PWLB	10,000,000	05/08/11	15/08/29	4.80%
PWLB	15,000,000	05/08/11	15/02/61	4.96%
KBC Bank N.V*	5,000,000	08/10/04	08/10/54	4.50%
KBC Bank N.V*	5,000,000	08/10/04	08/10/54	4.50%
Eurohypo Bank*	10,000,000	27/04/05	27/04/55	4.50%
West Midland Police Authority	5,000,000	08/10/14	10/10/16	1.10%
Portsmouth City Council	3,000,000	15/10/14	17/10/16	1.08%
Wirral Metropolitan Borough Council	5,000,000	07/11/14	06/11/15	0.65%
Gloucestershire County Council	5,000,000	25/11/14	25/11/19	2.05%
Derbyshire County Council	5,000,000	28/11/14	27/11/15	0.65%
Gloucestershire County Council	5,000,000	19/12/14	19/12/19	2.05%
TOTAL	98,000,000			
TEMPORARY	Nil			
TOTAL	98,000,000			3.73%

*All LOBO's (Lender Option / Borrower Option) have reached the end of their fixed interest period and have reverted to the variable rate of 4.50%. The lender has the option to change the interest rate at 6 monthly intervals, however at this point the borrower also has the option to repay the loan without penalty.

APPENDIX 5

Economic and market review for October to December 2014 (provided by Arlingclose)

Growth and Inflation: The UK economy slowed a little in Q3 following stronger performance in Q2. Output grew by 0.7%, following 0.6% in Q1 2014 and at 0.8% in Q2. The services sector drove the expansion once again, with marginal contributions from industrial production and construction. In spending terms, growth was led by household consumption. Political uncertainty (Scottish independence referendum/UK General Election/UK referendum on EU membership?) looks to have had a negative impact on business investment, while weakness in the UK's main export markets is limiting the contribution from net trade.

Concerns about the strength of global GDP growth became more widespread, with data showing that the Eurozone was stagnating and Chinese growth easing. Other emerging market economies were also experiencing softer economic activity. The main consequence of the weaker global outlook was a significant decline in oil prices, which had already been under pressure due to increased supply. This fed into domestic fuel prices and placed downward pressure on inflation rates. The annual UK CPI inflation rate fell to 1.0% year-on-year in November, with expectations of further falls in the coming months.

Unemployment: The labour market continued to improve, although employment gains slowed a little compared to earlier in the year; the headline unemployment rate fell to 6.0%. Earnings growth strengthened, rising 1.4% for the three months August to October 2014 when compared to the same period a year earlier. The pickup in nominal earnings growth combined with the fall in inflation suggests a sustained pickup in real wage growth, the first since 2007.

UK Monetary Policy: The MPC made no change to the Bank Rate of 0.5% and maintained asset purchases at £375bn. MPC members Ian McCafferty and Martin Weale continued to vote for an increase Bank Rate by 0.25%, arguing economic circumstances were sufficient to justify an immediate rise. However, the softening outlook for CPI inflation appears to have given the more dovish members of the Committee a strong argument for maintaining Bank Rate at 0.5%. The MPC continued to emphasise that when Bank Rate did begin to rise, it was expected to do so only gradually and would likely remain below average historical levels for some time to come.

The Eurozone inflation rate dipped below zero in December (HICP inflation registered - 0.2% in December). With regional growth continuing to struggle and deflation appearing more likely, pressure has grown on the ECB to implement outright quantitative easing (QE) beyond the current asset purchase programme focused on securities secured on property. The MPC continues to see Eurozone economic weakness and potential deflation as a significant risk to the UK's economic prospects.

The US Federal Reserve concluded monthly asset purchases under its QE programme as expected in October. After a weather-hit Q1, the US economy expanded strongly in Q2 and Q3, prompting analysts to bring forward expectations of a rise in the official policy rate.

Market reaction: Gilt yields have continued to decline on the back of softening inflation expectations and increasing concerns about global growth, the Eurozone and the political situation regarding Russia/Ukraine. The 10 year gilt yield closed 2014 at 1.76%, down from 2.43% at the end of September. Short term market interest rates have also declined as the expectation of a near term rise in UK Bank Rate diminished.

APPENDIX 6

Interest & Capital Financing Costs – Budget Monitoring 2014/15 (April to December)

April to December 2014	YEAR END FORECAST			ADV/FAV
	Budgeted Spend or (Income) £'000	Forecast Spend or (Income) £'000	Forecast over or (under) spend £'000	
Interest & Capital Financing				
- Debt Costs	3,862	3,862	0	
- Internal Repayment of Loan Charges	(8,182)	(8,182)	0	
- Ex Avon Debt Costs	1,388	1,388	0	
- Minimum Revenue Provision (MRP)	6,120	6,120	0	
- Interest on Balances	(110)	(110)	0	
Sub Total - Capital Financing	3,078	3,078	0	

APPENDIX 7

Summary Guide to Credit Ratings

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

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Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	11th February 2015	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2657
TITLE:	Revenue and Capital Budget Monitoring, Cash Limits and Virements – April 2014 to December 2014	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report</p> <p>Appendix 1: Revenue & Capital Monitoring Commentary Appendix 2: Revenue Monitoring Statement: All Council Spending Appendix 3: Capital Monitoring Statement: All Council Spending Appendices 4(i) & 4(ii): Proposed Revenue Virements & Revised Revenue Cash Limits 2013/14 Appendices 5(i) & 5(ii): Capital Virements & Capital Programme by Portfolio 2014/15</p>		

1 THE ISSUE

1.1 This report presents the financial monitoring information for the Authority as a whole for the financial year 2014/15 to the end of December 2014.

2 RECOMMENDATION

The Cabinet agrees that:

2.1 Strategic Directors should continue to work towards managing within budget in the current year for their respective service areas, and to manage below budget where possible by not committing unnecessary expenditure, through tight budgetary control.

2.2 This year's revenue budget position as shown in Appendix 2 is noted.

2.3 The capital expenditure position for the Council in the financial year to the end of September and the year end projections detailed in Appendix 3 of this report are noted.

2.4 The revenue virements listed for approval in Appendix 4(i) are agreed.

2.5 The changes in the capital programme listed in Appendix 5(i) are noted.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 The financial implications are contained within the body of the report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 The annual medium term financial planning process allocates scarce resources across services with alignment of these resources towards the Council's corporate priorities. This report monitors how the Council is performing against the financial targets set in February 2014 through the Budget setting process.

5 THE REPORT

5.1 The Budget Management Scheme requires that the Cabinet consider the revenue and capital monitoring position four times per year.

5.2 For revenue, where overspent, services are normally expected to seek compensating savings to try and bring budgets back to balance.

5.3 Appendix 1 highlights significant areas of forecast over and under spends in revenue budgets. Appendix 2 outlines the Council's current revenue financial position for the 2014/15 financial year to the end of December 2014 by Cabinet Portfolio. The current forecast outturn position is for an underspend of £1,638,000 which equates to 0.35% of gross budgeted spend (excluding Schools).

5.4 The Council has also incurred a range of one-off costs relating to service transformation and the delivery of planned savings. The funding for these costs may be offset against the projected underspends.

5.5 The Strategic Directors will continue to manage their budgets within the overall allocations approved by the Council.

5.6 The forecast outturn position includes the requirement for the delivery of £10.88m savings as part of the approved budget for 2014/15.

5.7 The Council's financial position, along with its financial management arrangements and controls, are fundamental to continuing to plan and provide services in a managed way, particularly in light of the medium term financial challenge. Close monitoring of the financial situation provides information on new risks and pressures in service areas, and appropriate management actions are then identified and agreed to manage and mitigate those risks.

5.8 Revenue budget virements which require cabinet approval are listed in Appendix 4(i). Technical budget adjustments are also shown in Appendix 4(i) for information purposes as required by the Budget Management Scheme.

5.9 Appendix 3 outlines the current position for the 2014/15 Capital budget of £114.210m (excluding contingency), with a current forecast spend of £78.343m which is £35.868 less than the budget, due to slippage into later years.

5.10 Previously approved changes to the capital programme are listed in Appendix 5(i), while Appendix 5(ii) provides the updated capital programme allocated by Portfolio.

6 RATIONALE

6.1 The report is presented as part of the reporting of financial management and budgetary control required by the Council.

7 OTHER OPTIONS CONSIDERED

7.1 None

8 CONSULTATION

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

9 RISK MANAGEMENT

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

9.2 The substance of this report is part of the Council's risk management process. The key risks in the Council's budget are assessed annually by each Strategic Director, with these risks re-assessed on a monthly basis as part of the budget monitoring process.

Contact person	<i>Tim Richens - 01225 477468 ; Jamie Whittard - 01225 477213</i> Tim.Richens@bathnes.gov.uk Jamie.Whittard@bathnes.gov.uk
Background papers	<i>Budget Management Scheme</i>
Please contact the report author if you need to access this report in an alternative format	

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REVENUE BUDGET MONITORING APRIL 2014 TO DECEMBER 2014

- 1.1 Appendix 2 outlines the Council's current financial position for the 2014/15 financial year to the end of December 2014 by Cabinet Portfolio. The Appendix shows the current forecast outturn position is an underspend of £1,638,000, or 0.35% of the gross expenditure budget (excluding Schools).
- 1.2 Strategic Directors will work to manage their budgets within the overall budget allocations approved by the Council for the remainder of the financial year. This may include the development of mitigating actions as the financial year progresses.
- 1.3 The forecast outturn position includes the requirement for the delivery of £10.88m savings as part of the approved budget for 2014/15.
- 1.4 Within the current £1,638,000 forecast underspend figure, there are areas of over and under spending which are detailed below, along with any planned management actions being taken to reduce projected overspends. The Council has also incurred a range of one-off costs relating to service transformation and the delivery of planned savings. The funding for these costs may be offset against the projected underspends.

1.5 Leader's Portfolio – forecast £924,000 underspend

The budget within this Portfolio includes the £500,000 additional income target from a Visitor Contribution scheme, which is not now achievable at the level anticipated. This is due to recent government legislation changes that would significantly reduce the anticipated yield from such a scheme.

This offsets a higher than anticipated 2013/14 Housing Benefit Subsidy claim, which has now been received in 2014/15 and is £918,000 greater than the figure included in the 2013/14 accounts.

The IT and Transformation Service is forecast to be £538,000 underspent arising mainly from fuller appraisal of inherited budgets when the Service was brought back in-house, and a better understanding of the IT estate. In addition, there are small underspends and overspends on salary costs within the Strategy & Performance Service and Legal Services.

1.6 Community Resources Portfolio – forecast £1,067,000 underspend

The forecast underspend on this portfolio is made up of the following variances:

Corporate costs: £1,630,000 forecast underspend. This includes a £900,000 Pensions Deficit Recovery surplus, the £100,000 budget for Carbon Reduction

payments no longer being required as the Council is not part of this scheme, and a £185,000 saving in pension deficit costs following the Council's early payment of its share. There is also an external audit fee rebate and other additional income, including a one-off Capitalisation Grant received that will not be used.

Resources: There is a £563,000 overspend in Resources. Within this amount, there is a £312,000 forecast overspend within Resources Management owing to a one off cost of enabling proper coordination and phasing of savings, which once complete are due to achieve their target.

In addition, there is a £165,000 net income shortfall in Commercial Estate caused by increased temporary voids and a £476,000 overspend in Property Service mainly due to under achievement of income targets. These Resources overspends are partially off-set by a forecast £98,000 underspend in salaries within Customer Services and £127,000 underspend in Corporate Estate following a review of the repairs & maintenance budget.

1.7 Wellbeing Portfolio – forecast on target

Although Fairer Contributions Income from personal contributions is now forecast to be £224,000 below budget (as these contributions and forecasts vary in line with the financial position of individual service users), the net spend on commissioning of Older People's Services after these contributions is currently forecast to be on target.

1.8 Early Years, Children & Youth Portfolio – forecast £725,000 overspend

Within this Portfolio, there is an overspend forecast in the budgets for direct payments for children in care, particularly in the Independent Fostering, and Parent & Baby Unit budgets, due to increased cases in these volatile budgets. These forecast overspends are partially offset by an underspend of £121,000 on the Early Years' revenue contribution for capital projects supporting the transition to the new Children's Centres structure, now planned for 2015/16.

1.9 Homes & Planning Portfolio – forecast £376,000 underspend

Within Development, there is a net forecast underspend of £294,000, which includes additional income forecast in Planning, and underspends on water monitoring and staffing budgets. These are partially used to offset forecast overspends following restructure, mainly due to the loss of staffing charges to capital, as well as additional staffing costs associated with the implementation of the Community Infrastructure Levy (CIL).

In addition, there is an £82,000 underspend forecast in Housing made up of a number of small items.

1.10 Sustainable Development Portfolio – forecast £244,000 underspend

Heritage income is again going very well and is forecast to be £531,000 over budgeted level. This is due to even higher visitor numbers than the previous year, and their additional retail spend. £200,000 of this additional income is being used to off-set the non-achievement of the commercial activity target in Heritage and related services, which is forecast not to be achieved this year.

In addition, the £200,000 savings target in Destination Management will not be achieved. There is also an underspend within Economy & Culture, relating to the realignment of water monitoring, which contributes to the overall Portfolio underspend.

1.11 Neighbourhoods Portfolio – forecast £562,000 overspend

Within Waste & Fleet Services, there is a £230,000 forecast overspend on Waste tonnage, due to the reduced budget to cover the cost. However, this is partially off-set by a favourable variance on waste treatment and disposal. There is also a £200,000 shortfall in unachievable Fleet Services income targets.

Parks & Bereavement Services are forecasting a £155,000 overspend, mainly due to the underachievement of Parks & Grounds and Bereavement income targets, with the number of burials and cremations in the area in decline.

In addition, there is an overspend of £84,000 currently forecast in Libraries, where service redesign work is currently underway, but the delayed implementation will only realise half of the savings target in 2014/15. The overspends within the Portfolio are partially mitigated by a small underspend of staffing costs within Community Safety.

1.12 Transport Portfolio – forecast £314,000 underspend

Within Parking, there is a £250,000 favourable forecast, which relates mainly to underspending rather than exceptional income performance. The underspending includes staffing budgets, and also a one-off business rates rebate of £70,000. There is also an underspend forecast of £180,000 in Passenger & Public Transport, which includes £50,000 in concessionary fares from reduced passenger numbers, an unused contingency allocation and increased Park & Ride advertising income.

This underspend is partially used to off-set the forecast overspend of £116,000 in Transportation – Planning & Policy, caused by an under achievement of savings targets and on-going pressures.

1.13 The Council has requested that the delivery of the key savings for the 2014/15 budget, including potential impacts, should be included as part of the regular budget monitoring. The following table provides a narrative on key savings:

Description of Saving	Target Saving Amount £'000	Amount Achieved to date £'000	Comments on saving including any service impacts or service user impacts
<u>Wellbeing</u>			
Social Care savings	1,064	1,064	2 Targets: £689,000 through targeted reductions and negotiated contract amendments, plus £375,000 from reduced residential care from increased preventative services now achieved.
In partnership with Sirona Care & Health, further efficiency savings.	868	868	Core contract savings £293,000 achieved, plus further efficiencies of £575K through service redesign achieved through service restructuring and agreed through a variation to the 2014/15 contract baseline value.
<u>Early Years, Children & Youth</u>			
Connexions – Discontinuation of current form of service	480	480	Achieved. Contractual notice served to LPW and merged service in place.
<u>Leader</u>			
Visitor Contribution	500	0	This was a target for additional income to be derived by charging a voluntary contribution on visitors to Bath. Due to recent government legislation, this target will not be delivered as the scheme cannot be implemented as planned.
Corporate Procurement	200	150	This target applies to procurement across the Council. Part achieved via renegotiation of a major contract and plans for the remainder are still being reviewed.
ICT - Corporate - rationalisation, improved procurement & new ICT Strategy (£500k), insourcing (£100k) and removal of transformation budget (£200k).	800	800	Continuation of £350k target achieved in 2013/14. Plans for delivering this target are in place and on target.

Neighbourhoods			
Libraries - to deliver the services differently in the future with support from our emerging Community Library Programme.	255	128	Plans in place for delivery but a 6 months delay in implementation is envisaged.
Community Resources			
Property Services – reduction in staffing levels.	230	230	Continuation of 2013/14 savings. 2014/15 plans are on target.
Property Services – increased revenue income through investment in Commercial properties	250	250	The Council wishes to invest in properties with secure returns that exceed those available through usual treasury management opportunities. A property was purchased in August and rental income arising from that purchase has contributed towards the achievement of this target and there are continuing efforts to seek further appropriate investment opportunities.
Sustainable Development			
Heritage Services – Additional net profit over three years in line with the Heritage Services Business Plan	450	450	2 Targets: £250,000 as per Business Plan plus a £200,000 stretched profit target. Currently forecast on target anticipating that this will be met.
Identification of further Commercial activity for Heritage and related services.	200	0	Possibilities are being looked at and recommendations will follow in coming months as a result of a review of opportunities. This saving is unlikely to be achieved in 2014/15, however there is sufficient additional forecast net profit from the Heritage service to compensate for this.
Destination Management Saving	200	0	Saving will not be achieved. Review of all budget lines within Destination Management budgets to be undertaken.

CAPITAL BUDGET MONITORING – APRIL 2014 TO DECEMBER 2014

2.1 The approved Capital Programme for 2014/15 is currently £114.961m, and is detailed in Appendix 5(ii). Changes to the Capital Programme since November Cabinet are shown highlighted in Appendix 5(i).

Progressing Capital Projects Updates

2.2 **Bath Western Riverside.** Phase 1 is complete and all residences are fully occupied and the construction of all remaining phases on Crest land (up to 813 dwellings) has commenced. The Destructor Bridge Easement Agreement is in place with the Canals and River Trust to enable replacement of the bridge. The Gas holder demolition completes in October 2014 and building 17 has also been handed over to Curo for occupation of a further 58 Affordable Homes.

2.3 **London Road** Works are increasing after the Christmas embargo. The project is due for completion in May.

2.4 **Rossiter Road** As a result of the Contractors trading difficulties, legal issues and unforeseen construction issues with a cellar in Widcombe Parade, it is now expected that the works will take until April 2015 to complete. The anticipated cost implications arising from these changes have been mitigated by the redesign of the highway structures on Rossiter Road. As a result the forecast project costs accord with the approved allocation.

2.5 **Victoria Bridge** The Project was completed on 19th December; the official opening is 15th January 2015.

2.6 **Bath Flood Mitigation** Planning and listed building consent approvals are anticipated in February, with construction works due to start in March. Completion is anticipated mid 2015.

2.7 **Bath Quays** A business case for the first phase of works for Innovation Quay has been submitted to the West of England LEP board and has been approved subject to planning. The demolition of the multi storey car park would be anticipated around May 2015.

2.8 Bath Transport Package

(1) **Lansdown** - This has been completed.

(2) **Newbridge Park & Ride** - the expansion area will be open by mid-March 2015, and the facilities building will be complete by the end of March 2015.

(3) **Stall St/ Lower Borough Walls** – access restrictions and street works will now commence early in February 2015 with completion by September 2015 (the works have been delayed awaiting the completion of the Gainsborough Hotel).

- (4) **Real Time Information** - first phase of shelters and stops to be fitted by April 2015. Second phase will not be installed until September 2015 after the stops and shelters work has been completed.
- (5) **Bus Stops** - over 75% of bus stops have been upgraded. Further upgrades have re-commenced January 2015 and the programme is expected to be completed September 2015.
- (6) **Bus Shelters** - 88 shelters have been installed. The remaining 75 shelters will be installed between March and September 2015.

2.9 **Gypsy and Traveller Sites** Contracts have been exchanged; the works are on target to be complete late February.

2.10 **Kelston Road** The road opened on 17th November and the site is due to be cleared by the end of January. The final account is yet to be agreed with the contractor, this should be finalised by the end of January.

2.11 **Norton Radstock Regeneration (NRR) Infrastructure** The project is on track and new link road completed before Christmas. The work successfully created an access to the NRR / Linden Homes site which enabled the developers to start work on building the first phase of shops and housing. The work now has moved to the centre of the town on Fortescue Road and The Street. It is anticipated that the new road network will be complete and open in late Spring 15.

2.12 **River Corridor Fund** These projects are progressing to plan. This includes the granting of funding for Minerva Rowing Club to improve club facilities which are opening on 17 Jan. New river railings will be installed by the end of March between Widcombe Lock and Churchill Bridge. A prototype of the new life buoy cabinets will be installed in February for testing with various groups, with 12 further units to be installed along the river once testing is complete. The scope and location has been agreed for the river greening trial and consultants have been appointed for Radial Gates options study.

2.13 **Digital B&NES** Survey work has started in Bath and North East Somerset, and the Council is liaising with British Telecom and Parish councils regarding the roll out of the connecting Devon and Somerset programme. A dedicated programme officer has been appointed; a business plan for the next two years' work is due in January including examination of the options for city wide wifi and commercialisation of city wide ducting.

2.14 **Radstock Regeneration** Funding enabled improvements to various community facilities in Radstock. Small traffic management improvements have also been made and new gateway signs have been installed.

2.15 **Odd Down Playing Fields** The changing rooms are in progress, and at this stage completion is expected on target for end Feb with no issues.

- 2.16 **7 Dials** A contractor is due to be appointed by mid January with work to start on site by the end of January. The contraflow cycle routes and pedestrian and paving enhancements are due to be complete by late Spring.
- 2.17 **Keynsham New Build and Regeneration** All B&NES staff are now in the new offices. Sirona moved into their area prior to Christmas. The Police have moved into the Civic Centre One Stop Shop with a front facing desk in the public area. The rest of the Police team are expected to occupy the Civic Centre Offices South area during February 2015. The retail fit out is progressing as planned. Finally the Highway works have re commenced following the Christmas Embargo and will be complete by March 2015.
- 2.18 **Weston All Saints Primary School** The KS2 classroom and kitchen extension projects have been completed. KS1 Classroom block build has commenced in September 2014, and is on target for completion in 2015.
- 2.19 **Paulton Infants School** Phase 3 of the works is completed within budget.
- 2.20 **St. Saviour's Primary School** Start on site was 16th December 2014 following discharge of planning conditions.

Portfolio Summary Monitor REVENUE SPENDING For the Period APRIL 2014 to DECEMBER 2014	CURRENT YEAR 2014/15 FORECAST OUTTURN					ADVERSE / FAVOURABLE
	Forecast Gross Expenditure	Forecast Gross Income	Net Forecast Actual	Annual Current Budget	Forecast over or (under) spend	
	£'000	£'000	£'000	£'000	£'000	
Leader	15,176	(7,548)	7,628	8,551	(924)	FAV
Community Resources	98,814	(96,631)	2,183	3,249	(1,067)	FAV
Wellbeing	109,128	(47,401)	61,727	61,726		ON TARGET
Early Years, Children & Youth	158,090	(129,411)	28,679	27,954	725	ADV
Homes & Planning	7,622	(3,007)	4,615	4,991	(376)	FAV
Sustainable Development	15,498	(18,333)	(2,835)	(2,591)	(244)	FAV
Neighbourhoods	31,552	(9,904)	21,648	21,086	562	ADV
Transport	25,967	(19,719)	6,248	6,562	(314)	FAV
TOTAL COUNCIL	461,845	(331,954)	129,891	131,529	(1,638)	FAV

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	Current Year			Prior Years Total Spend £' 000's	Budget						Forecast						Variance	
	Actuals £' 000's	Commitments £' 000's	Actual Spend to Date £' 000's		Budget 2014/2015 £' 000's	Budget 2015/2016 £' 000's	Budget 2016/2017 £' 000's	Budget 2017/2018 £' 000's	Budget 2018/2019 £' 000's	Total Scheme Budget £' 000's	Forecast 2014/2015 £' 000's	Forecast 2015/2016 £' 000's	Forecast 2016/2017 £' 000's	Forecast 2017/2018 £' 000's	Forecast 2018/2019 £' 000's	Total Scheme Forecast £' 000's	Current Year £' 000's	Scheme £' 000's
Capital Monitor Apr 2014/15 - Sep 2014/15																		
Summary by Senior Manager																		
Place	19,405	18,806	37,711	43,377	62,418	3,433	560	40	50	109,888	40,928	15,527	6,548	257	0	106,537	(21,591)	(3,361)
Resources	20,777	4,145	24,922	33,624	40,083	102	25	90	135	74,068	28,612	12,030	114	144	136	74,740	(11,481)	672
People & Communities	3,351	1,779	5,130	43,003	11,699	1,254	0	0	0	55,957	8,303	3,961	90	0	0	55,957	(2,796)	0
Total	43,533	24,230	67,763	120,004	114,210	4,789	605	130	185	239,923	78,343	31,518	6,753	400	136	237,233	(35,868)	(2,690)
Corporate Budgets	0	0	0	0	780	0	0	0	0	780	0	0	0	0	0	0	(780)	(780)
GRAND TOTAL	43,533	24,230	67,763	120,004	114,990	4,789	605	130	185	240,703	78,343	31,518	6,753	400	136	237,233	(36,648)	(3,470)

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2014/2015 Revenue Virements for Approval

Appendix 4 (i)

REF NO REASON/ EXPLANATION CABINET MEMBER TRANSFER FROM CASHLIM INCOME (£'s) EXPENDITURE (£'s) CABINET MEMBER TRANSFER TO CASHLIM INCOME (£'s) EXPENDITURE (£'s) DESCRIPTION ONGOING EFFECTS

The following virements are reported for approval under the Budget Management Scheme rules.

REF NO	REASON/ EXPLANATION	CABINET MEMBER	TRANSFER FROM CASHLIM	INCOME (£'s)	EXPENDITURE (£'s)	CABINET MEMBER	TRANSFER TO CASHLIM	INCOME (£'s)	EXPENDITURE (£'s)	DESCRIPTION	ONGOING EFFECTS
LOG 14#05	Transportation / Planning Income	Transport	Transport - Planning & Policy	126,000		Homes & Planning	Development Management	126,000		Following the deletion of the Strategic Projects Transport Manager post and restructure of the Strategic Projects team (which had recovered income for Transportation from recharging time to Capital), this income can no longer be achieved, in the main due to the changing nature of capital projects. The Strategic Director - Place has agreed that the income target for Planning Services be increased to cover this shortfall as the position was deleted when in the Planning and Transportation Service.	Budget virement is ongoing.
LOG 14#05	Community Regeneration Savings Target	Sustainable Development	Economy & Culture	200,000		Sustainable Development	Heritage including Archives	200,000		The £200k savings target 'Delivery Trust option for Parks, Heritage Services, Libraries, Arts, Festivals - Review potential to establish a Trust to manage and deliver a range of services and functions including Heritage, Parks etc.' was allocated to Economy and Culture during a realignment of cashlimits. The Delivery Trust is not an option which is going to be progressed and the proposal is to amend the savings target to 'additional Heritage profit target' and move it to the Heritage cashlimit. This was a Council allocated savings target.	Budget virement is ongoing.

OVERALL TOTALS				326,000	0			326,000	0		
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2014/15 Revenue Virements for Information

<u>REF NO</u>	<u>REASON/ EXPLANATION</u>	<u>CABINET MEMBER</u>	<u>TRANSFER FROM</u>	<u>Income</u>	<u>Expenditure</u>	<u>CABINET MEMBER</u>	<u>TRANSFER TO</u>	<u>Income</u>	<u>Expenditure</u>	<u>DESCRIPTION</u>	<u>ONGOING EFFECTS</u>
			<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		<u>CASHLIM</u>	<u>(£'s)</u>	<u>(£'s)</u>		
INFO 14#38	Customer Services Restructure	Neighbourhoods	Libraries & Information		99,306	Community Resources	Customer Services		99,306	Realignment of salary budgets following the restructure within Libraries & Customer Services.	Budget virement is on-going.
INFO 14#39	Workplaces	Community Resources	Property Services		104,500	Community Resources	Corporate Estate Including R&M		104,500	Reversal of budget that was allocated by the Workplaces Programme for IT, which is not required for 2014/15. This has been reported to the Steering Group.	Budget virement is on-going.
INFO 14#40	Property Services SLA Charges	Community Resources	Corporate Estate Including R&M		100,000	Community Resources	Property Services		100,000	Reallocation of savings target within Property Services cash limits following the removal of internal SLA recharges.	Budget virement is on-going.
INFO 14#41	Spa Profit Share Agreement	Sustainable Development	Economy & Culture	552,000		Community Resources	Corporate Budgets incl. Capital, Audit & Bank Charges	552,000		Transfer of income budget for the Spa Profit Share agreement, which will now be administered Corporately.	Budget virement is on-going.
INFO 14#42	Council Solicitor & Democratic Services Restructure	Leader	Council Solicitor & Democratic Services	48,828	122,628	Community Resources	Customer Services	48,828	122,628	This virement reflects the transfer of responsibility of the Registration Service and Policy Development & Scrutiny Panels from the Council Solicitor to other Divisional Directors who are now responsible for these areas.	Budget virement is on-going.

The following virements have either been previously approved, are technical in nature or are below limits within BMS that require approval, and therefore are reported for information only.

2014/15 Revenue Virements for Information

REF NO	REASON/ EXPLANATION	TRANSFER FROM		TRANSFER TO		CASHLIM	CABINET MEMBER	Income (£'s)	Expenditure (£'s)	DESCRIPTION	ONGOING EFFECTS
		CASHLIM	CASHLIM	CASHLIM	CASHLIM						
INFO 14#43	Property & Facilities Divisional Director Savings	Community Resources	Property Services	Community Resources	Strategic Director - Resources		Community Resources		129,535	Re-alignment of cash limit to reflect Resources Senior Management restructuring and contribution to savings target.	Budget virement is on- going.
INFO 14#44	Business Continuity Services	Community Resources	Customer Services	Community Resources	Risk & Assurance Services		Community Resources		12,000	To reflect service restructure and transfer of certain business continuity tasks from Customer Services to Risk & Assurance.	Budget virement is on- going.
INFO 14#45	Education Services Grant	Community Resources	Corporate Budgets incl. Capital, Audit & Bank Charges	Early Years, Children & Youth	Health, Commissioning & Planning		Early Years, Children & Youth		155,000	Transfer of corporately held budget to Children Services to cover the impact of reduced Education Services Grant income due to schools transferring to Academy status.	Budget virement is on- going.
INFO 14#46	Development Officer	Sustainable Development	Economy & Culture	Sustainable Development	Regeneration, Skills & Employment		Sustainable Development		14,200	Transfer of budget for funding of Development Officer, following the management of the post moving within Community Regeneration.	Budget virement is on- going.
INFO 14#47	Neighbourhoods Admin Support	Neighbourhoods	Neighbourhoods & Environment - Parks & Bereavement Services	26,706 Neighbourhoods	Neighbourhoods & Environment - Waste & Fleet Services		Neighbourhoods		26,706	Transfer of budget for Administration Support post between Neighbourhoods & Environment cash limits, to follow recent management restructure.	Budget virement is on- going.
INFO 14#48	Park & Ride Public Conveniences	Transport	Transport & Parking Services - Public & Passenger Transport	9,500 Neighbourhoods	Neighbourhoods & Environment - Waste & Fleet Services		Neighbourhoods		9,500	Transfer of budget for cleaning & maintenance of newly build Public Conveniences at Newbridge Park & Ride site to Car Parking.	Budget virement is on- going.

OVERALL TOTALS

600,828

763,875
1,364,703

600,828

763,875
1,364,703

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Portfolio Cash Limits 2014/15 - Revenue Budgets
Appendix 4(ii)

CABINET PORTFOLIO	Service	Nov'14 Revised Cash Limits £'000	Technical Adjustments, below BMS limits or already agreed - shown for information £'000	Total Virements for Approval £'000	Feb'15 Revised Cash Limits £'000
Leader	Policy & Partnerships	1,745	123		1,867
	Council's Retained ICT Budgets	4,248			4,248
	Council Solicitor & Democratic Services	1,582	(74)		1,508
	People Services	598			598
	Improvement & Performance	1,079			1,079
	PORTFOLIO SUB TOTAL	9,251	49		9,300
Community Resources	Finance	1,743			1,743
	Support Services Change Programme	(4)			(4)
	Customer Services	2,407	38		2,445
	Risk & Assurance Services	905	12		917
	Property Services	2,408	(134)		2,274
	Corporate Estate Including R&M	4,683	5		4,687
	Commercial Estate	(13,819)			(13,819)
	Traded Services	(154)			(154)
	Strategic Director - Resources	(256)	130		(126)
	Corporate items (Tourism Levy, Trading Opps, Community Use of Assets & Corporate Travel Plan)	(700)			(700)
	Hsg / Council Tax Benefits Subsidy	105			105
	Capital Financing / Interest	3,078			3,078
	Unfunded Pensions	1,679			1,679
	Corporate Budgets incl. Capital, Audit & Bank Charges	2,506	(707)		1,799
	New Homes Bonus Grant	(2,665)			(2,665)
	Magistrates	17			17
	Coroners	305			305
Environment Agency	212			212	
	PORTFOLIO SUB TOTAL	2,450	(657)		1,794
Wellbeing	Adult Services	61,179			61,179
	Adult Substance Misuse (Drug Action Team)	548			548
	PORTFOLIO SUB TOTAL	61,726			61,726
Early Years, Children & Youth	Children, Young People & Families	11,507			11,507
	Learning & Inclusion	17,259			17,259
	Health, Commissioning & Planning	(108,769)	155		(108,614)
	Schools Budget	107,957			107,957
	PORTFOLIO SUB TOTAL	27,954	155		28,109
Homes & Planning	Development Management	2,612		(126)	2,486
	Building Control & Land Charges	237			237
	Housing	2,142			2,142
	PORTFOLIO SUB TOTAL	4,991		(126)	4,865
Sustainable Development	Arts				
	Tourism & Destination Management				
	Economy & Culture	1,066	538	200	1,804
	World Heritage	157			157
	Heritage including Archives	(4,581)		(200)	(4,781)
	Project Delivery	170			170
Regeneration, Skills & Employment	406	14		420	
	PORTFOLIO SUB TOTAL	(2,781)	552		(2,229)

Portfolio Cash Limits 2014/15 - Revenue Budgets
Appendix 4(ii)

CABINET PORTFOLIO	Service	Nov'14 Revised Cash Limits £'000	Technical Adjustments, below BMS limits or already agreed - shown for information £'000	Total Virements for Approval £'000	Feb'15 Revised Cash Limits £'000
Neighbourhoods	Place Overheads	1,212			1,212
	Public Protection & Health Improvement - Regulatory	1,238			1,238
	Neighbourhoods & Environment - Waste & Fleet Services	13,969	36		14,005
	Neighbourhoods & Environment - Parks & Bereavement Services	2,017	(27)		1,990
	Libraries & Information	1,772	(99)		1,673
	Public Protection & Health Improvement - Active Leisure	1,046			1,046
	Community Safety	121			121
	PORTFOLIO SUB TOTAL	21,376	(90)		21,286
Transport	Transport - Planning & Policy	627		126	753
	Highways & Traffic Management	7,615			7,615
	Transport & Parking Services - Parking	(6,176)			(6,176)
	Transport & Parking Services - Public & Passenger Transport	4,496	(10)		4,486
	PORTFOLIO SUB TOTAL	6,562	(10)	126	6,678
	NET BUDGET	131,529			131,529

Sources of Funding

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

Capital Virements - Additions & Reductions 2014/2015

Appendix 5 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
CAP14#62 - 2014	Contribution towards Minor Improvements of Traffic Mgt	3rd Party Contribution - S106	1,669		Place - Environmental Services		1,669	Approved by Technical Adjustment Oct 2014
CAP14#63 - 2014	U/spend on St Saviours School Basic Needs project transferred to Basic Needs Feasibility Studies	Government Grant	30,000		People & Communities - Children's Services		30,000	Approved by Technical Adjustment Oct 2014
CAP14#64 - 2014	Funding transferred to Royal Victoria Park Skate park from Play Equipment	Service Supported Borrowing	55,000		Place - Environmental Services		55,000	Amendment and reallocation of capital budgets between RVP Skate Park and Play Equipment, agreed by Cabinet Member and approved by Technical Adjustment Oct 2014
CAP14#65 - 2014	Technical adjustment between BWR Infrastructure and BWR Destructor Bridge	Government Grant	128,000		Place - Community Regeneration		128,000	Technical adjustment to budgets to align actual expenditure and prior year accrual. Approved by Technical Adjustment Oct 2014
CAP14#66 - 2014	Park and Ride East of Bath	Corporate Supported Borrowing	350,000		Place - Environmental Services		350,000	Approved by Cabinet November 2014
CAP14#67 - 2014	Saltford Brassmill	Revenue	60,000		Resources - Property Services		60,000	2013/14 revenue carried forward into 2014/15 to fund capital works, approved by Technical Adjustment Nov 2014
CAP14#68 - 2014	Key Disposal - Keynsham K2 Charlton Road - purchase of Abbots Wood	Capital Receipts	264,000		Resources - Property Services		264,000	Single Member Decision approved 10/11/14
CAP14#69 - 2014	Key Disposal - Keynsham K2 Charlton Road increased costs of sale	Capital Receipts	66,000		Resources - Property Services		66,000	Single Member Decision approved 10/11/14
CAP14#70 - 2014	B&ANES Energy at Home top up grant	DECC Grant	804,000		Resources - Strategy and Performance		804,000	Single Member Decision approved 28/10/14
CAP14#71 - 2014	Strategic Flooding Solution / BEA Flood Mitigation	Government Grant	1,120,000		Place - Community Regeneration		610,000	Reflecting additional grant funding from the Environment Agency and approved by Technical Adjustment Nov 2014
CAP14#72 - 2014	BWR Team Costs	3rd Party Contribution	149,100		Place - Community Regeneration		149,100	Additional costs recoverable from the Developer, approved by Technical Adjustment Nov 2014

CAP14#73 - 2014	Cattlemarket	Capital Receipts	82,000		Place - Community Regeneration	82,000	Transfer of budget responsibility from Resources to Place. Agreed by Divisional Directors and approved by Technical Adjustment Nov 2014
CAP14#74 - 2014	Chew Magna Primary Flooding additional costs	Government Grant	142,000		People & Communities - Children's Services	142,000	Additional scheme costs as a result of delayed planning permission. Approved by Cabinet December 2014
CAP14#75 - 2014	Wilmington Solar Farm - Policy Loan	Corporate Supported Borrowing	500,000		Resources - Strategy and Performance	500,000	Single Member Decision approved 02/09/14
CAP14#76 - 2014	Ensligh New School Basic Needs Feasibility Study	Government Grant	15,000		People & Communities - Children's Services	15,000	Allocation from Schools Basic Need Feasibility Studies budget and approved by Technical Adjustment Dec 2014
CAP14#77 - 2014	Gypsy and Traveller Sites adjustment to reflect novation of HCA grant to Developer	Place - Community Regeneration	750,000	750,000	Government Grant	750,000	Approved by Technical Adjustment Dec 2014
CAP14#78 - 2014	Realignment of Affordable Housing budget carried forward from previous years	Corporate Supported Borrowing	100,000		Place - Community Regeneration	100,000	Approved by Technical Adjustment Dec 2014
CAP14#79 - 2014	Bishop Sutton School Basic Needs	Government Grant	93,000		People & Communities - Children's Services	93,000	Approved by Cabinet December 2014
CAP14#80 - 2014	St Savours School Basic Needs	Government Grant	74,000		People & Communities - Children's Services	74,000	Approved by Cabinet December 2014
CAP14#81 - 2014	Chandag Infants Universal Infant Free School Meals	Government Grant	90,000		People & Communities - Children's Services	90,000	Approved by Cabinet December 2014
CAP14#82 - 2014	Southdown Infants Ofsted recommended improvement works Phase 2	Government Grant	250,000		People & Communities - Children's Services	250,000	Approved by Cabinet December 2014
CAP14#83 - 2014	London Road	3rd Party Contribution - S106	299,000		Place - Community Regeneration	219,000	Additional budget required to cover revised scheme following scope re-evaluation and cycle works enhancements approved by Technical Adjustment Oct 2014
CAP14#84 - 2014	BTP - Main Scheme	Capital Receipts	-559,000		Place - Environmental Services	-559,000	Release of Capital Receipts funding of BTP as no longer required as approved by Technical Adjustment Oct 2014

CAP14#85 - 2014	Keleston Rd	Corporate Supported Borrowing & 3rd Party Contribution - S106	660,000	Place - Environmental Services	660,000	Transfer from BTP Approved by Council 11th September 2014
CAP14#86 - 2014	BTP - Main Scheme	Corporate Supported Borrowing	190,000	Place - Environmental Services	190,000	Release of unrequired BTP borrowing to fund Keleston Road as approved by Technical Adjustment Nov 2014
CAP14#87 - 2014	BTP - Pre Construction	Corporate Supported Borrowing	77,000	Place - Environmental Services	77,000	To align project to whole scheme reconciliation adjusting for excess budget allocated in prior years and approved by Technical Adjustment Nov 2014
CAP14#88 - 2014	BTP - Main Scheme	Corporate Supported Borrowing	113,000	Place - Environmental Services	113,000	Release of budget not required as a result of remaining scheme forecast reconciliation and approved by Technical Adjustment Nov 2014
CAP14#89 - 2014	Bath Transport Package - align scheme budgets	Place - Environmental Services	177,000	Place - Environmental Services	177,000	To align BTP projects to whole scheme reconciliation and approved by Technical Adjustment Dec 2014
OVERALL TOTALS			52,657,020	3,381,000	3,381,000	52,657,020
			49,276,020			-49,276,020

Capital Virements - Additions & Reductions Future Years

Appendix 5 (i)

REF NO	REASON / EXPLANATION	TRANSFER / FUNDING FROM	Income (£'s)	Expenditure (£'s)	TRANSFER TO	Income (£'s)	Expenditure (£'s)	Notes
Trans #1294	Key Disposal - Keynsham K2 Charlton Road increased costs of sale	Capital Receipts	2,500		Resources - Property Services		2,500	Single Member Decision recommended approved 10/11/14
Trans #1295	Weston All Saints Primary School Basic Needs Phase 2	Government Grant	394,258		People & Communities - Children's Services		394,258	Approved by Cabinet December 2014
Trans #1296	Park and Ride East of Bath	Corporate Supported Borrowing	150,000		Place - Environmental Services		150,000	Approved by Cabinet November 2014
OVERALL TOTALS			988,758	0	0	0	988,758	
				988,758			-988,758	

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	Budget at 12 November 2014 Cabinet	Approvals to February 2015 Cabinet	Budget at February 2015 Cabinet
CAPITAL SCHEME	£'000	£'000	£'000
Transport			
BTP - Main Scheme	11,528	-574	10,954
BTP - Pre Construction	77	-77	-0
BTP - Property	202	-177	25
Rossiter Road	1,278	0	1,278
SWIEP E-Purse	256	0	256
Local Sustainable Transport Fund	799	0	799
Batheaston Bridge	92	0	92
MetroWest - the Greater Bristol Metro Project	73	0	73
Transport Improvement Programme	1,539	2	1,541
Cycle City Ambition	1,204	0	1,204
Highways Maintenance Programme	7,395	0	7,395
Cycling and Walking Schemes	468	0	468
2 Tunnels Northern Link Cycle Scheme	-115	0	-115
5 Arches	23	0	23
Greater Bristol Bus Network	-3	0	-3
2 Tunnels	-60	0	-60
A431 Kelston Road Stabilisation	2,000	660	2,660
20mph Schemes	260	0	260
Victoria Bridge	2,027	0	2,027
Highways Maintenance - Vehicles	325	0	325
Better Bus Fund	18	0	18
Advertising in Car Parks	25	0	25
Park and Ride East of Bath	0	350	350
	29,411	184	29,594
Neighbourhoods			
Neighbourhood Services - Vehicles incl Tracking / Cleansing Equipment	695	0	695
Allotments	104	0	104
Beechen Cliff Woodland & Other Open Spaces Improvements	250	0	250
Neighbourhoods - Bin and Bench Replacement	100	0	100
Royal Victoria Park Skate Park	250	55	305
Royal Victoria Park Open Space Improvement	50	0	50
Queen Square Improvements	100	0	100
East of Bath Skate Park	100	0	100
Improvements at the Sandpits	40	0	40
Litter Bins	20	0	20
Play Equipment	351	-55	296
Great Dell Walkway	25	0	25
Public WC Conversions	100	0	100
Waste Vehicle Replacement	211	0	211
Haycombe Crematorium Chapel Refurbishment	3	0	3
River Safety	37	0	37
Paulton Library Relocation	5	0	5
	2,441	0	2,441

<u>Sustainable Development</u>			
Odd Down Playing Fields Development	2,442	0	2,442
Beau Street Coin Hoard	204	0	204
Visitor & Till Management System	165	-25	140
Temple Precinct	454	0	454
Heritage Infrastructure Development	290	0	290
Odd Down Cycle Track	12	0	12
Assembly Rooms Dilapidations	24	0	24
BWR - Council Project Team	532	149	681
BWR - Affordable Housing	1,166	0	1,166
BWR - Infrastructure	2,651	128	2,779
BDOUK	0	0	0
NRR Infrastructure	2,163	0	2,163
London Road Regeneration	834	299	1,133
Strategic Flooding Solution / BEA Flood Mitigation	4,822	1,120	5,942
BWR - Relocation of Gas Holders	3,450	0	3,450
BWR - Replacement of Destructor Bridge	1,786	-128	1,658
River Corridor Fund	460	0	460
Digital B&NES	350	0	350
Midsomer Norton Business Centre	125	0	125
Radstock Regeneration	173	0	173
Abbey Churchyard 11 & 12 - Refurb Restaurant	0	25	25
Energy at Home	0	804	804
Cattlemarket/Cornmarket	0	82	82
Green Investment & Job Opportunities Fund	0	500	500
	22,104	2,954	25,058
<u>Early Years, Children & Youth</u>			
St Gregs, St Marks 6th Form	85	0	85
Schools Capital Maintenance Programme	1,588	-11	1,577
Schools Devolved Capital	1,596	0	1,596
Weston All Saints Primary - Basic Need	1,695	0	1,695
Bishop Sutton - Basic Need	30	63	93
Castle Primary - Basic Need	706	0	706
Paulton Infant - Basic Need	585	0	585
St Saviour's Junior - Basic Need	1,759	-30	1,729
Short Breaks for Disabled Children	79	0	79
School Energy Invest to Save Fund	384	0	384
Two Year Old Provision	203	-2	201
Universal Infant Free School Meals	523	0	523
Basic Needs Feasibility / Option Appraisal	120	10	130
Salford Primary - Basic Need	400	0	400
Schools LA Contribution to Capital / Private Capital / Seed Challenge / Travel Plans	63	2	65
Early Years S106 Twerton	2	-2	0
Ralph Allen ALC	14	0	14
Writhlington BSF	31	0	31
Writhlington ALC	21	0	21
Farrington Gurney Primary - Basic Need	7	0	7
Paulton Junior - Basic Need	13	17	30
Chew Magna Primary - Flooding works	181	142	323
Bathampton Primary	-1	3	2
St Michael's Primary - BESD	67	0	67
Moorlands Junior	59	0	59
Margaret Coates Centre	1	-1	0
Wellsway Sports Hall	77	0	77
Oldfield Co-Ed Improvements	26	0	26
Children's Services Capital Schemes	3	0	3
Children's Services Capital Schemes Managed by Property Services	127	-189	-62
Youth Projects	4	0	4
DDA Works	27	0	27
Southdown Infant / Junior Schools	150	4	154
Peasedown St John Primary	50	0	50
Client Data System for Children's Social Services	275	0	275
Chandag Infants UIFSM	0	90	90
Southdown Primary Phase 2	0	250	250
St Saviours Infant School - Basic Need	0	74	74
	10,950	8	11,372

Community Resources			
Public Realm High Street	-16	79	63
PRMP Northumberland Place	128	0	128
PRMP Pattern Book	96	0	96
PRMP Street Furniture	19	0	19
PRMP Team Costs	25	0	25
City Information Scheme Corporate Project	143	0	143
Bath Quays South	650	0	650
Bath Quays North	1,000	0	1,000
Workplaces Programme Delivery	3,022	-1,976	1,045
Keynsham Regeneration & New Build	14,411	1,931	16,342
Lewis House (Inc Comms Hub & OSS)	250	3	253
The Hollies	52	42	94
Corporate Estate Planned Maintenance	1,366	60	1,426
Disposals Programme (Minor)	98	99	197
Key Disposal Programme	170	-170	0
Commercial Estate Investment Fund	350	0	350
Saw Close Development	226	0	226
South Road Car Park MSN	54	0	54
Grand Parade & Undercroft	5,025	0	5,025
Equality Act Works	646	0	646
Englishcombe Lane	20	0	20
Cattlemarket/Cornmarket	35	-34	1
Roseberry Place	25	11	36
1 - 3 James Street West	135	-21	114
7 - 9 Lower Borough Walls	55	34	89
Victoria Hall	64	0	64
Bathampton Farmhouse	1,000	0	1,000
Manvers street - Acquisition of land and rights	800	0	800
Acquisitions - Future Revenue Generation	8,464	264	8,728
Capital Contingency	780	0	780
Key Disposal - Keynsham K2 Charlton Road	0	66	66
	39,091	388	39,479
Leader			
Desktop As a Service - VDI Technology	792	0	792
Customer Services System	568	0	568
IT Asset Refresh (Servers and Network)	420	0	420
Windows 7 Upgrade	180	0	180
IT Public Service Network	-2	0	-2
New Customer Payments & Library Kiosks	78	0	78
LAA Performance Reward Grant	171	0	171
	2,208	0	2,208
Homes and Planning			
Gypsy & Traveller Sites	2,485	-750	1,735
Affordable Housing	1,454	100	1,554
Supported Housing Development	4	0	4
Housing Association Grant	19	0	19
	3,962	-650	3,312
Wellbeing			
Disabled Facilities Grant	1,200	0	1,200
PSS Grant Unallocated	385	-88	297
Occupational Therapy Equipment	-88	88	0
	1,497	0	1,497
TOTAL CAPITAL SCHEME BUDGET			
	111,663	2,884	114,961
Sources of Funding (£'000)			
EU/Government Grant	24,520	1,568	26,088
Revenue	3,073	61	3,134
Other Council Support including Borrowing and Capital Receipts	79,046	710	79,756
s106 Contribution	3,194	809	4,003
Other 3rd Party	1,830	149	1,979
Total Sources of Funding (£'000)	111,663	3,298	114,961

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Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	11 February 2015	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2732
TITLE:	Budget & Council Tax 2015/16 and Medium Term Financial Outlook	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1 – The Budget and Council Tax Proposal of the Cabinet 2015/16. This comprises a covering document, plus 5 Annexes</p> <p>Annex 1 Draft Base Revenue Budget 2015/16 – individual service cash limits</p> <p>Annex 2 Section 25 of the Local Government Act 2003 - Chief Financial Officer's Report on Adequacy of Balances and the Robustness of the Budget</p> <p>Annex 3 Draft Capital Programme 2015/16-2019/20 including other emerging projects and programmes on an indicative basis - items shown in for provisional approval.</p> <p>Annex 3i Highways Maintenance Programme 2015/15</p> <p>Annex 3ii Transport Improvement Programme 2015/16</p> <p>Annex 3iii Schools Planned Maintenance Programme 2015/16</p> <p>Annex 3iv Corporate Estate Planned Maintenance Programme 2015/16</p> <p>Annex 4 Minimum Revenue Provision (MRP) Policy</p> <p>Annex 5 Comparative English Unitary Authority Council Tax Levels 2014/15</p> <p>Appendix 2 – Variations to Budget</p> <p>Appendix 3 - Budget Setting Process – Advice of the Monitoring Officer</p> <p>Appendix 4 – Council Pay Policy Statement</p> <p>Appendix 5 – Community Asset Transfers</p> <p>Appendix 6 – Tackling Poverty</p>		

1 THE ISSUE

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

2 RECOMMENDATION

The Cabinet is asked to recommend:

2.1 That the Council approve:

- a) The General Fund net revenue budget for 2015/16 of £119.914m with no increase in Council Tax.
- b) That no Special Expenses be charged other than Town and Parish Council precepts for 2015/16.
- c) The adequacy of reserves at Appendix 1 Table 8 with a risk-assessed level of £10.5m.
- d) The individual service cash limits for 2015/16 summarised at Appendix 1 Table 4 and detailed in Annex 1.
- e) That the specific arrangements for the governance and release of reserves, including invest to save proposals, be delegated to the Council's Section 151 Officer in consultation with the Cabinet Member for Community Resources and the Chief Executive.

2.2 That the Council include in its Council Tax setting, the precepts set and approved by other bodies including the local precepts of Town Councils, Parish Councils and the Charter Trustees of the City of Bath, and those of the Fire and Police Authorities.

2.3 That the Council notes the Section 151 officer's report on the robustness of the proposed budget and the adequacy of the Council's reserves (Appendix 1, Annex 2) and approves the conditions upon which the recommendations are made as set out throughout Appendix 1.

2.4 That in relation to the capital budget the Council:

- a) approves a capital programme of £57.537m for 2015/16 and notes items for provisional approval in 2015/16 and the programme for 2016/17 to 2019/20 as shown at Appendix 1, Annex 3 including the planned sources of funding .
- b) delegates implementation, subject to consultation where appropriate, of the capital programmes set out in Annex 3i to Annex 3iv to the relevant Strategic Director in Consultation with the appropriate Cabinet Member.
- c) approves all other delegations as set out in the budget report.
- d) approves the Minimum Revenue Provision Policy as shown at Appendix 1, Annex 4
- e) approves the Capital Prudential Indicators as set out in Appendix 1 Table 6.

- 2.5 That the Council agree the Council's proposed pay policy statement, including the provision in respect of minimum pay rates in 2015/16 as set out at Appendix 4 delegating implementation arrangements to the Employment Committee where appropriate.
- 2.6 That the Council increases the "think local" financial limit to provide local businesses with the opportunity to obtain contracts up to £50,000 (increased from the current £25,000).
- 2.7 That the Council notes the approach to Community Assets as set out in Appendix 5.
- 2.8 That the Council notes the approach to tackling poverty as set out in Appendix 6.
- 2.9 Authorise the Council's Section 151 Officer, in consultation with the Cabinet Member for Community Resources, to make any necessary changes and presentational improvements to the draft budget proposal for submission to Council.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

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

5 THE REPORT

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

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

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

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

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

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

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

5.6 Appendix 4 sets out for Council approval the draft Pay Policy Statement for 2015/16 including a new provision, subject to the outcome of trade union consultation, to align the lowest salary offered for substantive, full time employment in 2015-16 with the Living Wage Foundation (UK rate) currently set at £7.85 per hour. See also Appendix 6.

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

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

- 5.10 Legally, individual local authorities, as employers, are able to determine their minimum scale points and pay structures. Members should consider the potential risks against benefits in reaching a view on this proposal. It must be stressed that in making such a change to the lowest paid salary there would be no intention of moving away from the national negotiating framework. It is further proposed that any implementation arrangements be delegated to the Employment Committee.
- 5.11 In making decisions the Council is required to have regard to its Equalities Duties and in particular those set out in the Equality Act 2010 to eliminate discrimination, harassment, victimisation and eliminate any other conduct that is prohibited by or under the Act to advance equality of opportunity between persons who share a

protected characteristic namely age, disability, gender reassignment, pregnancy and maternity, race religion or belief, sex and sexual orientation and persons who do not share it and to foster good relations between persons who share a protected characteristic and persons who do not share it.

- 5.12 No adverse equalities implications for the Council in aligning its lowest salary offered for substantive, full time employment with the Living Wage Foundation (UK rate) as proposed have been identified. Indeed, there may be some positive equalities implications to the extent that those currently receiving less than this amount may include a disproportionately high percentage of part-time workers, there is evidence to show that part-time workers are more likely to be female. Detailed implementation arrangements would address any equal pay issues and the impact on any agency workers (as required by the Agency Worker Regulations 2010). In considering the proposal, Members will need to be satisfied that the Council's equalities duties are met.
- 5.13 The budget proposal also sets out the proposed approach to Community Asset transfers and Tackling Poverty in Appendix 5 and Appendix 6 respectively.

6 RATIONALE

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

7 OTHER OPTIONS CONSIDERED

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

8 CONSULTATION

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

9 RISK MANAGEMENT

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

9.2 In addition Appendix 1 to this report includes (at Annex 2) the Section 151 Officer's assessment of the Robustness of Estimates and Adequacy of Reserves. One of the considerations taken into account is the Directors' Review of Robustness of Estimates and Budget Risks/Sensitivities and the Corporate Risk Register. This is completed by all Directors in respect of their own services.

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

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THE BUDGET PROPOSAL OF THE CABINET 2015/2016

Budget Headline

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

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

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

The proposed net revenue budget for Bath & North East Somerset Council next year, 2015/16, is £119.914m, a net cash increase of £0.673m on the previous year. This includes the impact of significant reductions in government funding amounting to 14.0% for 2015/2016.

The Budget Context

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

As part of the Budget considerations for 2015/2016, there have been a number of key Government announcements which have an impact on the original plan three-year plan. The most significant of these was the Local Government Finance Settlement announced in December 2014 which set out the following figures for 2015/16:

- A 14% reduction in the Council's funding assessments - this actually equates to reduction of 25.4% in the Council's Revenue Support Grant.
- A reduction of 18% in the Education Support Grant.
- Council Tax Freeze Grant equivalent to 1% of council tax for councils who freeze their council tax for the year.

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

Table 1: Reduction in Government Grant Funding

	2011/12	2012/13	2013/14	2014/15	2015/16
Actual B&NES Funding Reduction	-13.5%	-8.3%	-9.4%	-9.6%	-14.0%

These changes, together with the existing savings to be identified, mean further variations to the Budget totalling £9.7m for the Council need to be identified as part of the 2015/2016 plan.

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

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

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

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

Structure of the Budget Proposal

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

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

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

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

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

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

	2015/16
Revenue Budget Funding:	£m
Council Tax	74.455
Council Tax Freeze Grant	0.813
Revenue Support Grant	20.354
Retained Business Rates (after tariff)	21.744
Reserves & Collection Fund Surplus	2.547
Total Funding	119.914
Net Revenue Budget Spend	119.914
Capital Programme – for approval	57.537
Capital Programme - for provisional approval (subject to)	27.065

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

Section 1 – The Revenue Budget for 2015/2016

The Budget Proposal

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

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

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

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

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

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

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

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

Corporate Assumptions

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

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

Government Grant Funding

The provisional Local Government Finance Settlement was announced on 18 December 2014 and provided government grant funding figures for 2015/2016 only.

This showed the Council's funding baseline for 2015/2016 reducing by 14% which, whilst representing a significant reduction of £6.8M in cash terms, is in line with the scale of cuts we were anticipating in the updated medium term financial plan.

The funding baseline itself takes account of the start-up funding baseline for the Localised Business Rate element so the overall reductions in Revenue Support Grant (RSG) equate to far larger percentages (25.4% for 2015/16). In reality reductions to RSG will look increasingly large in percentage terms as the Government seeks to take the cash reductions from an increasingly reducing pot of RSG funding.

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

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

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

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

Retained Local Business Rates

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

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

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

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

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

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

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

Tackling Poverty

Social Fund and Food Banks

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

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

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

Low Pay Bands

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

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

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

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

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

Schools Funding

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

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

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

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

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

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

The Better Care Fund

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

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

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

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

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

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

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

“Think Local” Procurement Strategy

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

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

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

Variation Budget Savings

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

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

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

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

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

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

Full details of the variations are set out at Appendix 2

Resource Allocation including Recurring and One-Off Funding

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

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

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

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

On-going Resourcing Allocations - £3.24M

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

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

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

One-off Funding Allocations - £2.652M

These following allocations are to be made from the anticipated Council Tax Collection Fund Surplus (£1,763K) together with a draw down from the Financial Planning Reserve (£889K):

- £1,703K to meet the unfunded recurring Budget Gap for 2015/2016. This will then carry forward as an unfunded revenue commitment for the 2016/17 Budget.
- £220K to fund the estimated costs of the Local Elections in 2015/16.
- £100K to meet the costs of the Council hosting cycling events in 2015/16 including the City Cycle Race Series.
- £100K to provide for the costs of re-commissioning the waste contracts during 2015/16
- £72K to meet the Council's contribution to the development of the Joint Planning Strategy for the West of England
- £175K to support the cost of implementing the Living Wage for Schools Non-Teaching staff for one year, to be funded directly by schools thereafter.

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

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

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

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

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

Council Tax

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

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

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

Revenue Budget Proposal – The Headline Numbers

The proposed revenue budget for 2015/2016 represents:

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

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

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

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

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

Table 4: Resource Allocation 2015/2016

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 3 – The Capital Budget for 2015/2016

Introduction

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

This Capital programme proposals:

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

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

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

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

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

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

Recommended Programme for 2015/2016

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

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

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

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

For Approval

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

For Provisional Approval (Subject to)

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

Grand Total	84,602	43,198	22,348	13,125	6,934	170,207
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Funded By

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

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

Funding

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

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

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

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

New Schemes within the Capital Programme

PLACE

Highways Maintenance Programme for Full Approval of £5.971m

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

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

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

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

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

Transport Improvement Programme for Full Approval of £1.931m

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

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

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

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

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

Riverside Path, Bath for Full Approval of £486K

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

Metrowest for Full Approval of £329k

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

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

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

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

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

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

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

Vehicle Replacement Programme for Full Approval of £581k

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

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

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

Play Equipment for Full Approval of £115k

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

Haycombe Cemetery Entrance for Full Approval of £60k

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

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

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

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

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

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

Parks Service Schemes for Provisional Approval of £200k

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

Leisure facility modernisation for Provisional Approval of £15m

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

Passenger Transport Vehicles for Provisional Approval of £1.38m

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

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

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

Heritage Infrastructure Development for Full Approval of £100k

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

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

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

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

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

BWRE/Green Park for Full Approval of £150k

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

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

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

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

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

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

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

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

Disabled Facilities Grant for Full Approval of £1.180m

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

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

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

ECONOMIC DEVELOPMENT FUND SCHEMES

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

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

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

Invest Bristol and Bath

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

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

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

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

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

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

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

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

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

SCHOOLS CAPITAL INVESTMENT**Overview**

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

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

2015/16 Basic Need Schemes

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

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

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

Oldfield Park Junior School for Full Approval of £200k

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

Westfield Primary School for Full Approval of £100k

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

Paulton Junior School for Full Approval of £1.465m

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

Bishop Sutton Primary School for Full Approval of £1.984m

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

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

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

Feasibility Studies for Full Approval of £250k

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

Ensleigh – New School for Provisional Approval of £2.5m

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

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

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

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

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

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

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

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

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

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

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

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

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

RESOURCES & SUPPORT SERVICES SCHEMES

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

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

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

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

LGA Bonds Investment for Full Approval of £50k

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

IT Asset Refresh for Full Approval of £201k

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

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

Energy Efficient Fund Update for Provisional Approval of £500k

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

Emerging Capital Schemes

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

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

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

Bath Western Riverside Phase II

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

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

Implementation of Transport Strategies

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

Cycle City Ambition Fund

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

Business Expansion Space - Property Lease

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

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

New School Provision from Future Housing Development

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

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

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

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

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

Minimum Revenue Provision (MRP) Policy

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

Prudential Indicators

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

Table 6: Capital Prudential Indicators.

PRUDENTIAL INDICATOR	2013/14 Actual	2014/15 Probable Outturn	2015/16	2016/17	2017/18
Estimate of Capital Expenditure (£'000s)					
Actual/estimates of capital expenditure	44,572	85,726	84,602	43,198	22,348
Net Increase in council tax (band D per annum) Figures in £'s (not £'000's)					
The implied estimate of incremental impact of the new capital investment decisions on the council tax			£0.94	£3.76	£2.31
Cumulative totals:			£0.94	£4.70	£7.01
Capital Financing as % of Net Revenue Stream					
Actual/estimates of the ratio of financing costs to net revenue stream			10.37%	12.79%	13.93%
<i>Memo: estimates of the ratio of financing cost to gross revenue stream</i>			3.84%	4.61%	4.93%
Borrowing Limits (£m)					
Operational boundary – borrowing			£182m	£193m	£190m
Operational boundary – other long-term liabilities			£2m	£2m	£2m
Operational boundary - total			£184m	£195m	£192m
Authorised limit - borrowing			£219m	£227m	£224m
Authorised limit – other long-term liabilities			£2m	£2m	£2m
Authorised limit - total			£221m	£229m	£226m
Capital Financing Requirement (£'000s) (as at 31 March)					
Actual/estimate of capital financing requirement	153,025	186,903	219,176	227,354	224,387

Gross Debt and the Capital Financing Requirement

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

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

Borrowing limits

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

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

Section 4 – Revenue & Capital Reserves and Contingencies

Significant Earmarked Reserves

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 7: Projected Significant Earmarked Reserves

	Revenue Budget Contingency	Transformation Investment Reserve	Restructuring & Severance Reserve	Affordable Housing Reserve	Financial Planning Reserve
	£'000	£'000	£'000	£'000	£'000
Estimated Reserves @ 1st April 2015	1,239	2,909	4,918	3,000	5,844
Allocation in 2015/2016	0	-923	-900	-1,130	-889
Balance C/F	1,239	1,986	4,018	1,870	4,972
Allocation in 2016/2017	0	-1,000	TBC	-85	TBC
Balance C/F	1,239	986	TBC	1,785	TBC
Allocation in 2017/2018	0	-986	TBC	0	TBC
Balance C/F	1,239	0	Nil (est)	1,785	Nil (est)

Unearmarked Revenue Reserves

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

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

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

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

Contingent Liabilities

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

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

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

Adequacy of reserves

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

Table 8: Projected Non-Earmarked Revenue Reserves

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

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

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

Capital Risk Contingency

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

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

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

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

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

Governance

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

Section 5 – Council Tax

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

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

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

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

The figures above exclude parish, fire and police precepts.

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

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

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

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

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

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

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

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

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

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

Special Expenses

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

Portfolio Cash Limits 2015/16 - Revenue Budgets

APPENDIX 1 ANNEX 1

CABINET PORTFOLIO	Service	Current 2014/15 Cash Limits		Removal of One-offs (including one-off virements in 2014/15)	2015/16 Base Budget		MTSRP Growth	MTSRP Savings	Total 2015/16 Budget Changes	2015/16 Proposed Budget	
		£'000	£'000		£'000	£'000				£'000	£'000
Leader	Policy & Partnerships		1,867	(250)	1,617	139	(45)	94	1,711		
	Council's Retained ICT Budgets		4,248	(75)	4,173	172	(150)	22	4,195		
	Council Solicitor & Democratic Services		1,508		1,508	249		249	1,757		
	People Services		598		598				598		
	Improvement & Performance		1,079	100	1,179	50	(100)	(50)	1,128		
	PORTFOLIO SUB TOTAL		9,300	(225)	9,075	610	(295)	315	9,390		
	Finance		1,743	(20)	1,723	30	(200)	(170)	1,553		
	Support Services Change Programme		(4)		(4)				(4)		
	Customer Services		2,445	(80)	2,365	354	(187)	167	2,532		
	Risk & Assurance Services		917	(92)	824	9		9	834		
	Property Services		2,274	(70)	2,204	33		33	2,237		
	Corporate Estate Including R&M		4,687	(15)	4,672	349	(6)	343	5,015		
	Commercial Estate		(13,819)		(13,819)				(14,019)		
	Traded Services		(154)		(154)	62	(20)	42	(112)		
Strategic Director - Resources		(126)	(120)	(247)				(247)			
Corporate Items (Tourism Levy, Trading Opps, Community Use of Assets & Corporate Travel Plan)		(700)		(700)	500		500	(200)			
Hsg / Council Tax Benefits Subsidy		105		105				(300)			
Capital Financing / Interest		3,078		3,078				(30)			
Unfunded Pensions		1,679		1,679							
Corporate Budgets incl. Capital, Audit & Bank Charges		1,799	(164)	1,635	1,900	(989)	911	2,546			
New Homes Bonus Grant		(2,665)		(2,665)				(1,044)			
Magistrates		17		17							
Coroners		305		305							
Environment Agency		212		212							
PORTFOLIO SUB TOTAL		1,794	(562)	1,232	3,236	(2,976)	260	1,492			
Adult Services		61,179	(5,441)	55,738	4,437	(3,896)	541	56,279			
Adult Substance Misuse (Drug Action Team)		548		548	2		2	550			
PORTFOLIO SUB TOTAL		61,726	(5,441)	56,286	4,440	(3,896)	544	56,829			
Children, Young People & Families		11,507	(50)	11,457	353	(97)	256	11,713			
Learning & Inclusion		17,259		17,259	49	(1,590)	(1,541)	15,717			
Health, Commissioning & Planning		(108,614)	(96)	(108,710)	370	(135)	235	(108,475)			
Schools Budget		107,957	(4,459)	103,498				103,498			
PORTFOLIO SUB TOTAL		28,109	(4,605)	23,503	772	(1,822)	(1,050)	22,453			
Development Management		2,612	(112)	2,500	106	(100)	6	2,506			
Building Control & Land Charges		237		237	12	(30)	(18)	219			
Housing		2,142	(200)	1,942	17		17	1,960			
PORTFOLIO SUB TOTAL		4,991	(312)	4,679	136	(130)	6	4,685			

Portfolio Cash Limits 2015/16 - Revenue Budgets

APPENDIX 1 ANNEX 1

CABINET PORTFOLIO	Service	Current 2014/15 Cash Limits £'000	Removal of One-offs (including one-off virements in 2014/15) £'000	2015/16 Base Budget £'000	MTSRP Growth £'000	MTSRP Savings £'000	Total 2015/16 Budget Changes £'000	2015/16 Proposed Budget £'000
Sustainable Development	Economy & Culture	1,604	(144)	1,460	209		209	1,670
	World Heritage	157		157	3		3	160
	Heritage including Archives	(4,581)		(4,581)	50	(200)	(150)	(4,731)
	Project Delivery	170		170	7		7	177
	Regeneration, Skills & Employment	420	(150)	270	8		8	278
	PORTFOLIO SUB TOTAL	(2,229)	(294)	(2,523)	277	(200)	77	(2,446)
	Place - Overheads	1,212		1,212	34	(308)	(274)	938
	Public Protection & Health Improvement - Regulatory	1,238		1,238	36		36	1,274
	Neighbourhoods & Environment - Waste & Fleet Services	14,005	(763)	13,242	365		365	13,607
	Neighbourhoods & Environment - Parks & Bereavement Services	1,990		1,990	51		51	2,041
Neighbourhoods	Libraries & Information	1,673		1,673	42	(19)	23	1,696
	Public Protection & Health Improvement - Active Leisure	1,046	(86)	960	113	(19)	94	1,054
	Community Safety	121		121	0		0	121
	PORTFOLIO SUB TOTAL	21,286	(849)	20,437	640	(346)	294	20,730
	Transport - Planning & Policy	627		627	11		11	638
	Highways & Traffic Management	7,615		7,615	183	(13)	169	7,784
	Transport & Parking Services - Parking	(6,176)		(6,176)	65		65	(6,111)
	Transport & Parking Services - Public & Passenger Transport	4,486		4,486	30	(46)	(17)	4,470
	PORTFOLIO SUB TOTAL	6,552		6,552	288	(60)	228	6,781
	NET BUDGET	131,529	(12,288)	119,241	10,398	(9,725)	673	119,914

Sources of Funding

Council Tax	74,455
Revenue Support Grant*	20,354
Retained Business Rates	21,744
Collection Fund Deficit (-) or Surplus (+)	1,578
Council Tax Freeze Grant	813
Balances	969
Total	119,914

Council Tax - Calculation

Council Tax Debit £'000	74,455
Taxbase (No. of Band D equivalent properties)	61950.62
Band D Charge £	£1,201.85
%age Increase	0.00%

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

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

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

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

(b) The adequacy of the proposed financial reserves.

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

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

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

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

The key points to highlight are:

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

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

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

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

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

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

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

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

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

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

Processes

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

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

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

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

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

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

Robustness of Estimates

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

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

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

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

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

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

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

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

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

The Capital Budget

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

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

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

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

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

The West of England Local Enterprise Partnership

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

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

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

Estimated Available Revenue Reserves

Earmarked Revenue Reserves

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

Non-Earmarked Revenue Reserves

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

Table: Projected Non-Earmarked Revenue Reserves

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

Assessment of Adequacy of Reserves

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

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

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

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

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

The recommendations of the Council's s151 Officer are:

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

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

Project Title	PY Spend pre 2014/2015	Forecast Outturn 2014/2015	Actual / Projected Spend pre 2015/2016	Projected Re-phasing from 2014/2015 to 2015/2016 and Future Years	Budget Required 2015/2016	Total Budget 2015/2016	Total Budget 2016/2017	Total Budget 2017/2018	Total Budget 2018/2019	Total Budget 2019/2020	Total Cost 5 Years	Overall Project Total	Borrowing/ Capital Receipts	Grants/ External Funding	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Community Regeneration Full Approval															
Beau Street Coin Hoard	119	204	323	0	17	17	0	0	0	0	17	340	0	17	For information - Prior Full approval
Visitor & Till Management System	60	40	100	100	100	100	0	0	0	0	100	200	100	0	For information - Prior Full approval
Heritage Infrastructure Development	0	290	290	0	100	100	0	0	0	0	100	390	100	0	Proposed for full approval
Roman Baths Development: East Baths Development	0	0	0	0	500	500	0	0	0	0	1,000	1,000	1,000	0	Proposed for full approval
Disabled Facilities Grant	0	0	0	0	1,180	1,180	0	0	0	0	1,180	1,180	0	1,180	Proposed for full approval
Affordable Housing	2	933	935	621	0	621	0	0	0	0	621	1,555	621	0	For information - Prior Full approval
BWR - Council Project Team	1,202	527	1,729	154	154	308	0	0	0	0	2,037	74	74	234	For information - Prior Full approval
BWR - Affordable Housing	4,284	1,166	5,450	0	1,000	1,000	450	0	0	0	6,900	6,900	59	1,509	For information - Prior Full approval
BWR - Infrastructure	4,863	432	5,295	2,347	0	2,347	0	0	0	0	7,642	7,642	1,678	669	For information - Prior Full approval
BWR - Relocation of Gas Holders	650	1,355	2,005	2,095	0	2,095	0	0	0	0	4,100	4,100	0	2,095	For information - Prior Full approval
BWR - Replacement of Destructor Bridge	0	922	922	736	0	736	0	0	0	0	1,658	1,658	0	736	For information - Prior Full approval
NRR Infrastructure	566	1,300	2,466	263	0	263	0	0	0	0	2,63	2,729	263	0	For information - Prior Full approval
Enterprise Area - Flood Mitigation Phase 1	278	550	828	5,392	0	5,392	0	0	0	0	5,392	6,220	0	5,392	For information - Prior Full approval
Digital B&NES (was BDUK)	0	350	350	0	600	600	90	0	0	0	690	1,040	690	0	For information - Prior Full approval
London Road Regeneration	165	930	1,095	203	0	203	0	0	0	0	203	1,298	203	0	For information - Prior Full approval
Midsomer Norton Business Centre	0	50	50	75	0	75	0	0	0	0	75	125	75	0	For information - Prior Full approval
River Corridor & RoSPA safety works	0	361	361	99	150	249	0	0	0	0	249	610	249	0	Proposed for full approval
BWRE/Green Park	0	0	0	0	150	150	0	0	0	0	150	150	150	0	Proposed for full approval
Radstock and Westfield Implementation Plan	0	0	0	0	100	100	0	0	0	0	100	100	100	0	Proposed for full approval
Bath Quays South	0	247	247	403	0	403	0	0	0	0	403	650	403	0	For information - Prior Full approval
Bath Quays North	0	200	200	800	0	800	0	0	0	0	800	1,000	800	0	For information - Prior Full approval
Cattlemarket/Commarket	0	82	82	0	15	15	0	0	0	0	15	97	15	0	For information - Prior Full approval
Public Realm - Northumberland Place	119	0	119	128	0	128	0	0	0	0	128	247	128	0	For information - Prior Full approval
Public Realm - Pattern Book	128	8	136	87	0	87	0	0	0	0	87	224	87	0	For information - Prior Full approval
Public Realm - Street Furniture	161	0	161	18	0	18	0	0	0	0	18	180	18	0	For information - Prior Full approval
Public Realm - Team Costs	102	5	107	20	0	20	0	0	0	0	20	127	20	0	For information - Prior Full approval
City Information Scheme Corporate Project	1,258	20	1,278	123	0	123	0	0	0	0	1,401	1,401	123	0	For information - Prior Full approval
Subtotal Full	13,956	10,573	24,529	13,664	3,966	17,630	1,040	0	0	0	18,670	43,199	6,838	11,832	
Provisional Approval															
Midsomer Norton Business Centre	0	0	0	0	1,200	1,200	0	0	0	0	1,200	1,200	750	450	Detailed project plan awaited
Innovation Quay - Economic Development Funding Enabling Infrastructure	0	0	0	0	3,000	3,000	10,500	7,500	4,000	0	25,000	25,000	25,000	0	Detailed project plan awaited
Enterprise Area - Flood Mitigation Phase 2	0	0	0	0	100	100	0	0	0	0	100	100	100	0	Detailed project plan awaited
Public Realm Improvements Programme	0	0	0	339	0	339	0	0	0	0	339	339	339	0	Detailed project plan awaited
Radstock and Westfield Implementation Plan	0	0	0	50	0	50	0	0	0	0	50	50	50	0	Detailed project plan awaited
Heritage Infrastructure Development	0	0	0	0	0	0	200	100	0	0	300	300	300	0	For information - future years
Disabled Facilities Grant	0	0	0	0	0	0	1,180	1,180	1,180	1,180	4,720	4,720	0	4,720	For information - future years
Subtotal Provisional	0	0	0	339	4,350	4,689	11,880	8,780	5,180	1,180	31,709	31,709	26,539	5,170	
Sub Total - Community Regeneration	13,956	10,573	24,529	14,003	8,316	22,319	12,920	8,780	5,180	1,180	50,379	74,908	33,377	17,002	
TOTAL PLACE	30,632	17,769	48,401	24,489	24,053	48,542	32,120	20,656	11,433	5,377	118,108	166,509	71,411	46,696	
PEOPLE & COMMUNITIES															
Adult Care															
Full Approval															
Adult Social Care Database replacement	0	239	239	0	703	703	0	0	0	0	703	942	0	703	Proposed for full approval
Subtotal Full	0	239	239	0	703	703	0	0	0	0	703	942	0	703	
Sub Total - Adult Care	0	239	239	0	703	703	0	0	0	0	703	942	0	703	

Project Title	PY Spend pre 2014/2015	Forecast Outturn 2014/2015	Actual / Projected Spend pre 2015/2016 and Future Years	Projected Re-phasing from 2014/2015 to 2015/2016 and Future Years	Budget Required 2015/2016	Total Budget 2015/2016	Total Budget 2016/2017	Total Budget 2018/2019	Total Budget 2019/2020	Total Cost 5 Years	Overall Project Total	Borrowing/ Capital Receipts	Grants/ External Funding	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Children and Young People														
Full Approval														
Schools Capital Maintenance Programme 2015/16	0	0	0	218	1,500	1,718	0	0	0	1,718	1,718	0	1,718	Proposed for full approval
Schools Minor Works and DDA Schemes	0	0	0	0	230	230	0	0	0	230	230	0	230	Proposed for full approval
School Energy Invest to Save Fund	0	46	46	338	415	753	0	0	0	753	799	494	259	For Information - Prior Full approval
Early Years - 2yr Olds Funding / S106	135	127	262	74	0	74	0	0	0	74	336	0	74	For Information - Prior Full approval
Client Data System for Children's Social Services	0	275	275	0	425	425	0	0	0	425	700	0	425	For Information - Prior Full approval
St Mary's Writhlington Replace Classroom Block	0	0	0	0	100	100	0	0	0	100	100	0	100	For Information - Prior Full approval
Weston All Saints Primary School - Basic Need	274	1,133	1,407	562	394	956	0	0	0	956	2,363	0	956	For Information - Prior Full approval
Castle Primary School - Basic Need	74	706	780	0	20	20	0	0	0	20	800	0	20	For Information - Prior Full approval
Paulton Infant School - Basic Need	330	570	899	15	0	15	0	0	0	15	915	0	15	For Information - Prior Full approval
St Saviour's Junior School - Basic Need	71	234	305	1,495	0	1,495	0	0	0	1,495	1,800	0	1,495	For Information - Prior Full approval
Oldfield Park Junior School - Basic Need	0	0	0	0	200	200	0	0	0	200	200	0	200	Proposed for full approval
Westfield Primary School - Basic Need	0	0	0	0	100	100	0	0	0	100	100	0	100	Proposed for full approval
Paulton Junior School - Basic Need	0	0	0	65	935	1,000	65	0	0	1,465	1,465	0	1,465	Proposed for full approval
Bishop Sutton Primary School - Basic Need	0	123	123	0	1,459	1,459	402	0	0	1,861	1,984	0	1,861	For Information - Prior Full approval
St John's School Keynsham classroom refurbishment	0	0	0	0	59	59	0	0	0	59	59	0	59	Proposed for full approval
Basic Needs Feasibility / Option Appraisal	0	250	0	0	250	250	0	0	0	250	250	0	250	Proposed for full approval
Children's Centre Capital Schemes	0	0	0	0	46	46	0	0	0	46	46	0	46	Proposed for full approval
Subtotal Full	883	3,214	4,098	2,767	6,133	8,900	802	0	0	9,767	13,865	494	9,273	
Provisional Approval														
Schools Capital Maintenance Grant Unallocated	0	0	0	0	949	949	0	0	0	949	949	0	949	Detailed project plan awaited
Schools Basic Need Grant Unallocated	0	0	0	50	1,019	1,069	0	0	0	1,069	1,069	0	1,069	Detailed project plan awaited
London Road Community Development	0	0	0	1,000	0	1,000	0	0	0	1,000	1,000	0	1,000	Detailed project plan awaited
Children's Centre Capital Schemes	0	0	0	75	75	75	0	0	0	75	75	0	75	Detailed project plan awaited
Enoch - New School	0	0	0	0	2,500	2,500	0	0	0	2,500	2,500	0	2,500	Detailed project plan awaited
Schools Basic Need Grant	0	0	0	0	0	0	6,694	0	0	6,694	6,694	0	6,694	For information - future years
Schools Capital Maintenance Grant	0	0	0	0	0	0	2,000	0	0	2,000	2,000	0	2,000	For information - future years
Subtotal Provisional	0	0	0	1,050	4,543	5,593	8,694	0	0	14,287	14,287	1,000	13,287	
Sub Total - Children's Services	883	3,214	4,098	3,817	10,677	14,493	9,496	0	0	24,054	28,152	1,494	22,560	
TOTAL PEOPLE & COMMUNITIES	883	3,453	4,337	3,817	11,380	15,196	9,496	0	0	24,757	29,094	1,494	23,263	
RESOURCES SERVICES														
Property														
Full Approval														
Workplaces Programme Delivery	4,420	2,741	7,161	0	4	4	0	0	0	4	7,165	4	0	For Information - Prior Full approval
Keynsham Regeneration & New Build	18,685	10,103	28,787	4,543	0	4,543	0	0	0	4,543	33,331	4,543	0	For Information - Prior Full approval
Corporate Estate Planned Maintenance	0	0	0	160	1,067	1,227	0	0	0	1,227	1,227	0	0	Proposed for full approval
Disposals Programme (Minor)	0	0	0	138	0	138	0	0	0	138	138	0	0	For Information - Prior Full approval
Commercial Estate Investment Fund	0	0	0	350	0	350	0	0	0	350	350	200	150	For Information - Prior Full approval
Grand Parade & Undercroft	240	1,769	2,009	3,256	25	3,281	0	0	0	3,281	5,290	3,281	0	For Information - Prior Full approval
Equality Act Works	0	0	0	50	390	440	0	0	0	440	440	440	0	Proposed for full approval
Engliscombe Lane	0	20	20	0	10	10	0	0	0	10	30	10	0	For Information - Prior Full approval
Roseberry Place	1	36	37	0	15	15	10	0	0	25	62	25	0	For Information - Prior Full approval
1 - 3 James Street West	14	114	128	0	25	25	15	0	0	40	168	40	0	For Information - Prior Full approval
7 - 9 Lower Borough Walls	11	89	99	0	20	20	0	0	0	20	119	20	0	For Information - Prior Full approval
Key Disposal - Keynsham K2 Charlton Road	0	66	66	0	3	3	0	0	0	3	69	3	0	For Information - Prior Full approval
Subtotal Full	23,370	14,938	38,308	8,497	1,559	10,056	25	0	0	10,081	48,389	9,931	150	
Provisional Approval														
Acquisitions - Future Revenue Generation	0	0	0	1,536	5,000	6,536	0	0	0	6,536	6,536	6,536	0	Business Case and detailed project plan required
Grand Parade and Undercroft - Phase 2	0	0	0	1,000	0	1,000	0	0	0	1,000	1,000	1,000	0	Business Case and detailed project plan required
Corporate Estate Planned Maintenance	0	0	0	0	0	0	1,357	1,357	0	1,357	5,428	5,428	0	For information - future years
Equality Act Works	0	0	0	0	0	0	100	100	100	400	400	400	0	For information - future years
Disposals Programme (Minor)	0	0	0	0	0	0	100	100	100	400	400	400	0	For information - future years
Subtotal Provisional	0	0	0	2,536	5,000	7,536	1,557	1,557	1,557	13,764	13,764	13,764	0	
Sub Total - Property	23,370	14,938	38,308	11,033	6,559	17,592	1,582	1,557	1,557	23,845	62,153	23,695	150	

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

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

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

HIGHWAYS MAINTENANCE PROGRAMME TOTAL	£5,971,000
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TRANSPORT IMPROVEMENT PROGRAMME 2015/16	
Description	£ '000
Local Safety Schemes	
Anti-Skid Surfacing	10
AIP Scheme Investigation & design only	10
Camerton Hill priority scheme	30
Local Safety Schemes Sub-total	50
Managing Congestion	
Residents' Parking schemes	60
Parking schemes	45
Managing Congestion Sub-total	105
Safer Routes to Schools	
SCP improvements	15
Safer Routes to School Sub Total	15
Cycle Schemes	
Copseland/Bathwick Hill - Toucan	75
Cycle Schemes Sub-total	75
Public transport	
Improvements to bus stops	30
Public Transport sub total	30
Pedestrian Schemes	
Aids to Mobility e.g. Dropped Kerbs & ped improvements	20
Public Rights of Way	70
Charlton Road -raised table at Zebra	20
Wells road Westfield -Puffin	25
St Saviours Zebra	35
Pedestrian Schemes Sub-total	170
Traffic Management Schemes	
Minor Improvements (incl legacy projects)	80
A362 Farrington, Safety improvements	40
A39 Corston , safety improvements	35
Deadmill Lane -one way	10
Traffic Management Schemes Sub-total	165
Getting around Bath Transport Strategy	
Delivery of Getting around Bath Transport Strategy	100
Getting around Bath Transport Strategy Sub-total	100
Miscellaneous	
JLTP Development and monitoring	30
Contribution to West of England Local Transport Board	20
Decluttering Programme	15
Capital Programme Management	30
street lighting	3
Seven Dials	48
20mph schemes and associated traffic calming measures	75
20mph schemes - adaptations to existing 20mph schemes	200
Miscellaneous Sub-total	421
Additional Pedestrian Schemes	
High Street Midsomer Norton pedestrian phase at Traffic Signals	20
St Keyna School Charlton Road, Keynsham -upgrade existing Zebra to Puffin	40
Newbridge Hill Zebra	35
Bathford Hill Refuge	18
Quarry Hay Bristol Road, Chew Stoke pedestrian refuge	18
Harbutts junction Batheaston, footway buildout and crossings	13
Argyle Street, Bath raised table	24
Westgate Lane/Parsonage Lane, Bath, raised table	13
Old Gloucester Road, pedestrian improvements	15
Weston lane, Weston, revision of pedestrian facilities	21
Upper Bristol Road/Windsor Bridge	12
Improvements to School Crossing patrol arrangements	21
Chandag Road Keynsham pedestrian facilities	65
Charlton Road Keynsham pedestrian facilities	50
Larkhall, Zebra Crossing	35
Additional Pedestrian schemes Sub-total	400
Additional Cycle Schemes	
Cycle parking	20
small signing schemes	10
Grosvenor Bridge to Kennett and Avon Towpath-shared use path-phase 1	100
Bathwick Hill- Toucan at Copseland	40
Powlett Road/Bathwick Street Link -progress Cycle Track Order	10
Kennett and Avon Towpath- surface improvement Warminster Bridge to Grosvenor Bridge	60
Locksbrook Road trading estate- access to Two tunnels	10
Radstock to Thicket Mead-improved surfacing and signing	100
Saltford to Keynsham Bath Road shared use path	50
Additional Cycle Schemes Sub-total	400
TRANSPORT IMPROVEMENT PROGRAMME TOTAL	1,931

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Appendix 1 Annex 3iii

Schools Capital Planned Maintenance Programme 2015/2016		
School	Project	Value
Westfield Primary School, Longvernal Primary School, Paulton Infant and Junior Schools and Chandag Junior School , Whitchurch Primary School	Remove asbestos containing materials above ceilings. Allow for consequential works eg replacement of contaminated tiles, making good. Carry out environmental clean of boilers rooms	£100,000
Chandag Infant School	Replace obsolete Oil-fired Boilers which are 25+ year old and demolish oil tank store	£85,000
Moorlands Junior School	Renew roof covering and roof lights sub-block 01 Phase 1	£130,000
Moorlands Junior School	Replace flood damaged No. 3 burner and provide sump pump drain and gully	£7,500
Moorlands Infant School	Replace 2 burners on heating boilers with new types rated for existing burners	£7,000
Peasedown St John Primary School	Rewire 2nd floor of school	£50,000
Batheaston Primary School	Replace windows and repair / replace freestone surrounds to sub block 01/001	£50,000
Bathford CofE Primary School	Replace remaining single glazed, metal framed windows and rotten timber sub frames to southern elevation of original building. Include to also replace original single glazed timber external doors and external timber boarding located in same area	£20,000
Chew Valley School	Renew steel windows on south west elevation of Block 001 sub-block 01, renew north west facing high level windows to classrooms Block 001 sub-block 01	£50,000
Longvernal Primary School	Refurbish boys toilets rooms 00/018 and 00/037	£20,000
Oldfield Park Junior School	Install new electrical Mains Panel & Replace existing distribution board	£25,000
Southdown Junior School	Replacement windows to 2 No. classroom wings Phase 2	£150,000
St Martins Garden Primary School	Resurface drive R2	£15,000
St Saviours Infant School	Investigate requirements to improve cold water pressures and flow rates	£30,000
Westfield Primary School	Renew flat roof coverings Phase 2 with roof lights over reception classrooms area	£50,000
Whitchurch Primary School	Replace timber corridor window walls	£75,000
St Martins Garden Primary School	Link corridor leaking at both junctions with Margaret Coates Centre and St Martin's Garden Primary.	£15,000
Bathampton Primary School	Renew boilers	£20,000
Moorlands Infant School	Provide new gutters and improve existing gutters falls/ outlets integral with the new roof covering.	£20,000
St Mary's CofE Primary School Timsbury	Replace cracked or damaged and hollow render to external walls to Main Hall and Kitchen areas	£18,000
St Michael's CofE Junior School	Refurbish staff toilets and allow for installation of accessible wc	£15,000
St Michael's CofE Junior School	Insulate and upgrade thermal qualities of end wall	£10,000
St Michael's CofE Junior School	Replace single glazed, steel framed windows throughout block	£100,000
Weston All Saints CofE Primary School	Renew high-level windows to classrooms and hall	£30,000
	Fees	£130,000
	Contingency	£277,500
Total		£1,500,000

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Appendix 1 Annex 3iv

Corporate Estate Planned Maintenance Programme 2015/2016

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

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

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

Council MRP Policy

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

For all Government Supported Borrowing

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

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

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

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

Where-

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

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

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

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

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

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

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

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

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COUNCIL TAX LEVELS 2014/2015
All of England Unitary Councils

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

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PROPOSED VARIATIONS TO 2015/2016 BUDGET

	<i>Sub Total</i>	2015/16
	<i>£M's</i>	£M's
Opening Budget Gap - per Feb 2014 Council Budget Meeting		3.84
Medium Term Plan Variations		
- Reduction in Education Support Grant		0.34
- Deprivation of Liberty Safeguards		0.77
- Care Act unfunded costs		1.50
- Social Fund & Food Banks		0.32
- Non-Deliverable MTSRP Savings		2.19
- Local Government Finance Settlement Adjustments		-0.03
- Implementation of Living Wage (Council Staff)		0.21
- 2015/16 Pay Award (Difference to MTSRP assumption)		0.13
- Kelston Road - (Revenue Costs of Borrowing) - Urgent Decision July 2014		0.08
- Play Equipment & Bin and Benches - (Corporate Borrowing May 2014 Cabinet)		0.04
- Additional Capital Proposals (Revenue Costs)		0.32
Total Estimated Budget Gap		9.71

Further Savings Proposals for 2015/2016		
Corporate		
Increase in anticipated Business Rate Growth	1.00	
Somerset Business Rates Pool - Estimated Dividend	0.35	
Pensions Deficit Funding / Re-Financing	1.10	
Additional New Homes Bonus	0.34	
Council Tax baseline growth	1.70	
Thermae Spa - Increased Profit Share	0.25	
Community Energy Loan - Estimated Interest	0.03	
		4.77
Place		
Remove Fracking Consultancy Budget (cover risk from Reserves)	0.03	
		0.03
People & Communities		
Adult Social Care - Better Care Fund supporting demographic and cost pressures	2.57	
Remove Schools severance ongoing budget (cover risk from Reserves)	0.14	
Reduced provision required for impact of Academy Schools	0.20	
		2.91
Resources		
Housing Benefit Subsidy - debtor reclaims	0.30	
		0.30
TOTAL SAVINGS IDENTIFIED		8.01
REMAINING BUDGET GAP / (SURPLUS)		1.70

Use of Financial Planning Reserve / Collection Fund Surplus	1.70
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Budget Gap To Be Identified	0.00
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BUDGET SETTING PROCESS – ADVICE OF THE MONITORING OFFICER

PROCESS

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

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

Vernon Hitchman

Divisional Director – Legal & Democratic Services (Monitoring Officer)

Appendix 4 - Pay Policy Statement 2015 -16

Purpose and scope

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

Definitions

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

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

Statutory Chief Officers are:

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

Appendix 4 - Pay Policy Statement 2015 -16

Non- Statutory Chief Officers are:

- Strategic Director – Place
- Strategic Director – Resources
- Other Directors/Heads of Service are:
senior managers who report direct to/or are accountable to a statutory or non-statutory Chief Officer in respect of all or most of their duties.

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

General principles & practice

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

Principles:

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

Appendix 4 - Pay Policy Statement 2015 -16

Practice:

3.3 Basic pay is determined through

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

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

3.4 Pay on appointment

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

3.5 Pay review dates

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

3.6 Honoraria & other allowances

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

3.7 Re-employment of former local government employees

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

Appendix 4 - Pay Policy Statement 2015 -16

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

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

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

Equal pay

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

Ensuring consistency

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

Pensions

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

Appendix 4 - Pay Policy Statement 2015 -16

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

Senior pay

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

Appendix 4 - Pay Policy Statement 2015 -16

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

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

Publication

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

Further information

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

Appendix 4 - Pay Policy Statement 2015 -16

Annex 1

SENIOR MANAGEMENT PAY & GRADING

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

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

Notes:

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

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COMMUNITY ASSETS TRANSFER PROGRAMME UPDATE

BACKGROUND

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

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

UPDATE ON PROGRAMME DELIVERY

Detailed work has been undertaken to assess the issues relating to each of the proposed Community Asset Transfers and ensure appropriate clauses are in place that are appropriate to protect the use of the land or building for the relevant community purpose. The update position in respect of the programme of transfers proposed for 2015/6 is as follows:

Completed

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

Subject to Final Approval by SMD

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

Approved and solicitors instructed

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

Approved and subject to further negotiation

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

Subject to On-going Discussion and Consideration

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

FURTHER POTENTIAL COMMUNITY ASSET TRANSFERS

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

- Cleveland Pools

RECOMMENDATION

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

Tackling Poverty

Introduction

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

Welfare Support

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

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

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

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

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

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

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

Work with Partners to help Residents with Pay Day Loans

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

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

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

Support our Local Food Banks

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

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

Continue to develop our Connecting Families Programme

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

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

Work to reduce Adult and Youth Unemployment

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

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

Remove some Lower Pay Bands to help Low Paid

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

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

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

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

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Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	11th February 2015	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2654
TITLE:	Treasury Management Strategy Statement and Investment Strategy 2015/16	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report: Appendix 1 - Treasury Management Strategy 2015/16 Appendix 2 - Investment Strategy 2015/16 Appendix 3 - Authorised Lending List</p>		

1 THE ISSUE

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

2 RECOMMENDATION

The Cabinet agrees to:

- 2.1 recommend the actions proposed within the Treasury Management Strategy Statement (Appendix 1) to February Council for approval.
- 2.2 recommend the Investment Strategy as detailed in Appendix 2 to February Council for approval.

2.3 recommend the changes to the authorised lending lists detailed in Appendix 2 and highlighted in Appendix 3 to February Council for approval.

The Cabinet is also asked to:

2.4 Note the Treasury Management Indicators detailed in Appendix 1 and delegate authority for updating the indicators prior to approval at Full Council on 17th February 2015 to the Chief Finance Officer & Divisional Director – Business Support and Cabinet Member for Community Resources, in light of any changes to the recommended budget as set out in the Budget Report elsewhere on the agenda for this meeting.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 These are detailed in paragraphs 1.1 – 1.3 above.

5 THE REPORT

Background

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

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

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

The strategy covers:

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

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

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

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

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

2015/16 Treasury Management & Investment Strategy

5.6 The Strategy Statement for 2014/15 set Treasury Indicators for 2014/15 – 2016/17, which included a total borrowing requirement at the end of 2014/15 of £179 million. At the end of December 2014, external borrowing was at £98 million, which may increase before the end of the 2014/15 financial year should a review of the daily cashflow highlight additional liquidity funding is required.

5.7 The proposed Treasury Management Strategy is attached as Appendix 1 and includes the Treasury Management Indicators required by the Treasury Management Code. The indicators contained within this report are currently draft and could be affected by changes made to the capital programme, following decisions on the budget report which is also on the agenda for this meeting. It is therefore requested that the Cabinet grant delegated authority to the Divisional Director – Business Support and the Cabinet Member for Community Resources to agree any changes to the indicators prior to reporting for approval at Full Council on the 17th February 2015.

5.8 Although the indicators provide for a maximum level of total borrowing, this should by no means be taken as a recommended level of borrowing as each year affordability needs to be taken into account together with other changes in circumstances, for example revenue pressures, levels and timing of capital receipts, changes to capital projects spend profiles, and levels of internal cash balances.

5.9 The budget report, which is also on the agenda, includes appropriate provision for the revenue costs of the capital programme in accordance with this Treasury Management Strategy.

5.10 Appendix 1 also details the Council's current portfolio position as at 31st December 2014, which shows after the netting off of the £22.1 million investments, the Council's net debt position was £75.9 million.

5.11 The 2015/16 Investment Strategy is attached at Appendix 2. This sets 'outer limits' for treasury management operations. While the strategy uses credit ratings in a "mechanistic" way to rule out counterparties, in operating within the policy Officers complement this with the use of other financial information when making investment decisions, for example Credit Default Swap (CDS) prices, Individual Ratings, and the financial press. This has been the case in recent years, which protected the Council against losses of investment in Icelandic banks.

5.12 The Counterparty listing in Appendix 3 includes credit ratings from three agencies, as well as a sovereign rating for each country. Counterparties who now meet the minimum criteria as recommended in Appendix 2 as at 31st December 2014 are included in the listing in Appendix 3.

5.13 Interest rate forecasts from the Council's Treasury advisors are included in Appendix 1.

6 RATIONALE

6.1 This report is a statutory requirement.

7 OTHER OPTIONS CONSIDERED

7.1 None.

8 CONSULTATION

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

8.2 Consultation was carried out via e-mail.

9 RISK MANAGEMENT

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

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

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

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

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

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APPENDIX 1

TREASURY MANAGEMENT STRATEGY – 2015/2016

Introduction

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

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

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

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

Treasury Borrowing Limits for 2015/16 to 2017/18

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

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

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

Treasury Management Indicators for 2015/16 – 2017/18

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

Security: average credit rating

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

	2015/16
Minimum Portfolio average credit rating	A-

Interest rate exposures

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

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

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

Maturity structure of borrowing

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

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

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

Principal sums invested for periods longer than 364 days

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

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

Borrowing limits

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

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

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

External Context & Prospects for Interest Rates (Arlingclose Ltd)

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

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

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

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

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

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

Arlingclose Interest Rate Forecasts

Arlingclose central interest rate forecast – January 2015

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

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

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

Local Context

Current Portfolio Position

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

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

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

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

Borrowing Strategy

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

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

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

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

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

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

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

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

Sources of borrowing

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

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

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

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

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

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

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

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

Debt Rescheduling

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

Policy on use of Financial Derivatives

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

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

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

Derivative counterparties

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

APPENDIX 2

INVESTMENT STRATEGY

Investment Policy

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

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

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

Avon Pension Fund Investments

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

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

West of England Revolving Investment Fund (RIF)

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

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

Approved Investment Counterparties

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

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

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

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

Banks Unsecured

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

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

Banks Secured

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

Government

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

Corporates

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

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

Registered Providers

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

Pooled Funds

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

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

Other Organisations

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

Risk Assessments & Credit Ratings

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

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

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

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

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

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

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

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

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

Foreign countries

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

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

Specified Investments

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

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

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

Non-Specified Investments

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

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

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

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

Liquidity management

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

Planned investment strategy for 2015/16

Investments are made in three broad categories:

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

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

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

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

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

Review Reports

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

Other Matters

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

Treasury management advisers

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

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

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

Investment training

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

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

Investment of money borrowed in advance of need

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

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

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Proposed Counterparty List - Unsecured Bank Investements

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

Summary Guide to Credit Ratings

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

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING	11th February 2015	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2722
TITLE:	Gateway Centre – Cooperation Agreement	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
None		

1 THE ISSUE

- 1.1 The report seeks permission to explore the development of a Cooperation Agreement with the Trustees of the Gateway Centre to secure a venue for the delivery of community activities and service delivery for the Snow Hill/London Road area of Bath. Broader consultation work will also be done to ascertain if there are other agencies/groups wishing to engage in such a development.

2 RECOMMENDATION

Cabinet agree

- 2.1 To allow officers to explore a possible cooperation agreement with the Snow Hill Gateway Trust.
- 2.2 To allow officers to consult community groups in the Snow Hill/London Road area about interest in developing a community venue.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 As part of the Budget for 2014/15, the Council approved a capital programme item for Community Partnership Grants for Provisional Approval of £1M. This was to provide a potential capital grant to support the improvement of youth and community facilities in the London Road area of Bath, subject to the consideration of a detailed business case.

Officers will continue to explore the range options for the provision of these facilities and the required business case.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 This proposal has implications for the Council's duties relating to children, young people, complex families, public health and inequalities and could enable delivery of improved outcomes in the London Road/Snow Hill area.
- 4.2 As outlined above, the proposed development of a Co-operation Agreement is based on a desire to enhance the provision of youth work in the Snow Hill area. The positive engagement of vulnerable young people is a proven means of addressing social cohesion and improving the health and employment opportunities for young people.

5 THE REPORT

- 5.1 The Council wishes to develop a venue for the delivery of community, voluntary and council-provided or commissioned services within the London Road/Snow Hill area.
- 5.2 The main Council-owned venue in the area is the Riverside Youth Centre, York Place, London Road, Bath, BA1 6AE, a post-war building with limited physical access and which is in need of extensive refurbishment or re-building.
- 5.3 The Council has been approached by the Snow Hill Community Trust and the St Swithin's Church Management Committee requesting investment to extensively re-furbish the Snow Hill Community Centre which is owned by St Swithin's Church. The Trustees had approached the Big Lottery with a view to submitting a bid for Big Lottery funding to re-design and refurbish the building as a venue for use by the community, community and voluntary groups and possibly as a venue for the delivery of Council-delivered or commissioned services. Such services could include the Youth Connect Services, Early Years and Children's Centre Services etc.
- 5.4 The Big Lottery has advised the Trustees that on the basis of its application and subsequent site visit that they did not feel that the consultation justified the need for such a large project, and that they had concerns in relation to the value for money of the bid. On this basis, it would not support deployment of Big Lottery funding.
- 5.5 However, despite the above, the Council remains interested in securing a venue for this area which can be a focus for community engagement and regeneration through which a range of activities and services can be delivered.
- 5.6 In order to move forward, it is proposed that the Council will explore the possibility of entering into a Cooperation Agreement with the Snow Hill Gateway Trust to support the redevelopment of the Gateway Centre. At the same time, the Council will also carry out community engagement activity to determine if there are other community groups who wish to develop joint proposals for a Snow Hill/London Road community venue or who have alternative proposals based upon an existing community asset.
- 5.7 The purpose of the Co-operation Agreement is to clarify the objectives of the parties, the Council and the Trust and to enable them to work in an open and transparent way on agreed initiatives in the area. It sets out how the relationship will be managed and activity reported. It is not a legal contract.

5.8 Both activities would be reported back to Cabinet in the summer to decide whether to take forward either option.

6 RATIONALE

6.1 The Council remains of the view that the move of youth provision onto the Snow Hill estate could enhance the delivery of youth work in this area of the City. On this basis we are keen to continue to explore possible community partnerships that might facilitate this move.

6.2 A jointly run venue for community services would promote and strengthen services in the area as well as representing an effective and efficient way to jointly serve the needs of the area.

7 OTHER OPTIONS CONSIDERED

7.1 None.

8 CONSULTATION

8.1 Leader of the Council, Cabinet Members for Early Years, Children and Youth and Resources, Ward Members.

9 RISK MANAGEMENT

9.1 A Risk Assessment will be completed when a further report is prepared for submission to Cabinet following this exploration and consultation exercise.

Contact person	Richard Baldwin, Divisional Director – CYP Targeted and Specialist Services, Richard_Baldwin@bathnes.gov.uk , 01225 396289
Background papers	
Please contact the report author if you need to access this report in an alternative format	

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Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	11th February 2015	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2735
TITLE:	Bath & North East Somerset Community Infrastructure Levy and Supplementary Planning Document	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Attachment 1: B&NES Draft Charging Schedule</p> <p>Attachment 2: Regulation 123 List</p> <p>Attachment 3: Draft Planning Obligations SPD</p> <p>Attachment 4: Draft Planning Obligations SPD Consultation Statement</p>		

1. THE ISSUE

- 1.1 This report seeks Cabinet and then Council approval of the B&NES Community Infrastructure Levy (CIL) and the associated Regulation 123 Infrastructure List. It also seeks Cabinet adoption of the revised Planning Obligations Supplementary Planning Document (SPD). The hearings were held on the 8th January.
- 1.2 The Examiner's final report was received on 30/1/2015 and he has recommended approval of the CIL, with modifications. An update report will therefore be required for the Cabinet meeting as this report was largely prepared prior to receipt of the final report. The Council can only adopt the CIL if it accepts the Examiner's modifications.

2. RECOMMENDATION

2.1 That Cabinet recommends to Full Council that;

- a) the B&NES Community Infrastructure Levy (Attachment 1) along with modifications made by the Examiner, is approved with a commencement date of 6th April 2015,
- b) the CIL charging schedule is kept under review and any proposed adjustments to the charging schedules are reported to Cabinet before 6th April 2017 for recommendation if appropriate to Council, and

- c) responsibility is delegated to the Divisional Director for Development, in consultation with the Cabinet Member for Homes and Planning, to make any minor amendments and to correct any errors to the documentation.

2.2 That Cabinet agrees;

- a) that the revised Planning Obligations Supplementary Planning Document (Attachment 3) is adopted and becomes effective alongside CIL on 6th April 2015,
- b) the Regulation 123 Statement (Attachment 2), and
- c) delegate responsibility to the Divisional Director for Development, in consultation with the Cabinet Member for Homes and Planning, to;
 - i. give notice that 'Discretionary Exceptional Circumstances Relief', 'Payment in Kind' and 'Infrastructure Payment's will be made available in the District
 - ii. implement a payment instalment policy as set out in paragraph 5.23 below.
 - iii. finalise the commuted sum formula for off-site affordable housing contributions
 - iv. to make any minor amendments and to correct any errors to the documentation.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

Background

- 3.1 The purpose of CIL is to contribute to the funding of the infrastructure needed to support the District's long term growth aspirations as set out in the Core Strategy. CIL could secure between £12.5 and £17 million funding for infrastructure, essentially replacing that part of Section 106 funding which the council could no longer secure after April 2015 once developer contributions are scaled back. CIL can only be levied if there is a funding gap in infrastructure provision.
- 3.2 The preparation of the CIL charging schedule and the review of the Planning Obligations SPD has been funded by the Local Development Framework budget.

CIL & Planning obligations

- 3.3 The Council has secured nearly £20 million through Section 106 agreements in the last 10 years. However, the current Planning Obligation SPD has been reviewed to align it with CIL because the Council's ability to seek Section 106 is being scaled back and because councils are not permitted to double charge ie using both CIL and developer contributions to pay for the same element of infrastructure. This will affect what infrastructure the Council seeks developers to provide or make a contribution towards. The Regulation 123 list sets out the infrastructure that CIL will be spent on to distinguish it from the infrastructure that Section 106 planning obligations will fund.

Implementation of CIL

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

CIL Spend

- 3.5 The use of income generated through CIL will need to be spent on infrastructure. The types of infrastructure for CIL spend are listed in the B&NES Regulations 123 list guided by the Infrastructure Delivery Programme (IDP). The IDP identifies the infrastructure required across a broad range of Service Providers and statutory undertakers to deliver the District's plans for growth as set out in the Core Strategy. The IDP includes an estimate of the costs which is regularly updated and refined. The costs and requirements in the longer term are unavoidably more difficult to identify. The IDP is therefore a 'live' document subject to on-going updating and refinement. It is not a formal investment programme and does not entail financial commitment by the Council or other statutory providers.
- 3.6 Once the Council has completed the regulatory process to enable it to charge CIL, the mechanisms for agreeing priorities for CIL spend will need to be clarified. This will need to take into account future budget decisions and the capital programme.
- 3.7 Under CIL regulations the Council, as the charging authority, will need to prioritise and agree allocations of available CIL funding towards these infrastructure needs. The IDP confirms that there is a funding gap to which CIL will need to make a contribution. However CIL will not be the sole funding source. It will supplement other potential funding streams such as Business Rate Growth, New Homes Bonus, the Revolving Infrastructure Fund, HCA funding and site specific Section 106 developer contributions. Each of these will need to be considered by the Council as part of its medium term service and resource planning process and the Capital programme. The IDP lists all infrastructure requirements to support new growth, including provision to be provided by developers and other organisations such as utility companies and other public bodies.
- 3.8 Fifteen per cent of CIL income (capped) must be passed on to the local community where it is generated and this rises to 25% (uncapped) where there is an adopted Neighbourhood Plan.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

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

5. THE REPORT

The Charging Schedule

- 5.1 The hearings into the B&NES CIL were held on 8th January 2015 and the Inspector's draft report is due early February 2015, after the deadline for the dispatch of this report. Based on the proceedings at the hearings it is anticipated that the Inspector will recommend that

the CIL is approved, most likely with some minor modifications. On this basis, this report seeks cabinet approval of the CIL draft Charging Schedule although an update report is likely be required to ensure that the Cabinet has the necessary information available to make a decision.

- 5.2 CIL is effectively a tax on new development and therefore cannot be used as a policy tool. The key issue in setting the rate is that local authorities must strike “*an appropriate balance*” between revenue maximisation on one hand and the potentially adverse impact upon the viability of development on the other. It must be informed by evidence of **viability** of development although there is some room for pragmatism. The Council therefore commissioned a development viability assessment to inform the formulation of the charging schedule.
- 5.3 Given that CIL is a fixed tariff, it is important that the Council sets rates that are reasonable and not at the margins of viability. It is necessary to ensure that a ‘buffer’ or margin is included, so that the levy is able to support development when economic circumstances adjust and also to absorb some abnormal development costs. The Council must also be careful not to frustrate its other key objectives such as delivering affordable housing. Consequently, sensitive CIL rate setting for residential schemes is also vital.
- 5.4 The draft charging schedule was agreed by Cabinet in July 2014 for public consultation and this will form the basis of the adopted CIL, with modifications by the Examiner.
- 5.5 The draft levies based on the viability evidence are set out below. It reflects a careful consideration of balancing the costs of development with the need to maximise income for the Council. It should be born in mind that the CIL charge is only a relatively small part of development costs which will ultimately be born by the land owner. The Council has been careful to err on the side of caution in setting the proposed rates. Issues raised via the examination process which might result on modifications by the examiner are referred to in the notes column.

Draft Charging Schedule Rates

Use	Rate/ m²	Notes
Residential	£100	Viability varies across the district with highest rates in the environs of Bath and lower viability in the south and west. However these differences are not significant because whilst house prices are higher in the Bath area, so are build costs and the Core Strategy sets a higher affordable housing requirement for the higher value area. Also, the rural environs of Bath fall almost entirely within the Green Belt where very limited housing is likely to come forward. In the interests of simplicity, a flat rate across the district is considered reasonable.
Specialised, Extra Care & Retirement Accommodation	£100	The viability evidence recognises that these uses have different viability consideration due to their lower gross to net ratio of developments (due to the need for communal facilities), and the additional time that it takes to sell the accommodation due to the restricted market for that type of unit. However, these developments typically command premium sales values that outperform local markets. Furthermore, the sites tend to be more efficiently used, due to lower car parking requirements and higher densities in comparison to standard residential developments. These factors help to offset the lower internal efficiency and longer sales period. Then the appraisal concludes that such developments are unlikely to generate significantly different results from those generated by other residential development. The Council accepted that schemes with higher non-saleable floorspace may have viability issues and the proposal to exclude

		the schemes which provide non-saleable floorspace in excess of 30% of Gross Internal Area from CIL rate was discussed at the hearings.
Urban extension	£50	These sites warrant a different charge to the district-wide residential rate. The most effective approach to provision of site specific infrastructure, primarily for primary school provision should be via Section 106 agreements. This justifies the lower rate to be charged in the urban extension sites identified in the Core Strategy.
Retail	£150	The viability of development is higher in central Bath which would support a rate of /m ² . In other parts of the District, the viability evidence indicates that a £nil charge is appropriate. An exception to this is large supermarket, superstores and retail warehouses which would support a charge of £150 across the district.
Hotel	£100	In Bath this rate allows an adequate buffer for site-specific factors. Outside Bath, hotel values are lower, which adversely impacts on the viability of new hotel development. A nil rate on hotel development outside the city boundary of Bath is therefore recommended.
Student housing	Market £200 Sub-market: £nil	The degree to which developments can absorb CIL is largely dependent on the rent levels set. There is a significant differential between rents in the private sector and the University Sector (with sub market rent). Student housing let at commercial rents can absorb a higher charge than at the sub-market rents. The Council accepted at the hearings that the "market vs sub-market" terminology is more helpful than "on-campus vs off-campus"
Office	£nil	Although there is a demand for space, such development does not generate rents that would be high enough to support new development, particularly in Bath where build costs are significantly higher. The viability evidence identifies that office development is unlikely to come forward in the short to medium term.
Industrial and warehousing	£nil	The viability evidence indicates that these uses are unlikely to generate positive residual land values and therefore a zero rate is recommended.
Other uses.	£nil	BNP Paribas has also tested Use classes D1 (community facilities eg schools, health centres, museums and places of worship) and D2 (leisure). These typically do not include revenue generating operations. Other uses that do generate an income stream (such as swimming pools) have operating costs that are far higher than the income and require public subsidy. Many D1 uses will be infrastructure themselves, which CIL will help to provide. It is therefore unlikely that D1 and D2 uses will be capable of generating any contribution towards CIL. These will sometimes include developments that are operated commercially (such as gyms) but with many new operations opening in existing floorspace, very little, if any CIL income could be secured. On this basis BNP Paribas has recommended a nil rate on such uses.

5.6 In addition to the above, the Examiner heard evidence about the particular viability issues in relation to the Bath Western Riverside Scheme and the developer's request for the application of a NIL charge. In light of the importance of this scheme to the Council's development strategy, it is likely that the Examiner will address this in his report, either by

accepting a NIL charge or by other mechanisms. This will be addressed in the update report.

- 5.7 Reflecting the above considerations, the proposed Draft Charging Schedule is set out in Attachment 1. An update report will be required to set out any modifications made by the examiner once his report is published.

Planning Obligations Supplementary Planning Document

- 5.8 The Planning Obligations SPD supplements the Core Strategy and Local Plan and will also supplement the Placemaking Plan when adopted. The SPD sets out the Council requirements on developer contributions related to new development. It has been reviewed alongside the preparation of CIL in order to reflect the new regulations which scale back developer contributions to site specific infrastructure.
- 5.9 The public consultation on the draft SPD was undertaken from 24th July to 18th September 2014. The issues raised and the Council's responses are set out in the Consultation Statement (Attachment 4).
- 5.10 One of the main issues raised was the concern over the formula for off-site affordable housing contribution in lieu of on-site provision. It was agreed to revise the formula and a workshop was held with key stakeholders to explore alternative formula options on 20th January.
- 5.11 At the workshop an overall approach was agreed but more work is needed to finalise the formula which does not undermine the development viability and the delivery of housing including affordable housing.
- 5.12 Recent changes to national planning policy limit the scope to seek affordable housing from small sites of less than 10 dwellings. However the changes are unclear and legal clarification is being sought. This may have implications for how Core Strategy Policy CS9 will apply in the district.
- 5.13 Summary of other issues and responses:
- General support for document in clarifying the role of S106 vs. CIL.
 - Support for the Council's approach to Transport Infrastructure Works and Green Infrastructure sections of the SPD, including the recognition that Green Infrastructure will be integral to development proposals.
 - Concern regarding potential overlap between Regulation 123 list and Section 106 in relation to provision of open space. The SPD is clear CIL will fund specific green space requirements identified in the Green Space Strategy and major development sites will be expected to provide open space provision to mitigate the impact of development.
 - Challenge the contribution to address impact where employment land and jobs are lost. This requirement has been removed from the SPD.
 - Objection to the requirement for a developer to provide total land and costs of building a new school. This has been addressed by adding reference to pooling contributions from up to 5 developments and apportioning contribution to each development.

- Specific site level flood risk infrastructure has been added as a measure in response to representations from the Environment Agency.

The Regulation 123 list

- 5.14 The Council was required to prepare for the examination a Reg 123 list which sets out those types of infrastructure on which CIL could be spent. The B&NES Reg 123 list is based on the Council's Infrastructure Delivery Programme (IDP) which underpins the Core Strategy. The IDP is regularly reviewed and updated through cross service working.
- 5.15 Preparation of the Reg 123 List must recognise the fact that Local Authorities cannot spend CIL on the same infrastructure that is being funded via Section 106. Therefore the Reg 123 List must take account of the strategy for the provision of infrastructure, including taking account of which elements of infrastructure will be funded by CIL and which through on-site or pooled Section 106 agreements. This will then inform, but not dictate, future spending arrangements, including the Council budget and the capital programme.
- 5.16 The draft Reg 123 is included in Attachment 2. The Reg 123 List can be reviewed responding to changes in infrastructure priority and requirements.
- 5.17 The Bath Enterprise Area is likely to benefit from allocation of CIL revenue although decisions on the priorities for CIL spend will be taken as part of future budget decisions.
- 5.18 **Local spend:** The regulations require that the proportion of CIL to be given to local communities is 15% (with a cap of up to £100 per existing council tax dwelling a year) of receipts from development in their area. This rises to 25% uncapped in areas with an adopted Neighbourhood Plan.
- 5.19 Many town and parish councils are working collaboratively with B&NES on the Placemaking Plan with very positive results. B&NES has the discretion to also award those communities involved in the Placemaking Plan 25% of CIL receipts from development in their area.
- 5.20 Where there is no Parish or Town Council, as in Bath, the charging authority (B&NES) will engage with the communities where development has taken place and agree with them how best to spend the neighbourhood funding. Charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods using their regular communication tools e.g. website, newsletters. The Council AGM in May established a cross-party working group to consider options to strengthen community representation and civic governance within Bath, and to report back on these options, including a preferred option. This will include the arrangements for spend of the local element of CIL in Bath

Relief

- 5.21 The Community Infrastructure Levy Regulations make a number of provisions for charging authorities to give relief from the levy. Some types of relief are mandatory; others are offered at the charging authority's discretion. 'Community Infrastructure Levy relief' means any exemption or reduction in liability to pay the levy.
- 5.22 Mandatory exemptions are defined by the regulations and include vacant buildings (subject to the vacancy test), affordable housing, self-build housing and buildings with charitable uses.
- 5.23 Discretionary exemptions include;
- discretionary charitable relief (for a charitable investment)
 - discretionary social housing relief (for affordable housing types which do not meet the criteria required for mandatory social housing relief and are not regulated through the National Rent Regime)

- discretionary exceptional circumstances relief (charging authorities may offer relief from the levy in exceptional circumstances where a specific scheme cannot afford to pay the levy.)

5.24 A local authority wishing to offer discretionary relief in its area must first give notice publicly of its intention to do so. It is recommended that such a notice is given.

Payment in Kind and Infrastructure Payments

5.25 Under the CIL regulations, a charging authority (the Council) may accept one or more land payments instead of all or part of the CIL due (ie a payment in kind). Also, the Council may set a policy to accept one or more “infrastructure payments” (value of infrastructure) in place of the whole or part of the CIL due. The infrastructure must be strategic in nature (as in types of infrastructure on the Reg 123 list).

Instalment Policy

5.26 A charging authority can set its own levy payment deadlines and/or offer the option of paying by instalments. If it does so, it must publish an instalments policy on its website and make it available for inspection at its principal offices. It requires at least 28 days’ notice to adopt or change the policy. Where no instalment policy is in place, payment is due in full at the end of 60 days after development commenced.

5.27 Where the total CIL liability is greater than £35,000, the B&NES CIL document proposes the following instalment policy for consultation;

- 33% 60 days after development commenced
- 33% 12 months after deployment commenced
- 34% 18 months after development commenced.

Monitoring and review arrangements

5.28 The CIL, the IDP, the Regulation 123 List and the Planning Obligations will be regularly monitored and key issues reported through the Authority Monitoring Report where appropriate. This monitoring will inform the need for future reviews.

6 RATIONALE

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

7 OTHER OPTIONS CONSIDERED

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

8 CONSULTATION

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

- Internal Council Services
- External infrastructure providers
- Commercial agents

- Local chambers of commerce and economic groups
- Adjoining Councils
- The local community
- Other bodies set out in the Statement of Community Involvement

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

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

9 RISK MANAGEMENT

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

Contact person	<p><i>Lisa Bartlett – 01225 477281,</i></p> <p><i>Simon de Beer - 01225 477616,</i></p> <p><i>Kaoru Jacques 01225 477288</i></p>
Background papers	<p><i>Background papers available from; www.bathnes.gov.uk/cil</i></p> <ul style="list-style-type: none"> • <i>Examiner's Report January 2015</i> • <i>Viability Test Update by BNP Paribas</i> • <i>B&NES CIL Evidence Paper</i> • <i>B&NES Core Strategy as proposed to be adopted July 2014</i> • <i>B&NES Infrastructure Delivery Plan IDP</i> • <i>B&NES EqIA Report</i> • <i>SEA/SA Screening Report Regulation 15(7) Consultation Statement</i>
<p>Please contact the report author if you need to access this report in an alternative format</p>	

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Bath and North East Somerset Council Community Infrastructure Levy (CIL)

Revised Draft Charging Schedule

**in accordance with Regulation 16 Community
Infrastructure Levy Regulations 2010 (as
amended)**

October 2014

COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE

The Charging Authority

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

Date of Approval

The Council approved this CIL Charging Schedule on [date to be inserted following examination and Council approval].

Date of Effect

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

Statutory Compliance

In preparing this Draft Charging Schedule, B&NES Council has complied with the requirements set out in Part 11 of the Planning Act 2008 (as amended) and the Community Infrastructure Levy Regulations 2010 (as amended).

In setting the CIL rates, the Council has struck an appropriate balance between:

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

Draft Charging Schedule

Development Type	Location	CIL charge £/m ²
RESIDENTIAL (Class C3) including Specialised, Extra Care and Retirement Accommodation ¹	District wide	£100
	Strategic Sites/ Urban Extension	£50
HOTEL (Class C1)	In Bath	£100
	Rest of District	£ Nil
RETAIL In-centre / High Street Retail	Bath city centre	£150
	Other centres	£ Nil
SUPERMARKETS, SUPERSTORES AND RETAIL WAREHOUSE (over 280m ²)	District wide	£150
OFFICES (Class B1)	District wide	£ Nil
INDUSTRIAL AND WAREHOUSING	District wide	£Nil

STUDENT ACCOMMODATION	Schemes with sub-market rents to be set in section 106 agreement	£ Nil
	Schemes without sub-market rents to be set in section 106 agreement	£200
ANY OTHER DEVELOPMENT	District wide	£ Nil

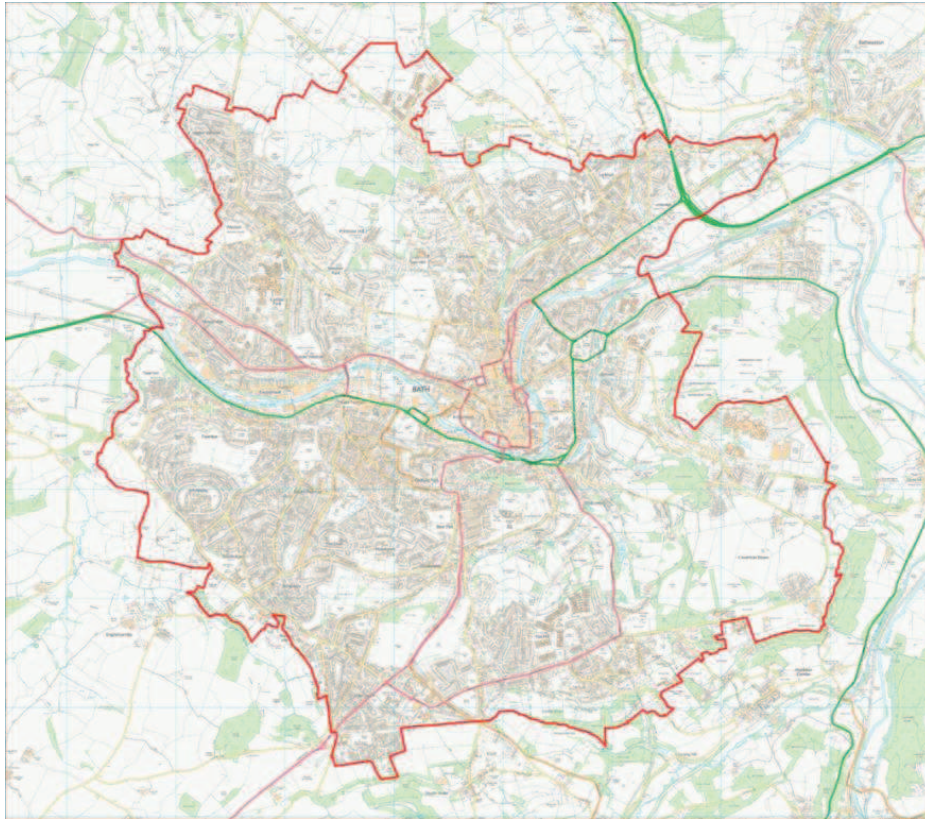
¹ Excludes Specialist, Extra Care and Retirement accommodation that provides communal non-saleable floorspace in excess of 30% of Gross Internal Area.

Definitions

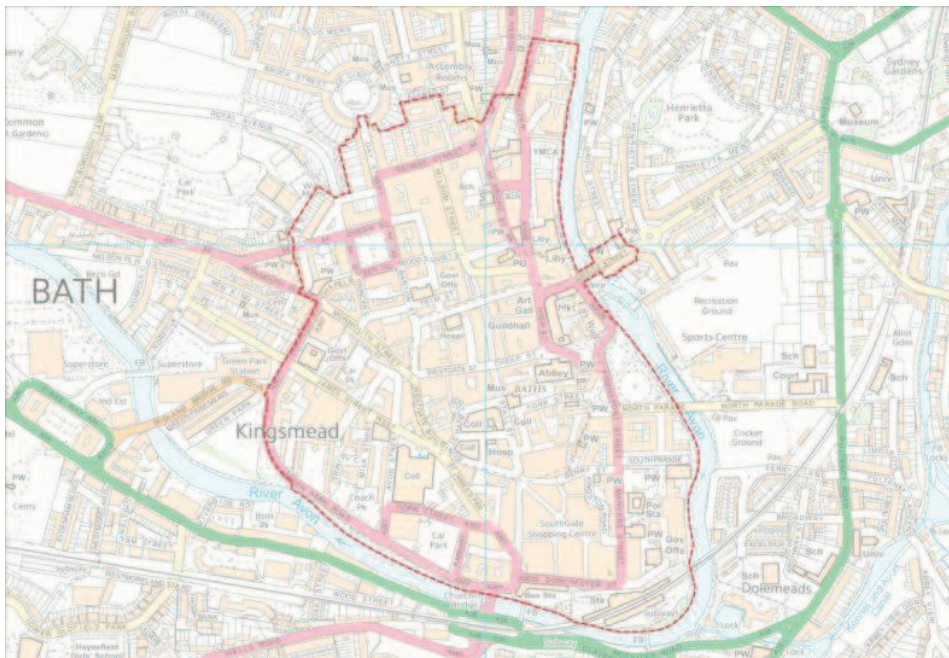
- Strategic sites/urban extension
As defined within the Core Strategy (Policies B3A, B3C, KE3A, KE4 and RA5)
- Retail (Class A1/A2/A3/A4/A5)
- In-centre / High Street Retail as defined within the Core Strategy
- Supermarket - large format convenience-led stores. The area used for the sale of goods will be above that applied for the purposes of the Sunday Trading Act of 280sq. m sales area.
- Student Accommodation (purpose built accommodation for students).
(Planning Use Classes under Town and Country Planning (Use Classes) Order 1987 (as amended))

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

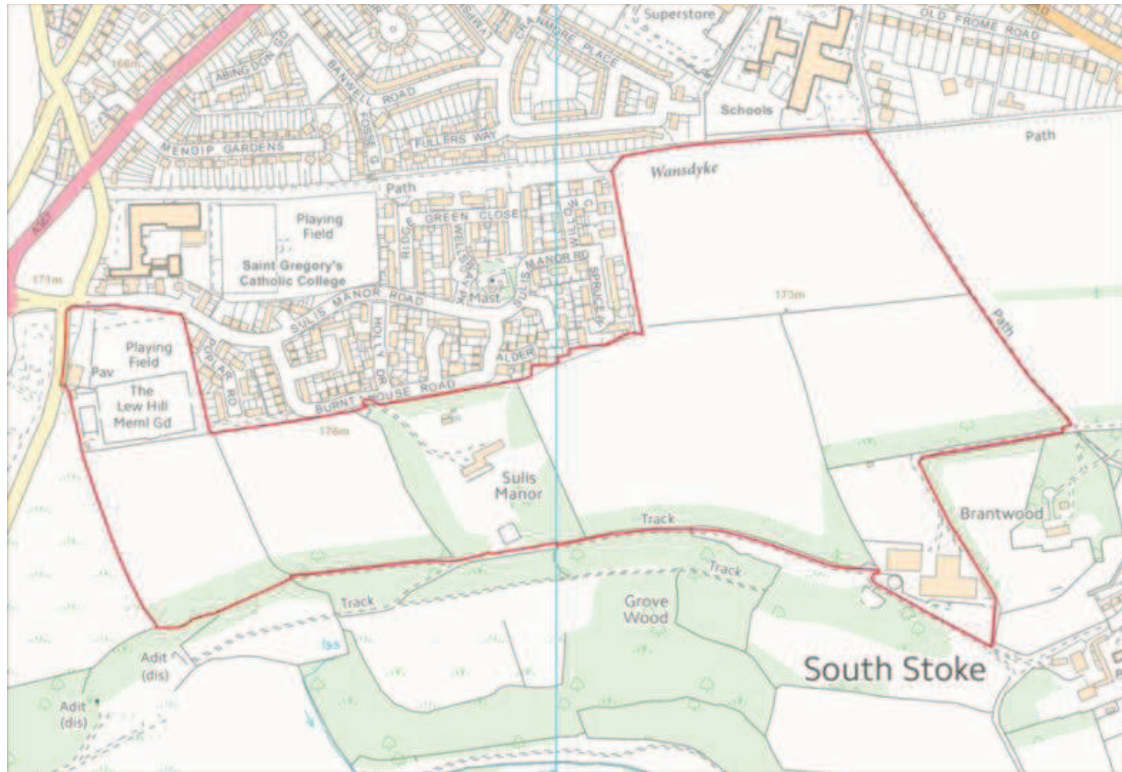
Plan 1 The CIL Charging Zone for Hotel Development in Bath



Plan 2 The Charging Zone for Bath City Centre Retail Development



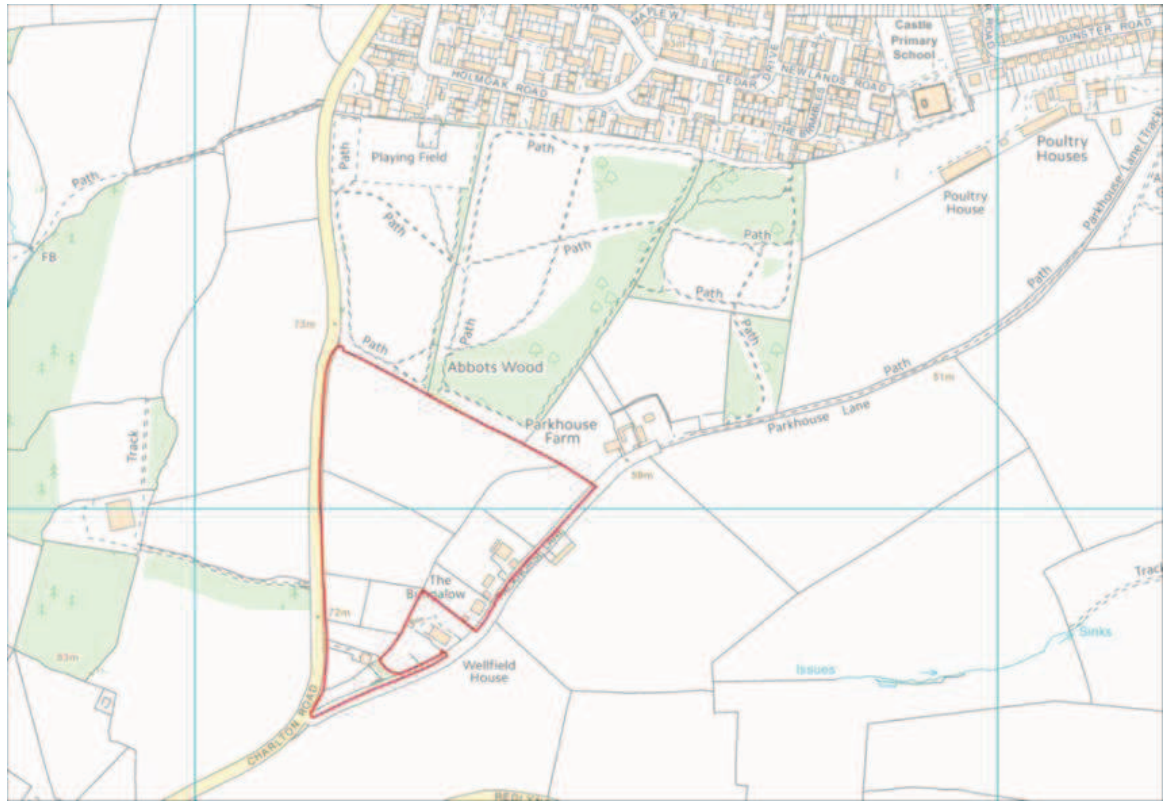
Plan 3 Strategic Site: Land adjoining Odd Down Charging Zone



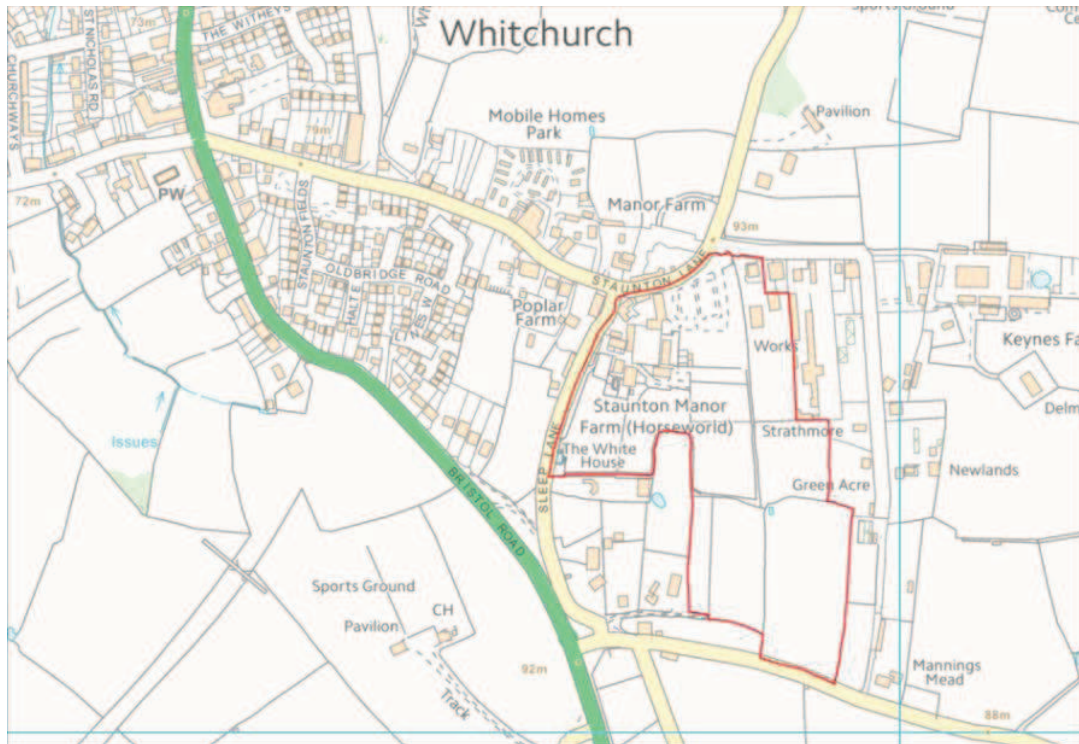
Plan 4 Strategic Site: Land adjoining East Keynsham Charging Zone



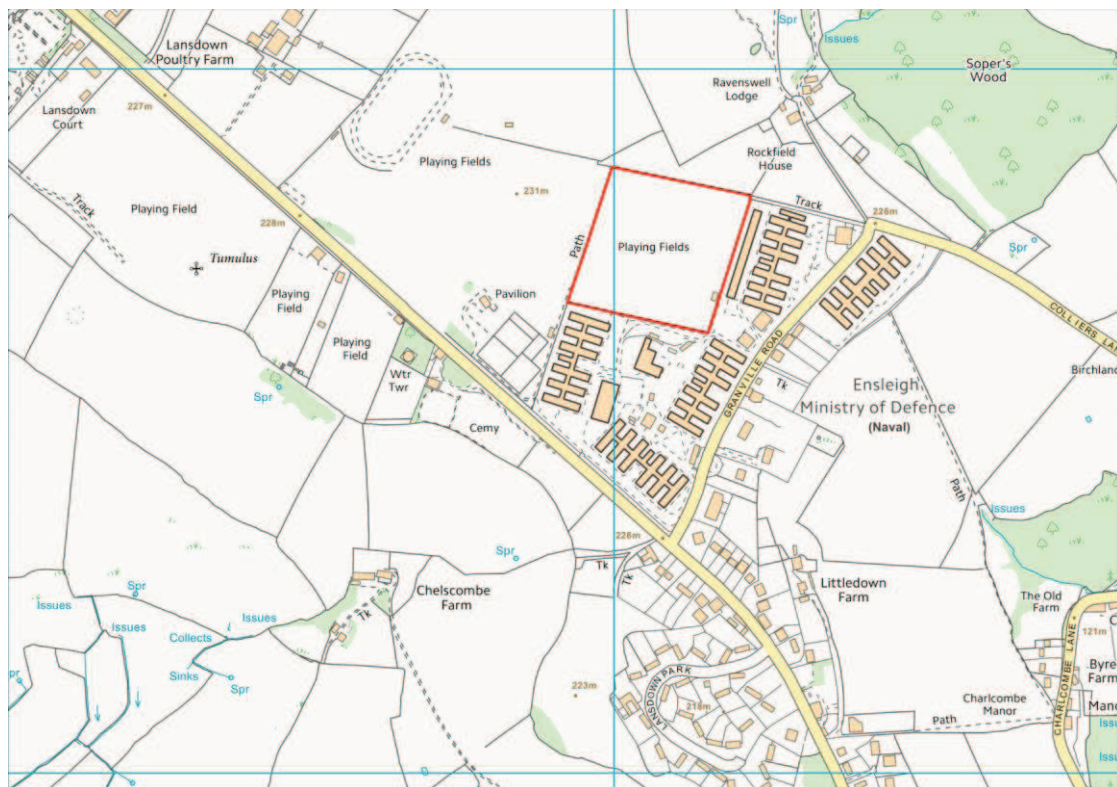
Plan 5 Strategic Site: Land adjoining South West Keynsham Charging Zone



Plan 6 Strategic Site: Land at Whitchurch Charging Zone



Plan 7 Strategic Site: Extension to MoD Ensiegh, Bath



Calculation of CIL Charge

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

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

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

where

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

A = net increase in gross internal floor area

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

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

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Bath and North East Somerset Council Community Infrastructure Levy (CIL)

Draft Infrastructure List (regulation 123 list)

**in accordance with Regulation 123 Community
Infrastructure Levy Regulations 2010 (as
amended)**

**Draft List dated: July 2014
Submitted: October 2014**

**Bath and North East Somerset Council Community Infrastructure Levy
Draft Infrastructure List (regulation 123 list)
July 2014**

The following comprises Bath & North East Somerset Council's Draft Infrastructure List (Regulation 123 list), which includes the infrastructure that the Council may apply CIL revenues to.

Draft Infrastructure List (regulation 123 list)

- Strategic Transport Infrastructure including cycling and walking infrastructure, and public transport (excluding development specific mitigation works on, or directly related to, a development site)
- Green infrastructure to deliver the requirements set out in the Green Infrastructure Strategy, including specific green space requirements identified in the Green Space strategy (excluding on site provisions)
- The Early Years provision sets out in the Childcare Sufficiency Assessment
- School Schemes set out in the Schools Organisation Plan (Except primary schools and places required by strategic site proposals)
- Social Infrastructure, including social and community facilities, sports, recreational, play infrastructure and youth provision, and cultural facilities (excluding on site provisions)
- Strategic Energy Infrastructure (excluding on site provisions)
- Health and Well-being Infrastructure
- Strategic Waste Facilities
- Strategic Flood Risk Management Infrastructure (excluding on site provisions)

Bath & North East Somerset Council

**Draft Planning Obligations
Supplementary Planning Document**

April 2015

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Executive Summary

The aim of this Supplementary Planning Document (SPD) is to provide clear guidance in respect of Bath & North East Somerset Council's approach to Section 106 Planning Obligations. The planning policy basis for this SPD is set out within the National Planning Policy Framework (NPPF) (March 2012), National Planning Practice Guidance (NPPG) (March 2014) and Policy CP13 (Infrastructure Provision) of the Council's adopted Core Strategy. This SPD supersedes the Planning Obligations SPD published in 2009 and also Appendix C of the Bath Western Riverside SPD (March 2008).

The SPD provides guidance in relation to Planning Obligations in respect of 9 key policy areas:

- Affordable Housing including Extracare Housing
- Transport Infrastructure Works
- Public Transport
- Green Infrastructure
- Tree Replacement
- Adoption of On-Site Green Space, Allotments and Landscaping Schemes
- Site Specific Targeted Recruitment and Training in Construction
- Fire Hydrants
- Education Facilities

The SPD sets out in detail the national and local planning policy context and demonstrates how the SPD is in conformity with this policy background. It also contains information in relation to the way that Development Management Planning Officers will prioritise planning obligations; the process that will be followed by the Council in seeking planning obligations; the drafting of legal agreements and the liability for costs associated with the preparation of such agreements.

The SPD also sets out the way that the Council will consider the impact of planning obligations on the viability of development proposals; how the Council will ensure that there is no duplication between Section 106 planning obligations and the Community Infrastructure Levy (CIL); and the Council's approach to the monitoring of the delivery of planning obligations, including the Monitoring Fee that will be required.

The SPD then addresses each of the 9 topic areas detailed above in turn, providing background information to each obligation type, the planning policy context for the obligation, the relevant trigger for an obligation to be sought, the level of contribution that will be required and contact details to obtain further information in respect of each obligation.

Lastly, the Appendices to the SPD set out additional relevant supporting information, working examples of the calculation of obligations and pro forma agreements for use by developers.

For more information on *the Planning Obligations Supplementary Planning Document* please contact the Planning Policy team at:
planning_policy@bathnes.gov.uk

This document can also be viewed on our website:
www.bathnes.gov.uk/planningpolicy

Telephone: 01225 477548
Fax: 01225 394199

1.0 INTRODUCTION

1.1 Purpose and Scope of the SPD

- 1.1.1 This SPD sets out Bath & North East Somerset Council's ('The Council') requirements in respect of planning obligations to be secured from development. The SPD replaces the previous version, which was adopted July 2009, and also Appendix C of the Bath Western Riverside SPD (March 2008), and takes account of the introduction of the Council's CIL Charging Schedule.
- 1.1.2 The SPD provides further detail to the Council's Core Strategy, which provides the strategic planning policy framework for the development of the Bath and North East Somerset administrative area up to 2029, and will assist the Council in its aim of delivering sustainable development throughout the plan period.
- 1.1.3 The SPD provides the detail to Core Strategy Policy CP13, which is the Council's policy that establishes that new development must be supported by the timely delivery of the required infrastructure to provide balanced and more self-contained communities. The policy also confirms that the planning obligations sought by the Council will be based on this SPD and its successors.
- 1.1.4 It is anticipated that this SPD will provide useful guidance for developers, planning officers, elected Councillors and members of the public in respect of the type and level of obligations that developments of different type and size will be expected to deliver.

1.2 The Council's overall approach to Planning Obligations

- 1.2.1 Part 1 of the SPD focuses on the general matters relating to the Council's approach to planning obligations and demonstrates how the SPD complies with national and local planning policy, including the CIL Regulations as amended. Part 1 also sets out the Council's approach to viability and the relevant procedural matters.

1.3 The types of obligations that the Council may seek to secure

- 1.3.1 Part 2 of the SPD focuses on the type of planning obligations that the Council will seek to secure through the Section 106 mechanism. It sets out the policy context and, where appropriate, the trigger above which obligations will be sought in relation to each obligation type. The obligation types are as follows:

- Affordable Housing including Extracare Housing
- Transport Infrastructure Works
- Public Transport
- Green Infrastructure
- Adoption of On-Site Green Space, Allotments and Landscaping Schemes
- Tree Replacement
- Site Specific Targeted Recruitment and Training in Construction
- Fire Hydrants
- Education facilities
- Other Site Specific Measures

1.3.2 The Affordable Housing section of the SPD contains significantly more detail than other sections, by reason that Affordable Housing obligations will be secured solely through the Section 106 mechanism, without funding from CIL. This is in accordance with the CIL Regulations 2010 as amended.

PART 1

2.1 National Policy Context

2.1.1 Section 106 of the Town & Country Planning Act 1990, as amended by Section 12 of the 1991 Planning and Compensation Act, sets out the legislative background against which planning obligations may be sought. In addition, Regulations 122 and 123 of the Community Infrastructure Levy (CIL) Regulations 2010 and the CIL (Amendment) Regulations 2011, 2012, 2013 and 2014 are additional legislative regulations. Paragraphs 203 to 205 of the National Planning Policy Framework (NPPF) (March 2012) set out Government policy in relation to planning obligations.

2.1.2 Regulation 122 and Paragraph 204 of the NPPF set out the tests that must be satisfied in order for obligations to be required in respect of development proposals. A planning obligation must be:

- necessary to make the development acceptable in planning terms;
- directly related to the development; and
- fairly and reasonably related in scale and kind to the development

2.1.3 Planning obligations satisfying the above tests will be limited to site specific obligations required to mitigate the impact of a particular development, however in relation to very large developments the use of Section 106 agreements could also extend to strategic infrastructure such as new schools; primary healthcare; and strategic highway and transportation improvements if they are needed as part of the development.

2.1.4 In addition to planning obligations that meet the above tests, the provision of affordable housing will remain within the remit of Section 106 obligations.

2.2 Local Policy Context

2.2.1 The Bath and North East Somerset Public Service Board agreed the vision below.

‘Bath and North East Somerset will be internationally renowned as a beautifully inventive and entrepreneurial 21st century place with a strong social purpose and a spirit of wellbeing, where everyone is invited to think big

– a ‘connected’ area ready to create an extraordinary legacy for future generations.’

2.2.2 This vision is based on three work streams ‘living’, ‘working’ and ‘getting around’ and details are provided by the strategies below.

‘Living’ – Health and Wellbeing Strategy

‘Working – Economic Strategy

‘Getting around’ – Transport Strategy

2.2.3 The Core Strategy is the spatial expression of those and is a key policy document for Bath & North East Somerset that puts in place a strategic planning framework to guide change and development in the District over the next 20 years and beyond.

2.2.4 Delivery of the growth set out in the Council’s Core Strategy will need to be supported by the provision of necessary infrastructure. Policy CP13 of the Core Strategy sets out the Council’s broad requirements in this regard. The key District wide infrastructure requirements are identified in the Council’s Infrastructure Delivery Programme.

2.2.5 The Council's long-term economic and regeneration aspirations for the main urban centres within the District are set out in the Economic Strategy.

2.2.6 This SPD provides the detail to Policy CP13 of the Core Strategy and is therefore in conformity with the Council’s statutory development plan.

POLICY CP13 Infrastructure provision

New developments must be supported by the timely delivery of the required infrastructure to provide balanced and more self-contained communities.

The Council will work in partnership with adjoining authorities, local communities and relevant agencies and providers to ensure that social, physical and green infrastructure is retained and improved for communities.

Developer contributions will be based on the Planning Obligations SPD and its successors.

Infrastructure proposals should not cause harm to the integrity of European wildlife sites which cannot be mitigated.

2.3 Priorities for planning obligations

- 2.3.1 It is essential that developers enter into early discussion with the Council's planning officers at an early stage about planning obligations that may be required for their development, by the Council. It is not possible to provide a priority list of planning obligations that may be sought, by reason that the relative importance of an obligation will be dependent on the development proposal being considered. This will be a judgment to be made by the Development Management Planning Officer who is considering the planning application.
- 2.3.2 In making this judgment, Planning Officers will have regard to the Development Plan; adopted Neighbourhood Plans; advice from statutory consultees, the financial viability of the proposals if necessary; and individual site characteristics.
- 2.3.3 The use of planning obligations has to be appropriate so knowing when to use them is important. The Planning Officer will have regard to the CIL Regulation 122 tests to determine if a particular obligation sought satisfies the legal tests

2.4 Planning Conditions process

- 2.4.1 The National Planning Policy Framework states that planning obligations should only be used where it is not possible to address unacceptable impacts of development proposals through a planning condition. Where a planning obligation is required it must be secured by legal agreement. Where the nature of the obligations required is relatively simple and it is not necessary for the Council to be a signatory to the legal agreement, applicants are encouraged to submit a Unilateral Undertaking for consideration by the Council. Where a Unilateral Undertaking is not appropriate a Section 106 agreement will be required, which will be drafted by the Council's Legal & Democratic Services Team. The applicant will be required to pay the legal costs reasonably incurred in respect of preparing a Section 106 agreement or reviewing a Unilateral Undertaking.

2.4.2 Applicants should agree with the Development Management Planning Officer the most appropriate mechanism to secure planning obligations at an early stage in the planning process.

2.5 Viability

2.5.1 If an applicant considers that the level of planning obligations required would render their proposal unviable, then the applicant will be expected to provide the full financial details of the proposal to the Council, in a financial appraisal submitted and signed by an appropriately qualified and independent financial professional. For the Council to consider a viability argument, it will be essential that the developer shares information substantiating this on an open book basis. The following information will be required:

- Site or building acquisition cost and existing use value
- Construction costs and programme
- Fees and other on costs
- Projected sale prices of dwellings
- Gross and net margin
- Other costs and receipts
- Other relevant information dependent on the nature of the obligation(s)

2.5.2 In assessing the viability of a development in terms of the delivery of subsidy free affordable housing, the Council will have regard to the average supportable deficit figures in Appendix 1 to determine the likely income deriving from the transfer of the affordable housing units to a registered provider.

2.5.3 The Council will commission an independent chartered surveyor (or suitably qualified and independent financial professional) to interrogate any economic viability assessment provided by a developer. The costs of this work are to be met by the developer. The information will be kept confidential.

2.5.4 If there is any disagreement on the financial appraisal, the Council will expect the developer to agree to adjudication by an independent person, usually a Fellow or Member of the Royal Institution of Chartered Surveyors. The costs of the adjudication will be met by the developer.

2.6 Preventing duplication with the CIL

- 2.6.1 From April 2015 (or the date that the Council introduces CIL, if this is earlier) the CIL Regulations restrict the use of pooled contributions towards items that may be funded by CIL. At that point, no more may be agreed in respect of a specific infrastructure project or a type of infrastructure through a Section 106 agreement, if five or more obligations for that project or type of infrastructure have already been entered into since 6 April 2010, and it is a type of infrastructure that is capable of being funded by the levy.
- 2.6.2 In respect of planning obligations secured prior to 6 April 2010; these can continue to be used to fund Infrastructure items.
- 2.6.3 In respect of affordable housing, which cannot be funded by CIL, there is no restriction in terms of the numbers of obligations that may be pooled, but due regard must be given to the wider policies and guidance on planning obligations set out in the NPPF and NPPG.
- 2.6.4 To ensure developers do not pay twice for the same items, the Council will publish a Regulation 123 list of infrastructure that the Council intends will be, or may be, wholly or partly funded by CIL. These types of infrastructure cannot therefore be funded through new Section 106 planning obligations.
- 2.6.5 In order to increase transparency and certainty as to what infrastructure may be funded from CIL (and thus what may still be secured through planning obligations), the Council's Regulation 123 list will be reviewed and amended going forward to ensure that it represents an up to date list of Infrastructure to be funded by CIL.

2.7 Planning Obligations Monitoring Fee

- 2.7.1 The monitoring of Section 106 planning obligations will be undertaken by the Council's Section 106 Monitoring Officer to ensure that the obligations of both the developer and Council are met. The costs incurred by the Council of monitoring planning obligations will be met by the developer and will be payable upon completion of the Section 106 agreement or Unilateral Undertaking. The fee will be equal to 15% of the application fee. However, a Monitoring Fee will not be required in cases where a CIL payment is due, in addition to the entering into of planning obligations.

2.8 Index Linking

2.8.1 All financial contributions calculated from formulae contained in this SPD are to be index linked from the date of adoption of the SPD. Most other financial contributions are to be index linked to the date that Committee or Delegated approval is given for the relevant planning application. The exception is where commuted maintenance payments are required and in these instances the payment will be index linked from the point at which the maintenance costs are agreed.

2.9 Late Payments

2.9.1 Where payment of a financial contribution is made after the date upon which it was due for payment, interest will be charged at a rate of 4% above the base lending rate. The interest due will be calculated after the indexed sum has been calculated.

PART 2

3.1 Affordable Housing including Extracare housing

Introduction

3.1.1 The delivery of affordable homes for those in housing need in Bath & North East Somerset is a key strategic priority, and the Council is committed to maximising delivery through planning obligations as well as encouraging our developer and housing association partners to deliver schemes for 100% affordable housing. The Core Strategy 'Strategic Objective 5' is all about meeting the housing needs of the District and states:

Strategic Objective 5: Meet housing needs

- enabling the delivery of new homes needed to respond to expected demographic and social changes and as far as possible to support the labour supply to meet our economic development objectives
- ensuring that the new homes provided are of high quality design and reflect and cater for a range of incomes and types of household, including those in need of affordable housing

3.1.2 The Council is committed to securing the delivery of homes for local people that are affordable, adaptable, safe and sustainable. These homes will be integrated into the wider development and shall be part of places where people want to live.

3.1.3 The need for affordable housing in the District is high and the Core Strategy makes provision for 3,290 new affordable homes over the plan period up to 2029.

3.1.4 This housing chapter of the SPD should be read in conjunction with up to date supporting informing from the Council including the relevant Strategies and Delivery plans for housing sitting beneath the Corporate Health & Wellbeing Strategy and the Economic Strategy.

National Policy

3.1.5 Local Authorities have a statutory duty to provide housing for households in local housing need and to prevent homelessness.

3.1.6 The National Planning Policy Framework (NPPF) provides the overarching national requirements for planning policy and provides for a definition of affordable housing and associated products and tenures.

Bath & North East Somerset Core Strategy

3.1.7 The adopted Core Strategy contains two specific policy areas on affordable housing delivery, which have been independently tested in viability terms. There is a presumption of full compliance with Core Strategy and SPD requirements on all housing development sites that meet the criteria in CP9:

POLICY CP9 Affordable housing

Large sites

Affordable housing will be required as on-site provision in developments of 10 dwellings or 0.5 hectare (whichever is the lower threshold applies) and above. The following percentage targets will be sought:

40% in Prime Bath, Bath North and East, Bath Rural Hinterland;

30% in Bath North and West, Bath South, Keynsham and Saltford, Midsomer Norton, Westfield, Radstock, Peasedown St John, Paulton and Chew Valley.

This is on a grant free basis with the presumption that on site provision is expected.

Small sites

Residential developments on small sites from 5 to 9 dwellings or from 0.25 up to 0.49 hectare (whichever is the lower threshold applies) should provide either on site provision or an appropriate financial contribution towards the provision of affordable housing with commuted sum calculations. The target level of affordable housing for these small sites will be 20% for AH area 1 and 15% for AH area 2 %, half that of large sites, in order to encourage delivery.

In terms of the affordable housing on small sites, the Council will first consider if on site provision is appropriate. In some instances, the Council will accept a commuted sum in lieu of on-site provision. This should be agreed with housing and planning officers at an early stage.

Viability

For both large and small sites the viability of the proposed development should be taken into account, including:

- Whether grant or other public subsidy is available*
- Whether there are exceptional build or other development costs*
- The achievement of other planning objectives*
- The tenure and size mix of the affordable housing to be provided*

A higher proportion of affordable housing may be sought where supported by the assessment of viability of the proposed development.

Sub-division and phasing

Where it is proposed to phase development or sub-divide sites, or where only part of a site is subject to a planning application, the Council will take account of the whole of the site when determining whether it falls above or below the thresholds set out above.

Property Size and Mix

Residential developments delivering on-site affordable housing should provide a mix of affordable housing units and contribute to the creation of mixed, balanced and inclusive communities. The size and type of affordable units will be determined by the Council to reflect the identified housing needs and site suitability.

The type and size profile of the affordable housing will be guided by the Strategic Housing Market Assessment and other local housing requirements but the Council will aim for at least 60% of the affordable housing to be family houses including some large 4/5 bed dwellings.

Other

All affordable housing delivered through this policy should remain at an affordable price for future eligible households, in the event of any sales or staircasing affecting affordable housing unit(s) delivered through CP9 then an arrangement will be made to recycle the receipts/subsidy for the provision of new alternative affordable housing located elsewhere within Bath and North East Somerset. Affordable Housing should be integrated within a development and should not be distinguishable from market housing.

Affordable Housing	Sub-Market Areas	Postcode
Area 1: 40%	Prime Bath	BA1 2, BA1 1, BA2 4
	Bath North and East	BA1 5, BA1 6, BA2 6, BA1 7, SN14 8, and SN13 8
	Bath Rural	BA1 9, BA1 8, BA2 7, BA2 9 and BA2 0,
Area 2: 30%	Bath North and West	BA1 4 and BA1 3
	Bath South	BA2 1, BA2 2, BA2 3 and BA2 5
	Keynsham and Saltford	BS31 1, BS31 2, BS31 3,
	Midsomer Norton, Radstock, Westfield, Peasedown St John and Paulton	BS39 7, BA3 2, BA3 3 and BA2
	Chew Valley	BS40 6, BS40 8, BS39 4, BS39 5, BS39 6 and BS14 0

What will developers have to provide?

- 3.1.8 It is important that developers make early contact with the Housing Enabling & Development Team through Development Management in order to discuss the affordable housing requirements for any proposed development.
- 3.1.9 The Council will require the developer to provide the following information prior to agreeing the planning contribution in terms of affordable housing to ensure that the proposals comply with current Affordable Housing Policies, SPD requirements and supporting information / earlier guidance provided by the Council:
- Details of the mix of housing, number of units, type of units (e.g. social rented/intermediate), size of units
 - Details of design layout and construction standards (e.g location of affordable units, phasing of development, compliance with design standards).
 - Independently audited evidence of compliance with SPD requirements using HCA HQIs, Habinteg Lifetime Homes, Habinteg Wheelchair user standards and Secure by Design (or any successor equivalents).

- For outline planning applications, the S.106 agreement will establish the broad requirements for affordable housing delivery and will make the detailed submissions a requirement of the Reserved Matters application/s.
- Details on affordability of the affordable housing units.
- How the affordable housing provision complies with Policy CP9.

Delivering Affordable Housing in Bath & North East Somerset

3.1.10 Affordable housing tenure types that are likely to be considered in the District are detailed in Table 3.1.A below:

Table 3.1.A

Tenure	Description
Social Rent	<p>Rented housing to be let at a figure no more than 100% of the rent level as determined by the National Rent Regime for target rents.</p> <p>THIS IS THE COUNCIL'S PREFERRED RENTED TENURE</p>
Affordable Rent Tenure	<p>Rented housing to be let at up to 80% of local market rents (including service charges). Affordable Rent Tenure rents are generally higher than social rents</p> <p>AFFORDABLE RENT TENURE (ART) is a specific tenure that can only be used where homes are being delivered with Homes and Communities Agency (HCA) funding or as part of a RP contract with the HCA</p>
Intermediate Rent	<p>Rented housing at a level above that of Social Rent but up to 80% of local market rent (including service charges).</p>
Shared Ownership	<p>The purchaser buys an initial share from a Housing Association RP who retains and charges rent on the remaining equity. The purchaser may acquire further equity shares until the whole home is owned (unless this is restricted, e.g. some rural schemes)</p>
Discounted Market / Shared Equity	<p>Homes that are sold, usually on a freehold basis with a permanent % discount from open market value that is secured through land registry covenants. The level of discount will not</p>

	be <i>less than 25%</i> and will be determined with regard to local incomes and house prices to ensure affordability.
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3.1.11 Homes that do not meet the NPPF definition of affordable housing, (e.g. some forms of “low cost market housing”) will not be considered as affordable housing for planning purposes. Low cost market housing is housing at the cheaper end of the market, which may help to meet the needs of first time buyers, single employed people or key workers. Low-cost market housing can play a useful role in meeting the District’s wider housing demand and achieving an appropriate housing mix. Developers are encouraged to supply a proportion of such homes to meet the wider needs of the housing market.

3.1.12 The Council’s definition of affordable housing encompasses both *general needs housing* provision and *supported housing* of different affordable tenures to meet the needs of the elderly and other vulnerable groups.

3.1.13 Extra Care housing (use class C3) is NOT specifically considered as an affordable housing tenure, although Extracare Housing can be brought forward as social rent, ART or as low cost home ownership. Developments for Extracare Housing will be subject to Core Strategy Policy CP9.

Ensuring affordability of homes delivered in Bath & NE Somerset

3.1.14 In line with National Government limits, B&NES Homesearch policy has set the maximum ceiling on gross total income for households requiring an affordable home as £60,000.

3.1.15 This is a blunt tool, and the Council expects the cost of different affordable housing products to reflect different types of need in the District. All affordable housing products should be delivered within set affordability limits. The Council expects an overarching affordability test where no one living in an affordable home in the District has to pay more than **25%** of their total gross household income in meeting their total housing costs where:

Gross Income = all monies coming into the household from earned income before tax, return on investments & savings, Universal Credit / welfare benefits including housing benefit but excluding Constant Attendance Allowance and Exceptionally Severe Disablement Allowance (or any successor equivalent)

Total Housing Cost = all mortgage related, rent and service charge costs associated with the property but excluding utility bills and council tax.

A secondary test of affordability will be required to demonstrate equality in housing costs across the district.

3.1.16 Bath & North East Somerset exhibits a wide range of property values and housing costs. In higher value areas, delivering homes that are truly affordable is a challenge and a simple expression of housing costs as a proportion of the housing market is inappropriate if we are to deliver an equitable affordable housing supply across the District.

3.1.17 Both Social Rent and Affordable Rent Tenures have their basis in local property values and in high value areas even affordable housing costs can be excessive. For all affordable rented tenures, the total housing cost (including service charges) for the tenant should not exceed the appropriate Local Housing Allowance (LHA) set by the National Valuations Office. (<http://www.voa.gov.uk/corporate/RentOfficers/LHADirect.html>)

3.1.18 Whilst LHA levels are considered the absolute ceiling for affordable housing costs, the LHA for larger properties are disproportionately higher than target rent levels than they are for smaller units. Affordable housing delivery for all rented units will be scrutinised to ensure that a pragmatic assessment of affordability is taken that ensures residents of affordable housing in higher value areas are not unduly disadvantaged through the location of their home. Developers are encouraged to seek guidance from a HARP and discuss provisional out turn rent levels on a development with the Housing Enabling & Development Team at an early stage.

3.1.19 Access to Low Cost Home Ownership should be equitable with the cost of accessing the local private rented market. For shared ownership products, the Council will not seek to impose strict parameters on % equity sales and % rent charged. Instead, proposals for the total housing cost for the shared ownership should reflect the total housing cost of accessing the lower quartile private rented market locally taking into consideration the overarching 25% income test for affordability.

3.1.20 The total housing cost of other low cost home ownership products will be assessed in direct relation to the cost of accessing the private rental market and the agreed target audience for the development. Discounted Market or shared equity homes will be sold at no more than 75% of the open market value.

3.1.21 The Service Charge payable by the occupants of any Affordable Housing Unit shall be limited to no more than £500 per annum from 1st April 2015 and Index Linked annually from the date of occupation thereafter (This does not include RP management charges for Social Rented Units). On developments with significant communal space, lifts or other exceptional services requiring high, on-going charges, Developers and RPs are encouraged to consider capitalising the service charge element to ensure annual service charges can be capped at the above rates.

3.1.22 In all instances, the affordability caps on these homes will be sought in perpetuity and appropriate clauses will be used in Planning Agreements to secure this.

Housing & Tenure mix

Bath & North East Somerset Core Strategy:

3.1.23 **The Core Strategy CP 10 sets out the policy for housing mix**

Policy CP10 New housing development, both market and affordable must provide for a variety of housing types and size to accommodate a range of different households, including families, single people and low income households as evidenced by local needs assessments (e.g. B&NES Residential Review, 2007) and the Strategic Housing Market Assessments or future evidence.

The mix of housing should contribute to providing choice in tenure and housing type, having regard to the existing mix of dwellings in the locality and the character and accessibility of the location.

Housing developments will also need to contribute to the provision of homes that are suitable for the needs of older people, disabled people and those with other special needs (including supported housing projects), in a way that integrates all households into the community.

The specific accommodation needs of older people will be addressed through the Placemaking Plan, including considering the allocation of appropriate sites.

3.1.24 In accordance with the aims of CP10, the range of affordable housing units will reflect the pattern of open market homes proposed. The Council will expect to see proportions of open market and affordable homes provided for all unit types proposed on the development. Where larger open market homes are proposed, the Council will consider local needs evidence to specifically determine if a 5 or more bedroom dwelling is required. If a specific need is not identified affordable housing provision will focus on 1,2,3 and 4 bed units as appropriate.

3.1.25 Unless specifically agreed otherwise:

- all 2 bed houses will be provided as 2 bedroom 4 person family houses
- On wholly or primarily flatted developments there will be the delivery of both 2 bed 4 person and 2 bed 3 person homes. Appropriate communal space or private gardens will be provided to meet the play needs of families living in flatted developments.
- 1 bed properties will be for 2 people
- 3 bed homes will be for 5 people
- 4 bed homes will be for 6 people

(See Table 3.1B below for expectations on minimum unit size and occupancy levels)

3.1.26 Where affordable flats are proposed on a development dominated by houses, the Council's preference is for house type flats to promote tenure blindness and reduce the communal elements of the scheme.

3.1.27 Policy CP9 aims for at least 60% of the affordable housing to be family houses including some 4 and 5 bed dwellings where need is evidenced. Where strategic evidence supports a higher proportion of family homes, this proportion will be increased.

3.1.28 Evidence from the SHMA 2013 suggests an affordable housing mix of 95% rented and 5% shared ownership homes. In order to promote diverse and sustainable

communities, the Council will generally expect an affordable housing requirement for 75% homes for social rent and 25% intermediate housing.

Delivering Specialist and Supported Housing

- 3.1.29 All affordable homes delivered through policy CP9 will be adaptable and will deliver a proportion of wheelchair user accommodation.
- 3.1.30 Where a strategic demand for other forms of specialist or supported housing is identified for the development area, the Council will seek to negotiate appropriate provision and will take into account the additional costs that may be associated in specialist delivery when determining the level of affordable homes delivered or the availability of subsidy.
- 3.1.31 The Council does not support artificial use of age restrictions on general needs affordable housing. If a developer wishes to deliver homes for older people as an alternative to mainstream affordable housing, there will be an expectation that design and layout will be appropriate to the proposed client group and that a clear justification for the proposal can be made in terms of meeting the Council's strategic visions for housing for older people.
- 3.1.32 Such developments will be assessed against the 10 HAPPI principles which are considered critical to achieving excellence in housing for older people. See Appendix 2.
- 3.1.33 Proposals for Extracare Housing will also be assessed with regard to the Housing LIN standards for Extracare development to ensure that adequate consideration has been given to designing and developing a scheme appropriate for a frail elderly client group. See Appendix 3.

Implementing Policy CP9

Thresholds

- 3.1.34 **The Council will have regard to the gross number of dwellings being proposed when considering whether Policy CP9 is applicable to an application, regardless of the replacement or conversion of any existing residential dwellings on the site**

3.1.35 The Council will be mindful of applications that deliberately seek to circumvent the relevant threshold for affordable housing and will not permit any benefit to be gained from this. Proposals for residential development just below the relevant thresholds must be based on the assessed housing potential of a site and not an attempt to avoid the provision of affordable housing. Sites presented just below threshold levels will be scrutinised in terms of site/ownership boundaries, density and unit mix to ensure that land is not used inefficiently or in a piecemeal fashion to produce a scheme that avoids affordable housing contributions.

Mixed Use Sites

3.1.36 Mixed-use planning applications, where the residential element meets the thresholds identified in CP9, will be expected to enter into a legal agreement to provide affordable housing in line with Policy. Mixed-use sites will be scrutinised to ensure the artificial reduction of residential land is not being used to avoid affordable housing contributions.

Phasing on Large Sites

3.1.37 On large sites where development will be phased, it is expected that the affordable housing will be developed at the same time as the market housing and a phasing plan submitted as part of the affordable housing master-plan. Generally, in respect of each phase, no more than 25% of open market dwellings should be occupied until 25% of the affordable housing units have been constructed and transferred to the affordable housing provider ready for immediate occupation.

3.1.38 No more than 85% of open market dwellings on each phase should be occupied until 100% of the affordable homes have been transferred to affordable housing provider, ready for immediate occupation.

3.1.39 Each phase will be expected to deliver a proportional level of affordable housing to ensure even distribution across the development.

Conversions and Change of Use

3.1.40 Core Strategy Policy CP9 applies to the conversion of any building for residential purposes that requires planning permission, whether or not it is already in residential use unless superseded by national policy exemptions.

Specialist Residential Development

- 3.1.41 The requirement for affordable housing extends to Extra Care, sheltered/ retirement dwellings and any other forms of housing with care and support that has a C3 Planning Use Class. For the avoidance of doubt this requirement does not apply to accommodation at residential institutions, with a C2 planning use class, for people in need of care such as care homes or nursing homes. Please see **Appendix 3** for standards.

Design, Layout and Construction Standards

- 3.1.42 Affordable housing should not be distinguishable from market housing in terms of location, appearance, build quality and materials. Reductions in size, use of substandard materials, or poor finishing and detailing should not be perceived as an acceptable shortcut to achieving scheme viability. Delivering affordable housing as flats on a largely housing-focussed development will not be acceptable.

Clustering of affordable housing units

- 3.1.43 On sites larger than 30 units the Council wishes to see at most a cluster of 8 affordable houses or 8 affordable flats in a block. On smaller sites, housing layouts should consist of clusters of no more than 4 affordable units. Clusters of affordable housing will not share boundaries, within or across separate phases of development. Any deviation from this will be determined in discussion with the Council's Housing Enabling and Planning Officers.
- 3.1.44 On primarily flatted developments a scheme by scheme consideration will be taken on clustering of units to address housing management and service charge concerns.
- 3.1.45 Planning layouts submitted as part of an application must clearly show the location of affordable housing units and identify their tenure and size and the location of wheelchair user units. For outline applications, this affordable housing layout plan will be part of reserved matters applications.

Design and Standards

- 3.1.46 There is a requirement for layout plans to be independently audited to demonstrate compliance with the standards below, and that this will be submitted as part of the Affordable Housing Statement either as part of the Planning or Reserved Matters Application.

3.1.47 An independent post completion audit will also be required to ensure construction has taken place to meet the details of the following standards. If non-compliance is identified, financial compensation will be sought to reflect the reasonable cost of rectifying the failure to comply.

3.1.48 The Council expects the affordable units secured through policy CP9 to meet the following standards:

Internal space standards:

3.1.49 All affordable homes will comply with the Council's minimum internal space standards, as follows:

Table 3.1.B

Dwelling Type	Minimum, internal size m²	Minimum built in storage
1 bed 2 person flat	58	1.5
2bed 3 person flat	61	2
2bed 4 person flat	70	2
2 bed 4 person house	79	2
3bed 5 person house – 2 storey	93	2.5
3bed 5 person house – 3 storey	99	2.5
4bed 6 person house – 2 storey	106	3
4 bed 6 person house – 3 storey	112	3
Anything larger	+ 10m ²	0.5 + per bedroom.

(based on revised National Housing Standard (2)September 2014)

Accessible Housing

3.1.50 All ground floor flats, bungalows, house-type flats served by a private staircase, flats served by lifts and age restricted affordable units should meet the Lifetime Homes standard as defined by Habinteg (<http://www.lifetimehomes.org.uk>) Requirement to

meet LTH will be superseded by the National Housing Standard accessibility level 2 when this is introduced into Part M of the Building Regulations.

3.1.51 Compliance with Lifetime Homes requirements (or NHS level 2) will not be delivered at the detriment of living space in the dwelling and the Council expects the *minimum* HCA HQI standards to be met for all rooms in order to provide for a range of furniture layouts and to ensure appropriate storage space. Delivery of an appropriately designed Lifetime Home layout, may result in the dwelling footprint exceeding the minimum internal standards.

3.1.52 A minimum of 10% of affordable units should be built to full wheelchair user standards as defined by Habinteg (<http://www.habinteg.org.uk/main.cfm?type=WCHDG>).

The Habinteg standard will be superseded by the National Housing Standard accessibility level 3 when this is introduced into Part M of the Building Regulations. The Council will use up to date evidence from its Homeseach Register and Sirona to determine the nature and tenure of the wheelchair units to be provided.

Secured by Design

3.1.53 Ideally developers will demonstrate that scheme layout, design and specification will achieve Secured by Design: New Homes 2014 requirements (<http://www.securedbydesign.com>). As a minimum, developers will be expected to deliver the affordable homes to meet the requirements of Section 2: Security of dwelling.).

Gardens and outdoor space

3.1.54 There is an expectation that all affordable homes of 2 or more bedrooms will have access to a secure, private garden. In flatted developments, appropriate communal outdoor space will be provided.

Flexibility in design

3.1.55 The Council welcomes the development of homes that are flexible in design and can adapt to changing household patterns. This may include house-type flats which could

convert to a family home and double bedrooms with potential to be split to deliver HQI compliant single rooms.

Occupation of Affordable Homes

- 3.1.59 Affordable housing delivered through Core Strategy policies may only be occupied by persons eligible for, and in need of affordable housing, who are unable to afford to buy or rent an appropriate property locally on the open market and who fulfil the criteria for affordable housing as laid out in the Council's Allocations Policy.

<http://www.homesearchbathnes.org.uk/NovaWeb/Infrastructure/ViewLibraryDocument.aspx?ObjectID=497>)

Bath & North East Somerset 'Homesearch'

- 3.1.60 The Council operates a Choice Based Lettings (CBL) system called Homesearch for the allocation of rented affordable housing. Intermediate housing products for sale, such as shared ownership, are currently allocated through the Help to Buy agent covering the West of England. 100% of initial lettings of rented affordable homes will be allocated through Homesearch and a minimum of 75% of all relets.
- 3.1.61 All initial and all resales of shared ownership or other low cost home ownership will be through the Help to Buy agent, Radian (www.helptobuysouth.co.uk) or any successor arrangements, to households who fulfil the occupancy criteria laid down in the Homesearch policy.

Sustainable Lettings Plans

- 3.1.62 Also known as Local Letting Plans, these are allocations plans specific to a development that address the complex lettings or sales issues that can affect a new development. Sitting under the broad requirements of the Homesearch Policy, these plans allow time limited restrictions or requirements on allocations that ensure the affordable homes on new developments are allocated to promote the creation of mixed communities. Developers will be required to work with the RP and the Council to consider if a sustainable lettings plan is an appropriate tool for allocating affordable homes on a new site.

Management Standards and Perpetuity Arrangements

- 3.1.63 The Council will require a mechanism to be in place to ensure that affordable housing remains affordable and available to those in housing need in perpetuity. The involvement of a Housing Association Registered Provider registered with the Homes and Communities Agency is the most effective way of developing a successful, well managed scheme that will ensure that the benefits of affordable housing are secured in perpetuity.

Working with a Registered Provider

HomesWest - B&NES Housing Partnership

- 3.1.64 The Council operates a partnership arrangement with RPs seeking to develop new affordable homes. This partnership is made up of approved Registered Providers who are committed to delivering good quality, well designed, sustainable, adaptable affordable homes in the District which meet strategic housing aims and fulfil excellent housing management standards. It is expected that Developers will engage with one of these partner RPs to deliver the affordable housing secured on a development. An up to date list of preferred RP partners can be provided on request from the Housing Enabling and Development Team

Delivering Homes outside of the B&NES Housing Partnership

- 3.1.65 If the developer has specific reasons to work with a different affordable housing provider, the Council acknowledges it cannot seek to prevent this. However, the chosen provider will first be invited to apply for a place on the HomesWest –B&NES partnership or must demonstrate that they can adhere to the Council’s minimum housing management standards relating to; housing income management; estate management; tenancy management; housing or specialist support, void property management and lettings; resident involvement; and maintenance. These are available on request.

Delivering affordable homes without an RP partner

- 3.1.66 Where a developer proposes to develop and manage the affordable homes without the involvement of a RP, planning obligations and a legal agreement must be signed to ensure nomination rights, occupancy controls other arrangements are in place to guarantee initial and subsequent affordability and compliance with housing management standards. Alternative providers will be expected to sign up to a non-partner housing agreement that stipulates the expected delivery standards for

housing development and management. Allocation of rented affordable homes will be through Homesearch and the developer will be expected to sign up to the adopted Homesearch Nomination agreement.[available on request]

3.1.67 There will be safeguarding clauses inserted into the S.106 and housing agreement which ensure alternative ownership / management arrangements will be secured in the event that the initial arrangements fail to meet expected standards or provider cannot continue to own or manage the affordable homes. Reversion to open market housing will not be considered as an acceptable alternative in the first instance and any agreement to allow this will be accompanied by payment of a commuted sum in accordance with the requirements of **Appendix 1**

3.1.68 The Council will reject *any* proposed alternative provider if it cannot be robustly demonstrated that they can meet the Council's required management and delivery standards.

Enabling Fees

3.1.69 An Enabling Fee (subject to annual review) will be incurred on each affordable housing unit delivered in Bath & North East Somerset and the wider West of England sub region. These fees are designed to help with the provision of an affordable housing enabling service, assisting with the financial, legal, social, economic and environmental objectives required to secure and maximise affordable housing delivery and additional services. Where it is agreed in the legal planning agreement that a Partner RP will deliver the affordable homes, the enabling fee will not form part of the S.106 agreement as this is already secured through partnership arrangements.

3.1.70 Enabling fees will become part of the Planning Agreement if a non-partner RP or developer / third party will deliver the affordable homes. They will be payable under the following terms:

- The fee is paid to the council on entering a building contract or at start on site by the developer, re-chargeable directly or indirectly by the organisation retaining ownership of the affordable housing unit.
- The fee is a non-qualifying cost in respect of any bid for public subsidy.
- The fee applies to all affordable housing units (i.e. including both rented and intermediate units, re-provision/ remodelling, extra care housing, rural housing, 100%

affordable housing sites, mixed tenure sites and those procured through S.106 negotiations and delivered either with or without public subsidy).

- The fees cannot be paid from HARP reserves which have been accumulated via Social Housing Grant (SHG) funded schemes such as Recycled Capital Grant Fund (RCGF).

3.1.71 The Council's Housing Enabling and Development Team will advise on the level of Enabling Fee payable at the time of development. Please also see the Council's Housing Services Charging Policy.

http://www.bathnes.gov.uk/sites/default/files/siteimages/Housing/Strategyandperformance/charging_policy_2014.docx

Securing affordable homes in perpetuity

3.1.72 The Council's intention is to provide affordable housing which is available for first and subsequent occupiers, in perpetuity, and will use appropriate clauses in the S.106 planning agreement to secure this.

Rented affordable housing

3.1.73 Rented affordable housing that is delivered without public subsidy is exempt from the requirements of the Right to Acquire. However, tenants in grant funded rented housing may exercise their legal Right to Acquire. In this case the Council will require that any net capital receipt is recycled towards the provision of additional affordable housing in Bath and North East Somerset.

Social Rented housing

3.1.74 RPs are under pressure from the Homes and Communities Agency to convert existing social rented homes to the Affordable Rented Tenure in order to generate a higher rental return and improve borrowing capacity to fund new affordable homes. The Council wishes to maintain the affordability of rented stock in the district and will seek to prevent rent conversion of new homes delivered through the planning system.

Intermediate housing

3.1.75 Intermediate housing may be lost as affordable housing through stair casing to full ownership. In order to be able to replace it, the Council will require net capital receipts to be recycled for the provision of additional affordable housing in the district.

There may be exceptional circumstances where the Council allows the stair casing receipts to be recycled into the existing scheme if it can be demonstrated that it will significantly improve affordability levels for purchasers in need of intermediate housing.

Mortgagee Protection

3.1.76 Whilst the council wishes to see the retention of affordable homes in the sector and will restrict opportunities for these homes to be lost to the market, it recognises that these restrictions make it difficult for the RP to bring private finance into the scheme through borrowing and prevent shared owners from mortgaging their property. An appropriately worded Mortgagee Protection clause will be allowed on all affordable housing schemes to ensure it will achieve the criteria required by banks and other lenders and is agreed by the Council.

Affordable Housing Led Development

3.1.77 Where a development is being brought forward for 100% affordable housing, or is affordable housing led with an element of open market housing proposed to cross-subsidise affordable housing delivery, it is acknowledged that strict adherence to the requirements of policy CP9 might be counter-productive to development.

3.1.78 This will be determined in discussion with the Housing Enabling & Development Team and Planning Officers and decisions to allow deviation from Policy CP9 will be made with regard to meeting strategic housing requirements.

3.1.79 Clauses in the S.106 agreement will be used to ensure that any waiver from CP9 requirements results in the delivery of the agreed housing outcomes. Fall-back clauses will be used to ensure developments will deliver, as a minimum, the requirements of this SPD should the proposed affordable housing scheme not proceed.

When On Site Provision cannot be achieved

3.1.80 There is a presumption towards the on-site provision of affordable housing. However, in exceptional situations where on-site provision is not proposed, the developer will need to provide the following:

- sound and detailed reasons why affordable housing cannot be provided on-site and/or

- sound and detailed reasons why affordable housing cannot be provided off-site in the vicinity of the proposal, and
- show how off-site provision or a commuted sum contribute to the creation of mixed communities in the local authority area
- It is recognised that delivering of affordable housing units arising from CP9 on small sites can be problematic and the use of commuted sums may be a pragmatic solution to ensuring policy compliance.

3.1.81 If the Council agrees that an off-site contribution is the appropriate delivery mechanisms to meet the affordable housing requirement, there are two options for consideration:

1) Development of affordable homes on an alternative site, delivery to be secured through planning conditions / s106 agreement. The formula provided in Appendix 1 will be used to determine the number of affordable homes to be delivered in lieu of on-site provision.

2) Payment of a commuted sum calculated in accordance with the formula found in Appendix 1. This sum will be paid to the Council at commencement of development, ring-fenced to support the delivery of affordable housing across the District and will not be time limited.

Delivering Affordable Homes in Rural Areas

3.1.82 The Core Strategy states:

Strategic Issues: Although rural Bath & North East Somerset is made up of a wide variety of settlements with locally distinctive character, there are a number of strategic issues (both challenges and opportunities) that are common across most of the rural area:

- Lack of affordable housing to meet local needs may impact on the social sustainability of the rural areas and exacerbate difficulties for an ageing population.

3.1.83 Supporting housing development that promotes both community and economic sustainability in rural areas is a key priority for the Council. Rural affordable homes can be delivered in Bath & North East Somerset through two routes:

- Rural Placemaking
- Exception site development

Rural Growth

3.1.84 The Core Strategy has established support for a limited amount of housing growth in the rural areas of Bath & North East Somerset which will be delivered through the Placemaking Plan.

3.1.85 Sites that come forward for development under the Placemaking Plan will be subject to all of the requirements of policy CP9.

3.1.87 Affordable Homes delivered under CP9 are NOT subject to the same, strict occupancy controls as homes delivered on rural exception sites, but the Council's Homeseach allocations policy does provide for a local connections approach to allocating the homes.

3.1.88 Particular scrutiny will be given to sites being brought forward under the Placemaking Plan to ensure that affordable housing thresholds are not being artificially avoided.

Delivery of rural affordable homes on Exception Sites

3.1.89 For villages that are not expecting growth through the Placemaking agenda, or where Placemaking does not deliver sufficient affordable homes to meet local need, the Council's exceptions policy can be used to deliver affordable homes. The rural exceptions policy allows the release of land that would not normally be used for housing for development of 100% affordable housing, on small sites and where there

is a demonstrated local need:

POLICY RA4: Rural Exceptions Sites

As an exception to other policies of the Development Plan, residential development of 100% affordable housing will be permitted provided that:

- a: it meets a demonstrated local need for affordable housing
- b: the housing remains affordable in perpetuity
- c: occupancy of the affordable housing would remain, as a first priority, for those with demonstrated local connections
- d: the development is in scale and keeping with the form and character of its location
- e: the development is well related to community services and facilities

A small proportion of market housing will be appropriate only where it can be demonstrated that the market housing is essential to cross-subsidise the affordable housing and that the site would be unviable without this cross-subsidy.

Role of the local community in exception site delivery

3.1.90 The Parish Council should be a key stakeholder in developing homes under policy RA4. There is a presumption that they will work very closely with the Council and housing provider on all aspects of delivery. The parish council may use a Neighbourhood Planning forum or other community group to be the key liaison point on affordable housing delivery.

Affordable Housing Provider

3.1.91 The Council's partner Registered Providers are considered the most appropriate developers of rural affordable housing. Other business and organisations may be able to provide the Council's expected housing development, management and allocations standards and will be considered for the development of rural affordable homes if this is supported by the Community.

3.1.92 The Council welcomes the creation of Community Land Trusts for the delivery of rural affordable homes (<http://www.communitylandtrusts.org.uk/home>)

Identifying Local Housing Need

3.1.93 Development of an exception site will only be supported where there is robust evidence of local housing need. The Council has developed its preferred approach to local housing surveys but other evidence may be considered to support exception site development including Neighbourhood Plans and information from the Council's Homesearch register. Tenure mix, unit sizes and scale of development will be dictated by the robust and timely evidence of local need.

Site identification

3.1.94 In accordance with national best practice, sites should be identified through a sequential approach which includes assessment of the economic, social and environmental impacts of development. The availability of land is a key consideration in prioritising potential exception sites. Where a sequential assessment of sites has been carried out as part of Placemaking, this will advise but not automatically replace site search process for affordable housing.

Cross subsidy

3.1.95 It is acknowledged that the levels of public subsidy available to deliver affordable housing are unlikely to allow the delivery of 100% affordable housing on exception sites. In order to ensure delivery, the council will support a small proportion of market housing where it can be *demonstrated* cross subsidy is required to fund the affordable housing units. There are no prescribed ratios for the number of cross-subsidy units but it is imperative that the majority of the scheme is affordable. Market units are *only* justifiable if they facilitate the delivery of the affordable units.

3.1.96 Developers are expected to consider the wider housing needs of the community when determining the nature of cross-subsidy units provided.

Scale of development

3.1.97 Exception site development should be appropriate in scale and character to its surroundings. The number of homes proposed will be determined in discussion with Planning and Housing Enabling taking firstly into account the level of housing need identified and then the need for any open market units to cross-subsidise delivery. The nature of the site, the size and sustainability of the settlement, as well as the views of the community, will all help influence the scale of exception site development. Developers should note that the council is unlikely to support an approach where housing numbers are based on the entirety of identified local need.

Local Occupancy Criteria

- 3.1.98 Exception sites are developed to meet the affordable housing needs of people with local connections to the parish. This includes residents of the parish or group of parishes, individuals with strong local links such as those having family in the parish or parishes, or who have lived there for a significant period or are employed in the area. Prioritisation of local connections will be agreed within individual S.106 agreements. The Council's Homesearch Register will be used for the allocation of all rented homes.
- 3.1.99 Shared ownership homes may be sold through the Help to Buy Agent for the region or directly by the housing provider.
- 3.1.100 Cross-subsidy units WILL NOT be subject to local occupancy conditions and will be available for sale or rent on the open market without restriction.

Perpetuity arrangements

- 3.1.101 Exception site development will only be permitted where the homes are made available as affordable homes for local people in perpetuity. Perpetuity arrangements will be secured in the S.106 agreement. There will be a requirement for a maximum shared ownership sale of 80% and the use of restrictive clauses in the S.106 agreement that prevent any disposal of the affordable housing units on the open market.
- 3.1.102 An appropriately worded Mortgagee in Possession clause will be allowed in order for both the affordable housing provider and any subsequent shared owners to secure housing finance from lenders.

Meeting wider affordable housing expectations

- 3.1.103 The developer is expected to meet the requirements on housing standards that apply to the delivery of affordable homes through policy CP9, with the exception of an automatic requirement for wheelchair units. This provision will be determined by local evidence of need.
- 3.1.104 Further detailed, guidance on the provision of affordable homes in rural areas is available from Bath & North East Somerset Council through:

- Neighbourhood Planning advice
- Placemaking Plan
- Housing Services Enabling & Development Team
- Other links / sign posting

3.2 Transport Infrastructure Works

Introduction and Policy Background

- 3.2.1 New transport infrastructure, or improvements to existing infrastructure, is often required to ensure that developments can be accessed in a safe and appropriate manner. In addition, appropriate transport infrastructure can play a vital role in delivering the Council's sustainability aims and reducing reliance on the private motor car.
- 3.2.2 The need for transport infrastructure works is recognised at paragraph 32 of the National Planning Policy Framework (NPPF) and throughout the Council's adopted Core Strategy. In addition, Manual for Streets 2 and the Design Manual for Road and Bridge works are relevant.

CIL vs S106

- 3.2.3 Where transport infrastructure works are of a strategic nature they will be included in the Council's Infrastructure Delivery Programme and Infrastructure /Regulation 123 list and will be delivered through other mechanisms including CIL. For works that are directly related to a particular development and are required on-site or close to the site, the developer will be required to enter into a Section 106 legal agreement to secure the works required.

Trigger for the Obligation

- 3.2.4 There is no trigger in relation to the need for transport infrastructure works, as it will be dependent on the development that is proposed. As such, requirements will be assessed on a case by case basis.

Level of Contribution

- 3.2.5 The level of the contribution will be dependent on the measures that are required to make the development acceptable in planning terms. As such, it is not possible to set a standard contribution. Developers are encouraged to engage with the Council's Highway Officers at an early stage in the development process to establish and agree any measures that are required. The Council will ordinarily require the developer to make a financial contribution in order that the required works can be delivered, however some works, such as new/revised junctions may be agreed to be carried out by the developer.

3.2.6 Two categories of required transport infrastructure have been identified;

- Access and local works
- On-site works, services or incentives

3.2.7 Each of these is considered in detail below.

Access and Local Works

3.2.8 All development, irrespective of size, must be capable of being accessed safely by vehicles, including public transport, pedestrians, cyclists and people with disabilities. To achieve this, the developer may need to carry out and/or fund on and off site works that are directly related to the development. The type of works secured under this heading may include:

- new junction/site access works for all modes;
- works for cycle, pedestrian and disabled facilities close to the site that provide a route for cyclists, pedestrians and the disabled into the site;
- traffic calming close to the site if there is a risk of the development generating unsuitable traffic on residential roads close by;
- parking controls in nearby streets where there is a risk of overspill parking from the development;
- individualised marketing projects to promote sustainable travel;
- commuted sums for maintenance of structures, drainage systems, traffic signals and enhanced paving materials;
- environmental improvements for the benefit of pedestrians

On-site works, services or incentives

3.2.9 On-site works, services and incentives required to encourage occupants of residential development to use more sustainable modes of travel to access local services may also be sought by planning condition and/or as part of a Section 106 Agreement. Measures to encourage visitors, employees and customers of non-residential development to travel by a means other than private car may also be sought as part of Section 106.

3.2.10 The type of works secured under this heading may include, on site cycle, pedestrian, disabled and public transport facilities travel plans (for employment/retail/educational developments, which may include matters such as car sharing, free bus passes,

interest free loans for cycle/bus pass purchase. Lockers, showers, provision of travel information, car park charging amongst other things) provision of travel information, cycles and free bus passes (in residential development).

Bond

3.2.11 Where the developer is required to carry out works on the public highway, the works will need to be supported by a Bond to cover the cost of the works.

Traffic Regulation Orders

3.2.12 A Traffic Regulation Order (TRO) will often be required where there is a requirement for highway infrastructure works as part of a development. The developer is expected to pay the cost of the TRO, which will be calculated on a case by case basis.

Further Information

3.2.13 For further information please contact the Council's Highways Department.

3.3 Public Transport

Introduction and Policy Background

- 3.3.1 Public transport is a key element of sustainable development and is recognised as such in the NPPF; West of England Joint Local Transport Plan 3 2011–2026 (JLTP3); emerging Bath Transport Strategy; and throughout the Council’s Core Strategy. The Council is committed to delivering and improving a comprehensive, district wide public transport network to reduce dependency on private motor car based travel which is acknowledged as being a key component in reducing carbon emissions and delivering sustainable development.

CIL vs S106

- 3.3.2 It is anticipated that the majority of public transport measures will be delivered through other mechanisms including CIL as they are strategic infrastructure projects. These projects will be included in the Council’s Infrastructure Delivery Plan and Regulation 123 list. However, there will be instances where public transport facilities are required to make a development acceptable in planning terms and are directly related to a particular development. Examples of this include the provision of a new bus service, bus stop or bus lane to serve a development. In these cases the developer will be required to enter into a Section 106 agreement to secure the provision of the required measures.

Trigger for the Obligation

- 3.3.3 There is no trigger in relation to the need for public transport measures, as it will be dependent on the development that is proposed. Public transport requirements will be assessed on a case by case basis. Where there is a requirement for public transport measures, the developer will be required to enter into a Section 106 agreement to secure the provision of the required measures.

Level of Contribution

- 3.3.4 The level of the contribution sought will be dependent on the measures that are required to make the development acceptable in planning terms. As such, it is not possible to set a standard contribution. Developers are encouraged to engage with the Council’s Highway Officers at an early stage in the development process to establish and agree any measures that are required. The Council will ordinarily require the developer to make a financial contribution in order that the required works can be delivered.

Further Information

3.3.5 For further information please contact the Council's Highways Department.

3.4 Green Infrastructure

Introduction and Policy Background

3.4.1 The Council's Green Infrastructure Strategy adopted March 2013 sets out the vision and requirements in respect of Green Infrastructure within the District and provides the detail to Core Strategy Policy CP7. The importance of green infrastructure is firmly embedded in the NPPF which states "Local Planning authorities should: set out a strategic approach in their local plans, planning positively for the creation, protection, enhancement and management of networks of biodiversity and green infrastructure".

3.4.2 In addition, the NPPF states that the planning system should contribute to and enhance the natural and local environment by 'minimising impacts on biodiversity and providing net gains in biodiversity where possible, contributing to the Government's commitment to halt the overall decline in biodiversity, including by establishing coherent ecological networks that are more resilient to current and future pressures.' By 2026 the Council and its partners will have worked with the community to achieve a well-used, managed, connected and expanding network of green infrastructure which provides a wealth of benefits for people, place and nature. The Council recognises that Green Infrastructure is a key element in delivering the following benefits and sustainable development within Bath and North East Somerset:

- Supporting healthy lifestyles and thriving communities
- Providing active access to the outdoors
- Enhancing landscape character and built heritage
- Enhancing biodiversity
- Supporting healthy ecosystems
- Providing climate change solutions
- Invigorating the local economy and natural tourism
- Enhancing sense of place

Triggers for the Obligation

- 3.4.3 Strategic green infrastructure will be delivered through a number of mechanisms including CIL. Developers are also required to have due regard to the Strategy, or any amended or replacement Strategy, when formulating development proposals to ensure that the aims of the Strategy are delivered at the local level. Green infrastructure should be central to the design of new developments. Proposals should respect and enhance green infrastructure within the site and demonstrate strong links to the wider network. Development proposals that do not address green infrastructure adequately are likely to be considered unacceptable. The impact of new development on green infrastructure will be assessed through the Development Management process and specific development management policies will be included in the Placemaking Plan.
- 3.4.4 Given that green infrastructure needs to be an integral part of development proposals, there is no specific threshold above which Green Infrastructure must be considered. Developers should engage with the Council at an early stage in the planning process to establish requirements in respect of their specific proposals.

Further Information

- 3.4.5 For further information please contact the Council's Environment Team.

3.5 Tree Replacement

Introduction

- 3.5.1 The Council requires trees of value to be retained and protected through the planning process and to be given due consideration on all developments. This should encourage developers to plant suitable numbers of replacement trees on site and in appropriate locations, but where this is not possible this policy provides a mechanism where replacement trees can be planted in a near-by location. Developers will be expected to demonstrate why on-site replacement is not possible or appropriate before off-site replacement is accepted. In this way the green infrastructure of the district can be maintained and enhanced hand in hand with development.
- 3.5.2 The advantages of this fixed number replacement system include the following:
1. It encourages trees to be protected on development sites.
 2. It ensures that trees lost as a result of development are adequately replaced on site or near the development site in all situations.
 3. Every development that impacts trees is likely to produce the information required to reach a value for compensation as a matter of routine (a measurement of the trunk diameter for the trees affected).
 4. It is quick and doesn't require the costs of employing experts.
 5. No specific training is necessary to use this system beyond the ability to identify if a tree has less than 10 years useful life expectancy.
 6. It is a system that is understood by most arboriculturists, developers, and planning officers which is a great strength in the context of planning application negotiations.
 7. It conforms to the Community Infrastructure Levy Regulations (2010) and developers can clearly understand how many trees will be planted for the money that they pay.
 8. The system has been developed and adopted by Bristol City Council and the adoption of this approach by B&NES Council provides some consistency for developers.
- 3.5.3 It is expected that developers will adopt a reasonable approach to the issue of tree replacement; however in the event that trees are felled prior to the submission of a planning application it will be possible for stumps to be measured and these measurements used to work out how many new trees need to be planted.

Policy Background

3.5.4 The justification for requiring obligations in respect of new or compensatory tree planting is set out in Policies CP6, CP7 and CP13 of the Council's Core Strategy. In addition, paragraphs 109 and 114 of the National Planning Policy Framework (NPPF); and the Council's Green Infrastructure Strategy and Green Space Strategy are relevant.

Trigger for Obligation

3.5.5 Obligations in respect of trees will be required:

- Where trees covered by categories A, B and C of BS 5837 (Trees in relation to construction) are removed as part of a development, and replacement planting is required on public land

3.5.6 Tree planting will either take place on open ground or in areas of hard standing such as pavements. Where planting can take place directly into open ground the contribution will be lower than where the planting is in areas of hard standing. This is due to the need to plant trees located in areas of hard standing in an engineered tree pit.

3.5.7 All tree planting on public land is to be undertaken by the Council to ensure a consistent approach and level of quality, and to reduce the likelihood of new tree stock failing to survive.

Level of Contribution

3.5.8 The contribution covers the cost of providing the tree pit (where appropriate), purchasing, planting, protecting, establishing and initially maintaining the new tree. The level of contribution is as follows:

Tree in open ground (no tree pit required) **£735.28**

Tree in hard standing (tree pit required) **£1,913.08**

3.5.9 The "open ground" figure will apply in the following circumstances:

- Where development results in the loss of Council owned trees in open ground
- Where development results in the loss of trees on the development site, and is unable to provide replacement tree planting on site.

3.5.10 In both these cases the Council will provide replacement tree planting in the nearest appropriate area of open space.

3.5.11 The “hard standing” figure will apply in the following circumstances:

- Where development results in the loss of Council owned trees in areas of hard standing.
- Where new tree planting in hard standing is required to mitigate the impact of development (for example street trees required as part of highway improvements).

3.5.12 In the first of these cases the Council will locate replacement tree planting in areas of hard standing as close as reasonably practical to the development site; and in the second of these cases the Council will implement tree planting in specific locations identified through the planning approval process.

The fixed number replacement

3.5.13 This fixed number replacement system is a non-expert system designed specifically for reaching an acceptable degree of compensation for the loss of trees as a result of new development. The number of replacement trees that it requires developers to plant is generated from a table based on the principle of more value being given to larger trees. When setting the criteria the aim was to develop a system that would replace canopy cover of the tree that is lost within 5-10 years whilst generating a level of compensation that is a fair and realistic outcome for tree replacements in a planning context. The system requires a maximum of eight trees to replace any tree lost as a result of development, which is considered to be the level of replacement provision to make development acceptable in planning terms.

3.5.14 The number of trees required to compensate for loss of existing trees depends upon the size of the trees to be lost. This is set out in the following table:

Table 3.5.A

Trunk Diameter of Tree lost to development (cm measured at 1.5 metres above ground level)	Number of Replacement Trees
Less than 15	0 - 1
15 - 19.9	1
20 - 29.9	2
30 - 39.9	3
40 - 49.9	4
50 - 59.9	5
60 - 69.9	6
70 - 79.9	7
80 +	8

3.5.15 The developer has the option to undertake on-site replacement planting themselves, in accordance with the Council's specification (this would involve opening up a tree pit and planting the tree to the specification). In these instances the developer would be required to pay a maintenance contribution to the Council to cover 15 years maintenance.

Further Information

3.5.16 Developers are expected to engage with the Council at an early stage of the planning process in relation to tree replacement and are therefore encouraged to contact the Council's Environment Team.

3.6 Adoption of On-Site Green Space, Allotments and Landscaping Schemes

Introduction and Policy Background

- 3.6.1 Whilst the Council expects that the majority of green space and allotment facilities will be delivered by CIL, there will be instances where on-site provision comes forward as part of a development. In addition, landscaping schemes that are secured by a Section 106 agreement will form part of a development in many cases.
- 3.6.2 Such facilities may be offered to the Council or its nominee (usually a Town or Parish Council) by a developer for adoption as Council owned and maintained provision. In principle the Council will adopt these facilities subject to a number of conditions, which are set out below.
- 3.6.3 The adoption of green space provision, allotment facilities and landscaping schemes is supported by Policy CP7 and Policy CP13 of the Council's adopted Core Strategy, the Council's Green Infrastructure Strategy adopted March 2013 and the Council's adopted Green Space Strategy.

Trigger for the Obligation

- 3.6.4 There is no trigger in relation to the adoption of the aforementioned facilities, as it will be dependent on the developer offering the particular facility to the Council for adoption.

Conditions to be met for adoption to be considered acceptable

1. The provision offered to the Council for adoption must, in the case of formal green space; natural green space; and allotment provision, be useable, and, in the case of landscaping schemes, be of high quality. There are no specific standards against which the Council will undertake this assessment, as it will be dependent on the individual site characteristics. As such, an assessment will be made on a case by case basis.
2. The provision offered to the Council for adoption must be maintained by the developer to the satisfaction of the Council for a period of not less than 12 months after being provided on site. In some cases this period may be extended

(e.g. if remedial works required prior to transfer are not completed within an agreed timescale).

3. The developer must pay to the Council a commuted sum to cover the cost of maintaining the provision for a 20 year period. The commuted sum payable will be dependent on the type of provision to be adopted and will be calculated in accordance with the following formulas:

- **Formal green space and landscaping schemes** = Amount of provision to be adopted in m² x £84.58
- **Natural green space** = Amount of provision to be adopted in m² x £23.90
- **Allotments** = Amount of provision to be adopted in m² x £19.96

The above rates will be increased annually in line with inflation.

3.6.5 The commuted sums set out above will be secured by a Section 106 legal agreement, which will include provision for the commuted sums to be indexed from the date that the Section 106 is signed to the date of payment.

Further Information

3.6.6 For further information please contact the Council's Parks and Estates Team or Environment Team.

3.7 Site Specific Targeted Recruitment and Training in Construction

Introduction

- 3.7.1 The B&NES labour market is relatively strong compared to the rest of the West of England, however there are issues with over 6,000 residents claiming out of work benefits and both average work place and resident wages below local, regional and national averages. There is also evidence which demonstrates a shortage of skilled construction workers both locally and nationally, which is putting pressure on the local labour market and could if not adequately addressed affect future development viability and delivery.
- 3.7.2 Construction can provide a stable and sustainable source of employment for B&NES residents and the potential to secure Targeted, Recruitment & Training opportunities in construction is essential to enable the labour market to remain buoyant and deliver a suitably trained work force to meet the sectors growing labour demand.

Policy Justification

National

- 3.7.3 NPPF states the LPA should “proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs.”(Para 17) Further to this “Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing”. (Para 20)

Local

- 3.7.4 B&NES Core Strategy POLICY SD1: “Presumption in favour of sustainable development” also states that ... “When considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework....It will always work proactively with applicants jointly to find solutions which mean that proposals can be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area.”
- 3.7.5 Core Strategy Objective 6 includes *promoting and delivering employment, training and regeneration opportunities that can contribute to a reduction in the health and social inequalities across the District*, and Core Strategy Objective 6e states that:

'Delivery of economic development will also be facilitated by the B&NES Economic Strategy, the Regeneration Delivery Plans and the Development Management process. Working alongside local communities and partners will be essential to deliver the ambitions of the Economic Strategy and developers may be asked to support the objectives of the Strategy through a Targeted Recruitment, Training and Supply-chain Protocol.'

3.7.6 Further to this the Council's Economic and Health & Wellbeing Strategies are also committed to tackling issues of worklessness, inequality and the effects that this can have on the health & wellbeing of residents, whilst also providing a sustainable supply of employment that is responsive to the areas needs.

3.7.7 These commitments are reflected in the Councils Planning Obligations SPD where Targeted Recruitment Opportunities in the construction phase of a development on-site are sought. A number of schemes across B&NES have already delivered planning obligations and with target outcomes for TR&T in construction, providing opportunities on site during the construction phase, example templates have been developed for both the heads of terms and on-site targets.

Trigger for Contribution

3.7.8 The Council will require developers to agree to contribute towards a Targeted Recruitment and Training (TR&T) target and contribution which will be applied on site during the construction of the specific scheme, where the proposed development* requires planning permission, and is above the following thresholds:

- Residential : 10 units of housing and above
- Non Residential /Commercial Premises over 1000sq m

3.7.9 Mixed use developments will also be included if either the residential or non-residential/ commercial elements exceed the thresholds above. *Development is considered to be both new build and change of use.

Targets & contributions

3.7.10 The TR&T outcomes and contribution are calculated using estimated costs of development with an aim of providing opportunities for at least 5% of the construction work force being a New Entrant Trainee (NET) These are adaptable to the scale, duration and nature of the development and are proportionate to the impact of the development.

3.7.11 The definition of a NET is a B&NES resident who is:

- a person leaving full-time education or training or the Council's Care Service, or a person who has left fulltime education / training / care and who the Council accepts as not having obtained permanent full-time employment in a job that is appropriate to their education and training; or
- a person who has been registered unemployed, or who is otherwise accepted by the Council as being non-employed, who is seeking a job with training and mentoring in order to re-access employment;
- a person that was a `new entrant trainee` prior to achieving their current or recent employment and who is accepted by the Council as requiring a further period of work and training in order to achieve accreditation and /or be able to operate in the labour market.
- a person undertaking a training or education course.

3.7.12 There are three distinct TR&T in construction outcomes defined for NETs as follows

Work Experience placements on site of no less than 16 hours per opportunity

- Apprenticeship starts on site
- New jobs created on site advertised through the Department of Work & Pensions (DWP) and filled by DWP clients.

3.7.13 The contribution is intended to support NETs entering into TR&T in construction

providing training, travel and equipment costs. These figures have been identified by B&NES together with the B&NES Learning Partnership. The breakdown of maximum anticipated costs are as follows:

- Work Experience - £150 per opportunity. This is provide any necessary training (CSCS card), work safety ware or travel expenses.
- Apprenticeship starts - £2000 per opportunity. This is to provide funds to support training and necessary work safety ware.
- New Jobs Advertised and filled with DWP - £150 per opportunity. This is to provide any necessary training (CSCS card), work safety ware or travel expenses, for those entering into employment.
- There are also set up and management costs, which are an additional 10% of the total contribution.

- Details of the site specific costs will be identified as part of the s106 heads of terms.

Contractors, sub-contractors and occupiers.

3.7.14 It is the developer's responsibility to take the steps to ensure that they obtain the cooperation of contractors and sub-contractors and the occupiers of buildings so as to enable the TR&T in construction outcomes to be met.

TR&T Method Statement & Management Board

3.7.15 It is a requirement of the developer to provide a method statement following a template and guidance produced in partnership with the B&NES Learning Partnership that will outline the delivery of the TR&T target outcomes. The developer will also be required to participate and contribute to a TR&T Management Board supported by the B&NES Learning Partnership that will have the overall responsibility of delivering the outcomes.

Further Information

3.7.16 Developers are expected to engage with the Council at an early stage of the planning process in relation to Targeted Recruitment and Training in construction and are therefore encouraged to contact the Council's Community Regeneration team.

3.8 Fire Hydrants

Background

- 3.8.1 Building regulations require major new development to be within 100m of a fire hydrant. The vast majority of development in Bath and North East Somerset is already within 100m of a fire hydrant, and therefore this obligation will only be occasionally required. However, there are areas, primarily around the fringes of the city and on undeveloped land, that are not within 100m of a fire hydrant. In these circumstances, Avon Fire and Rescue Service require the provision of a new fire hydrant in an accessible location within 100m of the development.
- 3.8.2 Avon Fire and Rescue Service are consulted on all major planning applications and they will notify the Council when a fire hydrant obligation is required.

Policy Background

- 3.8.3 The relevant section of the Building Regulations that require the provision of fire hydrants is Approved Document B – Fire Safety Volume 2 Part B5 (Access and facilities for the fire service), Section 15 (Fire mains and hydrants). The justification for requiring obligations in respect of the provision of fire hydrants is set out in Policy CP13 of the Council's Core Strategy.

Trigger for Obligation

- 3.8.4 Obligations in respect of Fire Hydrants will be required where both the following criteria apply:
- Where the development is for 10 or more dwellings or in excess of 1,000 m² of commercial floor space; and
 - Where the development will be erected more than 100m from the nearest existing fire hydrant.

Level of Contribution

- 3.8.5 The Avon Fire and Rescue Service have calculated the cost of installation and five years maintenance of a fire hydrant to be £1,500 per hydrant.

Trigger for Payment

- 3.8.6 The provision of a fire hydrant is essential for safety reasons, and therefore where a new hydrant is required it must be operational prior to the occupation of the relevant development. In order to enable Avon Fire and Rescue Service to arrange installation of the new hydrant prior to occupation, the contribution will be required upon commencement of the development.

3.9 **Education Facilities**

Policy Background

3.9.1 The policy justification for requesting planning contributions for Children’s Services flows down from ‘The Schools White Paper: Higher Standards, Better Schools For All’, the ‘14-19 Education and Skills White Paper’ at national/regional level and the Bath & North East Somerset Core Strategy Policy CP13, and the National Planning Policy Framework.

Trigger for Obligation

3.9.2 The Core Strategy facilitates five urban extension sites as follows:

Policy B3A	Land adjoining Odd Down	300 homes
Policy B3C	Extension to MoD Ensleigh	120 homes
Policy KE3A	Keynsham East	220 – 250 homes
Policy KE3B	Keynsham South West	180 – 200 homes
Policy RA5	Whitchurch	200 homes

3.9.3 The urban extension developments result in the capacity of local primary schools being exceeded, therefore contributions are required to make either on-site provision or financial contributions towards primary school places.

3.9.4 The type of provision required:

- **Primary School Provision**

Where additional school capacity is required in the area of the development. The determination of whether or not there is sufficient school capacity available in the school or schools that serve the area of the development will be made with reference to the current school capacity figures and Planned Admission Numbers, and to a projection of future pupil numbers based on current numbers on roll, births and resident population data as outlined in the published School Organisation Plan. Projections will also be adjusted to include pupils calculated to be generated from previously approved developments.

What Developers Will Have to Provide

3.9.5 Where an existing off-site primary school is to be extended or upgraded, the cost per place multiplier including Location Factor will be used to calculate a contribution.

Where the development creates a requirement for a new on-site school, the developer will be expected to pay the full cost of construction, including design fees and charges, furniture and equipment and provide the site free of charge, as the cost per place multiplier is based only on the average of new build costs and extension costs and not the full cost of building new whole schools. In certain instances the combined effects of up to 5 development proposals create a requirement for a new school to serve developments, developers will be expected to contribute to the land and the full cost of building new whole school as proportionate to each development.

The space and accommodation requirements will be calculated by reference to the maximum areas as outlined in the latest DfE school area guidelines. The specification will also need to comply with current Council design, build and space requirements, meet best practice for the type of school and Government advice on design and environmental issues. This would also apply if it was agreed that the developer could provide the additional accommodation in kind rather than make a financial contribution.

- 3.9.6 A formula is set out for the calculation and the following paragraphs and tables provide a breakdown of the expected planning obligations costs the developer will in most cases have to meet. The elements in the formulae below will be subject to annual review in line with government guidance and where new or updated information becomes available from relevant government or Council departments that update current use values or cost indicators, the Council will make amendments to levels of contribution on this basis.
- 3.9.7 The cost per place multiplier is based on the assessment made by the Government of the cost of building a primary school place in 2008-09, updated by applying the latest Royal Institute of Chartered Surveyors (RICS) Building Cost Information Service (BCIS) All-in Tender Price Index. Also the DfE issue a Location Factor for each Local Authority which is derived from the Building Cost Information Service (BCIS) run by the Royal Institute of Chartered Surveyors (RICS). This Location Factor is applied to the cost per place multiplier to arrive at the cost of providing a place in Bath and North East Somerset. This multiplier will be reviewed annually and may be updated every financial year.
- 3.9.8 The current cost per place multiplier that will be used when calculating contributions is as follows:

Table 3.9.A

Primary School per place	£11,810.00
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3.9.9 The current DfE Location Factor for Bath and North East Somerset is as follows:

Table 3.9.B

Location Factor	1.08
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3.9.10 Therefore the current cost per place multiplier (including Location Factor) that will be used when calculating contributions is as follows:

Table 3.9.C

Primary School per place	£ 12,754.80
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3.9.11 The Council will be notified of the proposed mix of dwellings in the development and the following pupil yield figures based on type of dwelling and number of bedrooms will be used to calculate the contribution:

Table 3.9.D

	No. of bedrooms					
	Flats		Houses			
	2	3+	2	3	4	5+
Primary pupils per 100 dwellings	4	30	9	30	46	65

3.9.13 Where the precise housing mix is not known the following will apply:

31 primary school pupils per 100 dwellings

3.9.14 Bed sits, temporary housing and any dwellings designated for restricted use such as student accommodation, sheltered housing for the elderly or adults with learning difficulties etc. would not normally be expected to contribute as the number of children generated would be marginal or nil. All other new dwellings of 2 bedrooms or more will be included in the calculations.

3.9.15 The following table shows the contribution per dwelling:

Table 3.9.E

	No. of bedrooms					
	Flats		Houses			
	2	3+	2	3	4	5+
Primary per dwellings	£510.19	£3,826.44	£1,147.93	£3,826.44	£5,867.20	£8,290.62

3.9.16 All capital sums will be indexed from signature of the Section 106 agreement or Unilateral Undertaking up to the payment date using the RICS BCIS All-In Tender Price Index.

3.9.17 Developer contributions are required to be made in full prior to or on commencement of development.

Substantial Residential Development (generally in excess of 300 units)

3.9.18 Apart from primary school provision required for urban extensions, improvements and expansions to schools will be funded through CIL rather than planning obligations. However development proposals of in the region of 300 or more residential units may come forward that may generate a need for a new education facility due to the increase in the resident population resulting from the development.

3.9.19 In such cases, the provision of a new education facility will be required through planning obligations, as the infrastructure is required to specifically mitigate the impact of the development. The assessment of whether these facilities are required will be based on the following:

- A new education facility will be required if the development will generate sufficient children to necessitate its provision and if the Council can demonstrate that the children generated by the development cannot be provided for within existing educational accommodation in the local area.

Further Information

3.9.20 For further information please contact the Council's Schools Capital and Organisation Team.

3.10 Other Site Specific Measures

3.10.1 Other site specific measures may be necessary and planning obligations including the following areas may also be sought. Requirements will be assessed on a case by case basis. It is recommended that applicants and developers engage with the Council at an early stage to determine if their specific proposal will result in a requirement for obligations such as;

- Sustainability
- Waste and Recycling
- Public Realm including funding of Legible Signage
- Drainage and flood risk mitigation measures
- Ecological measures where a development has an adverse impact on local habitats and ecology, or the provision of alternative habitats to compensate for any loss
- Improvements to and the mitigation of adverse impacts on the historic environment

Policy Background

3.10.2 The justification for requiring obligations in respect of site-specific measures is set out in Policy CP 13 of the Council's Core Strategy.

Trigger for Obligation

3.10.3 Site Specific obligations could be required from any development type, irrespective of size, and consequently there is no threshold below which an obligation will not be required. The determining factor is whether the development creates an impact that requires mitigation.

APPENDICES

Appendix 1 (Affordable Housing): Options in lieu of on-site delivery of affordable homes

To be finalised through delegated arrangements

Appendix 2 (Affordable Housing) Housing our Ageing Population

Housing our Ageing Population: Plan for Implementation

'Housing for older people should become an exemplar for mainstream housing, and meet higher design standards for space and quality. Local Planning Authorities should play a key role to ensure delivery of desirable housing in great places, tuned to local need and demand.' (HAPPI12)

The All Party Parliamentary Group on Housing and Care for Older People published *Housing our Ageing Population: Plan for Implementation* (also known as HAPPI2) in November 2012. In addition to some of the elements highlighted above, the HAPPI2 guide also identified ten elements that were critical to achieving “age-inclusive” housing. These were:

- Generous internal space standards:
- Plenty of natural light in the home and circulation spaces:
- Balconies and outdoor space, avoiding internal corridors and single-aspect flats:
- Adaptability and “care aware” design which is ready for emerging assistive technologies:
- Circulation spaces that encourage interaction and avoid an “institutional feel”:
- Shared facilities and community hubs where these are lacking in the neighbourhood:
- Plants, trees and the natural environment:
- High levels of energy efficiency, with good ventilation to avoid overheating:
- Extra storage for belongings and bicycles:
- Shared external areas such as “home zones” that give priority to pedestrians.

The full HAPPI report can be found here:

http://www.homesandcommunities.co.uk/sites/default/files/happi_final_report_-_031209.pdf

Appendix 3 Necessary Elements for future Extra Care developments

The Council wishes to see Extracare development that reflects national best practice, ensuring that the housing provision will also be appropriate to meet the social, mobility and care needs of the growing number of vulnerable older people in the District.

Table 3A - Extracare Standards

1. Dwellings	Essential	Desirable	Commentary
Minimum size of dwellings:			The desirable dwelling size standard is based on <i>Design principles for extra care</i> (Housing LIN factsheet 6). The minimums reflect current standards in some private sector retirement schemes.
One bed for 2 persons	50m ²	54+m ²	
Two bed for 3 persons	60m ²	68+m ²	
Mix of one and two bed properties	x		
Some three bed properties		x	
Minimum scale 45-50 dwellings		x	
Must be self-contained	x		
Including an adaptable kitchen appropriate for the client group	x		
2. Standards	Essential	Desirable	Commentary
Registered Provider follows HCA standards	x		Care Standards Act 2000 does not apply to extra care despite the care element of extra care schemes having to register with the CQC.
Lifetime home standards	x		
Design Principles for extra care (Housing LIN factsheet 6)		x	
Compliance with the 10 HAPPI principals			See below*
3. Facilities			
Communal lounges	x		The range of facilities will be more extensive the larger the development and should also complement what else is available in the near community. This is not an exhaustive list but reflects what has been developed/provided in other schemes
Restaurant/dining room	x		
Tea/coffee making area	x		
Activity/hobby rooms		x	
Communal WCs	x		
Assisted bathroom	x		
Hairdressing/beauty therapy	x		
Informal seating space		x	
Scooter store	x		
Car Parking	x		
Manager's office	x		
Care staff office	x		
Staff rest room including changing/lockers		x	
Guest room with en-suite		x	
Laundry (if no washing machines in flats)	x		
Catering kitchen		x	
Cleaners storage	x		
General storage		x	

Lift/motor room	x	x	A lift is essential if housing complex is spread over more than one floor.
Refuse store/bin room	x		
Shop, gym, library, IT room, cinema		x	
Treatment/therapy room		x	
4. Care and Support	Essential	Desirable	Commentary
24 hour on site care	x		Due to the unpredictable nature of need in extra care settings, it is more viable for one care provider to operate within a “scheme” although this may not be practicable if a resident is insistent on retaining an established care arrangement.
Emergency alarm	x		
Door opening and CCTV	x		
Assistive Technology personalised		x	
Environmental sensor	x		
Meals provision	x		
Catering standard kitchen		x	
Culture that promotes independent living but discourages social isolation	x		Although meals need to be provided, it is not essential that these are produced on site.

*The All Party Parliamentary Group on Housing and Care for Older People published *Housing our Ageing Population: Plan for Implementation* (also known as HAPPI2) in November 2012. In addition to some of the elements highlighted above, the HAPPI2 guide also identified ten elements that were critical to achieving “age-inclusive” housing. These were:

- Generous internal space standards:
- Plenty of natural light in the home and circulation spaces:
- Balconies and outdoor space, avoiding internal corridors and single-aspect flats:
- Adaptability and “care aware” design which is ready for emerging assistive technologies:
- Circulation spaces that encourage interaction and avoid an “institutional feel”:
- Shared facilities and community hubs where these are lacking in the neighbourhood:
- Plants, trees and the natural environment:
- High levels of energy efficiency, with good ventilation to avoid overheating:
- Extra storage for belongings and bicycles:
- Shared external areas such as “home zones” that give priority to pedestrians.

A proportion of units within extra care schemes must be suitable for wheelchair use. The *Wheelchair Housing Design Guide – 2nd Edition* (2006) written by Stephen Thorpe and the Habinteg Housing Association highlighted the following standards in relation to the design of lifetime properties for wheelchair users. These standards include:

Table 3B

	Minimum standard
Landing/Entering property	
Gradient inside buildings	No more than 1:20
Landings outside front door	1500mm by 1500mm
Door widths	At least 800mm*
Door handle height	Between 900 and 1000mm from the floor
Door lock	Between 800 and 900mm from the floor
Inside flat - hallway	
Entry phone	1000mm from the floor
Front door "swing"	1200mm*
Postbox	Letter cage fitted as standard
Passageway width	At least 900mm*
Kitchen	
Storage units - height	Between 300 and 1500mm
Storage units - depth	No more than 300mm
Worktops and sinks - height	Between 750 and 910mm
Worktops and sinks - depth	No more than 650mm
Turning spaces	1100mm throughout the flat Therefore, this space needs to be allowed within all areas to enable turning capacity for wheelchairs

*Consistent

throughout

housing

uni

Bath and North East Somerset Council

DRAFT

**Planning Obligations Supplementary Planning Document
Regulation 12(a) Report of Consultation and Consultation
Statement**

**Statement of Compliance with the Neighbourhood
Planning Protocol**

January 2015

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Appendix 1 Summary of key issues and Council's responses

Appendix 2 Schedule of Modifications to the Planning Obligations SPD

1.0 Background

- 1.1 This report sets out the consultation that took place in the lead up to and during public consultation of the Bath and North East Somerset Council (B&NES) Draft Planning Obligations Supplementary Planning Document SPD (in this document referred to as the Draft SPD) between 24th July and 18th September 2014, and reviews the consultation responses received, the number of representations made, and a summary of the main issues raised by the representations.
- 1.2 This document has been prepared in accordance with the Town and Country Planning (Local Planning) (England) Regulations 2012 which requires that Local Authorities set out the persons the local planning authority consulted when preparing the supplementary planning document, a summary of the main issues raised within the consultation responses, and how those issues have been addressed
- 1.2 This document complies with the Council's Neighbourhood Planning Protocol which indicates that the following documents will be made publicly available:
 - Comments made during the consultation will be available for public inspection and available online.
 - A consultation report, for each key stage in the preparation of a local policy document which sets out who was consulted, how they were consulted, a summary of the main comments received and how these have been addressed (this current document)
 - A statement of compliance to the Neighbourhood Planning Protocol (see section 4).
- 1.3 The consultation on the Draft SPD was taken following the adoption of the Bath and North East Somerset Council Core Strategy in July 2014. The SPD provides additional guidance on the interpretation of Core Strategy Policies in particular CP9 and CP13 highlighting how the policy will work in practice.
- 1.4 Once adopted, the new Planning Obligations Strategy SPD will replace the Council's current Planning Obligations SPD (2009).
- 1.5 The intention is that this SPD will help all parties involved (such as the Council, developers, landowners and registered providers) deliver infrastructure to support new development.
- 1.6 The draft SPD has been prepared in consultation with the Council's Development Management team, Housing Services, the Highways Department, Environment Team, Economic Development team and Education Services and external organisations such as Avon Fire and Rescue.

1.7 The Council's Registered Providers were consulted on emerging proposals for affordable housing delivery, tenure, design and standards and as part of ongoing policy development throughout the formal SPD consultation process.

2.0 Public Consultation

2.1 The Council's Cabinet approved the draft SPD for public consultation on 16th July 2014 and Public Consultation was held in parallel with the Draft CIL Charging Schedule between 24th July and 18th September 2014.

2.2 Notification of the draft SPD consultation was emailed to:

- Statutory Consultees including adjoining Local Authorities and all Parish and Town Councils
- Local Development Framework database contacts including individuals, developers and agents.

2.3 A public notice was displayed within the Bath Chronicle, the Western Daily Press and the Midsomer Norton, Radstock and District Journal on 24th July 2014.

2.4 Hard copies of the draft SPD were made available in all libraries including mobile libraries in the district and in the Council One Stop Shops in Bath; Riverside, Keynsham and the Hollies, Midsomer Norton.

2.5 A comments form was made available for consultation responses. Comments were requested in writing to 'Community Infrastructure Levy, Planning Policy, Bath and North East Somerset Council, PO Box 5006 Bath BA1 1JG' or by email to cil@bathnes.gov.uk.

2.6 An introduction to the Draft Planning Obligations SPD together with the Community Infrastructure Levy, with links to the supporting viability and infrastructure evidence was made publicly available on the Bath & North East Somerset Council website with a direct web link to the page - www.bathnes.gov.uk/CIL.

2.8 An email address and contact telephone number was provided on all the consultation material and the website, for those who wanted to ask questions and seek further information. The Council's first point of contact, Council Connect, was briefed so that they could respond to general enquiries about the consultation thus allowing more detailed queries to be dealt with by members of the Planning Policy team.

3. Summary of Responses to the Consultation

3.1 The Council received a total of 30 responses to the consultation from the following stakeholders.

The Respondents to the Draft Charging Schedule are set out below:

Rep No	Date Received	Respondent Name	Respondent/ Organisation	Agent
SPD/01	15/8/14	Rachael Bust, Chief Planner	The Coal Authority	
SPD/02	3/9/14	Anthony Ross Planning Advisor	Theatres Trust	
SPD/03	5/9/14	Sean Walsh Asset Manager	Highways Agency	
SPD/04	11/9/14		Curo Enterprises Ltd	Peter Roberts, Barton Willmore
SPD/05	16/9/14	Garry Parsons	Sport England	
SPD/06	17/9/14	Jane Hennell Area Planner	The Canal and River Trust	
SPD/07	17/9/14	Ralph Butt	Morris & Co LLP	
SPD/08	17/9/14	Amanda Grundy	Natural England	
SPD/09	18/9/14	David Newton	Kersfield Developments	
SPD/10	18/9/14	Alastair Gibson	Charlecombe Homes Ltd	
SPD/11	18/9/14	David Halewood	Colston & Colston Chartered Surveyors	
SPD/12	18/9/14	Francine Watson	Knight Frank LLP	
SPD/13	18/9/14	Ian Walker	CaSa Architects Ltd	
SPD/14	18/9/14		SW HARP Consortium	Felicity Tozer, Tetlow King
SPD/15	18/9/14	Simon Coles	Keep Architecture	
SPD/16	18/9/14		Sainsbury's	Sarah Hawkins, WYG
SPD/17	18/9/14	Andrew Given	Goughs Solicitors	
SPD/18	18/9/14	Mr C Mackenzie	Designscape Architects	
SPD/19	18/9/14	Ian McMurtry	Swinhay Ltd	
SPD/20	18/9/14	Peter Hibbert	Affordable Housing Solutions	
SPD/21	18/9/14		IM Properties	Rebecca Collins, GVA
SPD/22	18/9/14	Andy Reading	Environment Agency	
SPD/23	18/9/14	John McQueen	McBallester Ltd	
SPD/24	18/9/14		Housebuilder and Developer Consortium	Ian Stevens, Savills
SPD/25	18/9/14	Ken Hopkins	Mactaggart and Mickel	Tom Roche, Roche Associates Ltd
SPD/26	18/9/14	Simon Hawketts	Intelligent Property	
SPD/27	18/9/14	Jane Lewis Town Councillor	Midsomer Norton Town Council	
SPD/28	26/9/14	Gavin Davis	Shepperton Builders Ltd	
SPD/29	19/9/14	David Redgewell	South West Transport Network Rail Futures	
SPD/30	22/9/14	Rohan Torkildsen	English Heritage	

3.2 In line with the Council's Protocol, the representations can be found on the B&NES website www.bathnes.gov.uk/cil. A summary of the main issues raised by the representations is at Appendix 1 of this report.

4.0 **Modifications to the Planning Obligations Supplementary Planning Document**

A schedule of modifications to the consultation draft SPD is set out at Appendix 2. The page numbers and paragraph numbers within the schedule are referenced from the consultation version Draft Supplementary Planning Document and do not reflect the final version for adoption.

5.0 **Statement of Compliance with the Neighbourhood Planning Protocol**

5.1 This consultation report forms the Statement of Compliance to the Neighbourhood Planning Protocol. Details of consultation undertaken, a summary of key issues raised and the Council's response are included in the Report in line with the Neighbourhood Planning Protocol.

Appendix 1: - Summary of key issues and Council's responses

Issue	Council's Response
<p>General Supports document - particularly in clarifying the role of S106 and CIL</p> <p>Concern regards viability of developments and the overall level of planning obligations required.</p>	<p>Support Noted</p> <p>The Council has been careful to ensure that the combined total impact of such requests alongside CIL does not threaten the viability of the sites and scale of development identified in the development plan. The viability was tested through the CIL process.</p>
<p>Affordable Housing Question whether blanket policy approach to affordable housing percentages - meets the statutory tests for use of planning obligations</p> <p>Concern re policy on affordable housing requirements for small sites of 5-9 dwellings or 0.25ha – whichever is the lower. The proposed mechanism for commuted sum payments is flawed. Suggests Bassetlaw District Council commuted sum formula.</p> <p>Affordable rent should only be used when a lower number of social rent homes are to be provided, for example on complex or unviable sites. Supports limiting rent payments to the Local Housing Allowance, including service charge but excluding utilities.</p>	<p>The affordable housing requirements are set out in the Core Strategy which was approved through the examination process. SPDs cannot change existing policy.</p> <p>PPG revisions have removed the ability of the Council to secure affordable housing fully in accordance with Policy CP9 on small sites. The Council will now seek to secure a financial contribution on sites delivering between 5 and 10 homes if applicable: A stakeholder workshop has been arranged to discuss the proposed commuted sum formula.</p> <p>The SPD states that in high value areas affordable housing costs can be excessive. For all affordable rented tenures, the total housing cost (including service charges) for the tenant should not exceed the appropriate Local Housing Allowance (LHA) set by the National Valuations Office</p>
<p>Suggest proposals for shared ownership should reflect the cost of accessing the lower quartile private rented market in the "locality" not "District". This will ensure that access will be equitable.</p>	<p>Noted. Text amended to "the total housing cost of accessing the lower quartile private rented market locally taking into consideration the overarching 25% income test for affordability.</p>

<p>Concern regarding affordable housing mix reflecting market housing mix, and viability of affordable housing development standards, lifetime homes and wheelchair homes.</p>	<p>The SPD reflects Core Strategy policy CP9 which states that the mix of housing should contribute to providing choice in tenure and housing type, having regard to the existing mix of dwellings in the locality and the character and accessibility of the location.</p> <p>The Council has been careful to ensure that the combined total impact of such requests does not threaten the viability of the sites and scale of development identified in the development plan. Notwithstanding this, the Core Strategy Policy CP9 accepts that viability is a consideration.</p>
<p>Concern re proposed maximum service charge.</p>	<p>Policy CP6 of the Core Strategy requires high quality and inclusive design in all developments and refers to the Building for Life 12 design assessment tool</p> <p>Noted. Text amendments made in response "<i>This does not include RP management charges for Social Rented Units</i>". <i>On developments with significant communal space, lifts or other exceptional services requiring high, on-going charges, Developers and RPs are encouraged to consider capitalising the service charge element to ensure annual service charges can be capped at the above rates.</i>"</p>
<p>Challenge the statement that Extra Care (C3) is not specifically considered as an affordable tenure. This type of accommodation can be provided as affordable accommodation.</p>	<p>Noted. Text amended for clarification to: "<i>Extra Care housing (use class C3) is NOT specifically considered as an affordable housing tenure, although Extracare Housing can be brought forward as social rent, ART or as low cost home ownership. Developments for Extracare Housing will be subject to Core Strategy Policy CP9.</i>"</p>
<p>Transport Infrastructure Works Support the Council's approach to Transport Infrastructure Works.</p>	<p>Support noted.</p>
<p>Green Infrastructure, Open Space and Sports Facilities Supports the Green Infrastructure section of the SPD including the recognition that GI will be integral to development proposals.</p>	<p>Support noted.</p>
<p>Concerned about the potential lack of mitigation of existing green infrastructure including waterways.</p>	<p>The SPD refers to the Council's Green Infrastructure Strategy. The Core Strategy states that proposals should respect and enhance green infrastructure within the site and demonstrate strong links to the wider network.</p>
<p>Concern regarding potential overlap between Regulation 123 list</p>	<p>CIL will fund specific green space requirements identified in the Green Space</p>

<p>and Section 106 in relation to provision of public open space.</p> <p>Challenge the requirement to cover the management cost of provision for a 20 year period.</p> <p>Request that sports facilities are considered strategically and linked to developments, ie funded by s106</p>	<p>strategy. Major development sites including urban extensions will be expected to provide open space provision to mitigate the impact of development.</p> <p>Circular 2005/05 states at B18. Where contributions are secured through planning obligations towards the provision of facilities which are predominantly for the benefit of the users of the associated development, it may be appropriate for the developer to make provision for subsequent maintenance (i.e. physical upkeep). Such provision may be required in perpetuity.</p> <p>Only site specific provision to mitigate the impact of the new development can be sought through the s.106. General sports, recreational, and play infrastructure are identified as types of infrastructure to be funded by CIL.</p>
<p>Tree Replacement Support tree replacement policy.</p> <p>Challenge the request for a contribution to tree replacement, on public land. This requirement should be applied on a discretionary basis.</p>	<p>Support noted.</p> <p>The SPD states that Developers will be expected to demonstrate why on-site replacement is not possible or appropriate before off-site replacement is accepted. The system is a simple transparent approach which all parties can understand.</p>
<p>Targeted Recruitment and Training & Mitigation, The emerging SPD should allow for circumstances where training schemes are in place to avoid a developer paying twice.</p> <p>Planning obligations should ensure the mitigation of impacts associated with a proposed development, not the impact of the loss of a use.</p>	<p>The SPD states that if a developer provides a TR&T programme that delivers the NET outcomes in the volume required then the Council would not seek a TR&T contribution. The Council would need to ensure a satisfactory agreement is in place.</p> <p>Noted. This contribution is removed from the requirement.</p>
<p>Fire Hydrants This is an issue for Building Regulations and not for an SPD.</p>	<p>The Fire and Rescue National Framework sets out the Government's expectations of fire authorities for reducing and managing community risk through proactive prevention and protection.</p>
<p>Education The provision of land for a new school, in addition to costs of building the school and the costs of CIL does not comply with</p>	<p>Noted. The SPD original text referred to where a new school is required by one development. Additional text is added to clarify where a new school is</p>

<p>the planning obligations tests. The SPD must state that B&NES will fund the capital cost and land for any surplus need not generated by the proposed developments.</p>	<p>required by a number of developments (up to 5 developments).</p>
<p>Other Site Specific Measures Request reference to site level flood risk infrastructure as well as drainage</p> <p>Benefits of heritage issues in respect of viability of development should be taken into account, and opportunities for funding recognised.</p>	<p>Noted. The list of other site specific measures has been amended to take account of this.</p> <p>Comments noted. The list of other site specific measures has been amended to include improvements to and the mitigation of adverse impacts on the historic environment</p>
<p>Community Facilities Request that the SPD be amended to allow planning obligations to continue to deliver community and cultural facilities infrastructure such as theatres.</p>	<p>In all cases, the local planning authority must ensure that the obligation meets the relevant tests for planning obligations in that they are necessary to make the development acceptable in planning terms, directly related to the development, and fairly and reasonably related in scale and kind. Social and cultural facilities are identified on the Council's Draft Infrastructure List (Regulation 123 list), as types of infrastructure that the Council may apply CIL revenues to.</p>

Appendix 2

Bath and North East Somerset Council draft Planning Obligations SPD Schedule of Proposed Changes

Proposed Change Ref	Page no Draft SPD	Original draft SPD Reference	Proposed Change	Reason for change
PC001	Cover page	Note text	Delete.	The prices incorporated will be updated according to the index at publication.
PC002	Contents	3	<u>Site Specific Targeted Recruitment and Training & Mitigation in Construction</u>	Mitigation contribution is deleted.
PC003	Executive Summary	7 th bullet	Amend to <u>Site Specific Targeted Recruitment and Training & Mitigation in Construction</u>	Mitigation contribution is deleted
PC004	1	1.1.1	Amend 7th bullet to "The SPD replaces the previous version, which was adopted July 2009, and also <u>Appendix C of the Bath Western Riverside SPD (March 2008)</u> ,"	Mitigation contribution is deleted.
PC005	2	1.3.1	Amend 7th bullet to "The SPD replaces the previous version, which was adopted July 2009, and also <u>Appendix C of the Bath Western Riverside SPD (March 2008)</u> ,"	Mitigation contribution is deleted
PC006	3	2.12 and 2.13	Delete paras 2.1.2 and 2.1.3 2.1.2 From April 2015, the date on which a CIL Charging Schedule is adopted, it will be possible for B&NES Council to seek planning obligations for strategic infrastructure using the existing Section 106 mechanism. For this reason the tariff based approach set out in the Council's previous Planning Obligations SPD adopted July 2009 will no longer fit for purpose. 2.1.3 In addition, the CIL Regulations require that Section 106 contributions cannot be pooled from more than five developments to provide new infrastructure, with the exception of Crossrail.	Para 2.1.2- 2.1.5 cover this point.
PC007	4	2.1.7	As discussed earlier, this SPD provides the detail to Policy CP13 of the Council's adopted Core Strategy. As such, given that the Core Strategy has been found to be sound by the Examination Inspector, and therefore in conformity with the NPPF, it is clear that this SPD is also in conformity with the NPPF.	Not necessary. Repeats statement in Introduction
PC008	9	3.1.3	Add at end of paragraph up to 2029	For added clarity.

PC009	12	Table	Amend Bath North and East BA11 7 to BA1 7	Correction
PC010	13	Table 3.1.A	Amend first column Discounted Market / Shared Equity	For clarification
PC011	12	New Section after Table indicating affordable housing percentages	<p>The Planning Policy Guidance Amendments (November 2014)</p> <p>3.1.9A PPG revisions have removed the ability of the Council to secure affordable housing fully in accordance with CP9 on small sites. http://planningguidance.planningportal.gov.uk/blog/guidance/planning-obligations/planning-obligations-guidance/</p> <p>PPG Paragraph 12 states that;</p> <p>There are specific circumstances where contributions for affordable housing and tariff style planning obligations (section 106 planning obligations) should not be sought from small scale and self-build development.</p> <ul style="list-style-type: none"> contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm in designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less. No affordable housing or tariff-style contributions should then be sought from these developments. In addition, in a rural area where the lower 5-unit or less threshold is applied, affordable housing and tariff style contributions should be sought from developments of between 6 and 10-units in the form of cash payments which are commuted until after completion of units within the development. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty affordable housing and tariff-style contributions should not be sought from any development consisting only of the construction of a residential annex or extension to an existing home <p>The thresholds for the Core Strategy CP9 taking into account the PPG amendments are:</p> <p>Large Sites Affordable housing will be required as on-site provision in development of 11 units</p>	<p>Revised policy guidance from the Government has clarified the applicability of affordable housing for smaller residential development sites.</p> <p>The planning practice guidance note updated on the 28/11/2014 confirms that:-</p> <p>contributions should not be sought from developments of 10-units or less, and which have a maximum combined gross floorspace of no more than 1000sqm</p> <p>In designated rural areas, local planning authorities may choose to apply a lower threshold of 5-units or less.. This applies to rural areas described under section 157(1) of the Housing Act 1985, which includes National Parks and Areas of Outstanding Natural Beauty</p>

			or a combined gross floorspace is in excess of 1000sqm.	
			Small Sites Residential developments on small sites delivering between 6 dwellings and the large scale threshold, and a combined gross floorspace of more than 1,000 The target level of affordable housing for these small sites will be 20% for AH area 1 and 15% for AH area 2 half that of large sites, in order to encourage delivery.	
PC012	13	Table 3.1.A Row: Affordable Rent Tenure	Amend to AFFORDABLE RENT TENURE CAN ONLY BE USED WHERE HOMES ARE BEING DELIVERED WITH (ART) is a specific tenure that can only be used where homes are being delivered with Homes-Homes and communities agency Communities Agency (heaHCA) funding or as part of an p-s RP contract with the heaHCA	Amended for clarity
PC013	13	Table 3.1.A Row: Shared Ownership	Change HARP to Housing Association RP	Amended for clarity
PC014	14	3.1.13	Amend to: Extra Care housing (use class C3) is NOT specifically considered as an affordable housing tenure, although Extracare Housing can be brought forward as social rent, ART or as low cost home ownership. <u>Developments for Extracare Housing will be and is subject to Core Strategy Policy CP9.</u>	Further information for clarification.
PC015	15	3.1.19 last sentence	Amend to: the total housing cost of accessing the lower quartile private rented market in the District locally taking into consideration the overarching 25% income test for affordability.	For added clarity
PC016	15	3.1.20	Second Sentence Amend Discounted Market homes /or shared equity	For added clarity
PC017	16	3.1.21	Add clarification at end of paragraph. <u>(This does not include RP management charges for Social Rented Units). On developments with significant communal space, lifts or other exceptional services requiring high, on-going charges, Developers and RPs are encouraged to consider capitalising the service charge element to ensure annual service charges can be capped at the above rates.</u>	To take into account concerns from Registered Providers that some sites have required service charges at high levels
PC018	16	3.1.24	<u>In accordance with the aims of CP10, the range of affordable housing units will reflect the pattern of open market homes proposed. The Council will expect to see proportions of open market and affordable homes provided for all unit types proposed on the development.</u>	For added clarity
PC019	16	3.1.24	Additional sentence at end of paragraph	For added clarity to reflect Core

			Where larger open market homes are proposed, the Council will consider local needs evidence to specifically determine if a 5 or more bedroom dwelling is required. If a specific need is not identified affordable housing provision will focus on 1,2,3 and 4 bed units as appropriate..	Strategy Policy CP9 which aims for a mix of housing
PC020	16	3.1.25 First bullet	Amend to all 2 bed dwellings houses will be provided as 2 bedroom 4 person family houses	For added clarity
PC021	17	3.1.25	Amend to • On wholly or primarily flatted developments, there will be the delivery of both 2 bed homes-will-be-required-to-be-for 4 people, person and 2 bed 3 person homes. Add bullet at end 4 bed homes will be for 6 people.	Further flexibility to reflect Core Strategy Policy CP9 which aims for a mix of housing.
PC022	17	3.1.25	Add <u>Appropriate communal space or private gardens will be provided to meet the play needs of families living in flatted developments.</u>	To accord with Policy CP6 of the Core Strategy which requires high quality and inclusive design in all developments and refers to the Building for Life 12 design assessment tool
PC023	17	3.1.27	Add at end of first sentence... <u>..where need is evidenced"</u>	
PC024	17	3.1.28	Amend to Evidence from the 2013 Strategic Housing Market assessment continues to support an affordable housing Evidence from the SHMA 2013 suggests an affordable housing mix of 95% rented and 5% shared ownership homes. In order to promote diverse and sustainable communities, the Council will generally expect an affordable housing requirement for 75% homes for social rent and 25% intermediate housing	For added justification.
PC025	19	3.1.40	Add at end of paragraph after "use" <u>unless superseded by national policy exemptions.</u>	For added clarification.
PC026	19	3.1.41	Amend last sentence to .."For the avoidance of doubt this requirement does not apply to accommodation at residential institutions, with a C2 planning use class, for people in need of care such as care homes or nursing homes where such accommodation is confirmed in writing by the Council as being non-self-contained accommodation..."	Deleted text not necessary
PC027	20	Table 3.1.B	Amend second row to 2 bed 3 person flat Minimum internal sizes amended Column added " <u>Minimum built in storage</u> " Footnote added (<u>based on revised National Housing Standard (2)September 2014</u>)	To reflect the Core Strategy which seeks a variety of housing types and size

PC028	23	3.1.50	Amend title Lifetime Homes <u>Accessible Housing</u> Amend paragraph to All ground floor flats, bungalows, house-type flats served by a private staircase, flats served by lifts and age restricted affordable units should meet the Lifetime Homes standard as defined by Habinteg (http://www.lifetimehomes.org.uk) Requirement to meet LTH will be superseded by the National Housing Standard accessibility level 2 when this is introduced into Part M of the Building Regulations.	Updated information.
PC029				
PC030	21	3.1.51	Amend to "Compliance with Lifetime Homes requirements <u>(or NHS level 2)</u> " Format "minimum HCA" to italic <i>minimum HCA</i> " Add sentence at end of paragraph after "...storage space." <u>Delivery of an appropriately designed Lifetime Home layout, may result in the dwelling footprint exceeding the minimum internal standards.</u>	For clarification To refer to HCA standards For further information
PC031	21	3.1.51		
PC032	21	3.1.52	Delete title " Wheelchair Homes " Add "The Habinteg standard will be superseded by the National Housing Standard accessibility level 3 when this is introduced into Part M of the Building Regulations." Amend title to <u>Ideally developers will demonstrate that scheme layout, design and specification will achieve SDB Secured by Design: New Homes 2014 requirements (http://www.securedbydesign.com). As a minimum, developers will be expected to deliver the affordable homes to meet the requirements of Section 2: Security of dwelling.</u>	For clarity
PC033	21	3.1.53		
PC034	22	3.1.56-58	Delete paragraphs	Superseded
PC035	23	3.1.64 title	Amend sub-title to <u>HomesWest - B&NES Housing Partnership</u>	Title updated
PC036	23	3.1.64	Add sentence at end of paragraph. <u>An up to date list of preferred RP partners can be provided on request from the Housing Enabling and Development Team.</u>	For further information.
PC037	24	3.1.65	Amend second sentence to <u>However, the chosen provider will first be invited to apply for a place on the</u>	For added clarity

				HomesWest – B&NES partnership or must demonstrate that they can adhere to the Council's minimum housing management standards relating to; housing income management; estate management; tenancy management; housing or specialist support, void property management and lettings; resident involvement; and maintenance.	
PC038	26	3.1.76		Amend title to Mortgagee in possession <u>Protection</u>	For added clarity
PC039	26	3.1.76		Amend second sentence to "An appropriately worded Mortgagee in possession <u>Protection</u> clause will be allowed on all affordable housing schemes to ensure it will achieve the criteria required by banks and other lenders and is agreed by the Council."	For added clarity
PC040	27	3.1.80		Add a fourth bullet point: <ul style="list-style-type: none"> It is recognised that <u>delivering of affordable housing units arising from CP9 on small sites can be problematic and the use of commuted sums may be a pragmatic solution to ensuring policy compliance.</u> 	For further justification.
PC041	28	3.1.86		Delete paragraph	This issue is covered under small sites.
PC042	36	3.3.2		Insert "bus service". "Examples of this include the provision of a new bus <u>service</u> , bus stop or bus lane to serve a development."	To further exemplify need to address lack of public transport accessibility serving new development.
PC043	46	3.7 Title		Site Specific Targeted Recruitment and Training & Mitigation in Construction	Section has been modified to focus on recruitment and training and not address mitigation.
PC044	46	3.7.1		---there are issues with ever 4% of 16 – 24 year olds Not in Education, Employment & Training (NEET) , over 6,000 residents claiming out of work benefits and both average work place and resident wages below local, regional and national averages. There is also a reported <u>evidence which demonstrates a shortage of skilled construction workers both locally and nationally, which is putting</u> -pressure on the local labour market and could if not adequately addressed affect future development <u>viability and delivery</u>	For added clarity.
PC045	46	3.7.2		Targeted, Recruitment & Training opportunities in through construction is essential to enable the labour market to remain buoyant and deliver a suitably trained work force to meet the sectors <u>growing</u> labour demand	Textual changes. For added justification.
PC046	46	3.7.3		Delete Paragraph	For clarity.

PC047	46	3.7.4	<p>Replace with National</p> <p><u>NPPF states the LPA should “proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs.”(Para 17) Further to this “Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing”. (Para 20)</u></p>	
PC048	46		<p>Delete paragraph</p>	For clarity.
PC049	47	Footnote 3.7.5	<p>Replace with Local</p> <p><u>3.7.4 B&NES Core Strategy POLICY SD1: “Presumption in favour of sustainable development” also states that ... “When considering development proposals the Council will take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework....It will always work proactively with applicants jointly to find solutions which mean that proposals can be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the area.’</u></p> <p>Delete footnote</p> <p>Delete sentence. Replace with:</p> <p><u>3.7.5 Core Strategy Objective 6 includes <i>promoting and delivering employment, training and regeneration opportunities that can contribute to a reduction in the health and social inequalities across the District.</i></u></p> <p><u>and Core Strategy Objective 6e states that:</u></p> <p><u>‘Delivery of economic development will also be facilitated by the B&NES Economic Strategy, the Regeneration Delivery Plans and the Development Management process. Working alongside local communities and partners will be essential to deliver the ambitions of the Economic Strategy and developers may be asked to support the objectives of the Strategy through a Targeted Recruitment, Training and Supply-chain Protocol.’</u></p>	<p>Not referenced</p> <p>This is to be covered in new paragraph</p>

PC050	47	New Para after para 3.7.6	<p>These commitments are reflected in the Councils Planning Obligations SPD where Targeted Recruitment Opportunities in the construction phase of a development on-site are sought. A number of schemes across B&NES have already delivered planning obligations and with target outcomes for TR&T in construction, providing opportunities on site during the construction phase. <u>example templates have been developed for both the heads of terms and on-site targets.</u></p>	For clarity
PC051	47	3.7.7	<p>The Council will require developers to agree to contribute towards a Targeted Recruitment and Training (TR&T) target and contribution <u>which will be applied on site during the construction of the specific scheme,</u> where the proposed development <u>(new build and change of use) requires planning permission, and is above the following thresholds:</u></p> <ul style="list-style-type: none"> Residential : 10 units of housing and above Non Residential /Commercial Premises over 1000 sq_m 	For clarity
PC052	47	3.7.9	Delete paragraph	For clarity
PC053	47	Title	Amend to	For clarity
PC054	47	3.7.10	<p>Targeted Recruitment & Training Targets & contributions</p> <p>Add text at end of paragraph after (NET) These are adaptable to the scale, duration and nature of the development and are proportionate to the impact of the development.</p>	For clarity
PC055	48	3.7.11	Amend to: There are three distinct TR&T in construction outcomes defined for NETs as follows	For clarity
PC056	48	3.7.12	<p>The contribution is intended to support NETs entering into TR&T in construction activity-providing training, travel and equipment costs. These figures have been estimated-identified by B&NES together in-consultation with the B&NES Learning Partnership. The breakdown of <u>maximum anticipated</u> costs are as follows:</p>	For clarity
PC057	48	3.7.12 New fifth bullet	<ul style="list-style-type: none"> <u>Details of the site specific costs will be identified as part of the s106 heads of terms.</u> 	For clarity
PC058	48	3.7.13	Delete paragraph	Para 3.7.12 sets out the contribution therefore it is not necessary to provide examples. See above.
PC059	49	Table 3.7A/B	Delete Table 3.7A and Table 3.7B	Mitigation for the loss of employment space is removed
PC060	49	3.7.14	Delete title – from Mitigation for loss of employment space and paragraph	

PC061	50	3.7.15	Delete paragraph	from the requirement.
PC062	50	3.7.16	Delete paragraph including Example and (a)	See above.
PC063	50	3.7.17	Amend last line .. enable the TR&T in construction outcomes can to be met.	See above
PC064	50	3.7.18	Amend first sentence to: It is a requirement of the developer to provide a method statement following a template and guidance produced in partnership with the B&NES Learning Partnership that will outline the delivery of the TR&T target outcomes	For clarity
PC065	50	3.7.19	Amend reference ... Targeted Recruitment and Training in Construction & Mitigation	For clarity
PC066	53	3.9.5	----the full cost of building new whole schools. In certain instances the combined effects of up to 5 development proposals create a requirement for a new school to serve developments, developers will expected to contribute to the land and the full cost of building new whole school as proportionate to each development. The space and accommodation ----	For clarity
PC067	57	3.10.1	<ul style="list-style-type: none"> - Sustainability - Waste and Recycling - Public Realm including funding of Legible Signage Drainage and flood risk mitigation measures - Ecological measures where a development has an adverse impact on local habitats and ecology, or the provision of alternative habitats to compensate for any loss - Improvements to and the mitigation of adverse impacts on the historic environment. 	Responding to comments received from the Environment Agency and English Heritage.
PC068	Appendix 1		Delete.	Reference to Appendix 4 deleted in text.

Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	11th February 2015	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2737
TITLE:	Alcohol Harm Reduction Strategy for Bath and North East Somerset Council (2014- 2019)	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Draft Alcohol Harm Reduction Strategy for Bath and North East Somerset Council (2014 – 2019)		

1 THE ISSUE

- 1.1 The current B&NES Alcohol Harm Reduction Strategy (2012) was adopted by B&NES Council in April 2012. A commitment to refresh the Strategy in light of national and local developments was agreed with Wellbeing Scrutiny Policy, Development and Scrutiny in May 2012. A Joint Scrutiny Inquiry Day in October 2013 and its subsequent recommendations have informed this Strategy refresh, alongside national and local developments since 2012.

2 RECOMMENDATION

- 2.1 Proposal 1 The Cabinet agrees that the Draft Alcohol Harm Reduction Strategy for Bath and North East Somerset (2014 – 2019) is adopted and the key priorities agreed.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Council currently contributes financially towards the delivery of the Alcohol Harm Reduction Strategy predominantly from the Public Health Grant, Adult Health and Social Care and from across other Council departments such as licensing. B&NES Clinical Commissioning Group also contribute towards prescribing costs and hospital based services. Probation and Wiltshire Drug and Alcohol team contribute to the treatment budget. Levels of expenditure and contribution will be kept under review given the wider position regarding public finances over the next three to five years.

- 3.2 Strategy delivery is reliant on cross agency working and we aim to influence the work and use of resources of partners and key stakeholders to make best use of existing resources and lever in additional funding where possible.
- 3.3 The Strategy contributes towards the delivery of B&NES Clinical Commissioning Group Strategic plan and joint working on shared outcomes will contribute towards reduced costs across the health and social care system.
- 3.4 Strategy delivery is subject to ongoing financial support from partners and the Council.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Public Health and Inequalities, Crime and Disorder, Children
- 4.2 There are significant inequalities in the impact of alcohol misuse across Bath and North East Somerset. The Strategy aims to address these inequalities through targeting of specific groups including children and young people, men, those with mental health problems and those living in more deprived areas.

5 THE REPORT

- 5.1 Alcohol is the third greatest overall risk to health after smoking and raised blood pressure (WHO 2009). Overall our alcohol consumption is reducing but we are still drinking twice as much compared to 1960's levels. 91% more alcohol was consumed in 2010 compared to 1960. Alcohol contributes to over 60 different types of diseases and injuries. Impact on health and health services is evident through the rising number of alcohol related hospital admissions nationally and locally.
- Admissions for alcohol related conditions have risen by an average of 12% each year since 2002/03 in line with national trends, but remain lower than regional and national rates.
 - People living in the most deprived areas of Bath and North East Somerset are significantly more likely to be admitted for an alcohol related condition than those living in the least deprived areas.
 - Bath and North East Somerset has significantly higher rates of under 18's admitted to hospital for alcohol specific conditions than nationally.
- 5.2 The harm from alcohol impacts not only on the individual but society as a whole. The total estimated cost in B&NES of the harm arising from alcohol-use disorders is some £45.0 million a year, of which £21.3 million is a result of crime and £5 million healthcare costs. (Cabinet Office 2003)
- 5.3 The refreshed Alcohol Harm Reduction Strategy outlines the key structural and service developments locally which will contribute to and influence delivery. Its structure reflects the B&NES Council and B&NES Clinical Commissioning Group intention to apply an Outcomes Based Accountability model to commissioning and performance management.

5.4 The Strategy builds on the good progress that has been made since 2012 across a number of areas including building awareness, skills and confidence amongst frontline professionals to address alcohol misuse, increasing the focus and capacity of the treatment system to respond to alcohol clients and proactive management of the night time economy to address crime and anti-social behaviour. Key actions since 2012 include:

- The training of over 700 local professionals to use evidence based tools for alcohol misuse identification and brief advice
- The introduction of systematic screening for alcohol misuse in the NHS Health Check and as part of the inpatient and community mental health services contract from 14/15
- Re-commissioning of the Drug and Alcohol Treatment Services to include a Single Point of Access for clients and professionals, a dedicated alcohol team and additional capacity for community detoxification.
- A new Alcohol Liaison Service at the Royal United Hospital, funded by B&NES CCG and Wiltshire Drug and Alcohol team
- Young Carers group set up for children affected by parental substance misuse
- Families also matter (FAM) service developed by DHI to support those affected by someone else's substance misuse
- Retaining Bath City Centre's Purple Flag status year on year
- Midsomer Norton Community Alcohol Partnership introduced a range of town management initiatives to reduce antisocial behaviour and underage drinking in the high street.

5.5 The high level priorities within the refreshed Strategy aim to ensure adequate emphasis is given to prevention and early detection of alcohol misuse and that there is greater ownership of the agenda and vision amongst the residents, businesses and visitors to Bath and North East Somerset. The main priorities are:

- Greater emphasis on prevention of alcohol harm through national and local policy
- Developing a clear narrative about what a healthy drinking environment in B&NES looks and feels like
- A local licensing policy that considers a broader range of issues and impacts including health
- Embedding screening and brief advice across the system
- Ensuring high quality accessible treatment services, which have recovery at their heart.

5.6 What works in preventing alcohol related harm?

The National Institute for Health and Care Excellence (NICE PH 24) recommends the following evidenced based approaches to reducing alcohol related harm in the population:

- Price increases
- Restricting physical availability
- A reduction in drink drive alcohol limits
- Control on advertising
- Identifying problems sooner
- Good quality treatment services

- Good quality communication/education programmes

5.7 The top four of these recommendations are predominantly reliant on action at a national level and reiterate the importance of lobbying national government on the key issues of price, availability, advertising and regulation.

5.8 Effective local approaches to tackling alcohol related harm are identified in the 4 Outcome Frameworks which are at the heart of the Strategy. The 4 outcomes the Strategy is aiming to achieve are:

- Children grow up free from alcohol related harm
- Communities are safe from alcohol related harm
- People can enjoy alcohol in a way that minimises harm to themselves
- People can access support that promotes and enables sustained recovery

5.9 Priority actions identified in 14/15 are:

- Refresh of Children and Young People Substance Misuse needs assessment
- Improved understanding of Under 18's Alcohol Specific Hospital Admissions
- Developing and communicating a vision of the Night Time Economy for B&NES
- Introduction of screening for alcohol misuse across mental health services and RUH Emergency Department
- Increasing alcohol treatment capacity and the percentage of people who successfully complete treatment
- Developing a local response to treatment resistant drinkers

5.10 Measuring progress

The indicators we will monitor to measure progress related to each outcome are:

- Alcohol Specific Hospital Admissions of under 18 year olds
- Night time economy related crime and disorder (8pm – 4am)
- Alcohol related hospital admissions (18yrs+)
- Percentage of people leaving treatment successfully

5.11 Delivery

The B&NES Alcohol Harm Reduction Steering Group will co-ordinate delivery of this Strategy through a Outcomes Action Plan. Each outcome has a lead officer who will take responsibility for driving forward the relevant actions. The Group will co-ordinate directly with key partnerships on delivery of action plans including the Young People's Substance Misuse Group, Night Time Economy Group, the Responsible Authorities Group and the Joint Commissioning Group for Substance Misuse.

5.12 Governance and reporting

The Group will report to the Responsible Authorities Group twice yearly

The Group will also report to the Children's Trust Board twice yearly within the context of the Children and Young People's Plan.

The Group will report to the Health & Wellbeing Board twice yearly and via the Board's Joint Annual Account.

5.13 Review timetable

This Strategy will be reviewed after 3 years to ensure it continues to reflect local and national priorities.

6 RATIONALE

6.1 Reducing alcohol-related harm, by encouraging a more sensible drinking culture, will help to achieve a range of indicators outlined in the Public Health Outcomes Framework for England 2013 – 2016. These include reducing the number of:

- people killed or seriously injured on our roads
- alcohol related hospital admissions
- falls and injuries among the over-65s
- deaths from cardiovascular disease (including heart disease and stroke), cancer and liver disease
- low birth weight babies
- violent crimes (including sexual violence) and domestic abuse
- pupil absences
- chlamydia diagnoses among young people aged 15–24 years

6.2 The recommendations contribute to the delivery of the outcomes of the Joint Health and Wellbeing Strategy, in particular under the theme of 'Helping people to stay healthy' and the specific objective to reduce rates of alcohol misuse.

7 OTHER OPTIONS CONSIDERED

7.1 None. The activities proposed within the Strategy are informed by a strong national and international evidence base on effective interventions for alcohol harm reduction. It is also informed by shared best practice in translating the evidence into cost effective delivery at a local level, allowing for interventions to be tailored to local need.

8 CONSULTATION

8.1 The Strategy has been developed in consultation with B&NES Alcohol Harm Reduction Steering Group and the B&NES Night Time Economy Group. Membership of these groups includes Police, Fire and Rescue Service, Royal United Hospital, University representation, resident association representation, Bath Transport Police, Bath Business Improvement District, Licensing, Community Safety, Public Health, Drug and Alcohol Service commissioners and providers, Avon and Wiltshire Mental Health Trust, children's services, housing and probation services.

8.2 The Strategy priorities are directly informed by the Scrutiny Inquiry Day on Alcohol held in October 2013 hosted jointly by 3 B&NES Council Policy Development and Scrutiny panels representing Wellbeing, Economic and Community Development and Early years, children and youth policy in October 2013. 68 people including councillors, officers, stakeholders and residents attended.

8.3 In November 2014 the Strategy was presented for consultation to the Health and Wellbeing Board for B&NES, the Responsible Authorities Group and Wellbeing Policy Development and Scrutiny Panel.

9 RISK MANAGEMENT

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

Contact person	<i>Bruce Laurence, Director of Public Health 01225 394067</i>
Background papers	<p><i>Alcohol Harm Reduction Strategy for Bath and North East Somerset (2012)</i></p> <p>http://democracy.bathnes.gov.uk/documents/g3247/Public%20reports%20pack%2011th-Apr-2012%2018.30%20Cabinet.pdf?T=10</p>
Please contact the report author if you need to access this report in an alternative format	

DRAFT

Bath & North East
Somerset Council

Alcohol Harm Reduction Strategy
Bath and North East Somerset
2014 – 2019



Our partners



Executive summary

This document is a refresh of the Alcohol Harm Reduction Strategy 2012 (Milner et al 2012). The 2012 Strategy identified the key needs, gaps and priorities for Alcohol Harm Reduction in B&NES through extensive consultation and stakeholder engagement. Eight service and organisational development activities were prioritised in the Strategy and Appendix 1 outlines the significant progress that has been made across all eight areas over the past 2 years.

This Strategy refresh takes into account the recommendations of the following key documents:

- The Government's national Alcohol Strategy 2012 (March 2012)
- The recommendations from the Joint Scrutiny Inquiry Day on Alcohol Harm Reduction in B&NES (Oct 2013)
- The recommendations from the LGA Peer Challenge Report on B&NES Health & Wellbeing Board (Feb 2014)

High level recommendations include:

- Great emphasis on prevention of alcohol harm through national and local policy
- Developing a clear narrative about what a healthy drinking environment in B&NES looks and feels like
- A local licensing policy that considers a broader range of issues and impacts including health
- Embedding screening and brief advice across the system
- Ensuring high quality accessible treatment services, which have recovery at their heart.

This document outlines the key structural and service developments locally which will contribute to and influence delivery of this Strategy. Its structure reflects the B&NES Council and B&NES Clinical Commissioning Group intention to apply an Outcomes Based Accountability model to commissioning and performance management.

THE ESTIMATED NUMBER OF PEOPLE IN B&NES DEPENDENT ON ALCOHOL IS **6,854** OF ALL PEOPLE AGED 18 - 64 YEARS



DURING 2012/13 THERE WERE **388** PEOPLE IN TREATMENT FOR ALCOHOL MISUSE IN B&NES

Contents

02	Executive summary	Outcome Frameworks	16	Key Indicators we will monitor to measure progress on this Strategy:	
04	National Context and Trends	08	Children grow up free from alcohol related harm	16	References
05	The Local Picture	10	Communities are safe from alcohol related harm	17	Appendix 1 Service & Organisational Development
05	Community Voice	12	People can enjoy alcohol in a way that minimises harm to themselves	19	Contact
06	Local developments supporting delivery of this Strategy	14	People can access support that promotes and enables sustained recovery		
06	Gaps in services and commissioning				
07	What works in preventing alcohol related harm				
07	Strategic Vision				



National Context and Trends

Alcohol is the third greatest overall risk to health after smoking and raised blood pressure (WHO 2009).

Reducing alcohol-related harm, by encouraging a more sensible drinking culture, will help Bath and North East Somerset Council (B&NES) meet its statutory duty to achieve the indicators outlined in the Public Health Outcomes Framework for England 2013 - 2016. These include reducing the number of:

- people killed or seriously injured on our roads
- alcohol related hospital admissions
- falls and injuries among the over-65s
- deaths from cardiovascular disease (including heart disease and stroke), cancer and liver disease
- low birth weight babies
- violent crimes (including sexual violence) and domestic abuse
- pupil absences
- chlamydia diagnoses among young people aged 15-24 years

Overall alcohol consumption is reducing but we are still drinking twice as much compared to 1960's levels. Ninety one percent more alcohol was consumed in 2010 compared to 1960.

Alcohol was 45% more affordable in 2011 compared to 1980 - as real household income has risen significantly.

Mortality from liver disease is regarded as one of the best barometers of alcohol related ill health. Between 1970 and 2000 UK deaths from liver disease in people aged under 65 years increased fivefold, while death rates from other diseases have declined.

The majority of drinking takes place in the home.

Nationally violent crime has been reducing since 2001.

The Government's Alcohol Strategy (March 2012) strengthened and extended powers for local areas to restrict alcohol sales late at night and the option to introduce a late night levy on premises.

There is a growing number of older people with increasingly complex issues.

The clustering of unhealthy behaviours such as smoking, unhealthy eating, alcohol misuse and lack of physical activity are widening health inequalities.

There is significant cross over between mental health issues and alcohol and substance misuse.



60% OF ADULTS SEEN BY THE RUH ALCOHOL LIAISON SERVICE (FROM DEC - JUNE 2013) WERE ALSO EXPERIENCING MENTAL HEALTH ISSUES



The Local Picture

Admissions for alcohol related conditions have risen by an average of 12% each year since 2002/03 in line with national trends, but remain lower than regional and national rates. 60% of all alcohol related hospital admissions are people over 60

People living in the most deprived areas of Bath and North East Somerset are significantly more likely to be admitted for an alcohol related condition than those living in the least deprived areas.

Bath and North East Somerset has significantly higher rates of under 18's admitted to hospital for alcohol specific conditions than nationally. Approximately 45% of young people's admissions are children under 16 and the majority of admissions are girls.

60% of adults seen by the RUH alcohol liaison service (from Dec - June 2013) were also experiencing mental health issues.

The total estimated cost in B&NES of the harm arising from alcohol-use disorders is some £45.0 million a year, of which £21.3 million is a result of crime and £5 million healthcare costs. (Cabinet Office 2003)

There has been a 26% reduction in the number of crimes linked to the Night Time Economy in B&NES between 2008 and 2013

24% of the B&NES adult population is estimated to be drinking at increasing or high risk levels, which is similar to national estimates.

The estimated number of people in B&NES dependent on alcohol is 6,854 of all people aged 18 - 64 years. During 12/13 there were 388 people in treatment for alcohol misuse in B&NES. This represents 5.7% of the estimated population of dependent drinkers locally. Numbers in treatment have risen significantly since 2009 and this trend has continued in 13/14.

In 2013, 22% of B&NES secondary school pupils (Yr8 and Yr10) reported 'drinking alcohol in the last week' compared to 30% in 2011.

Community Voice

There is a significant difference in self-reported exposure to alcohol (drinking in the last week) for primary school pupils who qualify for free school meals compared to those who do not qualify for free school meals.

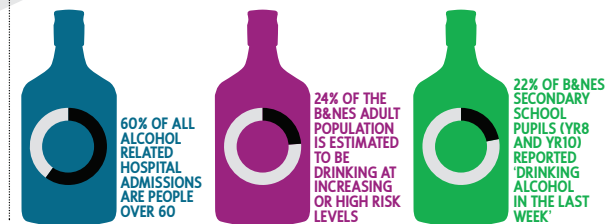
Girls self-report higher levels of drinking and are over represented in treatment services for alcohol misuse and also in alcohol related hospital admissions.

Qualitative feedback from young people using treatment services (Project 28) is consistently positive and satisfaction is high

High self-esteem amongst B&NES secondary school girls dropped from 42% in 2011 to 33% in 2013.

When asked in 2012 about drunk and rowdy behaviour in public places in their local area, 21% of voice box survey respondents believed it was either a very big problem, or a fairly big problem.

For further detail on local needs go to www.bathnes.gov.uk/jsna



Local developments supporting delivery of this Strategy

Joint Health and Wellbeing Strategy 2013 – 2016 - This Strategy prioritises alcohol harm reduction within its theme of Keeping People Healthy. In April 2013 a Joint Working Framework was agreed between the Council and the CCG, setting out the mechanisms that will deliver integrated commissioning of services across health, public health, adults and children's services. This aims to improve outcomes and service user experience across the system, make the most efficient and effective use of our combined commissioning resource and to help delivery the Joint Health and Wellbeing Strategy.

Connecting families programme has been introduced to engage with 215 of the most complex families living in the local area to support them to make positive change and live full and active lives. Substance misuse, domestic violence and mental health problems are among the issues families are dealing with. The programme will support reduction in substance misuse amongst adults and children in these families and facilitate access into treatment where appropriate.

Domestic Violence Working with the Interpersonal Violence and Abuse Strategic Partnership (IVASP) B&NES Council is taking a whole system approach towards developing a new model of helping victims of domestic abuse. This work is aligned with new Police neighbourhood-based operating models, the PCC's Integrated Victims strategy and approach ('Lighthouse') and B&NES work to developing a Multi-Agency Safeguarding Hub.

The Family Nurse Partnership (FNP) was introduced in 2013. FNP is an intensive preventative programme for teenage mothers. Starting in early pregnancy and based on a therapeutic relationship, it supports the clients' intrinsic desire to be the best mother that she can be by offering holistic support and guidance until the child is two years old. The team screen for alcohol use and drug use on entry to the service and work with clients to reduce consumption to safe levels.

Integrated Commissioning of Substance Misuse Services

Substance misuse services were re-commissioned during 12/13. The process was a joint one between children's services and adult services. This has enabled a more integrated service to be designed with a single point of access and improved transition between children and adult services for example.

Gaps in services and commissioning

68 people including councillors, officers, stakeholders and residents attended a Scrutiny Inquiry Day in Oct 2013 where a range of recommendations were made under the following themes:

- More education programmes that encourage a voluntary shift in attitude toward alcohol
- Improved and more frequent alcohol screening mechanisms
- Greater emphasis on prevention of alcohol harm through national and local policy
- More accessible training that emphasises issues and the effects of alcohol related harm
- Improved engagement at local level through more positive and proactive information sharing and publicity
- Community safety approaches that encourage collective and integrated working across partners and stakeholders



What works in preventing alcohol related harm

The National Institute for Health and Care Excellence (NICE PH 24) recommends the following evidenced based approaches to reducing alcohol related harm in the population:

- Price increases
- Restricting physical availability
- A reduction in drink drive alcohol limits
- Control on advertising
- Identifying problems sooner
- Good quality treatment services
- Good quality communication/education programmes

The top four of these recommendations are predominantly reliant on action at a national level and reiterate the importance of lobbying national government on the key issues of price, availability, advertising and regulation. Effective local approaches to tackling alcohol related harm are identified in the Outcomes Frameworks below.

Strategic Vision:

A cultural environment where everyone can have fun and enjoy themselves safely, with or without alcohol.

Outcomes we want to achieve:

- Children grow up free from alcohol related harm
- Communities are safe from alcohol related harm
- People can enjoy alcohol in a way that minimises harm to themselves
- People can access support that promotes and sustains recovery

Each of the above outcomes and their associated indicators for monitoring progress are outlined in the Outcome Framework below:



OUTCOME FRAMEWORK: CHILDREN GROW UP FREE FROM ALCOHOL RELATED HARM

Outcome & Indicator

Outcome: Children grow up free from alcohol related harm

Indicator: Alcohol specific hospital admissions to U18's

Population: B&NES resident population under 18 yrs

Data Issues/gaps:

Are high admissions a result of lower thresholds or protocols at RUH?

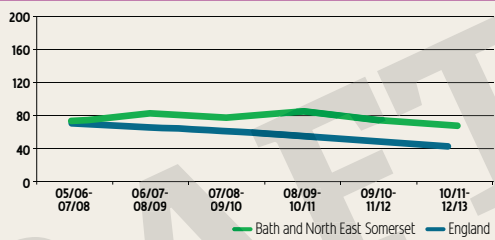
School survey data shows reduced levels of reported drinking and drunkenness amongst young people during period 2011 to 2013. Missing ED attendances therefore underestimating scale of alcohol misuse.

What % of those being admitted are:

- Known to services
- Repeat attenders
- Access or need treatment
- Looked after children

BASELINE

Young people aged under 18 admitted to hospital with alcohol specific conditions (rate per 100,000 population aged 0-17 years)



STORY BEHIND THE BASELINE

- Alcohol seen as a supermarket commodity** (Shopping cart icon)
- Fall in price of alcohol** (Alcohol bottles with price tags icon)
- Rise in binge drinking culture amongst girls in particular** (Girl with glass icon)
- Girls are over represented in drinking and smoking behaviours, hospital admissions for alcohol and in treatment services for alcohol misuse.**
- Girls also over represented in self-harm admissions.**
- Young people in most deprived quintile of Bath and North East Somerset are significantly more likely to be admitted to hospital for alcohol specific condition than those in the least deprived quintile.**
- Levels of self-reported drinking have reduced amongst Bath and North East Somerset secondary school pupils.**
- MSN and Radstock higher rates of admissions.**
- Marketing of alcohol to children** (Bottles icon)
- Pre-loading culture** (Bottle and glass icon)
- Trend towards stronger drinks and larger glasses** (Glasses icon)

What works to do better locally?

Screening for alcohol misuse in young people's settings

Targeting of high risk / vulnerable groups

Support to children whose parents misuse substances.

Multi agency working strategically, with families and in communities

Holistic approach to health education in schools

Social marketing campaigns aimed at parents/carers and young people

Enforcement of underage sales, proxy sales and responsible retailing law

Commitment to lobby on:

Minimum unit pricing
Restrictions on advertising and sponsorship of alcohol

OUTCOME FRAMEWORK: CHILDREN GROW UP FREE FROM ALCOHOL RELATED HARM

Current good practice in B&NES on protecting children from alcohol related harm

- ✓ Holistic approach to promoting health and wellbeing across educational settings in B&NES through the Director of Public Health (DPH) Award and Personal, Social and Health Education (PSHE) & Drugs Consultant.
- ✓ Specific resources developed for primary schools on alcohol and campaigns/initiatives such as alcohol drama project for Secondary Schools
- ✓ High Quality Treatment services delivered through DHI/Project 28, including family support and supported transition from children to adult treatment services.
- ✓ Drink Think Alcohol Screening Tool and Training Programme - embedding screening on alcohol misuse amongst the children and young people workforce - working especially well amongst school nursing and sexual health services.
- ✓ Young carers support group.
- ✓ B&NES Connecting Families programme working intensively to support 200 most vulnerable families
- ✓ The Family Nurse Partnership working closely with up to 100 young pregnant women (under 25's) to support health in pregnancy
- ✓ Self-harm register introduced at RUH with the aim of reducing repeat attendances for self-harm

Gaps/Needs Identified

- Strengthen preventative work which targets both young people and parents/carers.
- Develop targeted education programmes for specific vulnerable groups, including: younger children by encouraging schools to start introducing topics sensitively from primary school age and encourage schools to facilitate further work through Personal, Social and Health Education.
- Better knowledge of the causes of self-harm through alcohol use.
- Mainstream screening and brief advice across key children's services providers.
- Develop a clear referral pathway for children's workforce when working with young people misusing alcohol.
- Prioritise support to children whose parents are misusing alcohol.
- On-going commitment to enforcement of underage sales, responsible retailing and action on irresponsible promotions.

Partners

- Children & Families services
- Schools
- Colleges
- Parent support organisations
- Connecting Families team
- Social care teams
- RUH
- License holders
- Retailers
- Parents
- Youth services
- Sexual health services
- Drug and Alcohol service providers
- Voluntary orgs
- Mental Health Services
- School nursing & health visiting
- Children's centres
- Maternity services
- Community Alcohol Partnership MSN



OUTCOME FRAMEWORK: COMMUNITIES ARE SAFE FROM ALCOHOL RELATED HARM

Outcome & Indicator

Outcome: Communities safe from alcohol related harm

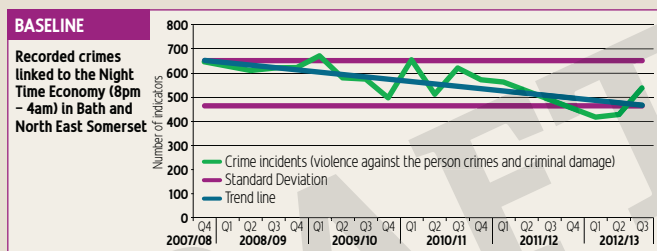
Indicator: Night Time Economy related Crime and Disorder

Population: B&NES resident population 18yrs+
Offences of violent crime and criminal damage occurring between the hours 00:00 and 04:00 taking place outside of the home not otherwise defined as domestic violence or hate crime

Data issues/gaps:

This definition is designed purely to assess levels of offending within the public realm where alcohol can be deemed likely to have been a contributing factor with a moderate degree of statistical certainty

Data needed on assaults presenting at RUH & location



STORY BEHIND THE BASELINE

- Fall in price of alcohol**
- Population drinking twice as much per head than in 1960**
- 80% of crimes committed by men, majority aged 16 - 27yrs**
- Relaxation of regulation on availability/sales over time**
- Increase in licensed outlets**
- Higher proportion of young people in B&NES due to student population**
- Attracts large numbers of people from surrounding areas due to range of offer**
- 26% reduction in the number of crimes linked to the Night Time Economy over the 5 year period between 2007/08 - 2012/13.**
- Downward trend in drink driving offences from 177 in 10/11 to 142 in 12/13**
- Increase in drinking in the home/pre-loading**
- 60% of offenders have problem with alcohol misuse**
- Trend towards stronger drinks and larger glasses**

What works to do better locally?

Multi agency working strategically and in communities

Best practice schemes with licence holders e.g. Night watch/Pub watch

Proactive management of the Night Time Economy

Enforcement of underage sales and responsible retailing regulations

Licensing policy to reflect health and community impact.

Working with offenders
Drink Driving campaigns & enforcement

Working with Domestic violence perpetrators

Commitment to lobby on:

Health objective in Licensing Act
Reduction of blood alcohol levels for driving

OUTCOME FRAMEWORK: COMMUNITIES ARE SAFE FROM ALCOHOL RELATED HARM

Current good practice on alcohol related community safety in B&NES

- Active multi-agency partnership focussing on the Night Time Economy with governance links to Responsible Authorities Group
- A range of good practice initiatives to manage the night time economy including Taxi Marshalls, Safe and sound paramedic response team, Street Pastors, Pubwatch and Nightwatch.
- Bath City Centre has retained its Purple Flag Status since 2010. The Purple Flag status is similar to Blue Flag for beaches, it indicates that Bath City Centre is a safe, inclusive and diverse entertainment centres for all visitors.
- Midsomer Norton Community Alcohol Partnership has made significant improvements to the night time economy through community focused activity, awareness raising, working with traders and license holders and introduction of Street Marshalls and Designated Public Place Order.
- Training programme delivered by the Drug and Alcohol Action Team including 'Toxic Trio' training
- Alcohol Treatment Orders implemented via the probation service alongside a range of behaviour change programmes with offenders
- A River Safety working group which co-ordinates action to improve safety along the Avon.
- Avon Fire & Rescue Service campaign and schools work with young people and students on alcohol and water safety

Gaps/Needs Identified

- Develop a vision of what B&NES' night time economy will look like (including an overview of cultural expectations). This high-level vision to be supplemented by district level aspirations (such as Bath, Keynsham, Midsomer Norton, Radstock)
- Appraisal of the impact of Night Time Economy initiatives in reducing alcohol related crime and anti-social behaviour
- Refresh the B&NES licensing policy to acknowledge prevention of alcohol harm
- Explore the option of including a condition in a license around minimum unit pricing, high strength alcohol restrictions and/or irresponsible promotions where the evidence suggests this would be appropriate.
- Improve the information available to residents about making complaints and contributing to licensing reviews.
- Refresh existing information about licensing contacts and processes in the B&NES Connect magazine and on the B&NES website.
- Extend existing initiatives, or foster new approaches in encouraging collective working between all alcohol traders (both on and off-trade).
- Ongoing commitment to enforcement of underage sales, responsible retailing and action on irresponsible promotions.

Partners

- Police
- Transport Police
- Licensing
- Environmental Health
- Trading Standards
- Community Safety
- License holders
- Bath Improvement District
- Avon Fire & Rescue
- Probation
- Road Safety
- DV support organisations
- Social services
- D&A Treatment providers
- Assoc. Of Town Centre Management
- Tourism & Leisure
- Universities & Colleges
- Student Community Partnerships
- Youth Offending teams
- Connecting families team



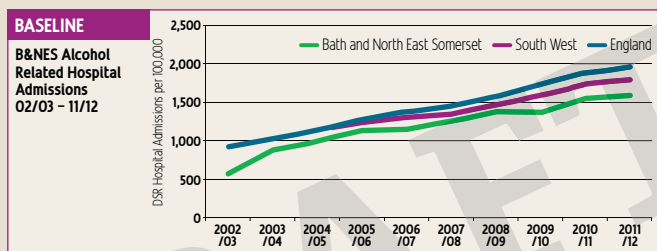
OUTCOME FRAMEWORK: PEOPLE CAN ENJOY ALCOHOL IN A WAY THAT MINIMISES HARM TO THEMSELVES

Outcome & Indicator

Outcome: Safe, healthy and responsible alcohol consumption amongst B&NES population

Indicator: Alcohol Related Hospital admissions

Population: B&NES resident population 18yrs+



STORY BEHIND THE BASELINE

- Marketing of alcohol to women and children
- Population drinking twice as much per head than in 1960
- Increase in drinking in the home
- Relaxation of regulation on availability/sales over time
- Increase in licensed outlets
- Older population - living longer with increasing complexity of conditions
- Deprivation link - People in most deprived quintile of B&NES are more than 4 times more likely to be admitted to hospital for alcohol specific conditions than those in the least deprived quintile.
- Fall in price of alcohol
- Clustering of risk behaviours (smoking/drinking/obesity)
- Trend towards stronger drinks and larger glasses

Data issues/gaps:

Missing ED attendances therefore underestimating impact on health services and opportunities for earlier intervention (est. 15-20% of ED attendances alcohol related)

Local prevalence data for adult drinking patterns not collected.

What works to do better locally?

Making every contact count - Routine screening and brief advice for alcohol misuse across frontline services

Alcohol liaison services in hospital

Improving access to treatment services

Targeting of high risk / vulnerable groups

Multi agency working strategically and in communities

Workplace initiatives

Social marketing campaigns

Licensing policy to reflect health and community impact

Commitment to lobby on:

Minimum unit pricing

Health objective in Licensing Act

Restrictions on advertising and sponsorship of alcohol

OUTCOME FRAMEWORK: PEOPLE CAN ENJOY ALCOHOL IN A WAY THAT MINIMISES HARM TO THEMSELVES

Current good practice in preventing alcohol related harm in B&NES

- ✓ Annual Training programme for frontline staff focussing on Identification and Brief Advice - over 400 people trained in 2013/14
- ✓ Alcohol Liaison Service introduced at Royal United Hospital in 2013 which aims to reduce bed days, attendances, admissions and increase engagement with community based treatment services. The service contributed towards a 65% reduction in patient hospital spells following intervention.
- ✓ Screening for alcohol misuse introduced into the NHS Health Check programme from April 2014 - approximately 6000 people aged 40 - 74 will be screened annually.
- ✓ Screening for alcohol misuse has been introduced into community and inpatient services in Avon and Wiltshire Partnership Trust.
- ✓ Healthy lifestyle services and physical activity teams using evidenced based screening tool (AUDIT) as part of their client assessment.

Gaps/Needs Identified

- The Every Contact Counts approach to mainstreaming screening and brief advice on alcohol misuse needs supporting across the key service providers in acute care, social care, community service and mental health. This approach needs to be implemented across both adult and children and young people's services.
- Develop targeted education programmes for specific vulnerable groups, including older working age and over 65's
- Encourage improved workplace health by developing a simple toolkit that local employers can use in the workplace. This initiative seeks to raise awareness about alcohol use in employees and colleagues
- Training need for professionals around preventing and minimising the harm of alcohol misuse in older age.
- Increase social marketing campaigns using innovative approaches eg scratch cards/apps to encourage self-assessment of drinking levels.
- Improve the quality of data on alcohol related attendances from RUH

Partners

- Primary Care
- Sirona
- RUH
- Drug & Alcohol Treatment providers
- Mental health service providers
- Public Health
- Older people's services
- Employers
- Voluntary Sector



OUTCOME FRAMEWORK: PEOPLE CAN ACCESS SUPPORT THAT PROMOTES AND ENABLES SUSTAINED RECOVERY

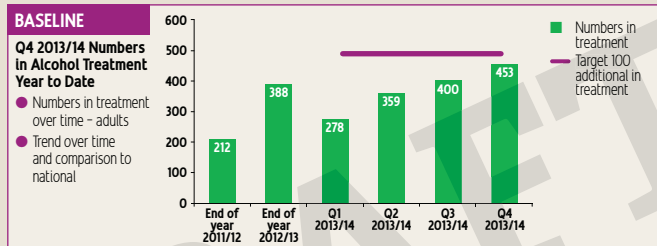
Outcome & Indicator

Outcome: People can access support that promotes and enables sustained recovery

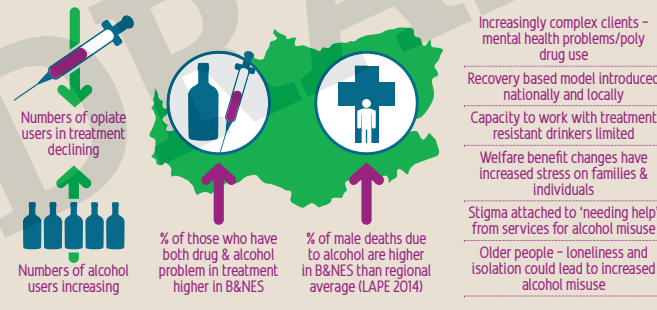
Indicator: Numbers in treatment

% of alcohol clients that successfully complete treatment

Population: B&NES registered population



STORY BEHIND THE BASELINE



Data issues/gaps:

% dependent population accessing treatment - no agreed way to calculate this figure

What works to do better locally?

Routine screening for alcohol misuse in frontline services
Clear pathways into treatment including hospital liaison services

Recovery at the heart of the treatment model

Mutual Aid - SMART, AA
Working with families/ carers

Targeting of high risk / vulnerable groups - mental health, homeless, offenders, domestic violence perpetrators

Develop approaches to working with treatment resistant drinkers

Commitment to aftercare, housing and employment

Commitment to lobby on:

Minimum unit pricing
Restrictions on advertising and sponsorship of alcohol

OUTCOME FRAMEWORK: PEOPLE CAN ACCESS SUPPORT THAT PROMOTES AND ENABLES SUSTAINED RECOVERY

Current good practice in treatment and recovery service in B&NES

- ✓ Integrated commissioning model for both Adult and Children's treatment services.
- ✓ Single point of entry and effective partnership working between main providers
- ✓ Increased capacity for alcohol treatment since 2013
- ✓ Alcohol Liaison Service introduced at Royal United Hospital in 2013 which aims to reduce bed days, attendances, admissions and increase engagement with community based treatment services.
- ✓ Good cross-council working e.g between drug and alcohol team and housing to support community detoxification
- ✓ Investment in community based detoxification facilities has recently strengthened as a cost effective approach to treatment that supports earlier discharge from hospital and more seamless care.
- ✓ Annual training programme for GP's, pharmacists and other frontline health and social care workers

Gaps/Needs Identified

- Increased referrals to alcohol team via RUH and GP's - capacity issues likely to be an issue longer term
- Explore options to working with treatment resistant drinkers, including training, pathways and commissioning of services.
- Accessibility of services for specific groups - e.g. older people, working adults, men
- Increase referrals from those working with DV perpetrators
- Dual diagnosis - training need for professionals
- Embed the use of World Health Organisations alcohol 'AUDIT' screening tool at assessment and at review for all drug and alcohol clients.

Partners

- Primary Care/CCG
- Sirona
- AWP & other mental health providers
- Connecting families team
- Social care teams
- RUH
- Probation
- Universities
- Workplaces
- Housing services
- Youth services
- Sexual health services
- Drug and Alcohol service providers
- Voluntary orgs
- CAMHS
- School nursing & health visiting
- Children's centres
- Maternity services
- Children & Families services



Key Indicators we will monitor to measure progress on this Strategy:

- Alcohol Specific Hospital Admissions of under 18 year olds
- Night time economy related crime and disorder (8pm – 4am)
- Alcohol related hospital admissions
- Percentage of people leaving treatment successfully

How will this be delivered:

The B&NES Alcohol Harm Reduction Steering Group will co-ordinate delivery of this Strategy through a Outcomes Action Plan. Each outcome will have a lead officer who will take responsibility for driving forward the relevant actions to achieve the outcome. The Group will co-ordinate directly with key partnerships on delivery of outcome action plans including the Young People's Substance Misuse Group, Night Time Economy Group, Responsible Authorities Group and the Joint Commissioning Group for Substance Misuse.

Governance and reporting

The Group will report to the Responsible Authorities Group twice yearly. The Group will also report to the Children's Trust Board twice yearly within the context of the Children and Young People's Plan. The Group will report to the Health & Wellbeing Board twice yearly and via the Board's Joint Annual Account.

Review timetable

This Strategy will be reviewed after 3 years to ensure it continues to reflect local and national priorities.

References

For more information on local statistics quoted in this report please visit the Bath and North East Somerset Joint Strategic Needs Assessment Wiki page at www.bathnes.gov.uk/jsna

Milner et al. (2012) *Alcohol Harm Reduction Strategy for Bath & North East Somerset*

Cabinet Office Strategy Unit, London, 2003. *Alcohol misuse: how much does it cost?*

World Health Organisation (2009) *Global Health Risks: Mortality and Burden of Disease attributable to selected major risks*

The Government's Alcohol Strategy (March 2012)

A Review into Alcohol Harm Reduction in B&NES (2013) B&NES Scrutiny Team

National Institute for Health and Care Excellence (PH24) *Alcohol Use Disorders – preventing harmful drinking*

Appendix 1 Service & Organisational Development Recommendations (2012) and Actions completed

Service and Organisational Development Recommendations (2012)	Actions completed
Increase alcohol treatment capacity for people in B&NES who misuse alcohol	Drug and Alcohol Treatment services were re-commissioned from April 2013 and included the development of a dedicated Alcohol Team and additional capacity for community based alcohol detoxification. An Alcohol Liaison Team based at the RUH has been funded by the CCG from April 2013. This team also provides additional capacity within recovery services to facilitate access to community treatment. There has been a significant rise in numbers of people accessing treatment services for alcohol misuse in 13/14 and also an increase in client outcomes with more clients successfully leaving treatment having addressed their alcohol misuse.
Roll-out of identification of people in B&NES who misuse alcohol and are offered brief interventions	Identification and brief advice training for alcohol misuse has been delivered to over 700 local professionals since 2011/12 including GPs, pharmacists, health, housing and social care workers. Alcohol screening has been introduced into the NHS Health Check from April 2014 which means over 6000 40-74 year olds will be screened each year. Screening has been introduced into inpatient and community mental health services from April 2014.
Identification, risk reduction and support of children of problem drinkers	Hidden Harm work with Children and Young People's Service and the Drug and Alcohol Team to safeguard children Young Carers Support Group set up by DHI/Project 28 to support young people affected by parental alcohol and drug misuse FAM (Families Also Matter) support services set up by DHI to support the families who are affected by alcohol and drug misuse
Set up Alcohol Harm reduction Group	The Alcohol Harm Reduction Steering Group has been in place since April 2011. The group has driven Strategy implementation and has co-ordinated the multiagency response to local challenges and opportunities. The Group reports directly to the Health and Wellbeing Board and from April 2014 will also report directly to the Children's Trust.

Appendix 1 Service & Organisational Development Recommendations (2012) and Actions completed

Service and Organisational Development Recommendations (2012)	Actions completed
Clear and consistent messages around alcohol and the behaviour expected of B&NES citizens and visitors that the local statutory agencies expect	The B&NES Night Time Economy Group has championed the Purple Flag as the vehicle for promoting Bath City Centre as a diverse and well managed town centre at night. Bath has achieved Purple Flag Status for 3 years in a row and in 2013 celebrated Purple Flag Week through a range of high profile events and publicity to celebrate those achievements as well as conveying important safety messages. This included the development of a 'Great Night Out' leaflet highlighting harm reduction messages and local facilities such as taxi ranks.
Local Indicators and information sources for alcohol misuse priorities identified through the Joint Strategic Needs Assessment	Local data on hospital admissions, crimes in the night time economy, treatment outcomes and community feedback have been collated and presented within the Joint Strategic Needs Assessment Wiki page on Alcohol. The Councils Joint Strategic Needs Assessment is highly accessible to local partners and regularly updated.
A comprehensive care pathway for people with alcohol misuse in B&NES that is clear to users, citizens, commissioners and providers.	The re-commissioning of drug and alcohol treatment services emphasised joint working across the treatment system and the development of a single point of entry for both the public and professionals. Training for professionals on pathways and referral processes has been extensive since April 2013 including a Treatment system launch conference and Focus on Recovery Conference.
Big Society initiatives and engage local communities and citizens on reducing alcohol related harm	The Midsomer Norton Community Alcohol Partnership is a key example of how a local community has taken ownership of a problem and drawn in resources from a range of agencies and sources with the aim of tackling underage drinking and anti-social behaviour in the MSN night time economy. A range of effective interventions have been delivered including training for local license holders, a Designated Public Place Order and Street Marshall initiative. Multi agency working has also increased the reach and impact of a range of harm reduction campaigns that have been run annually, including Dry January, Love Your Liver, Make it a night to remember and 'Don't make river water your last drink'.

For further information

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING DATE:	11 February 2015	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2744
TITLE:	Voluntary sector funding applications for community transport for 2015-16	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix 1 – Criteria for funding community transport schemes		
Appendix 2 – Funding applications for community transport 2015-16		

1 THE ISSUE

1.1 Funding applications have been received from voluntary sector bodies for the provision of community transport services in 2015-16. This Report gives details of those applications with recommendations on the allocation of funding.

2 RECOMMENDATION

2.1 That funding proposals in Appendix 2 be approved, subject to decision of the Council on the budget for 2015-16.

2.2 That the Divisional Director for Environmental Services be given delegated powers to reallocate funds, in consultation with the Cabinet Member for Transport, from approved projects that become unviable owing to the level of funding allocated or to a change in circumstances of the applicant group, should such situations arise during the year.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 New Service Level Agreements (SLAs) for Keynsham Dial-a-Ride and Midsomer Norton & Radstock Dial-a-Ride came into effect on 1 October 2014 and will continue until 30 September 2016. Funding of these schemes is subject to an inflation-related adjustment, based on changes in transport industry costs, in April each year. The funding for 2015-16 will be £75,956 for Keynsham Dial-a-Ride and £102,951 for Midsomer Norton & Radstock Dial-a-Ride.

- 3.2 A new Service Level Agreement (SLA) for Bath Dial-a-Ride came into effect on 1 April 2014 and will continue until 31 March 2017. This service is provided by the in-house fleet and the annual funding level is generally adjusted in April each year to reflect changes in transport industry costs. The funding level for 2015-16 will be £18,267.
- 3.3 Eight other community transport providers applied for funding of £97,812 in total for 2015-16. The applications have been evaluated against the criteria in Appendix 1 and assessed for value for money. All schemes bar one applied for funding at or around the current level. One scheme applied for a significant increase in funding above the 2014-15 level. It is recommended that funding be capped at the current level with an inflation-related adjustment. Awards totalling £91,798 are recommended.
- 3.4 If the recommendations are accepted, total spending on community transport support in 2015-16 will be £288,972. Provision has been made for this amount in the draft budget which will be considered by Council in February 2015.
- 3.5 In addition to support for community transport services, the Council provides funding for safeguarding checks for paid staff, training for trustees in their roles and responsibilities, and basic first-aid training for volunteer drivers. This is estimated to cost in the region of £1k and will be funded from the Public Transport budget.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 There is no statutory duty on the Council to fund the provision of community transport as such, but there is general recognition of its value in meeting the transport needs of those who are unable to use mainstream public transport, enabling them to live independently, to access essential services and to participate in community activities. Most users are elderly or disabled and value the service highly.
- 4.2 The funding of community transport helps the Council meet its duty to ensure equal access to transport services.
- 4.3 Community transport relies heavily on volunteers to drive vehicles, provide escorts and carry out administrative tasks. In that way, it provides opportunities for those who wish to help their communities.
- 4.4 Community transport is firmly rooted in local communities, who have identified transport needs in their areas and sought to meet them. The Council is committed to encouraging, facilitating and supporting such local initiatives.
- 4.5 There are no adverse implications on any of the protected groups defined in equalities legislation.

5 THE REPORT

5.1 The Joint Local Transport Plan for the West of England Partnership Area 2011 – 2026 aims to maintain, diversify, expand and integrate community transport provision by:

- Linking with other forms of public transport
- Optimising community transport operations
- Encouraging social enterprises
- Helping with marketing, publicity and information

5.2 Community transport improves access to work, education, training, shopping, leisure and health facilities for people living in rural areas and those who are elderly or disabled.

5.3 All schemes have made efforts to contain their costs and operate more efficiently. The number of individual passenger journeys on community transport grew by 9% to 94,829 in 2013-14, continuing the trend of the previous year. The overall average subsidy per passenger journey has fallen from £3.49 in 2011-12 to £3.21 in 2012-13 and £2.96 in 2013-14, reflecting a more efficient use of resources. This trend has continued in the first half of 2014-15 with passenger journeys growing by 12% and the average subsidy per passenger journey falling to £2.80.

5.4 Recommended awards have been arrived at following assessment of grant applications against the criteria in Appendix 1 and a comparison of value for money, within the constraints of the budget available.

6 RATIONALE

6.1 The recommended awards will ensure the continuation of existing community transport services and will help the Council meet its objectives.

6.2 The Council's Public Transport Team has considered the applications against set criteria (see Appendix 1) and assessed value for money by comparing the cost per trip of comparable schemes, based on the information that applicants provide.

6.3 One scheme applied for funding in excess of the current level (allowing for inflation) but it is recommended that the funding they receive be maintained at the current level with a small increase to allow for inflation. The scheme concerned has been advised of the recommendation and confirm that the recommended award would not give rise to a substantial curtailment of the services they currently provide.

7 OTHER OPTIONS CONSIDERED

7.1 None

8 CONSULTATION

8.1 Consultation has been carried out with the Section 151 Finance Officer and the Monitoring Officer. As in previous years, it was not deemed appropriate to consult more widely.

8.2 Consultation has been carried out electronically.

9 RISK MANAGEMENT

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

Contact person	Andy Strong, Public Transport Manager - 01225 394201
Background papers	None
Please contact the report author if you need to access this report in an alternative format	

Appendix 1 - Service Criteria for funding Community Transport Schemes

Funding Criteria for Grant Applications 2015-16

- As all schemes are providing a service for vulnerable adults (and sometimes children), all schemes must ensure that they comply at all times with the prevailing safeguarding requirements for all active volunteers and employees.
- New schemes must implement safeguarding checks from the beginning. Existing schemes will be required to repeat safeguarding checks for all active volunteers and employees in accordance with current legislation.
- All drivers involved in the provision of minibus transport must successfully undertake a driver assessment recognised by the Council, i.e. the Council's own driver training course or MiDAS (Minibus Driver Awareness Scheme). New schemes must implement these assessments from the beginning. All schemes should repeat driver assessments (for all drivers) every 5 years. The Council will meet the cost of any minibus driver undertaking the Council's driver training course.
- All schemes must complete the Health & Safety questionnaire included within the annual funding application pack and return questionnaire with funding application by the closing date.
- Schemes are expected to operate as economically as possible and to keep accurate and audited accounts.
- Schemes must have a properly constituted decision-making body (e.g. management committee) to oversee the project and make the necessary policy decisions.
- Any scheme funded would be expected to develop its own equal opportunities policy.
- All charges to users of schemes should be reasonable, cover running costs and be reviewed annually.
- Applicants will be expected to raise funds from sources outside the Council and these proposals should be described at the time of application so that the financial or other implications can be properly considered.
- New schemes will be considered if submitted with evidence of an unmet need in the area.

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APPENDIX 2 FUNDING APPLICATIONS FOR COMMUNITY TRANSPORT 2015-16

Table 1 - Dial-a-Ride schemes

Scheme	SLA payment for 2014-15 (£)	SLA payment for 2015-16 (£)	Single passenger journeys (April to Sept 2014)	Average subsidy per passenger journey (April to Sept 2014) (£)	Comments
Bath Dial-a-Ride	18,180	18,267	2,507	3.64	Provided by the Council's in-house transport fleet. A minimum of two vehicles operate in the City of Bath and the parishes of Bathford and Batheaston on Mondays to Fridays between 0930 and 1430.
Keynsham & District Dial-a-Ride	75,593	75,956	12,949	2.93	<p>The group operates six vehicles of various sizes. The dial-a-ride service operates on Mondays to Fridays between 0800 and 1830 (to fit in with opening times of local doctors' surgeries) for residents of Keynsham, Saltford and the adjoining rural areas.</p> <p>The group also does group hire and runs a service to Oldfield School on behalf of a parents' group.</p> <p>The group has 1,114 individual members and 48 group members.</p>
Midsomer Norton & Radstock Dial-a-Ride	102,459	102,951	8,146	6.32	Two minibuses and an MPV provide a service on Mondays to Fridays between 0815 and 1600 in Midsomer Norton, Westfield, Radstock

					and a very wide rural area stretching from the Chew Valley across to Freshford. The size of the rural area and the low density of population give rise to comparatively high operating costs. The group has 500 individual members.
TOTALS	193,083	197,174	23,602	4.18	

Table 2 - Other Community Transport providers

Group	Grant paid for 2014-15 (£)	Single passenger journeys (April to Sept 2014)	Average subsidy per passenger journey (April to Sept 2014) (£)	Grant applied for 2015-16 (£)	Grant award recommended for 2015-16 (£)	Comments
Age UK Bath & North East Somerset	7,700	807	4.77	7,840	7,840	Age UK B&NES runs a transport scheme to enable older, frail and disabled people to access community lunch clubs and day centres as well as providing trips to various shopping and leisure destinations. The group applied for a small increase in grant to reflect inflation and it is recommended that the grant applied for be made.
Bath Community Transport	49,048	18,528	1.32	51,754	51,754	Bath Community Transport operates seven fully-accessible minibuses to provide affordable transport for 136 groups across Bath & North East Somerset, comprising the elderly, the disadvantaged and those with impaired mobility. The group relies heavily on volunteers. The group replaces one of its vehicles annually and acquired an eighth vehicle

						<p>in spring 2014 to meet increasing demand.</p> <p>The group applied for a small increase in grant to reflect inflation and it is recommended that the grant applied for be made.</p>
Batheaston Neighbourhood Group	1,135	599	0.95	605	605	<p>Batheaston Neighbourhood Group provides transport for elderly and disabled residents of Batheaston to the local medical centre, RUH, St Martin's Hospital, the Bristol hospitals and to dental surgeries. It also takes clients shopping, delivers prescriptions for housebound people and provides a twice-monthly shopping coach.</p> <p>It is recommended that the grant applied for be made.</p>
Chew Valley Community Transport	4,650	358	6.49	4,500	4,500	<p>Chew Valley Community Transport is run entirely by volunteers and provides transport to medical appointments at surgeries, hospitals and clinics. It also provides transport to social events and shopping for small groups in an accessible MPV.</p> <p>The rural nature of its area and the low density of population give rise to comparatively high costs.</p> <p>The group applied for a slightly lower</p>

						grant than 2014-15 and it recommended that the grant applied for be paid.
Midsomer Norton & Radstock Community Service Vehicle Trust	1,300	1,134	0.57	1,300	1,300	<p>The group operates a minibus with a passenger lift to convey elderly and disabled persons to and from therapy centres, clubs, churches and community events. It also provides transport for community and youth organisations in Midsomer Norton, Radstock, Paulton, Peasedown St John and Timsbury.</p> <p>The group purchased a new vehicle and launched it in January 2015.</p> <p>The group applied for the same level of grant as in 2014-15 and it is recommended that the grant applied for be made.</p>
St Philip & St James Church Community Minibus	4,974	1,944	1.28	4,978	4,978	<p>The group provides transport for 57 groups of elderly, disabled, single parents, teenagers and vulnerable persons.</p> <p>The group applied for a slightly lower grant than 2014-15 and it recommended that the grant applied for be paid.</p>
SWAN Advice Network Volunteer Transport	15,800	1,560	5.06	21,890	15,876	SWAN provides an accessible service to clients of social services and those on low income who are unable to access mainstream public transport. The group

Scheme						<p>provides transport to take clients shopping, to visit family or friends, to attend activities or attend classes and to attend hospital or health appointments. It works closely with various other organisations.</p> <p>It is recommended that the grant remain at the current level but with a small increase to allow for inflation.</p>
Wellow Community Bus Group	4,980	2,485	1.00	4,945	4,945	<p>Wellow Community Bus Group uses a minibus to operate four runs per day between Wellow and Bath for its members.</p> <p>The group is keen to make its vehicle available to wider range of users, especially those without cars, and to reduce peak time car use.</p> <p>The group applied for a similar level of grant as in 2014-15 and it is recommended that the grant applied for be made.</p>
TOTALS	89,587	27,415	1.63	97,812	91,798	

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	11 February 2015	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2745
TITLE:	Heritage Services Business Plan 2015-2020 and Museum Forward Plans	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Annexe 1 – Heritage Services Business Plan 2015-2020		
Annexe 2 – Roman Baths: museum forward plan 2015-2018		
Annexe 3 – Victoria Art Gallery: museum forward plan 2015-2018		
Annexe 4 – Revised Documentation Policy		
Annexe 5 – Revised Care and Conservation Policy		

1 THE ISSUE

- 1.1 The report introduces the Heritage Services Business Plan 2015-2020 that has been prepared following the annual in-depth review of business activity. The Plan includes an analysis of the risk involved. The report also seeks formal adoption of 3-year forward plans for the Roman Baths and Victoria Art Gallery and two additional museum policies which are required for the museums to renew their Accreditation status with Arts Council England.
- 1.2 This plan will reviewed and updated to reflect the new Medium Term Plan for 2016/17 to 2019/20 as part of the 2016/17 budget process following the local government elections in May 2015.

2 RECOMMENDATIONS

The Cabinet agrees to:

- 2.1 Approve the Heritage Services Business Plan 2015-2020;
- 2.2 Approve the Roman Baths Museum Forward Plan;
- 2.3 Approve the Victoria Art Gallery Museum Forward Plan;
- 2.4 Approve the Museum Documentation Policy
- 2.5 Approve the Care and Collections Policy;

- 2.6 Note that the February 2015 Council Budget Report recommends that both the £1m capital budget for East Baths Development, to be delivered in 2015/16 and 2016/17, and the £100k capital budget for Roman Baths infrastructure works to be delivered in 2015/16, be fully approved;
- 2.7 Note the proposed capital project to commence the refurbishment of the Roman Baths site and its Retail outlets in 2019/20 at a cost of £1.15 Million, for consideration as part of the 2016/17 budget process.
- 2.8 Note that the February 2015 Council Budget Report approves the re-phasing of the £100k capital budget for the Retail module of the Visitor Management System from 2014/15 to 2015/16.
- 2.9 Note that the February 2014 Council budget included the development of the Archway Centre as an emerging capital project for which a Council contribution of £650-750k should be sufficient to satisfy the Heritage Lottery Fund (HLF).
- 2.10 Confirm that it wishes Heritage Services to continue to work to the business principles agreed by the Council Executive in 2004 as amended.

3 FINANCIAL IMPLICATIONS

- 3.1 The financial information contained within the Business Plan supports the Council's current Medium Term Service and Resource Plan (MTSRP) and the proposed Council Budget for 2015/16. The Plan demonstrates how Heritage Services will attempt to increase its profit in order to meet savings targets required by the MTSRP in 2015/16 and to generate further increases in return to the Council in each of the following four financial years to 2019/20.
- 3.2 The Plan identifies the increased level of risk associated with assumptions on visitor numbers, together with the increasing difficulty that will be experienced in achieving further increases in profit in future years.
- 3.3 Heritage Services generates external income for the Authority of £15 million p.a. This is planned to increase to over £17 Million p.a. by 2020. This income is a strategic resource for the Authority, and represents a direct contribution to its finances from the local tourism economy. There are also indirect contributions via parking fees and the impact on rental values of Commercial Estate shops. The economic impact survey undertaken by the University of Bath in 2012 indicated that the Roman Baths levers £107 Million p.a. into the local economy.
- 3.4 This Authority is unique in the country in operating its museums service at a net surplus ("profit"). The net surplus earned for the Council by Heritage Services since the inception of Bath and North East Somerset Council has totalled c.£61 Million.
- 3.5 In financial year 2015/16 the target profit of £5 Million represents a reduction in each Council Tax bill in the district of c.£64. For example, the average Band D Council Tax bill would be £80 higher without this contribution to the Council's finances.

- 3.6 The annual profit targets contained within the revised Business Plan for 2015 to 2020 are challenging, and their achievement is subject to a range of sensitivities and risks, including both world events and local factors.
- 3.7 The revised Business Plan 2015-2020 continues the on-going investment programme designed to improve visitor perceptions of value for money and thus continue to increase revenues and profitability. This includes both capital and revenue financed projects, including the refurbishment of the East Baths and the cyclical refurbishment of the Roman Baths retail outlets. Subject to the success of a Round 2 HLF application, the Archway Centre will create a World Heritage Centre and Roman Baths Learning Centre, amongst other benefits.
- 3.8 The debt charges generated by capital investment are funded by planned increases in income generated by Heritage Services and are included in the financial projections that underpin the revised Business Plan. The increases in income generated by these projects are similarly included.
- 3.9 The increase in investment proposed in the revised Plan will add pressure to the Council's VAT partial exemption position. Based on current assessments it is likely that the Authority could exceed its "partial exemption" limit at some point in the five years to 2019/20. The Heritage Services Investment Programme will at all times be managed with the Council's VAT advisers to ensure the Council does not breach the partial exemption limit.
- 3.10 The figures reflected in the plan may be reviewed as part of the Council's MTSRP process.

4 CORPORATE

4.1 Heritage Services supports the Corporate objectives in the following ways:

4.2 Promoting independence and positive lives for everyone:

- the Service makes its buildings and services as accessible as possible;
- it makes concessions for seniors in its charges;
- it ensures adequate public seating in its venues.

4.3 Creating neighbourhoods where people are proud to live:

- the Service participates in the Bath Business Crime Reduction Partnership;
- it fosters pride in the district's museums and heritage through the unique residents' Discovery Card scheme;
- it enables people to trace their families and research their houses and neighbourhoods.

4.4 Building a stronger economy:

- the Service levers £107 million p.a. into the local economy (2012);
- the Service is at the heart of the area's cultural life with rich museum and archive collections which help people understand and celebrate where they live;
- the Service makes a positive contribution to the Council's budget.

5 THE REPORT

- 5.1 In September 2004 the then Council Executive decided that Heritage Services should be retained as an in-house service and should operate as a business unit with substantially improved operating arrangements focused upon:
- Sustaining and improving the annual profit generated for the Council;
 - Improving the visitor experience; and
 - Conserving the historic assets for present and future generations to enjoy.
- 5.2 This approach has been highly successful, with annual profit growing by over 100% (£2.7 Million p.a.) in the years from 2005/06 to 2015/16.
- 5.3 The revised operating arrangements included the introduction of rolling 5-year profit targets for the Service, to be set by Council and included in the Corporate Financial Plan, with financial performance presented in fully inclusive accounts outside normal local authority conventions. This operating model ensures that a holistic approach is taken to decision-making and that all resources required to sustain and generate income flows are fully aligned.
- 5.4 The revised operating model allowed the Service to embark upon a long-term programme of development work on the site to conserve the ancient fabric, enhance the visitor experience and protect and develop the income streams to the Council. All such investment is subject to a detailed annual business case including prudent provision for the costs of borrowing and VAT implications. The Executive also approved the convening of an informal Advisory Board (now re-titled 'Advisory Panel') to validate the business case for the investment proposals.
- 5.5 Annual profit is calculated net of all costs, including capital charges, all investment streams (including the maintenance and development of assets) and a full allocation of corporate overhead. In order to deliver the operating model, the Service carried out a restructure in January 2005 to ensure that front-of-house operational and back-of-house building-related activities are fully integrated so as to provide a high-quality experience to daytime and evening customers. This structure remains successful today.
- 5.6 The 2015-2020 Business Plan summarises how the Service has performed when benchmarked against other leading visitor attractions. Detailed commercially-sensitive information is provided in the exempt appendices which will be available to Cabinet Members. The Plan assesses the risk associated with assumptions on visitor volumes, including the threats posed by the development of competing visitor attractions (such as Stonehenge) and sets out a business, pricing and marketing strategy to maximise income earned from the visitor market. The Plan also outlines the investment required to achieve and sustain income and profit levels on an on-going basis. Unlike many attractions that have a large local visitor base with many repeat visitors, the Roman Baths must attract one million different visitors each year.
- 5.7 To increase capacity for generating grant giving and sponsorship income, the new post of Fundraising and Sponsorship Manager was created in 2014/15. The postholder has now been recruited and her costs are included in this current plan.

- 5.8 To increase marketing capacity, reduce management overload and build resilience, the Service's Commercial Team has been subject to a full review. A new post of Heritage Marketing Manager will be created in 2015/16 in order to both protect the attractions unprecedentedly high visitor numbers, and to redistribute them to quieter months of the year to maintain visitors' perceptions of 'quality of visit'. A new 'housekeeper' post will be created in the Operations Team to maintain standards of presentation and help deal with the problems of attrition caused by one million visitors a year. Modest step-changes in customer-facing, cleaning and support staff will also be made. The net effect of these changes in 2015/16 will be £219k p.a. and has been built into the bottom line forecasts shown in the Business Plan.
- 5.9 The joint 'saver' ticket to the Roman Baths and Fashion Museum will be increased in price and extended to include admission to the Victoria Art Gallery's large temporary exhibition programme. To regain the support of local audiences the exhibition programme will be brought into line with the Roman Baths and Fashion Museum.
- 5.10 Free admission to Discovery Card holders, currently amounting to just over 1% of Roman Baths visitors, has been re-examined. The main benefit of this is in the additional visits by friends and relatives coming with local people. The income from such visits exceeds any potential income that could be achieved from charging local residents. Free entrance to Discovery Card holders will therefore be extended to the Victoria Art Gallery. The net effect of these and related measures will be an annual increase in footfall at the Gallery of c.50,000 visitors and an increase in income of c. £60k.

Capital investment will continue to be made in five key areas:

- 5.11 The next phase of Roman Baths Development to maintain, refresh and update the 'visitor offer' and extend step-free access throughout the museum. This will involve:
- a) investment of £1 Million in the East Baths project, with £500k invested in both 2015/16 and 2016/17. This project will involve essential flood-prevention and conservation work as well as state-of-the-art interpretation and lighting. This project is included in the current provisional Capital Programme and is recommended for full approval in the Council Budget report also being considered at this meeting.
 - b) Investment of £1.15 Million in 2019/20 in order to refurbish the main Roman Baths shop and begin a further major refurbishment of the entire Roman Baths site. This project is not yet included in the current provisional Capital Programme.
- 5.12 Investment in the infrastructure on the Roman Baths site; the block of projects planned for 2015/16 is recommended for full approval in the Council Budget report also being considered at this meeting.
- 5.13 The development of The Archway Centre, a World Heritage Centre and Roman Baths Learning Centre, funded mainly from grants but including a corporately funded contribution by the Council of up to £750k should the project receive Round 2 HLF funding. Heritage Services has been successful in gaining a Round 1 HLF award in order to work up the main Round 2 application, which will be made in November 2015. The Council budget decision in February 2014 recognised this

project as an “emerging item” within the Capital Programme ,and the Council is aware that it will need to provide in-principle approval for its contribution during 2015/16 in order that the Round 2 HLF application can proceed. Full approval for the project will be sought once the result of the HLF application is known.

- 5.14 The development of further commercial corporate hospitality facilities for the Pump Room complex, subject to further development of the associated business case.
- 5.15 Installation and development of an integrated Visitor Management System, which is included in the Approved Capital Programme. Re-phasing of the project will require expenditure of £100k on the retail element of the project to be deferred from 2014/15 to 2015/16.
- 5.16 These developments, along with all other capital projects, will be subject to the Council's project implementation and capital review processes, together with planning processes as appropriate, and will be considered as part of the budget process in future years.
- 5.17 This Plan provides the business strategy necessary to meet the Council’s financial planning assumptions of a sustained increase in profit and incorporates a programme of further cost base reductions to divert resources into investment.

Arts Council England (ACE) Museums Accreditation.

- 5.18 The report also recommends the adoption of forward plans specific to the Roman Baths and Victoria Art Gallery which requires governing body approval to enable them to renew their ‘Full Accreditation’ status with ACE. The forward plans are consistent with the provisions of the Business Plan 2015-2020 and are aligned with the Council’s key objectives. Accreditation will not incur any additional ongoing costs and will enable access to grant-aid which without Accreditation would not be possible.
- 5.19 ACE has requested that two new policies be adopted by the governing body; these are a Documentation Policy and a Care and Collections Policy. These are models of best practice and involve no new expenditure.
- 5.20 The Cabinet will recall that it adopted the Fashion Museum’s forward plan in April 2014. ACE has indicated that, to simplify matters, in future it will harmonise the dates it requires the Council’s three museums to update their Accreditation status.

6 RISK MANAGEMENT

- 6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.
- 6.2 The Plan is underpinned by extensive and integrated modelling of all key visitor, income and cost assumptions and is sensitive to normal tolerance on the business model and its assumptions. However there is a risk that the profit targets for 2015-2020 will not be achieved, both due to the sensitivity of planning assumptions and to national and international economic factors. The Robustness of Estimates statement for the Place Directorate will include provision for this risk in the financial year 2015/16.

7 EQUALITIES

- 7.1 An Equalities Impact Assessment of the Heritage Service Business Plan was undertaken as part of the wider Service equalities impact action plan that looked at all business and non-business activities across the Service.

8 RATIONALE

- 8.1 Heritage Services operates as a business unit, with annual profit targets and investment levels agreed corporately on a rolling basis. The business strategy to achieve these targets is detailed in a Business Plan ('The Plan'), reviewed and revised each year. The Plan provides a fully integrated approach to income generation and the investment necessary to achieve it, and is aligned with the Council's corporate aims and objectives.
- 8.2 In 2010 the Audit Commission commended Heritage Services for its achievements in value-for-money and for the business systems that enable these to be made as part of their assessment of the Council's 'Use of Resources'. A review of governance by the Council's internal audit service in 2013/14 rated the current arrangements as 'excellent'.

9 OTHER OPTIONS CONSIDERED

- 9.1 During 2014/15 the s151 Officer and Strategic Director (Place) commissioned an options review to consider the best governance model for the Service and to identify any areas where business performance could be enhanced yet further. The review recommended that Heritage Services remain an in-house service and that its operating freedoms granted in 2004 be restored in order to enable it to continue to thrive in the competitive visitor attractions market.
- 9.2 The process of revising and updating the Business Plan has involved consideration of a number of different pricing, marketing and investment options. The financial and business effects of these options were modelled and evaluated. The business strategy attached recommends a coherent and integrated series of decisions that are most likely to enable the Service to meet the targets required of it by the Financial Plan and sustain this level of performance in future years.
- 9.3 Another option would be for Heritage Services to cease functioning along the business lines of the past ten years and return to being a conventional local authority museum service. The absence of investment would lead to a loss of focus and competitiveness and result in falling revenues to the Council. This course of action is not recommended.

10 CONSULTATION

- 10.1 Cabinet members; Scrutiny Panel; Staff; Service Users; Local Residents; Section 151 Finance Officer; Monitoring Officer.
- 10.2 Work on the Business Plan has involved consultation with a number of people and agencies:

10.2.1 The Strategic Director 'Place' and Divisional Director 'Community Regeneration' have been consulted; the Heritage Services Advisory Panel was consulted, in particular on investment plans. The Panel advises the Cabinet Members for Resources and Sustainable Development and the Chair of the ECD Scrutiny Panel.

10.2.2 Ongoing sectoral liaison and benchmarking through the Association of Leading Visitor Attractions (ALVA) has ensured the best possible market intelligence;

10.2.3 Colleagues in Finance were also fully consulted and involved;

10.2.4 Visitor feedback is gathered and analysed during the year to inform the decision making process.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 Customer Focus; Sustainability.

12 ADVICE SOUGHT

12.1 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. The Section 151 Officer has made a number of amendments to the report.

Contact person	Stephen Bird, Head of Heritage Services: 01225 477750
Sponsoring Cabinet Member	Councillor Ben Stevens (Sustainable Development)
Background papers	Report of the Council Executive, Thursday 14 th October, 2004 Report to Cabinet, Heritage Services Business Update, 14 May 2014
Please contact the report author if you need to access this report in an alternative format	

Heritage Services Business Plan 2015–2020

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Attachments:

Further details are provided for Cabinet Members in the confidential attachments.

I. The business unit.

The Council established Heritage Services as an internal business unit in 2005. It approved bespoke financial arrangements to give the Service the freedom and agility to plan and to implement investment, pricing and marketing decisions. The Service is unique in operating at no cost to the local taxpayer and returns a net surplus of c.£5 Million p.a. to the Council, measured on a full cost basis.

Through its rolling 5-year business plan, the Service maximizes the commercial opportunities offered by the Council's world class heritage assets. Through planned re-investment of a proportion of its earned income, the Service conserves and develops these assets, maintains and extends the audiences who enjoy them and protects and enhances the income earned through them.

Performance, business planning and investment strategy are reviewed by the Heritage Services Advisory Panel of external specialists in museums, visitor attractions, governance and finance. They advise Cabinet Members and the Scrutiny Panel Chair on the soundness of the Service's business plan.

In 2013/14 a consortium led by Winckworth Sherwood LLP (WS) was commissioned by the s151 officer and Strategic Director (Place) to undertake a high-level options review of the Heritage Services' governance arrangements and development opportunities. A number of key issues identified by WS will be addressed by this Business Plan.

2. Business philosophy.

The Service does not seek to maximise income to the exclusion of all other considerations. The business strategy is to maintain the sustainability of three interdependent areas of activity:

- Conservation – preserving our unique heritage
- Customer care – improving the visitor experience
- Commercial development – remaining competitive and maximising income-earning opportunities

This business philosophy is characterised as the 'tripod of sustainability' in Figure 1 below.

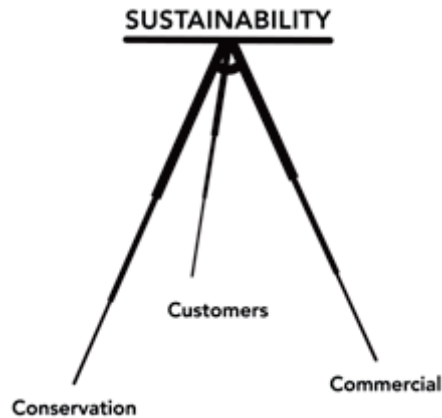


Figure 1. The Tripod of Sustainability.

This business philosophy argues that, to ensure the long-term sustainability of the Council's irreplaceable heritage assets, equal attention must be paid to each of the three key areas of activity. The model suggests that the more one disturbs this balance by unduly extending or contracting any one of the tripod legs, the less sustainable the Service becomes.

3. Business performance 2005-2015.

Significant investment at the Roman Baths since 2005 has improved the state of conservation of the ancient monument and enhanced the quality of the visitor experience. This has led to excellent visitor feedback, higher visitor numbers, increased income and a string of awards.

Since 2005 Heritage Services has:

- earned income (turnover) of £116 Million;
- made a total net profit of over £36 Million – a return of 34% on annual turnover;
- doubled annual profit to c. £5 Million p.a.

Benchmarking against other leading UK visitor attractions has shown Heritage Services as a whole, and the Roman Baths in particular, to operate with great success in the competitive national and international attractions market. The current operation:

- is consistently in the top quartile for profitability;
- is consistently top quartile for income;
- has employee costs that are the lowest in the country.

Investment in conservation, the visitor experience and commercial development has increased over the last 10 years, but is still at a relatively low level when compared with other national visitor attractions.

Admission charges across this period have increased by well above the rate of inflation, and one would expect this to reduce demand, but visitor numbers have still increased significantly.

The continuous line on the graph at Figure 2 below demonstrates how the Roman Baths headline adult admission charge has increased from 2005 to 2014; the dotted line shows the increase in the Retail Prices Index (RPI) over the same period.

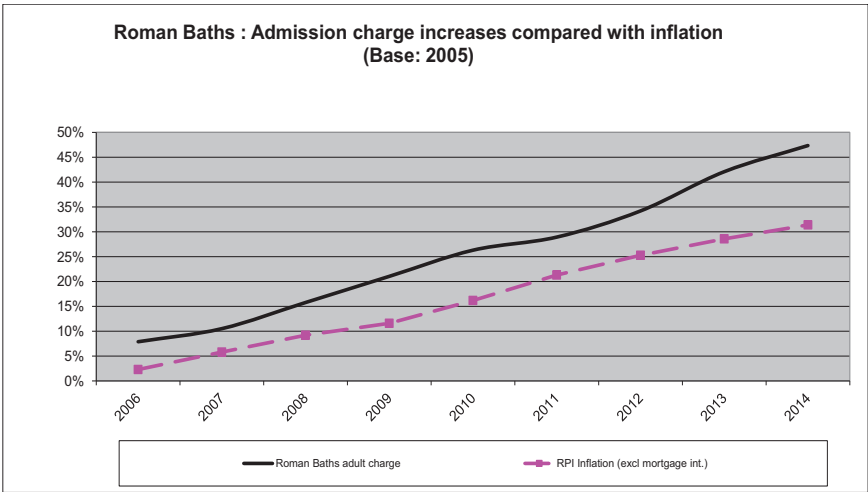


Figure 2: Roman Baths’ admission charge increases compared with inflation.

The continuous line on the graph at Figure 3 below demonstrates the growth in Roman Baths' total visitor numbers. The dotted line illustrates the 5-year trend which currently stands at just above 950,000 visitors per annum.

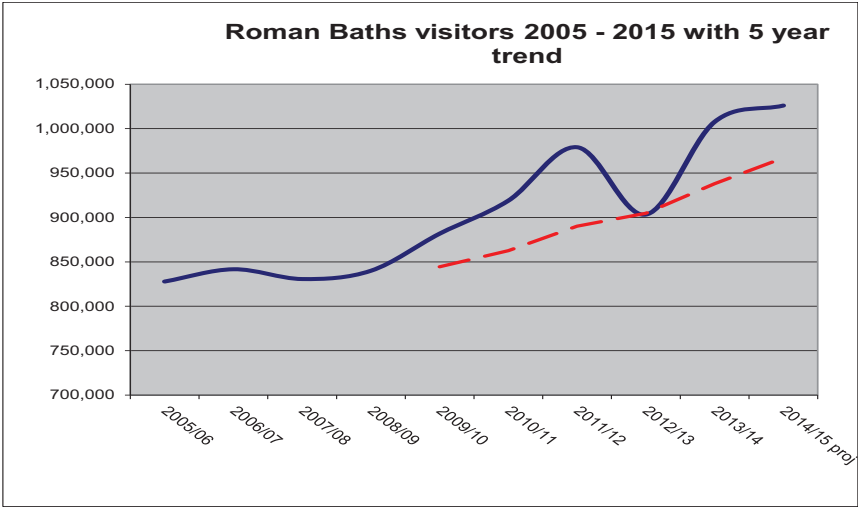


Figure 3: Roman Baths’ visitors 2005-2015 showing the 5-year trend line.

Every year since 2000 there have been geo-political, economic, public health, environmental and meteorological events which have either prevented people from travelling or have influenced their decisions about flying and where it is safe to go. The effects of these have been felt across the visitor attractions sector. These events include:

- 2000** Mad Cow Disease (BSE);
- 2001** Foot-and-Mouth Disease (FMD); 9/11;
- 2002** War in Afghanistan; Bali bomb;
- 2003** Wars in Iraq and Afghanistan; SARS scare; Bath Spa not open;
- 2004** Wars in Iraq and Afghanistan; Madrid bombs; Bath Spa not open;
- 2005** Wars in Iraq and Afghanistan; London bombs; Bath Spa not open;
- 2006** Wars in Iraq and Afghanistan;
- 2007** Wars in Iraq and Afghanistan; FMD; Glasgow Airport attack; West Country flooding;
- 2008** Wars in Iraq and Afghanistan; Credit crunch;
- 2009** Wars in Iraq and Afghanistan; Recession; Swine 'flu;
- 2010** War in Afghanistan; Recession; Ash Thursday;
- 2011** War in Afghanistan; Recession; Bombing of Libya; Japan earthquake/tsunami;
- 2012** War in Afghanistan; Recession; London Olympics; wettest summer in 100 years;
- 2013** War in Afghanistan; Unrest in Egypt and Syria;
- 2014** War in Afghanistan; Unrest in Egypt, Syria and Iraq; Stonehenge; West Country flooding; ebola; Malaysian Airlines' disasters;
- 2015** Islamic State; ebola; *others?*

4. Performance in 2013/14 and 2014/15.

Visitor numbers at the Roman Baths hit record levels in 2013/14 (1,008,000) and 2014/15 (1,024,000 projected). This followed several years of investment in the visitor experience, new marketing to support it, the emergence from recession and the absence of any significant geo-political, economic or environmental events to inhibit travel.

Performance in these two financial years has significantly exceeded in-year budgets due almost entirely to higher than planned Roman Baths' visitor numbers. This increase in income was offset in 2014/15 by a marginally lower than budgeted admission spend (income) per visitor, largely as a result of an increase in the number of group visitors.

The budgets for each year assumed overall visitor numbers that were:

- At the upper end of the range consistent with providing a high quality visitor experience;
- Consistent with the highest levels of visitor numbers ever achieved by the site.

The table at Figure 4 below illustrates the total income and profit generated in 2013/14 and currently forecast for the financial year 2014/15.

Figure 4: Heritage Services financial performance: 2013/14 and 2014/15						
	2013/14 Actual	2013/14 Budget	Increase / (Decrease)	2014/15 Forecast	2014/15 Budget	Increase / (Decrease)
	£000	£000	£000	£000	£000	£000
External turnover (income excluding internal charges)	14,221	13,218	1,003	14,956	14,073	884
Net profit	5,176	4,052	1,124	5,112	4,581	531
Roman Baths visitors	1,008,000	925,000	83,000	1,024,000	948,000	76,000
Roman Baths average spend (income) per visitor (<i>admission income plus gross retail profit and café / restaurant commission</i>)	£11.33	£11.17	£0.16	£11.76	£11.94	-£0.18

Trend analysis.

These short-term increases in income and profit have been driven almost entirely by record increases in Roman Baths' visitor volumes. This is illustrated in the graph at Figure 5 below, which charts the 2-year (24 month) trend in average monthly visitor volumes and day-visitor-related income.

The average monthly number of visitors is measured on the left hand scale; the blue hatched columns demonstrate the growth in the actual number of visitors received, whilst the solid purple columns demonstrate the average budgeted monthly visitor numbers.

The average monthly visitor admission and secondary income is measured on the right hand scale; the purple, starred line demonstrates the actual growth in average monthly income, whilst the smooth green line demonstrates the average budgeted monthly income;

Figure 5 shows that, at December 2014, actual average monthly income has grown to c. £940k per month (c. £11.3 Million p.a.) as a result of visitor numbers totalling just over 83k per month (1 million + p.a.). This is significantly higher than the average budgeted level of income of c. £10.6 Million p.a. , based on rolling average visitor numbers just under 78k per month (930k+ p.a.)

The short term trends illustrated in this graph are reliant upon sustaining visitor numbers at the current, record levels. The budget proposed for 2015/16 and subsequent years

assumes that these trends will be sustained over the next five years. Section 9 on Risk below illustrates the financial impacts should these record short term trends not be sustained.

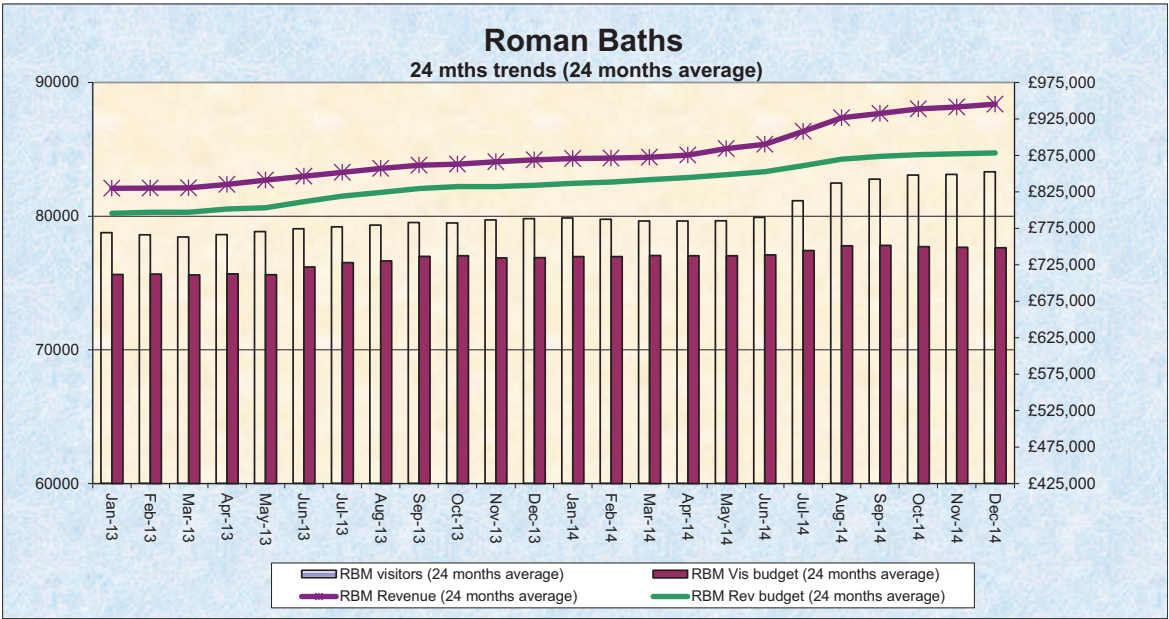


Figure 5: 24 month trend in average monthly visitor volumes and day-visitor-related income.

In addition, the Roman Baths will face severe congestion on a more sustained basis than in previous years. In 2014/15 the attraction has received more visitors than the maximum capacity (5,000) on 17 days, and was close to capacity throughout the peak season. Overcrowding at peak times of year is starting to impact on customer satisfaction levels, as illustrated in the graph at Figure 6 below, which measures Roman Baths performance (in the columns) against the ALVA average (the 0% line. ALVA = Association of Leading Visitor Attractions).

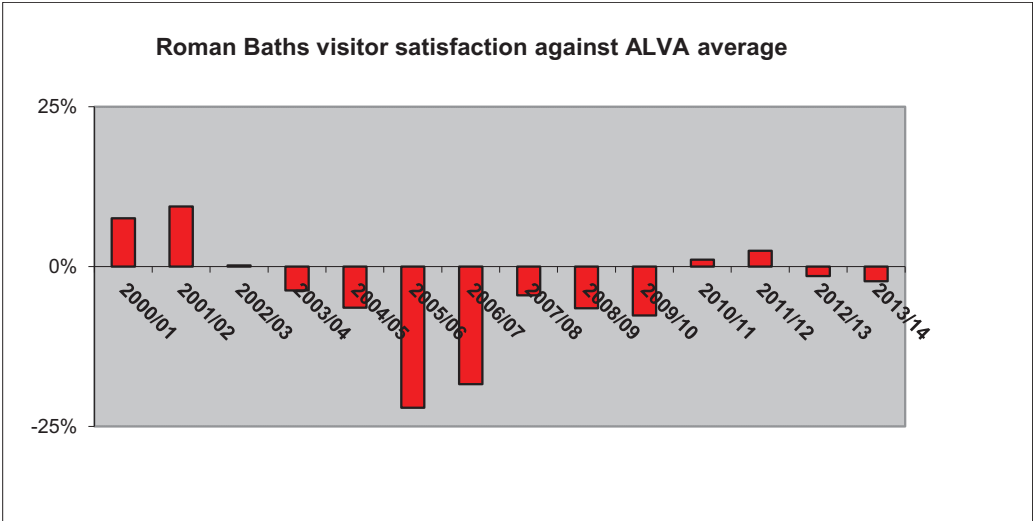


Figure 6: Roman Baths' visitor satisfaction against the ALVA average.

The majority of the increase in income achieved since 2005/06 has been because of increases in prices and average visitor spend. Only 29% of the growth in income achieved over the eight years to 2013/14 was as a result of increases in visitor numbers.

The Roman Baths is now a very high price, high yield, high profitability operation in comparison to other major national heritage attractions. Admissions income is consistently amongst the very highest in the country although further increases in secondary spend (retail and catering) are limited by the restricted space available.

5. Business targets 2015-2020.

The targets in this Plan aim to grow annual profit by over £1.45 Million (32%) over the next five financial years, so that by 2019/20 annual profit will be £6 Million p.a. The Business Plan 2015-2020 proposes measures that will achieve these increases in each of the first four years, and that should achieve all of the increase required over the cumulative five year period. The Heritage Services profit reserve was established to enable profit targets to be addressed on this basis, and is crucial in ensuring that financial performance can be smoothed to address the inevitable variations in business activity across a period of years.

However, achieving the required increases in turnover and profit becomes increasingly challenging because:

- Profitability is already amongst the very highest nationally;
- Increases in day visitor income rely wholly on price increases as visitor volumes are at their maximum level;
- Expansion of secondary spend is constrained by restrictions in physical space;
- Increased investment is required to underpin price increases;
- Fixed costs increase, including capital charges related to capital investment.

The table at Figure 7 below demonstrates likely performance in each year based on the updated, detailed financial model that underpins this Business Plan. This shows that targets should be marginally exceeded in the first four years of the Plan, but will not be achieved in year 5. The over-achievements illustrated in years 1 to 4 represent only c.1% of turnover in any year and are therefore within the margin for error on such a model.

All assumptions will be fully monitored and reviewed as usual over the coming year and will be reflected in future revisions of this Plan.

Figure 7: Heritage Services: key financial and visitor targets						
	2014/15 (budget)	2015/16 (proposed)	2016/17 (proposed)	2017/18 (proposed)	2018/19 (proposed)	2019/20 (proposed)
	000	000	000	000	000	000
External turnover (income excluding internal charges)	£14,073	£15,467	£16,191	£16,697	£17,120	£17,293
Net Profit	£4,581	£5,031	£5,468	£5,718	£5,882	£5,745
Profit target	£4,581	£4,931	£5,281	£5,531	£5,781	£6,031
Surplus (shortfall) against target		£100	£187	£187	£101	(£286)
Cumulative surplus		£100	£287	£474	£575	£289
Net profit per Council Tax payer	£60	£64	£70	£73	£75	£73
Profit as a percentage of external turnover	33%	33%	34%	34%	34%	33%
Roman Baths visitors	948	1,010	1,010	1,010	1,010	1,010
Fashion Museum visitors	95	97	100	100	100	100
Victoria Art Gallery visitors	91	149	149	149	149	149
Roman Baths average income per visitor (admission income plus gross retail profit and café / restaurant commission)	£11.94	£12.28	£13.06	£13.47	£13.80	£13.91

The year-on-year increase in profit of £450k in 2015/16 will be produced by a significant increase in admission, retail and other trading income together with the increases in staffing and other investment required to sustain and continue to grow these income streams, as illustrated in the table at Figure 8 below.

Figure 8: Increase in income, costs and profit from 2014/15 budget to 2015/16		
Area	Increase £000	Rationale
Increase in trading income	£1,280	External turnover less non trading income
Less:		
Increase in employee costs	£310	Pay award + step change to sustain higher visitor volumes
Increased marketing + improvements in the visitor experience and facilities	£220	To sustain higher visitor volumes
Increase in maintenance and dilapidations	£120	Assembly Rooms lease (legal requirement) and inflation
Increased retail purchases	£90	Cost of retail sales included in trading income above
Increases in debt charges; utilities; business rates, and inflation	£90	Fixed and other unavoidable costs
Total increase in costs	£830	
Additional net profit	£450	Included in Table B above

6. Business Strategy 2015-2020.

To achieve these targets, it will be necessary to:

- Keep Roman Baths visitor numbers at unprecedentedly high levels;
- Keep admission charges amongst the highest in the country;
- Provide a step-change increase in staffing and investment to improve visitor satisfaction and support large price increases
- Generate an extra profit of £350k next year, made up of:
 - o £250k p.a. already in the Council MTSRP for 2014/15, less £100k related to the Victoria Art Gallery
 - o £200k p.a. to replace the saving assumed from a Tourism Leisure & Culture trust;
- Generate an extra profit of £350k p.a. in 2016/17 and a further £250k p.a. in each subsequent year.

This may be summarised as ‘the five highs’:

- High volume
- High price
- High yield
- High investment
- High risk

The detailed proposals in the Business Plan include:

Roman Baths:

- Significantly increase admission charges in 2016, with further large increases in three of the other four years;
- Expand the combined ticket to include the Victoria Art Gallery, with increased prices and additional promotion to increase sales and income;
- Sustain visitor numbers at the current record levels of over 1 million in each financial year, including the current record numbers of group visitors;
- Assume no increase in visitor numbers and achieve 99% of the planned increase in admission income from increases in admission prices;
- 99% of the planned increase in admission income will come from increases in admission prices; no increase in overall visitor numbers is assumed;
- All price increases will be monitored and reviewed in detail to assess possible impacts on price resistance and yield and inform future Business Plans.

Fashion Museum:

- Similar increases in prices as for the Roman Baths;
- A modest increase in visitor volumes achieved via the promotion of the expanded combined ticket and improvements in the core visitor offer;
- A focus on improving levels of secondary spend, supported by the extension of free admission to the Assembly Rooms for National Trust members.

Victoria Art Gallery:

- A significant increase in visitor numbers and admission income via the expanded combined ticket;
- Free admission to charging exhibitions for residents (ie Discovery Card holders).

Feasibilities for future developments:

- A feasibility study to examine options for the further off-site retail activity has indicated that such a project would not provide a commercial return;
- A further feasibility study is underway to examine options for the development of the Victoria Art Gallery site to improve its financial sustainability.

Both studies are based on recommendations contained in the recent WS Options Review.

7. Investment.

Staffing and investment are currently relatively low when compared with other visitor attractions and are insufficient to support the current record numbers of visitors. To sustain and grow visitor numbers, satisfaction levels and income it will be necessary to make further investment in the quality of the visitor experience and associated marketing.

Keeping Roman Baths visitor numbers at unprecedentedly high levels will also require a step change in staffing costs, which will still remain amongst the lowest of any major visitor attraction in the UK.

Recent research by Visit Britain and others has emphasised the importance of developing the visitor experience and emotional engagement with the visit. Investment in the visitor 'product' over the next five years will therefore include not only physical improvements but also new developments in digital interpretation. The award of a new audio guide contract in 2016 is likely to include multi-media rather than purely audio content.

Revenue: proposed increases in on-going investment (reflected in the table at Figure 8 above) include:

- Increased customer-facing, marketing and associated support staffing to cope with record visitor volumes and increases in opening hours – an additional £219k p.a. in 2015/16, rising to £253k in 2016/17;
- Increased marketing activity: an additional £100k p.a. to deliver continued record visitor numbers and attract new off-peak markets; increases in spend and increased marketing activity, including incentives to encourage visitors to come off-peak to reduce overcrowding;
- Improvements in the visitor experience and facilities, including interactive and interpretative devices and continued increased levels of security – an additional £110k p.a. in 2015/16, rising to £256k p.a. in 2016/17.

Capital: the two major projects during the life-time of the Business Plan 2015-2020 will be:

- The upgrading of the **East Baths** to the standard of presentation and quality achieved throughout the rest of the visitor experience. This will involve engineering works to prevent water flooding the monument when the River Avon is in spate which will, in turn, allow the monument to be properly cleaned and conserved. This will be accompanied by dramatic new interpretation and lighting.

- The development of the **Archway Centre**, subject to a Round 2 Heritage Lottery Fund grant and to a corporately funded contribution by the Council of up to £750k in order to pump prime the anticipated HLF grant. While this will not directly underpin or develop existing income streams, it will be a long-term investment in the audiences of tomorrow.

No other significant changes are proposed in the capital investment programme previously outlined for the five year period to 2018/19. However 2019/20 will mark the start of a further cycle of improvements on the Roman Baths site. Large parts of the last refurbishment are already five years old, and the site will require another cyclical programme of works phased over several years, in order to both allow the attraction to remain open and to avoid the adverse VAT impacts that will be suffered if significant investment takes place in any one year.

8. Marketing.

The range of opportunities for marketing and the need for market research have both increased significantly over the ten-year period since 2004, particularly in the fields of social media, viral marketing and remote / advance ticket sales. Emerging markets, in particular from the Far East, have replaced the dominance of North American visitors. This requires not only additional marketing capacity but a new set of staff skills to realise the potential of these opportunities.

The Business Plan 2015-2020 contains ever more challenging financial targets and levels of risk. The level of profit required by the Council demands that Roman Baths visitor numbers remain at c.1 million p.a. In order to protect visitors' quality of visit and the Council's reputation, it will be necessary to significantly redistribute some of this volume out of the peak months of July and August and into the 'shoulder months' of the spring and autumn by attracting new people who are able to travel off-peak.

The WS Options Review recognised the high performance of Heritage Services' commercial activities, but advocated better and bolder marketing campaigns to national and international markets.

To address these challenges, a discrete Marketing Team will be established alongside those for Retail, Venue Hire and Catering (externalised), to be headed up by a new post of Heritage Marketing Manager. The Heritage Marketing Manager will bring together all sales, marketing and publicity activities into one co-ordinated team and will have a full deputising role for the Commercial Manager. This will also reduce the number 'direct reports' to the Commercial Manager (excluding external contracts) from eight to five.

In addition, the investment allocated to marketing campaigns will be increased and bolder, carefully-targeted campaigns will be directed towards the markets with most potential, making full use of new media.

9. Risk.

The risk inherent in the Service’s business activities has grown exponentially with its success. As a result even relatively small variations in visitor numbers and business activity can produce a relatively large effect upon both income and profit in any year, as almost all costs are fixed in the short term.

This risk is reflected in the Council’s General Reserves via the Robustness of Estimates calculation for the Place Directorate and the Heritage Services profit reserve. In view of the increase in risk over the next 5 years this Plan recommends that the total net risk provision be increased from the current net level of £950k to at least £1.1 Million (c. 7% of income), consisting of the £206k currently hypothecated to Heritage Services in the profit reserve plus a further £900k within General Reserves.

Maintaining Roman Baths’ visitor numbers at around 1 million p.a. is uncharted territory and therefore carries a significant risk. The graph at Figure 9 below illustrates visitor numbers over the last 30 years, and shows that the underlying trend has grown to c. 900,000 p.a. over the last 20 years.

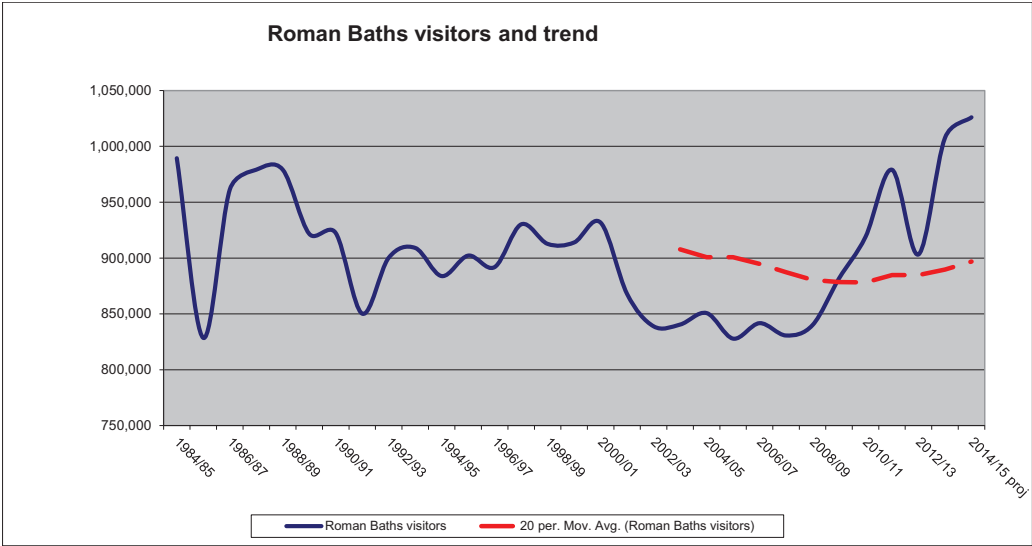


Figure 9: Roman Baths’ visitors and trends 1984 to 2014.

This is substantially lower than the numbers experienced in 2013/14 and 2014/15 as well as the numbers assumed for each of the next five years.

The table at Figure 10 below illustrates key trends in visitor volumes and the shortfall in annual income should Roman Baths visitor numbers reduce to those levels. These shortfalls would translate into reductions in profit in any financial year as the majority of costs within that period are fixed.

Figure 10: Roman Baths visitor numbers: trends and risks		
Visitor trend	Visitor numbers	Income shortfall in 2015/16
1 – 2 year trend	c.1 Million	£0 - £120k p.a.
5 year trend (2005 –2015)	c.950,000	c.£750k p.a.
20 year trend	c.900,000	c. £1.4 Million p.a.
Seven years to 2009/10	c.840,000	c. £2.1 Million p.a.

Visitor numbers in any year can also be influenced by common, but influential factors such as the weather, the timing of major sporting and political events, and transport issues. The table at Figure 11 below illustrates a small number of scenarios and the impact on income and profit that could result from even very small variations.

Figure 11: Roman Baths visitor numbers: illustration of variations		
Factor	Visitor numbers	Value of 10% variation in 2015/16
Easter weekend	c. 17,000	c.£20k
Busy summer Saturday and Sunday	c. 11,000	c.£14k
Busy summer weekday	c.5,000	c. £6k

In addition to the risk inherent in the business the other key areas of risk for the next five financial years are in the following areas:

External events – the Business Plan assumes that there will be no significant geo-political, security, economic, environmental or meteorological events in the next five years that will inhibit people’s willingness to travel or visit UK attractions. The table in section 3 above shows that every year since 2000 has brought an unexpected event or set of events that have had an adverse effect on business.

Customer resistance – continued above-inflation price rises increase the risk of customer resistance. Long queues at the entrance will increase the likelihood of walkaways by dis-satisfied tourists. These factors are estimated, but the effect can be somewhat different in practice.

Reputation – record visitor numbers are highly likely to detract from the quality of the visitor experience. Falling visitor satisfaction and above-inflation price rises will lead to a loss of reputation with negative publicity by word-of-mouth and social media.

Financial – expenditure to support the Service’s successful growth of income will be an increasing proportion of overall Council expenditure, particularly as the Council’s finances shrink. This will pose an increasing risk to the Council’s ‘partial exemption’ VAT position that could incur an additional VAT cost of c.£800k p.a. if the 5% threshold is reached. The Plan assumes that rates of interest and inflation will continue at their recent, historically low levels.

Systems and processes – financial pressures on the Council have led to increasing standardisation of process and systems. These changes focus on supporting shrinking local authority services aimed at a local client base, and are often not appropriate for a business like Heritage Services that is required to grow and sell its services commercially to a national and international customer base. The WS Options Review highlighted the imperative for the Service to be able to use industry standard, fit-for-purpose commercial systems and procedures if it is to remain competitive. In order to successfully deliver the continued increases in income and profit required by this Plan it is essential that the Service is empowered to employ appropriate systems and processes to achieve the commercial objectives that the Council has set. This includes the ability to specify and control investment projects to ensure that they are fully aligned with commercial and marketing objectives.

The Roman Baths Museum Forward Plan 2015-18

Name of museum: The Roman Baths

Name of governing body: Bath & North Somerset Council

Date on which the policy was approved by governing body: February 2015

Date at which this policy is due for review: 3 years from date above

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Introduction

The Roman Baths is a museum owned and operated by Bath & North East Somerset Council which is a small to medium sized unitary authority. The Council's power to operate the museum derives from the Public Libraries and Museums Act 1964.

It is managed as part of the Council's Heritage Services Division, together with the Fashion Museum and The Victoria Art Gallery which are also Accredited Museums. The Service also includes:

The Bath Record Office

The Council's World Heritage Management office

Listed buildings, notably the Pump Room, Assembly Rooms, No. 4 The Circus Georgian Garden

The old Bath City Laundry properties together with a number of other smaller properties in Bath that house support services.

This document is one of a series that set out the future direction for the Roman Baths. It is site specific and supplements other documents that are Service wide in their remit, including the existing Heritage Services Business Plan (2013 – 18) and the Heritage Services Service Plan (2014-15). The Roman Baths has seen significant development in recent years as the Council has invested large sums to deliver better conservation of buildings and collections, improved access, better interpretation and also improvements in earned income. This has resulted in improved feedback from visitors and also an increase in their number.

Preparing this document has usefully presented us with the opportunity to reflect on this process and create a new vision for the Roman Baths.

The Plan is for a period of three years which will allow the creation of its successor to dovetail with the next Accreditation Review round that we have been advised by Arts Council England will take place in 2018.

1. Statement of Purpose

The Roman Baths is here to enrich people's lives by preserving, developing and making accessible the ancient monument, historic building and Designated collection held in trust by the Council. It also contributes positively to cultural life, learning and the local and regional economy by making available a nationally significant resource to a very wide range of audiences in an inspiring and sustainable way.

2. Review of the Previous Plan

The most recent previous forward planning instrument for the Roman Baths was known as the Roman Baths Development and focused its attention very much on re-developing the site to improve access, visitor services and resilience. The last major project within that portfolio of developments will be completed in February 2015 when the activation of a fourth new lift will provide access for wheelchair users throughout the site.

That programme of work was structured as a series of mini-projects which delivered:

A new step-free visitor route through the site.

Access for wheelchair users to the below ground ancient monument and museum collections.

Access for all to a host of other accessible adaptations to improve both physical and intellectual access.

New interpretation and re-fitted gallery spaces throughout the site.

A five-fold increase in the number of objects on display.

Conservation of the historic fabric of the ancient monument and of all objects on display on an 'as required' basis.

Re-furbishment of on-site shops.

A new off-site catering facility – known as 'The Roman Baths Kitchen'.

A 10% increase in visitor numbers to record levels.

A 25% increase in income.

The programme attracted a number of awards including:

South West Tourism Excellence Awards 2015 Finalist (final result to be announced in February 2015).

Trip Adviser Awards 2014. Third in UK and fifteenth in Europe.

Visit England National Tourism Excellence Award for Large Visitor Attraction of the Year 2013 – Silver

European Museum of the Year 2012 – Finalist

Visit England Tourism Excellence Award for Large Visitor Attraction of the Year (South West) 2012 – Gold

Art Fund Prize (2012) - Finalist

Royal Institute of Chartered Surveyors (South West) 2011 - Winner

Museums & Heritage Classic Award 2010 - Winner

3. Development of this Plan

Consultations on the statement of purpose, aims and objectives of the Plan were carried out with the Roman Baths Focus Group in September 2014 and further consultation on the developing detail of the Plan took place in January 2015.

Councillor engagement included a broadcast interview on BBC radio about the Plan by the portfolio Cabinet Member in November 2014. The Plan will be submitted for approval to the Council's Cabinet in February 2015 as an appendix to the Heritage Services Business Plan 2015 – 20.

The general public, including both users and non-users, were invited to attend a consultation meeting in November 2014. Publicity was carried out via a press release distributed to local and regional media. The release gave full contact details for anyone wishing to make personal representations. Holders of 20,000 Discovery Cards – which give free admission to the Roman Baths for local people – were also invited through their e-newsletter to attend the public consultation meeting.

A staff consultation meeting to which all staff were invited took place on 4 December 2014.

4. Monitoring this Plan

Progress towards the actions identified in this plan will be monitored on an ongoing basis with an update report being prepared for the Head of Heritage Services in April 2016. Milestones will be set for each of the objectives to assist with progress monitoring. A full review of the plan will be undertaken at the end of February 2018 and a successor plan brought forward for consideration by the Council. Implementation of this Plan will be the responsibility of the Roman Baths & Pump Room Manager overseen and approved by the Head of Heritage Services.

5. Current Situation

a. Organisation Structure

The Roman Baths is part of the Heritage Services division of Bath & North East Somerset Council, which also includes the Victoria Art Gallery, the Fashion Museum and the Bath Record Office. The work of the division is governed by a Business Plan and Service Plan as well as site-specific Forward Plans, all these documents having received Council approval. The Heritage Services division is part of the Community Regeneration directorate of the Council.

Heritage Services operates under a rolling Business Plan aiming for ongoing sustainability in three interdependent areas:

- Conservation – preserving the heritage for present and future generations to enjoy;
- Customer Care – meeting the needs of all audiences, customers, and guests;
- Commercial success – maintaining the Service's positive contribution to the Council's budget.

b. Public Opening

The Roman Baths is open every day except 25 and 26 December. Opening hours vary seasonally and are currently

November to February: 9.30 – 17.30

March to June & September to October: 9.00 – 18.00

July & August: 9.00 – 22.00

This is supplemented by occasional public late openings for special events such as Museums at Night, Party in the City and Science Week.

c. Staffing

The Roman Baths has 69.3 FTE staff most of whom are employed in front-of-house and operational support roles. Three staff have curatorial responsibilities and a professional Learning service is provided on a cross-service basis by a Learning Co-ordinator and a team of Learning Workshop leaders. Marketing, retail, business support, catering and hospitality services are also provided on a cross-service basis. There is one person providing administrative support. Catering, security and costumed interpretation services are provided through contracted suppliers. The Council provides internal HR and IT support through corporate centralized services. The Roman Baths is also able to draw on centrally provided Council services for property management and project delivery on an 'as and when required' basis and also has access to central financial support services that provide insurance, VAT and financial planning advice.

In 2013/14 Roman Baths staff were assisted by up to 36 volunteers working mainly with collections and at public events in support roles for learning and curatorial staff.

The Roman Baths also provides jobs for 3 apprentices who take NVQs in Visitor Attraction and Heritage Operations whilst working in a range of roles throughout the service.

Opportunities for local young people in formal school education are provided through work experience placements (40 last year). Work experience opportunities for students in higher education through established arrangements with some universities providing museum and heritage related courses at graduate and post-graduate level (currently Leicester, Bradford and Bath Spa) are also provided.

At this point in time another opportunity is provided through the Curators for the Future programme in which the Roman Baths provides a place for a trainee in partnership with the British Museum and Bristol Museum and Art Gallery.

d. Audience

The Roman Baths collects information about its visitors from ticket sales information and through visitor research. It also collects thousands of visitor comments each year which are analysed to see what issues are important to visitors. Some information is also gleaned through non-visitor research carried out through the Council's Voicebox scheme.

There are approximately 1,000,000 visitors a year. Research provides segmented information on that audience including profiles relating to some of the 8 protected characteristics in the Equalities Act 2010, such as age, gender, and ethnicity.

Approximately 75% of visitors speak English. Foreign language interpretation is provided through a further 7 languages on an audio guide and 32 other languages in the form of a free leaflet.

e. Access

The Roman Baths has just completed a five year development programme one of the two aims of which was to transform the accessibility of the site and its collections.

This development included the following measures to improve both intellectual and physical access:

- Introduction of audio description commentaries on the audio tour
- Introduction of a British Sign Language tour on a mobile device
- A re-write of the main audio tour to improve interpretation of the collection

- Expansion of the main audio tour into eight languages from six – to reach a wider audience
- Introduction of French and German versions to the children's audio tour
- Installation of 4 lifts to provide wheelchair access through the site
- Removal of several flights of steps and associated redesign of gallery spaces to provide level walkways
- Re-design of hand rails throughout the site
- Provision of additional seating throughout to improve the visit for people with limited mobility
- Installation of tactile models of key artefacts
- Use of projection, film and animation to improve interpretation through better visualization
- Introduction of a person-led interpretation scheme throughout the site
- Retention of personal guided tours delivered by front-of-house staff at hourly intervals with no additional charge
- Provision of 3D models and interactives
- Re-designed reception desk to improve accessibility
- Provision of a specially designed site plan for people with visual impairment.
- Introduction of signs in braille for key artefacts.
- Expansion of 1st person costumed interpretation and development of new characters.
- Welcome All training for staff.
- Specialist training for staff tailored to the specific needs of the organisation.

An Access Statement is published on the website and is displayed near the entrance.

f. Environmental Sustainability

In December 2014 Bath & North East Somerset Council was awarded an Outstanding Achievement Award for its work in Environmental Sustainability.

The Council has developed a Sustainable Community Strategy through the Local Strategic Partnership. This has been formally approved by Councillors and sits at the top of a pyramid of other strategic policies and plans to guide the development of the Council and its constituent parts such as the Roman Baths.

Current good practice includes the application of a Sustainable Procurement Code which is underpinned by the following principles:

- a Banning the use of products that damage the environment when an alternative is available.
- b Promoting the use of the least environmentally-damaging products.
- c 'Awarding contracts for environmental alternatives based on whole life costing - this means paying higher up-front costs based on the anticipated lifetime savings that more environmentally sustainable purchasing can achieve (eg through reduced energy consumption, reduce waste disposal costs etc). (See 6.1 for more detail))
- d Understanding that buying environmentally is part of a process of continuous improvement.
- e Considering running costs when evaluating tenders.

Within the context of this wider strategic and policy framework the Roman Baths has a local site-specific Environmental Sustainability Plan and an Environmental Sustainability Statement on the use of resources in the operation of the Roman Baths is published on the website. <http://www.romanbaths.co.uk/sustainability>. This includes:

Using heat from the Hot Spring to help heat the building in winter

Using high efficiency boilers to heat the parts that Spa Water cannot reach!

Water saving measures in the toilets

Using low energy hand driers

Using low energy display lighting systems

Use locally sourced ingredients in our menus

Providing recycled carrier bags in our shops

Recycling food waste from our restaurants

Recycling waste materials and used electrical equipment from all our operations and staff areas

Using local Scrapstores to supply our events and activities programmes

Participating in Museum Freecycle - the world's first industry freecycle group

<https://groups.freecycle.org/group/MuseumFreecycleUK/posts/all>

g. Finance

The Roman Baths is managed as part of the Heritage Services Division. Business Planning and back office finance support is provided at divisional level and for some aspects at Directorate level.

Income currently exceeds expenditure with the surplus used by the Council to underwrite negative balances in other parts of Heritage Services and beyond that to subsidise its other activities.

h. Collection

The entire collection is Designated by Arts Council England (ACE), the national agency for museums. This means the collection is deemed to be of national significance, although held in a non-national museum.

'The Roman curse tablets from Bath – Britain's earliest prayers' have a special status in their own right as they have been added to the UK Register of the Memory of the World by UNESCO. As such they have their own personalised collection management plan.

The collections are managed by professionally trained curatorial staff and consist of approximately 100,000 objects. They consist primarily of archaeological and local historical material from the local area ranging in date from the Palaeolithic to the present.

The collections are managed through a series of policies and plans including:

- Collection Development Policy
- Care and Conservation Policy
- Documentation Policy
- Documentation Plan
- Care and Management Plan

i. Security

A professional Security and Operations Manager is employed to oversee security operations and manage security staff. Specialist security staff are provided through a security contract.

The most recent advisory visit by the National Security Adviser took place in 2013.

j. Tourism

The Roman Baths is a significant component in the local tourism industry and has by far the largest number of visitors of any museum or visitor attraction in the area.

It is unusual in attracting a large number of overseas visitors – approximately 45% - which includes as many long haul as European visitors.

The majority of visitors are day visitors to Bath and many visitors – around 33% - arrive by coach.

Good relations are maintained with the local tourism industry through Bath Tourism Plus and occasional familiarization or consultation events to which representatives of the local tourism industry are invited.

Moderating the environmental impact of tourism is promoted through travel advice on the Roman Baths website.

Business tourism is significant and the Roman Baths contributes to this by providing an exciting and unusual venue for private and corporate events.

A long term objective of the local tourism industry has been to increase out-of-season business and the Roman Baths has supported this by providing a year-round service and directing marketing initiatives to the shoulder months. At a national level the Roman Baths is a member of the Association of Leading Visitor Attractions (ALVA) and some senior staff are members of The Tourism Society.

k. SWOT/PESTLE Analysis

Strengths	Weaknesses
Is a scheduled ancient monument and grade I Listed Building as well as a museum collection.	Vulnerability to overseas events, particularly those which may affect international long haul markets.
Britain's only hot springs rise on site.	Reliance on a high proportion of coach borne visitors makes the Roman Baths vulnerable to problems with the national road network.
Positioned at the heart of the World Heritage site.	Accommodation provided for schools and formal learning is weak.
High quality collections with Designated status.	City centre location imposes constraints on simple operational activities such as deliveries and
Good community links with free admission for local residents.	

<p>Has good access to a range of professional support services within the wider Council.</p> <p>Has a culture of partnership working with others to realise projects.</p>	<p>parking.</p> <p>As the Roman Baths is part of a local authority some grant awarding organisations will not support it financially.</p>
<p>Opportunities</p> <p>The Roman Baths is now close to full physical accessibility.</p> <p>Recent addition of Roman Curse Tablets to UNESCO UK Memory of the World Register.</p> <p>New website provides a better platform for mobile friendly communication.</p> <p>Development grant awarded by HLF for Archway Centre proposal creates an opportunity to address weaknesses in learning provision.</p> <p>There is currently an opportunity to make better use of energy derived from spa water.</p> <p>Recent approval for the creation of a Roman Baths Foundation will improve the potential for fund-raising.</p>	<p>Threats</p> <p>Terrorism. As an attraction with a national and international profile the Roman Baths is particularly susceptible to security risks, and also the consequences of shutdowns prompted by events elsewhere.</p> <p>A risk to the integrity of the spa water supply from geotechnical interventions. i.e. fracking.</p> <p>A downturn in tourism for any reason, at either a national or local level, will impact on the Roman Baths.</p>

6. Vision

The Council's vision is for Bath and North East Somerset to be an area where everyone fulfils their potential, with lively and active communities, and with unique places and beautiful surroundings.

There are three objectives to realise that vision:

- (1) Promoting independence and positive lives for everyone;
- (2) creating neighbourhoods where people are proud to live, and
- (3) sustainable growth.

Heritage Services contributes towards that vision, and those three objectives, through the following statement of purpose:

Heritage Services, For Learning, Inspiration and Enjoyment.

The Roman Baths vision is a sub-set within and complements the vision articulated for the larger entities of which it constitutes a part. It is:

To contribute positively to cultural life, learning and the local and regional economy by making available a nationally significant resource to a very wide range of audiences in an inspiring and sustainable way.

7. Aims and objectives

The aims and objectives for the Roman Baths Museum follow on from the aims and objectives of the Heritage Services division and the Council. These are shown below:

Aims

Council aims >	Heritage Services aims >	Roman Baths aims
<p>Making Bath & North East Somerset a place ...</p> <p>.. where everyone fulfils their potential.</p>	<p>To enhance the quality of life for residents of Bath and North East Somerset.</p>	<p>Help to maintain and improve the quality of life locally by contributing to the Council's health and well-being agenda</p>
<p>.. with lively, active communities.</p>	<p>To maximise public enjoyment of the Council's world-class heritage.</p> <p>To promote understanding and appreciation of different cultures</p>	<p>Educate and inspire a wide range of audiences by providing high quality interpretation and delivering learning and public engagement opportunities</p>

<p>.. with unique places and beautiful surroundings.</p>	<p>To enable people to learn from the activities and achievements of past and present societies.</p> <p>To contribute to the district's economic prosperity through the Heritage Services Business Plan</p>	<p>Maintain its position as a major cultural resource and leading visitor attraction, supporting the significance and public appeal of the World Heritage site and making Bath and North East Somerset a place where people are proud to live.</p> <p>Care for the Designated collections, the scheduled ancient monument and the hot spring rising within it.</p> <p>Maximise income-generating potential in a sustainable manner, contributing to the support of other valued services in Heritage Services and the Council more generally</p>
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Objectives

Council objectives >	HS objectives >	RB objectives >
<p>Promoting independence and positive lives for everyone</p>	<p>To work in partnership with others wherever appropriate.</p> <p>To consult widely with users and stakeholders on an on-going basis.</p> <p>To use information technology in</p>	<p>Help to maintain and improve the quality of life, by making buildings and collections accessible and easy to engage with, and involving volunteers and other organisations in the delivery of services and community projects.</p>

	<p>accessible and imaginative ways.</p>	
<p>Creating neighbourhoods where people are proud to live</p>	<p>To protect and develop the Council's unique historic collections and public buildings.</p> <p>To interpret the collections and public buildings through displays, study facilities, learning programmes and special events.</p> <p>To mount the best available exhibitions from other regional and national collections.</p>	<p>To maintain it's position as a major resource for public benefit within the World Heritage site.</p> <p>To educate and inspire a wide range of audiences</p>
<p>Building a stronger economy</p>	<p>To plan for and invest in the collections and public buildings sustainability.</p> <p>To train and develop staff to realise their full potential</p> <p>To sell high quality merchandise to complement the services that are offered.</p> <p>To hire out historic venues for a wide range of events and activities.</p>	<p>To maximise income-generating potential through sustainable growth</p> <p>To support the training needs of staff.</p>

8. Action Plan Years 1 – 3

Key Actions to fulfill the Roman Baths Objectives in 2015-18 are:

Roman Baths objectives	Action	Year 1 (2015-16)	Year 2 (2016-17)	Year 3 (2017-18)
Objective 1				
Maintain its position as a major resource for public benefit within the World Heritage Site.	Maintain and enhance displays and interpretation, and conserve the fabric of the archaeological site and building complex.	√	√	√
	Carry out a major conservation and interpretation project in the East Baths in 2015-17.	√	√	
	Create the Archway Centre as a major new venue for co-located World Heritage interpretation and Roman Baths learning in 2015-18.	√	√	√
Objective 2				
Help to maintain and improve the quality of life by making buildings and collections accessible and easy to engage with and involving	Create an enhanced public engagement programme with a brief to develop new and additional users of the site and collections as part of the Archway	√	√	√

volunteers and other organisations in the delivery of services and community projects.	Centre development in 2016 – 18.					
	Support the Council's Well-being agenda with appropriately designed programmes.	✓	✓	✓	✓	✓
	Maintain free admission for local residents to the Roman Baths.	✓	✓	✓	✓	✓
Objective 3						
Educate and inspire a wide range of audiences.	Submit a round 2 application to HLF for the Archway Centre, which includes a new learning centre for the Roman Baths designed to deliver learning outcomes to both existing and new audiences.	✓				
	Trial an out-of-season activity-based programme as part of the core offer to weekend visitors.	✓				
	Provide a programme of public lectures.	✓	✓	✓	✓	✓
Objective 4						
Making buildings and collections accessible and easy to engage with.	Assimilate the recently transferred Keynsham collection into the Roman Baths collection documentation system.	✓	✓	✓	✓	✓
	Complete backlog cataloguing of the existing collection by March 2018.	✓	✓	✓	✓	✓

	including reviewing opening hours.				
	Re-invest some income in additional marketing and fund raising support.	✓	✓	✓	✓

9. Resources

A 3-year finance plan is shown below.

Summary: Financial position of the Roman Baths & Pump Room site on a full cost basis:					
<i>(Illustration of the operating income and costs of the site and contribution to overhead)</i>					
	2014/15 Budget £	2015/16 Projected £	2016/17 Projected £	2017/18 Projected £	
Turnover					
Admission charges	9,907,230	10,909,486	11,647,416	12,025,133	
Sales	1,609,630	1,792,049	1,845,611	1,862,422	
Room Hire	197,160	201,122	205,145	209,248	
Catering	633,230	633,202	660,649	685,286	
Other	149,980	243,965	56,026	56,612	
Internal charges	53,980	55,060	56,161	57,264	
Total revenue	12,551,210	13,834,884	14,471,008	14,915,984	
Operating costs of site (Includes building maintenance, revenue investment and rates)					
Employee costs	1,612,391	1,787,436	1,825,505	1,871,143	
Premises	521,080	566,104	546,187	525,127	
Transport	3,700	3,774	3,849	3,926	
Supplies, Services and other expenses (incl. telephones)	304,869	440,741	284,590	307,156	
Purchases for resale	745,060	828,433	853,155	870,171	
Voluntary Sector Support	0	0	0	0	
Contracts (incl. Wands)	315,520	496,709	626,592	631,516	
Planned Revenue Investment, net of grants	447,430	453,444	490,788	513,915	
Building maintenance, planned & responsive+ dilapidations	479,227	479,914	503,888	549,933	
Responsive building maintenance - site only	18,070	4,920	5,018	5,119	
Vacancy management & other planned savings	0	0	0	0	
Savings achieved	0	0	0	0	
Premises : Rates	383,789	395,369	416,382	435,323	
Insurance	106,520	107,366	109,533	111,724	
Revenue Contribution to Capital	0	0	0	0	
Finance & debt charges	491,930	512,778	553,259	588,205	
Total operating costs	5,429,587	6,079,026	6,220,747	6,413,258	
Contribution to overhead	7,121,623	7,755,858	8,250,262	8,502,726	
Overheads					
Heritage Services managerial, marketing and support overheads and corporate overheads (from 13/1 <i>(including retail managerial overhead and marketing, etc)</i>)	1,553,178	1,604,613	1,659,857	1,703,467	
Corporate Overheads (allocation)	0	0	0	0	
	1,553,178	1,604,613	1,659,857	1,703,467	
Full Cost Surplus / (Deficit)	5,568,445	6,151,245	6,590,405	6,799,259	

Victoria Art Gallery Forward Plan 2015-18

Name of museum: Victoria Art Gallery

Name of governing body: Bath & North East Somerset Council

Date on which the policy was approved by governing body: 11 February 2015

Date at which this policy is due for review: 3 years from date above

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1. Introduction.

In the three years from 2012 to 2014 the Victoria Art Gallery has undergone fundamental change in the way it is staffed and funded. Putting together this document has presented us with the opportunity to reflect on this process of change and formulate a collective way forward, identify a vision for the Gallery that is aligned with the Council's vision and key objectives, and then ensure that key stakeholders are signed up to it. This has partly been about raising awareness of what the Gallery does and partly about reaching the widest possible range of audiences.

2. Statement of Purpose.

The Victoria Art Gallery is here to enrich people's lives by preserving, developing and making accessible the important public art collection held in trust by the Council. It makes a positive contribution to the cultural life of the area by organising ambitious exhibitions and learning programmes.

3. Review of the Previous Plan.

The most recent Forward Plan expired in 2008. Approximately three quarters of the actions in that document related to temporary exhibitions and were all achieved on time and on budget. Outstanding issues included:

- revising the Collections Management Plan;
- conducting a feasibility study for a larger shop;
- improving access to stored collections; and
- extending the Gallery into the adjoining Guildhall.

Progress has been made with all four projects. This has included:

- the introduction of a new visitor route on the ground floor and the relocation of the shop (2012-13);
- the introduction of regular store tours; and
- a rehang of the main permanent collection gallery (2012).

In 2013 an architectural feasibility study by Feilden Clegg Bradley Studios looked at the feasibility of extending the Gallery into void space on its south-facing side, with the potential to integrate this into a commercial redevelopment of the Guildhall market and, possibly, vaults beneath the adjacent Newmarket Row.

4. Development of this Plan.

Consultations of the statement of purpose, aims and objectives of the plan were carried out with Councillors at a Members' Evening on 30 September 2014, and with the Gallery's Focus Group on 10 September and 10 December 2014. A brainstorming session with Gallery staff, the Head of Heritage Services and the Chairman of the Friends of the Gallery was held on 13 August 2014. Following feedback from these individuals and groups, a draft version of the Forward Plan was progressively amended and expanded. The same process applied in a consultation exercise with non-users that was carried out on site after issuing a press release to local and regional media. Minutes were taken of these meetings and changes made to the Forward Plan.

5. Monitoring this Plan.

Progress towards the actions identified in this Plan will be monitored on an ongoing basis with an update report being prepared for the Head of Heritage Services in April 2016. Milestones will be set for each of the objectives to assist with progress monitoring. A full review of the Plan will be undertaken at the end of March 2018 and action taken accordingly. Implementation of this plan will be the responsibility of the Gallery Manager overseen and approved by the Head of Heritage Services.

6. Current Situation.

a. Organisation Structure:

The Gallery is part of the Heritage Services division of Bath & North East Somerset Council, which also includes the Roman Baths & Pump Room, Fashion Museum & Assembly Rooms and Bath Record Office. The work of the division is governed by a rolling 5-year Business Plan, a conventional Service Plan and site-specific Forward Plans. All these documents have received Council approval.

b. Public Opening:

The Victoria Art Gallery is open all year round, Tuesday to Saturday 10.00-5.00 and Sunday 1.30-5.00. Admission to the permanent collection and small exhibitions gallery is free, whilst a charge applies to the large temporary exhibitions gallery. Visitor facilities include a shop, a lift, a hot drinks machine, comfortable seating in all areas, and toilets. The Friends of the Victoria Art Gallery is a registered charity that supports the work of the Gallery through volunteering and hosting private views, to which all members are invited.

c. **Staffing:**

The Victoria Art Gallery has equivalent 2.0 curatorial staff (Gallery Manager, Collections Manager and Museum Exhibitions Assistant) plus 1.0 Gallery Administrator. There is also equivalent 1.0 Gallery Technician and 3.15 Visitor Services staff. As part of Heritage Services, the Victoria Art Gallery draws on the assistance of the Learning & Programmes Co-ordinator, Business & Resource Manager, Commercial Manager, Facilities Manager, Retail Services Manager and HR/IT support staff.

In 2013/14 Gallery staff were assisted by 80 volunteers working mainly as guides and invigilators in the public areas (3,650 hours), with another 5 volunteers working on collections.

All new staff and volunteers complete an induction programme managed by their immediate supervisor.

Recruitment of staff and volunteers is handled with the aid of the Council's People Services and Human Resources sections. All vacancies are advertised on the Council's website and are handled in accordance with the Council's Equal Opportunities Policy. Automatic reminders are sent at every stage in the process. Performance reviews are carried out annually for all staff, with training needs recorded at these one-to-one sessions. The Council offers a wide range of training sessions for all staff, and topics falling outside the scope of the central provider organised separately.

As nearly half the Victoria Art Gallery staff are within five years of the normal retirement age, the opportunity is being taken to review job descriptions to ensure they accurately reflect current roles and responsibilities, in advance of posts becoming vacant.

d. **Audience:**

The Victoria Art Gallery is visited by 92,000 people per annum, of whom 40 per cent are residents of Bath & North East Somerset, 30 per cent overseas tourists and another 30 per cent from other parts of the UK. Visitor satisfaction ratings are 90 per cent either satisfied or very satisfied. In financial year 2013-14 income totalling £373,000 was contributed by day visitors and sales of works of art to offset running costs and overheads of £723,000.

The Gallery plans to broaden its range of users by showing more contemporary art that will draw a younger audience (Grayson Perry's *The Vanity of Small Differences* in 2015) and by putting on family-friendly shows (*Edwina Bridgeman: Ship of Fools* in 2014-15). From April 2015, all Roman Baths and Fashion Museum visitors will be given the opportunity to purchase a combined ticket which will include the Victoria Art Gallery for the

first time. By this means, 1,000,000 visitors will hear about the Gallery who might not otherwise be aware of its existence.

The Gallery offers a wide range of talks, tours and other activities to its visitors. These include workshops for schools on curriculum-related themes, holiday activities for families, monthly talks for visually impaired people, monthly tours of the art stores with curators, and tours of the permanent collection led by Volunteer Guides. In 2013-14 there were 2,291 children attending teaching sessions and workshops, and 1,112 adults attending family activities, tours and talks.

e. **Access:**

The Victoria Art Gallery's access statement can be downloaded from its website at http://www.victoriagal.org.uk/visiting/special_needs.aspx

f. **Environmental Sustainability:**

In December 2014 Bath & North East Somerset Council was awarded an Outstanding Achievement Award for its work in Environmental Sustainability.

The Council has developed a Sustainable Community Strategy through the Local Strategic Partnership. This has been formally approved by Councillors and sits at the top of a pyramid of other strategic policies and plans to guide the development of the Council and its constituent parts such as the Victoria Art Gallery.

Current good practice includes the application of a Sustainable Procurement Code which is underpinned by the following principles:

- a Banning the use of products that damage the environment when an alternative is available.
- b Promoting the use of the least environmentally-damaging products.
- c Awarding contracts for environmental alternatives based on whole life costing - this means paying higher up-front costs based on the anticipated lifetime savings that more environmentally sustainable purchasing can achieve (eg. through reduced energy consumption, reduced waste disposal costs etc.).
- d Understanding that buying environmentally is part of a process of continuous improvement.
- e Considering running costs when evaluating tenders.

Within the context of this wider strategic and policy framework the Victoria Art Gallery has a local site-specific Environmental Sustainability Plan and an Environmental Sustainability Statement is published on the website.

g. Finance:

Heritage Services operates as a separate business unit within Bath & North East Somerset Council. Although collectively the Service returns a surplus to the Council, the Roman Baths and Fashion Museum drive this performance, whilst the Victoria Art Gallery, as a free venue, is not expected to cover its costs.

Since 2013, as the Council responds to the need to make substantial savings, the Gallery has recruited a team of volunteer guides to work in a public-facing role, and charges have been introduced for temporary exhibitions. This last measure has yielded a new income stream, and consideration is now being given to adding the Gallery to the saver ticket which currently offers joint entry to the Roman Baths and Fashion Museum.

Other options being looked at for bringing in funds from outside the Council include sponsorship, fundraising activities by the Friends of the Victoria Art Gallery (a registered charity), and support from a new Heritage Services Fundraising & Sponsorship Manager.

h. Collection:

The collection ranges from the 15th century to the present day and includes British and European oil paintings, watercolours, drawings, prints, miniatures and silhouettes, sculptures, ceramics, glass and watches. Most items have a Bath connection, whether through their subjects (Bath views and Bath people), their artists or their provenance.

To a significant extent the collections tell the story of art in the city of Bath and the surrounding area, reflecting the demand from visitors and residents alike for pictorial records of themselves, the local landscape and architecture. Most of the 10,500 items in the collection were acquired by way of gift and bequest following the laying of the Gallery's foundation stone in 1897 to celebrate Queen Victoria's Diamond Jubilee, although judicious purchasing of modern pictures and sculptures has augmented the 20th/21st century holdings.

Fine Art: the bulk of the collection consists of British drawings, paintings, watercolours and miniatures and silhouettes from the 17th to the 21st century. There are also small collections of sculpture and of European works of art. Of particular significance are the collections of prints, drawings and watercolours associated with Georgian Bath. Reflecting the history of artistic practice in Bath, the Gallery holds a large collection of portraits produced by artists who worked in the local area, including Thomas Gainsborough, Johann Zoffany and Sir Thomas Lawrence. The Kimball Collection, donated by etcher Katharine Kimball in the mid-20th century, consists of 19th and 20th century

prints by British and Continental artists. Of particular note is a small collection of rare early lithographic stones by Thomas Barker of Bath.

Decorative Art: the collections include porcelain, pottery, watches and glass dating from the 17th to the 19th century. The bulk of this material is British and the collections of Delftware and of English drinking glasses are of particular note.

Governing documents: our work on collections is guided by the Heritage Services Collections Development Policy (adopted December 2013), a Collections Care Policy and a Collections Management Plan.

Percentage of collection on display: decorative art 50 per cent; oil paintings 50 per cent; works on paper 1.5 per cent.

Standard of presentation: wall surfaces and display cases are all in a good state of repair and decorative condition. Directional spotlights are used to light oil paintings and sculptures clearly. Exhibits are regularly dusted and floors cleaned and polished. These processes are undertaken and/or overseen by the Gallery's full-time Technician.

Percentage of collection catalogued: 100 per cent in digital form and 100 per cent in paper form.

Methods of interpreting collections: a mixture of short labels, long labels and interpretive text panels is used, thus giving different levels of information and catering for different audiences. We also use QR codes in the upper gallery which bring up digital versions of the long labels on mobile devices. Guided tours are also regularly given by staff and volunteer guides, including monthly tours for visually impaired people.

Encouraging research about collections: interest is stimulated via Gallery leaflets, an illustrated guidebook, the displays themselves, and our website. Staff research is generally centred around collections-based temporary exhibitions in the ground floor galleries. We also actively encourage enquirers to find out more about our collections by an appointments system for viewing works in store, and by promoting participation in our monthly store tours. Gallery volunteers are introduced to our research facilities and encouraged to use them.

i. **Security:**

The Gallery is equipped with cctv, portable radios, 'panic buttons' at reception desks and a burglar alarm linked to an alarm monitoring station and the local police station. Staff are trained in incident response as well as being alert to

suspicious behaviour. The Gallery's security provisions are to the standard required for Government Indemnity and, as such, are regularly checked and updated on behalf of the National Security Adviser. The most recent check took place on 4 November 2014.

j. **Tourism:**

As part of Heritage Services the Gallery is a member of Bath Tourism Plus, thereby ensuring the venue is promoted to enquirers in person as well as via digital media and print. In addition, from April 2015 the Gallery will be promoted to just under one million visitors a year to the Roman Baths who will be given the opportunity to purchase a combined ticket including the Gallery.

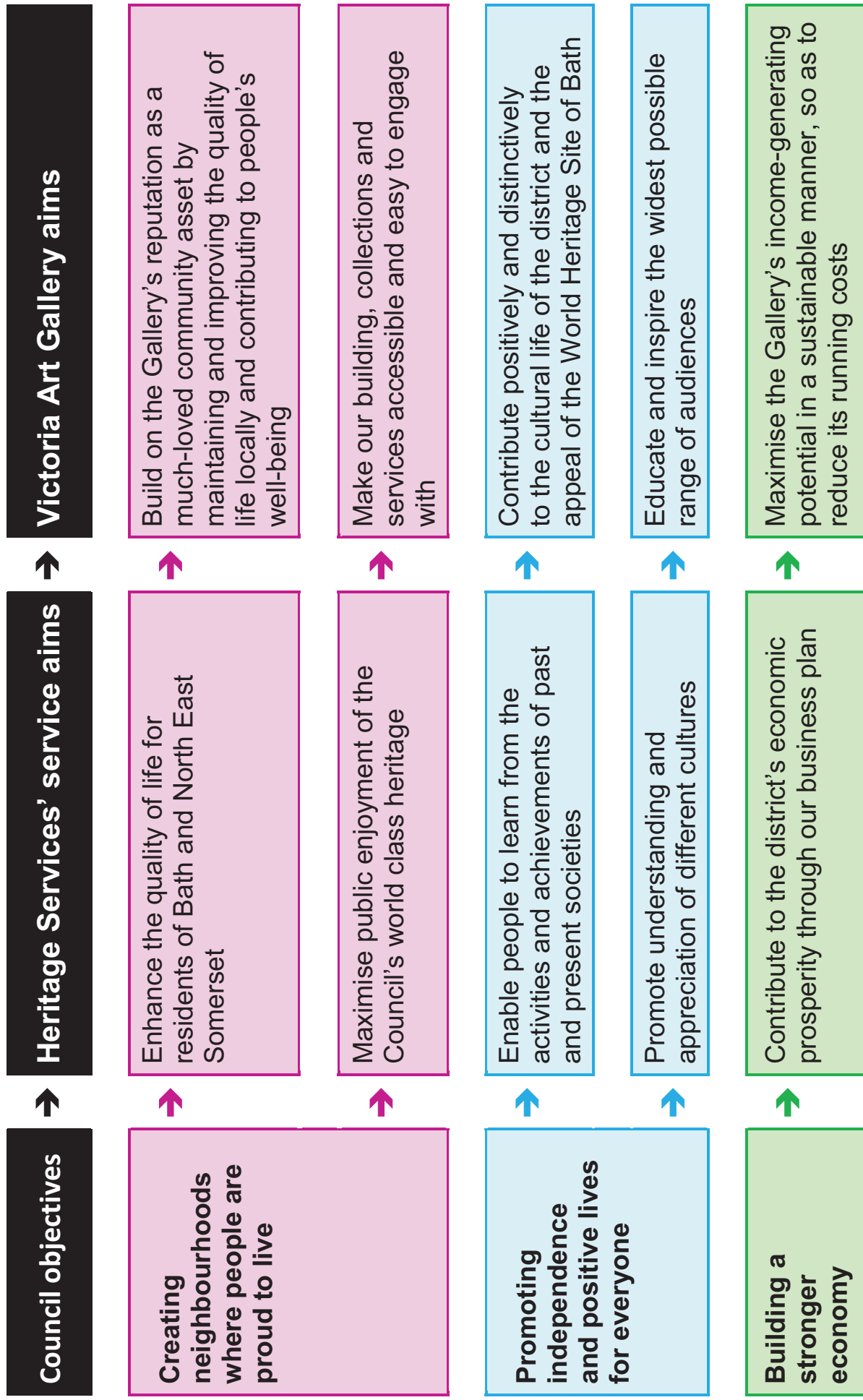
For visitors from abroad we provide information sheets about the collection in French, German, Japanese and Spanish, whilst commentaries in Mandarin can be accessed by scanning QR codes using a portable device.

7. Future priorities.

In order to become more financially sustainable, the Victoria Art Gallery needs to invest in its commercial activities including room hire, retail and sales of exhibition tickets. The option of providing a café / restaurant must also be explored. At present, the capacity for income generation is limited by the cramped nature of the existing site, a poor on-street presence due to the Gallery's listed status and a lack of clear external signposting.

By 2020 the Gallery must significantly improve and develop its visitor facilities in order to ensure that more visitors come, they stay for longer, and they spend more money. Achieving this vision will require inward investment through fundraising, capital grants and support from the Lottery and the Friends of the Gallery.

8. Aims and Objectives



Victoria Art Gallery Aims and Objectives.

AIM 1 – build on the Gallery’s reputation as a much-loved community asset by maintaining and improving the quality of life locally and contributing to people’s well-being.

Objectives:

- 1.1 Review and expand the range of events on offer including tours of the collection / in focus tours, and promote through social media
- 1.2 Identify partner bodies to work with
- 1.3 Promote volunteering and internship opportunities to key target groups including students and retired people
- 1.4 Extend the Art on Mondays out-of-hours concept to other community groups
- 1.5 Explore the viability of an artist-in-residence scheme / artist-led workshops

AIM 2 – make our building, collections and services accessible and easy to engage with.

Objectives:

- 2.1 Drawing on recent visitor surveys, write a communication plan that embraces digital technology and covers both users and non-users
- 2.2 Review opening times including Bank Holidays
- 2.3 Create a welcoming foyer with the aid of artworks and/or the presence of a meeter/greeter
- 2.4 Train staff and volunteers in customer care and security to the latest industry standards
- 2.5 Identify and fill gaps in the collections as per the Collections Development Policy and enhance their on line presence
- 2.6 Having reviewed and updated the access assessment, extend existing plans for making the collections more accessible to all

AIM 3 – Contribute positively and distinctively to the cultural life of the district and the appeal of the World Heritage Site of Bath.

Objectives:

- 3.1 Develop a new logo and brand identity for the Gallery
- 3.2 Promote the Gallery using banner sites around Bath
- 3.3 Develop the ongoing programme of informative and engaging temporary exhibitions with a broad appeal and regular turnover

- 3.4 Develop productive working relations with key national lenders and touring organisations
- 3.5 Maximise the appeal of the exhibition and events programmes, including alignment with major celebrations and commemorations.

AIM 4 – Educate and inspire the widest possible range of audiences.

Objectives:

- 4.1 Review the learning workshop programme in light of changes to the primary curriculum
- 4.2 Develop a response to the Bath Curriculum project with local head teachers and Bath Spa University
- 4.3 Maximise our family learning programme by developing drop-in activities and link them to national campaigns as well as exhibition focused.
- 4.4 Investigate learning partnerships working with Bath Festivals for selected exhibitions.

AIM 5 – Maximise the Gallery’s income-generating potential in a sustainable manner, so as to reduce its running costs.

Objectives:

- 5.1 Retain full Accreditation under the Arts Council England 2011 Standard
- 5.2 Monitor and review the charging strategy aided by feedback from visitors
- 5.3 Investigate options for joint ticketing with the Roman Baths and Fashion Museum
- 5.4 Investigate web sales of tickets and merchandise
- 5.5 Develop the Gallery’s architectural feasibility study and green energy options.

9. Action Plan

The Victoria Art Gallery is already set up and operated with these aims in mind; the purpose of the Action Plan is to define how to further develop and improve the service provided and to ensure its long-term future and financial viability.

The Actions are given priority categories and target completion dates in terms of financial years where appropriate. Many are classified as ‘ongoing’, in that they are continually kept under review, with progress assessed each year. ‘Target dates’ refer to our financial year, which runs from 1 April to 31 March.

The costs of the initiatives below will be met from within the existing operating budgets of the Victoria Art Gallery.

AIM 1 – QUALITY OF LIFE

Build on the Gallery's reputation as a much-loved community asset by maintaining and improving the quality of life locally and contributing to people's well-being.

OBJECTIVE	ACTION	PEOPLE	TIMESCALE	PRIORITY	SUCCESS CRITERIA	RESOURCE
1.1 Review and expand the range of events on offer	1. Follow up from 'Buzz' in the VAG meeting	JB/LB	Year 1 - summer	High	More events / higher attendances	££
	2. Set up events planning meeting in preparation for each VAG publicity drive	JB/LB/ML	6 monthly intervals			
	3. Develop ideas from events meeting	As above	Ongoing			
1.2 Identify partner bodies to work with	1. Conduct audit of past and present partners and identify gaps	PM/JB	Year 1 - autumn	Medium	More partnership projects	£££
	2. Research potential new partners, including engagement with the new World Heritage Interpretation Centre for Bath	PM/JB	Year 1 - winter			
	3. Produce promotional pack and/or web pages	PM	Year 2 - spring			
	4. Distribute information via in person visits / e-newsletter / mailshot	PM/JB	Year 2 - spring			
1.3 Promote volunteering and	1. Invite feedback from existing volunteers	ML	Year 1 - spring	High	Increased volunteers from	££

internship opportunities to key target groups					target groups	
1.4 Extend the Art on Mondays out-of-hours concept to other community groups	2. Research local U3A and student contacts: social media / newsletters	ML/PM	Year 1 - spring			
	3. Write press release / arrange photocall	JB/SL	Year 1 - summer			
	4. Design new flyer with quotes	JB	Year 1 - autumn			
	5. Review content of ads and notices	ML	Ongoing			
	1. Research other groups	SL	Year 1 - spring	Medium	More inclusive sessions	££
1.5 Explore the viability of an artist-in-residence scheme / artist-led workshops	2. Contact group leaders	SL	Year 1 - summer			
	3. Prepare and arrange sessions	JB/KW	Year 1 - autumn			
	4. Invite feedback	SL	Ongoing			
	1. Discuss with focus group	JB	Year 1 - spring	Medium	Launch of pilot scheme	££
	2. Contact exhibiting & other artists	JB/SL	Year 1 - spring			
3. Consider adding to exhibition criteria	JB	Year 1 - spring				
4. Implement 6-month trial / advertise	JB/ML	Year 1 – summer & autumn				
5. Review	JB	Year 1 - winter				

AIM 2 – ACCESSIBILITY

Make our building, collections and services accessible and easy to engage with.

OBJECTIVE	ACTION	PEOPLE	TIMESCALE	PRIORITY	SUCCESS CRITERIA	RESOURCE
2.1 Drawing on recent visitor surveys, write a communication plan that embraces digital technology and covers both users and non-users	1. Submit ideas to Event Digital	JB/KW	Year 1 - spring	High	Action plan written and costed	£££
	2. Review proposals in Event Digital's report for Heritage Services	JB/KW/ PM	Year 1 - spring			
	2. Align ideas with recent survey data	JB/KW/ PM	Year 1 - autumn			
	3. Write communication plan	JB	Year 1 – winter			
2.2 Review opening times including Bank Holidays	4. Implement plan	JB/KW/ PM	Year 2 – spring & ongoing			
	1. Consult with staff, volunteers and FOVAG	JB/ML	Year 1 - spring	High	Treat as cost neutral business case	
	2. Project costs and income	JB	Year 1 - spring			
	3. Determine target audience and add to publicity	JB/SL	Year 1 - spring			
2.3 Create a welcoming foyer with the aid of artworks and a meetee/greeter	4. Launch new times and rotas	ML	Year 1 – summer			
	1. Consider an annual artistic commission for the space	JB	Year 1 - spring	Medium	Foyer brighter / visitors better informed	££
	2. Contact relevant artists / groups	JB	Year 1 - summer			

	3. Write brief for artists and secure funding	JB	Year 1 – autumn			
	4. Further to 1.3 above, aim to fill 50% of meeter/greeter slots in rota	ML	Year 1 – winter & ongoing			
	5. Train meeter/greeters	ML	Year 1 - winter			
2.4 Train staff and volunteers in customer care and security to the latest industry standards	1. Offer training sessions every 3 months for volunteers	ML	Year 1 – spring and ongoing	High	Training schedule	£
	2. Book Gallery staff onto Crew training and other sessions organised by Heritage Services	ML/JB	Year 1 – spring and ongoing			
	3. Invite feedback and review	ML/JB	Year 1 – autumn			
	4. Review security at least once every 5 years	JB	Year 3 - spring	High	Liaise with police	
2.5 Identify and fill gaps in the collections as per the Collections Development Policy and enhance their on line presence	1. Define search criteria and subscribe to auction search service	JB/KW	Year 1 – autumn	Medium	Enhanced quality of visit	£££
	2. Consult with FOVAG and Head of Heritage Services	JB/KW	Year 1 - winter			
	3. Apply for funding as required	JB/KW	Ongoing			
	4. Install new version of collections public access software	KW/PM	Year 2			£££
	5. Prioritise additions to on line database bearing in mind future Designation application	KW/PM	Year 2 & ongoing			
2.6	6. Programme new photography / data entry with view to popularity and commercial potential	KW/PM	Year 2 & ongoing		Increased web users	££
	1. Update access assessment	JB	Year 1 - summer	High		£

Having reviewed and updated the access assessment, extend existing plans for making the collections more accessible to all	2. Implement ground floor exhibitions: Jane Austen's Bath; Map of Days/portrait prints	KW/PM	Year 1 - autumn	High	Launch of exhibition	££
	3. Instigate dynamic programme of first floor temporary displays including: refreshing open decorative arts storage; changing topographical displays in drawer cabinets	KW/PM	Year 2 - summer	High	Minimum 20 per cent rotation	££
	4. Support new research into the collections with the aid of images and information	KW/PM	Years 1, 2, 3	Medium	Increased study appointments	£

AIM 3 – CONTRIBUTE TO CULTURAL LIFE

To contribute positively and distinctively to the cultural life of the district and the appeal of the World Heritage Site of Bath.

OBJECTIVE	ACTION	PEOPLE	TIMESCALE	PRIORITY	SUCCESS CRITERIA	RESOURCE
3.1 Develop a new logo and brand identity for the Gallery	1. Write brief for designer	PD	Year 1 - spring	High	New logo in use	££
	2. Invite submissions	PD	Year 1 - spring			
	3. Select option that best meets brief	PD/SB/JB	Year 1 - spring			
	4. Implement across all digital and print media	PD/SB	Year 1 – summer / ongoing			
3.2 Promote the Gallery using banner sites around Bath	1. Investigate process and costs	JB	Year 1 - spring	High	Temporary banner/s installed	Cost neutral for Canaletto show
	2. Select events and banner sites	JB/KW	Year 1 - spring			

	3. Consult with planners as necessary	PM-M	Year 1 - spring			
	4. Make booking/s					
	5. Commission banner/s	PM-M	Year 1 - spring			
	6. Install	Contractor	Year 1 – spring / ongoing			
3.3 Develop the ongoing programme of informative and engaging temporary exhibitions with a broad appeal and regular turnover	1. Review past performance & feedback	JB	Year 1 - spring	High	Revised programme costed and updated	£££
	2. Identify gaps / untapped audiences	JB / KW	Year 1 - spring			
	3. Brainstorm ideas	VAG team	Year 1 - summer			
	4. Test ideas for viability: workload / costs	JB	Year 1 - summer			
	5. Update programme	JB	Year 1 - autumn			
3.4 Develop productive working relations with key national lenders and touring organisations	1. Conduct audit of past and present partners including conditions of loan	PM-M	Year 1 - spring	High	Increase in loan and touring shows involving major museums	£££
	2. Ensure provisions are in place to sustainably meet / exceed conditions	JB / IJ	Year 1 - summer			
	3. Research potential new partners	JB / KW / PM	Year 1 - autumn			
	4. Submit new ideas to VAG team & exhibition panel	JB / KW	Year 1 - winter			
	5. Plan approaches in relation to workload	JB / KW	Year 2 - spring			

3.5 Maximise the appeal of the exhibition and events programmes	1. Exhibition panel also to consider possible events linked to temporary exhibition programme	Focus group	At each meeting	High	Increased sessions and take-up		
	2. Develop family drop-in activities linked to exhibitions	LB	Ongoing			L & P	
	3. Develop school sessions linked to exhibitions where possible	As above	As above			L & P	
	4. Attend Bath Museums Group meetings to find out about exhibition collaborations for coming year and the Bath Museums partnership	JB or KW	Quarterly				
	5. Work with Jane Austen Centre for the upcoming exhibition and link into JA Festival publicity	KW / SL / MB	January 2015			Joint publicity activity	£
	6. Develop family activities and school session on special touring exhibitions such as upcoming Canaletto exhibition	LB + workshop leaders	Spring 2015			Publicity to schools	L & P
	7. Become an active and influential player in the B&NES Cultural Forum	JB	Spring 2015			Attend at least half the meetings	

AIM 4 – EDUCATE AND INSPIRE

Educate and inspire the widest possible range of audiences.

OBJECTIVE	ACTION	PEOPLE	TIMESCALE	PRIORITY	SUCCESS CRITERIA	RESOURCE
4.1 Review the education workshop programme in light of changes to the new primary curriculum	1.Link current sessions to new curriculum where possible – use collections and exhibitions appropriately	LB	Ongoing	High	Publicity to local schools new sessions	L & P
	2.Develop new sessions to link to new curriculum and take advantage of highlight artists in exhibition programme such as with our ‘Focus on Warhol/Picasso/Dali’ and collections on display	LB + workshop leaders	Ongoing		Schools booked onto new sessions	L & P
	3.Training for new workshop leaders on current and new sessions	LB + workshop leader	As sessions and rotas allow		More workshop leaders delivering sessions	L & P
4.2 Develop a response to the Bath Curriculum project with local head teachers and Bath Spa University	1.Review in progress working with local head-teachers and university colleagues on a Bath Curriculum	LB	Ongoing	High	Publicity to local schools new sessions	L & P
	2.Develop new sessions as outcome of joint working group on Bath Curriculum	LB + workshop leaders	Ongoing		Schools booked onto new sessions	L & P
	3.Training for new workshop leaders on current and new sessions	LB + workshop leader	As sessions and rotas allow		More workshop leaders able to deliver sessions	L & P
4.3 Maximise our family	1.Develop drop-in activities for school holidays	LB + workshop	6 monthly basis	High	Publicity for our activity	L & P + VAG

learning programme by developing drop-in activities and link them to national campaigns as well as exhibition focused			leaders			programme	
	2. Develop drop-in activities linked to national campaigns such as The Big Draw		LB + workshop leaders	6 monthly basis		Publicity for our activity programme	L & P + VAG
	3. Investigate activities for National Science and Engineering Week		LB + workshop leaders	Feb 2015		Publicity to schools	L & P
4.4	1. Timetable a meeting with learning officer of Bath Festivals		LB	Autumn 2014	High		
Investigate learning partnerships working with Bath Festivals for selected exhibitions	2. Develop ideas from the initial meeting with Bath Festivals		LB	Spring 2015			

AIM 5 – SUSTAINABILITY

Maximise the Gallery's income-generating potential in a sustainable manner, so as to reduce its running costs.

OBJECTIVE	ACTION	PEOPLE	TIMESCALE	PRIORITY	SUCCESS CRITERIA	RESOURCE
5.1 Retain full Accreditation under the Arts Council England 2011 Standard	1. Submit Accreditation application and all attachments 2. Forward Plan: monitor progress on Year One of Action Plan 3. Review and update Action Plan and extend by 12 months	JB / KW JB / KW / ML JB / KW / ML	By 28.02.2014 Year One Winter 2015-16	High High High	Submitted on time Forward Plan updated New charging strategy	£ ££
5.2 Monitor and review the	1. Analyse and review performance to date	JB / PD / SB / RH	Year 1 - spring	High		

charging strategy aided by feedback from visitors	2. Discuss with financial and managerial colleagues	JB / RH	Year 1 - spring		implemented	
	3. Decide if changes are needed	JB / PD / SB / RH	Year 1 - summer			
	4. Implement changes and issue contact details for visitor comments	JB / ML	Year 1 - summer			
	5. Continue to collect feedback, analyse data and review	JB	Year 1 – autumn / winter			
	1. Develop pricing model/s	JB / PD / SB / RH	Year 1 - spring	High	New combined tickets on sale	££
5.3 Investigate options for joint ticketing with the Roman Baths and Fashion Museum	2. Discuss with financial and managerial colleagues	JB / SB / RH	Year 1 - spring			
	3. Inform and train staff	KS / JB	Year 1 - summer			
	4. Implement	ML	Year 1 - summer			
	5. Review	RH / JB	Year 1 – autumn / winter			
	1. Discuss with commercial manager (tickets) and retail manager (shop)	PD / JZ / JB / RH	Year 1 - summer	High	Launch of web sales	£££
5.4 Investigate web sales of tickets and merchandise	2. If deemed viable, agree strategy and timetable	PD	Year 1 - summer			
	3. Implement	PD / JZ	Year 2 - spring			
	4. Review	JB / PD / JZ / RH	Year 2 – summer / autumn			
	1. Instigate dialogue with consultant working on business case	JB / SB	Year 1 - spring	High	Business case completed on time	£££
5.5 Develop architectural feasibility study and green						

energy options	2. Review findings of business case	JB / SB	Year 1 - spring		
	3. Feedback to Cabinet members	SB	Year 1 - spring		
	4. Review energy usage	IJ	Year 1 - spring		
	5. Develop feasibility study: green energy options, costs & viability	IJ	Year 1 – spring / summer	Medium	Feasibility study completed
	6. Develop funding applications as necessary	JB	Year 1 – summer / autumn		££

Key

£ up to £100
 ££ £100 to £500
 £££ over £500

IJ Iain Johnston, Facilities Manager
 JB Jon Benington, Victoria Art Gallery Manager
 JZ Judith Zedner, Retail Services Manager
 KW Katharine Wall, Collections Manager (Art)
 LB Lindsey Braidley, Learning & Programmes Co-ordinator
 ML Martin Luscombe, Visitor Services Supervisor
 PD Patricia Dunlop, Commercial Manager
 PM Phoebe Meiklejohn-McLaughlin, Museum Exhibitions Assistant
 RH Richard Hartill, Business & Resource Manager
 SB Stephen Bird, Head of Heritage Services
 SL Sue Lucy, Team Administrator
 MB Maggie Bone, Museums Publicity Officer

FOVAG Friends of Victoria Art Gallery
 VAG Victoria Art Gallery
 L & P Learning and Programmes, Heritage Services

10. Resources

Spending plan

Having defined the purpose of the museum, established current performance and set objectives and actions for improvement, the museum should produce a financial plan that identifies what funds are required to deliver the strategy and where these will come from.

Spending Plan - 3 Year Profit and Loss Forecast

	2014/15 Budget £	2015/16 Projected £	2016/17 Projected £	2017/18 Projected £
Turnover				
Admission charges	75,570	147,505	158,200	168,300
Sales	30,000	33,000	33,990	34,670
Room Hire	4,340	4,471	4,561	4,652
Other	0	0	0	0
Internal charges	119,370	103,578	104,238	104,986
	1,080	1,102	1,124	1,146
Total revenue	230,360	289,656	302,113	313,754
Operating costs of site				
Employee costs	214,290	213,121	218,449	223,911
Premises	26,630	27,797	28,218	28,295
Transport	500	510	520	531
Supplies, Services and other expenses(incl. telephones)	130,640	117,782	119,205	120,641
Purchases for resale	16,500	18,150	18,695	19,068
Contracts	14,550	14,841	15,138	15,441
Planned Revenue Investment, net of grants	2,378	1,956	2,126	2,126
Building maintenance, planned & responsive	10,560	36,545	57,692	38,719
Premises : Rates	27,440	28,738	29,887	31,083
Insurance	26,720	27,254	27,799	28,355
Total operating costs	470,208	486,694	517,729	508,170
Contribution to overhead	(239,848)	(197,038)	(215,616)	(194,416)
Overheads				
Heritage Services managerial, marketing and support overheads and corporate overheads	65,121	66,460	68,242	69,818
	65,121	66,460	68,242	69,818
Full Cost Surplus / (Deficit)	(304,969)	(263,498)	(283,858)	(264,234)

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Collection Documentation Policy

Roman Baths

Victoria Art Gallery

February 2015

Policy Framework

This policy applies to the collections held in the Council's museums at The Victoria Art Gallery and the Roman Baths and is brought forward to meet current Arts Council England (ACE) Accreditation requirements.

Appropriate policy statements for the Fashion Museum were approved in 2014 as part of its Forward Plan.

This format of this document is consistent with current ACE guidance.

This document is part of a Collection Management framework for sound management of the Council's museum collections that also includes policies on Collection Development (last reviewed in 2013) and on Care and Conservation. At the Victoria Art Gallery these policies are supplemented by the ***Victoria Art Gallery Concise Documentation Guide***.

Policy Review

ACE has advised that the next review of Accreditation for all three of the Council's museums will take place in 2018. This policy will therefore be brought forward for review in 2017, with the inclusion of the Fashion Museum, to harmonise policy documents for all three museums in preparation for that process.

Introduction

Documentation is fundamental to good collections care. It makes possible the provision of good quality information to the public and improves internal accountability. It helps to keep collections secure, by recording what we have and where it is.

The collections are documented according to *Spectrum* standards – a national standard for museums – with records held on a collection database. That

database is backed up frequently and security copies of records from one collection are held off-site at a different museum.

The process of record-keeping is audited from time to time by Bath & North East Somerset Council auditors who advise and make recommendations for improvements to documentation systems.

There is no documentation backlog at the Victoria Art Gallery, but there is a backlog at the Roman Baths. The detailed plans prepared to support this Policy seek to eliminate that backlog in 2018.

Documentation Procedures: Definition and Policy

Pre-Entry

Definition: The management and documentation of the assessment of potential acquisitions.

Policy: All objects that are potential acquisitions are assessed and this process is documented.

Object Entry

Definition: The management and documentation of new acquisitions and their associated information as they come into the collection. Where backlogs exist any object that does not currently have a number assigned shall be dealt with within this procedure.

Policy: Entry forms are completed for all objects coming into the collection, with copies being given to the depositor and retained in supporting files.

Loans In

Definition: We only borrow objects for exhibition/display. This is always for a specific purpose and period, set out in loan in documentation.

Policy: Loans In are documented with a Loan In Agreement. Copies of this are kept in Loans In files and also issued to the lender. An Entry form with a unique number is issued on arrival.

Acquisition Documentation

Definition: Documenting objects added to our collection and information associated with them.

Policy: Acquisitions are issued with a unique accession number and details recorded in the Accessions Registers and on the collection database. All objects

in the collection are clearly marked with their accession number. Transfer of Title forms are completed.

Inventory Control

Definition: The maintenance of up-to-date records of objects for which the museum has a legal responsibility. This may include objects on loan, unaccessioned or previously undocumented objects, and temporarily deposited objects.

Policy: *Every object is individually recorded on the collection database and new information added as it becomes available.*

Location & Movement Control

Definition: The maintenance of information recording past and current locations of objects in our collection.

Policy: *Accurate records are kept on the collection database of where all items in the collection are.*

Transport

Definition: The management and documentation of the transport of objects for which the organisation is partially or fully responsible.

Policy: *The transportation of every object in the museum collection for purposes including loan out, conservation and display is recorded.*

Cataloguing

Definition: The compilation and maintenance of key information, formally identifying and describing objects. It may include information concerning the provenance of objects and also collections management documentation e.g. details of acquisition, conservation, exhibition and loan history, and location history. It need not bring together in one location everything known about an object, but should provide cross-references to any other relevant information source known to the organisation.

Policy: *The museums create records that identify and describe every object in their care.*

Object Condition Checking

Definition: The management and documentation of information about the condition of objects in the collection.

Policy: *Objects are checked on entry into the collection, and regularly checked while in store or on display. These assessments are recorded.*

Conservation & Collections Care

Definition: The maintenance of records of conditions in display areas and stores and of any interventive or preventative conservation action.

Policy: *Environmental conditions are recorded in both stores and display areas. Records of any conservation intervention are kept.*

Risk Management

Definition: The maintenance of information about potential threats to our collection and building, including information about possible preventive measures and disaster planning.

Policy: *We identify potential threats to our collection and document our planned responses in an Emergency Manual.*

Insurance Management

Definition: Recording information about the insurance requirements of loans in and our own collection.

Policy: *Bath & North East Somerset Council provides insurance cover for the collections. Objects received on loan are always insured, either through the Council's own policy or the Government Indemnity Scheme.*

Valuation Control

Definition: The management of information relating to the valuation of objects in the collection.

Policy: *We review and obtain new valuations for items in the collection at suitable intervals. These are recorded on the collection database.*

Audit

Definition: The examination of objects and associated information to verify their location, authenticity, accuracy and relationships.

Policy: *Regular checks on information and objects are carried out internally to verify their location, authenticity, accuracy and relationships. We facilitate periodic external audits.*

Rights Management

Definition: The maintenance of information about copyright of objects in our collection and on loan.

Policy: *Records are maintained of copyright information. The museums liaise with organisations such as DACS where necessary and ensure that artists' copyright is respected.*

Use of Collections

Definition: The management and documentation of all uses of and services based on collections and objects in the organisation. These include exhibition and display, education handling collections and the operation of objects, research and enquiries, reproduction and the commercial use of objects and associated documentary archives. Users include staff (and volunteers) or the public, whether in person, by letter, telephone or any other means of communication.

Policy: *The museums keep records of every way in which every object in the collections is used in the displays that they present and all collection engagement opportunities that they provide.*

Object Exit Documentation

Definition: The management and documentation of objects leaving our premises.

Policy: *Records are made of any object leaving the building, in an exit form and on the collection database. In the case of loans out, loan conditions and duration are set out in a loan agreement form. A condition report will normally be included.*

Loans Out

Definition: *Documenting and managing the loan of objects to other organisations or individuals for a specific period of time and for a specific purpose, normally exhibition/display, but including research, conservation, photography and education.*

Policy: Every Loan Out made by the Roman Baths Museum is documented in a Loan Out Agreement prior to exit, and an Object Exit Form and receipt upon release.

Loss and Damage

Definition: Managing and documenting an efficient response to the discovery of loss of, or damage to, object(s) whilst in the care of the organisation.

Policy: *The museums document the process of loss or damage to objects in their care.*

Deaccession and Disposal

Definition: The management of disposal (the transfer, or destruction of objects) and of deaccession (the formal sanctioning and documenting of the disposal).

Policy: The museums fully document the process of disposal to ensure openness and transparency.

Retrospective Documentation

Definition: The improvement of the standard of information about objects and collections to meet SPECTRUM Minimum Standards by the documentation of new information for existing objects and collections.

Policy: The outstanding backlog in documentation at the Roman Baths will be eradicated in 2018 through the implementation of its Documentation Plan.

Care and Conservation Policy

Roman Baths

Victoria Art Gallery

February 2015

Policy Framework

This policy applies to the collections held in the Council's museums at The Victoria Art Gallery and the Roman Baths and is brought forward to meet current Arts Council England (ACE) Accreditation requirements.

Appropriate policy statements for the Fashion Museum were approved in 2014 as part of its Forward Plan.

This format of this document is consistent with current ACE guidance.

This document is part of a Collection Management framework for sound management of the Council's museum collections that also includes policies on Collection Development (last reviewed in 2013) and on Documentation.

The statements of Policy in this document are supported by other procedural documents and Plans that have an impact on care and conservation. These include Forward plans, Emergency (business continuity) plans and Environmental Sustainability plans.

Through this Policy a framework is provided for:

- the preservation of the collections in care
- preventative and remedial conservation of the collections
- safe use of, and access to, the collections

Policy Review

ACE has advised that the next review of Accreditation for all three of the Council's museums will take place in 2018. This policy will therefore be brought forward for review in 2017, with the inclusion of the Fashion Museum, to harmonise policy documents for all three museums in preparation for that process.

Introduction

Good quality care and conservation is fundamental to sound collection management. It protects the collections from unfavourable environments and the hazards associated with display, public engagement and storage. Recording care and conservation activity provides a basis for understanding objects that will be helpful to future curators who will hold responsibility for them and to investigators and scientists who may want to gather more information about them.

The care and conservation of collections is documented according to *Spectrum* standards – a national standard for museums – with records held on a collection database. That database is backed up frequently and security copies of records from one collection are held off site at a different museum.

The museums aim to improve the care and condition of the collection in accordance with

- *Benchmarks in Collection Care* (Chris Woods, Director of the National Conservation Service)
- *Signposts* (Wiltshire County Council for MLA)
- SPECTRUM
- *Standards in the Museum Care of Archaeological Collections* 1992 MGC and *Standards in Action Book 4 Managing archive collections in museums* MDA 2002
- BSI PD5454 'Recommendations for storage and exhibition of archival documents'
- BSI PAS 198 'Specification for managing environmental conditions for cultural collections'

all within the limits of Heritage Services' resources.

Overview of current collection care and conservation arrangements

1. Victoria Art Gallery

General

All objects in the collection are displayed, handled, transported and stored in ways that protect them against damage and ensure their long term survival.

The Gallery Building

The Victoria Art Gallery was built circa 1900, with a small extension added in 1922. The extension is brick, the rest of the building brick faced with stone. The floors are wood. The roof is of timber, slate and glass.

There is no loading bay. Large objects are brought into the building via double doors to Bridge Street. Small objects come in through the front door. Storage areas are in the basement, display areas on the ground and first floors. Objects are transported between stores and display areas in a lift.

The emergency services are notified by an automatic alarm system. The fire station is half a mile away.

The building is maintained through a five-year rolling Building Maintenance Plan informed by a periodic condition survey.

Preventive conservation

The main galleries are fitted with environmental control managed by a building management system.

Paintings, drawings and prints not on display are kept in air-conditioned stores. Most oil paintings and all those of good quality are stored in the dark, on racks, not touching one another, high enough off the floor to avoid the risk of flood damage.

Most prints and drawings are stored in acid-free Solander boxes and documentation records whether mounts are acid-free or not. Old mounts are replaced with new acid-free ones as resources allow.

Most items in the collection have been photographed and digital images added to the collection database. Digital images are used wherever possible for research purposes and study visits to minimise object handling.

Volunteers engaged in hands-on work with the collection are trained in object handling and the fundamentals of collections care to minimise the risk of accidental damage.

Inert items such as ceramics and glass are stored in secure cupboards. Items are generally stored not touching each other. Plates stacks are not more than 4 items high, each separated by acid free tissue or bubble wrap. Only items in sound condition are stacked.

Archival quality storage materials are always used for collection storage, and cupboards and racking are inert.

Environmental monitoring and control

Temperature and relative humidity are recorded by thermohygrographs and data loggers, plus weekly spot checks with a sling hygrometer. Light-levels and UV levels are recorded by hand-held machine. Temperature and humidity are monitored by sensors connected to a building management computer.

Thermohygrographs are regularly checked against a Vaisala electronic humidity meter which is calibrated yearly by saturated salt method.

Environmental conditions in the Watercolour Store, Oil Paintings Store and exhibitions gallery are maintained by an air conditioning system. The Upper Gallery, where oil paintings are on permanent display does not have air conditioning, but humidifiers are used to bring environmental conditions up to the standard required for Government Indemnity. Automatic blinds in the Upper Gallery regulate light levels.

Housekeeping

Routine housekeeping tasks are carried out by the Collections Assistant, according to a task list that lays out the jobs that need to be done and their frequency

- Stores are checked monthly by curatorial staff for general cleanliness and tidiness.
- More detailed visual inspection of objects in store is carried out annually
- Public areas are checked daily by front-of-house staff
- Bug traps are checked monthly and changed regularly by curatorial staff
- Any insects trapped are identified and researched
- Any items displaying signs of infestation are isolated and dealt with appropriately, depending on the type and extent of infestation
- Display areas are cleaned daily by cleaning staff.
- Storage areas are cleaned quarterly by curatorial staff
- New acquisitions are examined for signs of insect infestation

Public Access

Public access is provided through:

- Displays and Exhibitions: Oil paintings and sculptures from the collection are on display in our Upper Gallery and the 'Public Rooms' (Guildhall, Assembly Rooms and Pump Room).
- There is 'Open Storage' in public display areas for around 90 of the most popular works on paper and about half of the decorative art collection.
- Digital Access: Oil paintings from the collection can be viewed on the BBC 'Your Paintings' website; selected works from the collection can be viewed on our own website. 90% of the collection has been digitally photographed, meaning that images can be emailed to enquirers.
- Study Visits: Members of the public are welcome to view objects in store, by appointment. Where enquirers wish to see a large number of items, they are encouraged to consult the collection database and view digital images. Any enquirer who needs to see an actual work of art is always welcome to do so.
- Store Tours: Monthly tours of the art stores are provided for members of the public who wish to see more of the collection and find out about how we care for it.
- Special tours: are sometimes arranged, adapted for visitors with specific disabilities.

Oil Paintings

Remedial conservation treatment has been carried out on most of the best paintings. Almost all works of good artistic quality and of interest are now in a fit state to be displayed.

The condition of paintings and their frames is recorded on the collection database, together with their priority ranking for conservation treatment.

All oil paintings in the collection are, when not on display, stored in a dark, air-conditioned environment. 95% of oil paintings in store hang on racks. Conserved paintings are stored to minimise the risk of damage; those awaiting treatment will not deteriorate as they are stored in stable conditions.

Works of Art on Paper

A minority of works on paper are stored in frames. Most are stored in mounts or in Solander boxes. Around 3000 are glued into bound volumes dating from the 19th century. These were treated with de-acidification spray in 2010.

A paper conservator carried out a condition survey of the collection in 1999 and in subsequent years this has been used to plan conservation treatment and improve storage conditions.

Details of which items are in acidic mounts are recorded on the collection database. Priority items for remounting and conservation treatment are identified according to art historical significance and exhibition requirements.

Ceramics and Glass

In 2002 a decorative art 'Open Storage' area was created for roughly 50% of our decorative art, increasing public access to the collection and creating more space, enabling conditions to improve.

During 2012-13 a programme of cleaning ceramics in store began. This project is ongoing.

2. Roman Baths

General

All objects in the collection are displayed, handled, transported and stored in ways that protect them against damage and ensure their long term survival.

The Roman Baths building

The Roman Baths is an archaeological site museum that opened to the public in 1897. It expanded significantly during the course of the 20th century and is managed seamlessly with the public in a site known as the Pump Room complex that contains vestiges of several ancient buildings built around Britain's only hot springs. A wide range of materials have been used in its construction.

There is no loading bay. Large objects are brought into the building via double doors to Abbey Church Yard. Small objects come in through other doors. Access for large objects to one store is via a street hoist. Most storage areas are in the basement, but there is a sensitive store on the second floor. Display areas are at basement level and on the ground floor. Objects are transported between stores and display areas, depending on their size, by lift, stairs, hand or trolley.

The emergency services are notified by an automatic alarm system. The fire station is a mile away. As it is a very high profile building within the city the Fire Service visits regularly for training purposes and has held several exercises in the building, including regional major incident training.

The building is maintained through a five-year rolling building maintenance Plan informed by a periodic condition survey.

Nature of collections

The Roman Baths collections are Designated by ACE. A special group of objects within them, *The Roman Curse Tablets from Bath – Britain's Earliest Prayers*, were added to the UK Memory of the World Register by UNESCO in 2014.

The collections consist of archaeological, numismatic and local historical material with a range of environmental requirements. Collections are separated by material and environmental requirement. The collections are distributed widely, in eight locations, both on-site and in external stores and display settings, not just in Bath but also in Council-run premises in Keynsham.

The objects include a significant proportion of relatively low sensitivity materials – stone, bulk ceramics and building materials. More sensitive collections include metal, wood, bone and mixed material artefacts such as furniture and spa equipment.

Environmental monitoring and control

On site in Bath collections are monitored using a Hanwell telemetric system, and in some stores and outstations revolving thermohygrographs and dial hygrometers are also used. UV monitors are used, but the great majority of artefacts have low sensitivity to light.

The more environmentally sensitive collections on display are contained in silica gel buffered cases, whilst those in store are sorted by material type in environmentally managed environments. The museum has temperature control and in some cases humidity control managed through a building management system. In places this requires careful management as collections are displayed close to their point of discovery on the archaeological site for interpretive reasons. Consequently the conservation needs of collections have to be managed alongside the conservation needs of the ancient monument - which are not always coincident.

Light is managed in storage areas and pest control measures are in place in relevant stores.

Collections in store are arranged to minimise the risk of damage from flooding.

Housekeeping

The principal storage areas for the Roman Baths collection are on the second floor of the Pump Room building and within the basement areas of the complex, and all are cleaned as part of a rolling programme quarterly by Roman Baths collections staff. The external stores for the Roman Baths located in St John's, Newbridge and Pixash Lane, Keynsham are cleaned twice a year by collections staff and volunteers. All volunteers are trained in Roman Baths housekeeping by collections staff. Display areas in the Roman Baths are cleaned daily by the Operations team. Showcased displays are cleaned by the collections team when displays are changed and annually.

Records are kept during the programme, and remedial action planned if necessary.

New acquisitions made of wood are quarantined pending inspection for pests.

Bug traps are checked regularly.

Any items displaying signs of infestation are isolated and dealt with appropriately, depending on the type and extent of infestation.

Display areas are cleaned daily by cleaning staff.

No food or drink is allowed in the stores.

Public Access

Public access is provided through:

- Displays and exhibitions: in Bath and Keynsham.
- Digital Access: A large number of coins has been photographed digitally meaning that images can be emailed to enquirers. A limited number of objects can be viewed on the website.
- Study Visits: Members of the public are welcome to view objects in store, by appointment.
- Store Tours: Monthly tours of the collection in store are provided for the public who wish to see more of the collection and find out about how we care for it.
- Open days: are held in out-stores at St John's, Newbridge and Pixash Lane, Keynsham.
- Talks and lectures sometimes focus on collection care and special Conservation Days and even Conservation Day Schools are sometimes arranged at which professional conservators demonstrate on site.

- Ancient monument conservation takes place during public opening periods and safety and work patterns permitting conservators are encouraged to spend time explaining their work to the public.
- Tunnel tours: are held monthly and include a sight of reserve collection areas.

Collection Care and Conservation policy

Buildings

Policy: The museum collections are kept in buildings which are appropriate to and which aid the care of the collections and where conditions do not physically or chemically cause or pose risk of harm to objects.

Personnel

Policy: The care of the collections is the responsibility of everyone who works or volunteers at the museums and their off-site stores, acting under the guidance of professionally trained collections staff. Conservation work will be carried out whenever possible by trained conservators with ICON registration or equivalent.

Collections

Environmental monitoring

Policy: The collections are kept in a monitored and managed environment where conditions do not physically or chemically cause harm to objects, where steps are taken to manage risk, and environmental records are kept.

Cleaning and housekeeping

Policy: The areas in which collections are stored are cleaned regularly on a planned and managed housekeeping programme. Objects are monitored and conservation dusted if on open display or storage.

Interventive conservation

Policy: The museums will seek advice when required from a conservator or collection care adviser, or other appropriately qualified/experienced person on the museum's approach to collection care activities. Remedial conservation work shall be carried out by or under the supervision of an appropriately qualified conservator or suitably experienced collections staff. Objects will be prioritised for conservation treatment according to:

- *Exhibition & display requirements*
- *Art or historical significance*
- *Vulnerability to damage and decay*

Documentation

Policy: Records are made of condition checks, conservation work, and hazards or damage to objects and kept either filed on paper in the supporting object files and/or on the collection database.

Storage

Policy: The collections are housed in appropriate storage areas using methods which in themselves pose no risk of harm to the objects.

Display

Policy: The collections are displayed using methods which in themselves pose no risk of harm to the objects.

Handling

Policy: The collection is handled only by, or under the supervision of, or those trained by, collections staff.

Transportation

Policy: The collection is transported only by approved carriers, and always under the supervision of collections staff.

Loans out

Policy: The collections will normally be loaned out to Accredited museums, or equivalent, for specific and short-term exhibitions providing that the borrowing institution can fulfil appropriate loan conditions. In exceptional circumstances or for special occasions other venues and exhibition projects may be allowed to borrow, subject to a case by case assessment of risk.

Loans in

Policy: The museums borrow objects for specific displays, and afford the same care to objects on loan as to their own collections.

Workforce training

Policy: The museums ensure that all staff and volunteers have basic training in collection care procedures and practise.

Review

Policy: The Procedural Statements and Care and Conservation Plans which support this Collection Care and Conservation Policy will be reviewed annually by the Head of Heritage Services to ensure they continue to reflect best practice and respond to available resources.