

MEDIUM TERM SERVICE & RESOURCE PLAN PLACE

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

2013-14 until 2015-16

Introduction

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

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

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

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

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

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

- Cuts in public expenditure and reduced council budgets – this is the third year of the 2010 Government Comprehensive Spending Review which covers the four years to 2014/2015 – the savings are very challenging and are set to continue well beyond 2013 – CSR 2010 took 28% out of local government funding (for the first 3 years of this settlement) and additional cuts are now coming in.
- There is a key demographic change with a projected 40% increase in the older population of over 65 by 2026 creating a significant additional financial pressure and an increase of the entire population of 12% by the same date.
- Increases in Council Tax will in future be supplemented by 6 years' worth of new homes bonus – these changes are helping to offset the cuts but only have a relatively marginal impact.
- Business rates growth (or decline) will be from April 2013 become the responsibility of local government (as at least 50% will be retained or lost locally) and a level of growth below 1% p.a. is expected - with 90% of growth occurring as a result of growth in the enterprise area in Bath.
- No end is yet in sight for the review of funding of social care – following the Dilnot Commission - the increasing costs of care run the risk of making Council budgets unviable over the next decade, although there have been suggestions there may be some announcements as part of CSR 2013 to help mitigate this.
- The Government estimates that there are 220 families in Bath and North East Somerset experiencing a range of needs and who are costing services between £250K and £300K p.a. per family. Joining up services between agencies supporting such families is becoming a national and local priority.
- Schools continue to self-fund (though the Direct School Grant ring fenced budgets) but those that become Academies which is the majority of secondary schools, are independent of the Council and its support. This creates diseconomies that have to be absorbed as the local education authority role diminishes.
- Government expects that councils will continue to deliver further efficiencies and minimise Council Tax increases – Government guidance says increases are to be below 2% in 2013 to avoid triggering a local referendum and a 1% grant (for 2 years) to temporarily reward Councils for a 2013/14 Council Tax freeze.
- Changes in Government legislation, regulations and guidance - there are some simplifications and some new scope for local decision making but at the same time radical and demanding changes such as:
 - Localism, Planning Reform, new grant funding to support local government (less money and less types of grant),
 - Return of a share Business Rates and related growth to local government, new Benefits system (Universal Credits and Council Tax Benefits – the latter now called Council Tax Support),
 - Incentives for growth (new homes bonus, regional growth fund, Business Rates growth, Local Enterprise Partnerships, more discretion over Council Tax discounts such as for empty homes and a second homes premium).
 - The Council will also be taking on significant statutory functions for Health and Wellbeing in the area and the connected strategies and Boards.

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

Existing Staff Resources & Finances

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

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

Notes:

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

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

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

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

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

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

The main proposal for Place includes:

Environmental Services

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

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

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

Tourism Leisure and Culture

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

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

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

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

Finances & Service Impacts

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

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

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

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

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

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

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

National and local Performance Frameworks

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

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

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

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

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

Workforce Planning

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

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

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

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

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

Longer Term Options – Years 4 to 10

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

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

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

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

Approval of this plan

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

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

Appendices

Appendix 1 - Place Directorate – Analysis of Headline Numbers

Appendix 2 - Place Directorate – Capital programme

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

Appendix 4 - Place Directorate – Impact of proposed budget changes

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

More information about:

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

HEADLINE NUMBERS

Place Directorate - Analysis of Headline Numbers																									
	2011-12 Actuals		2012-13 Budget			2013-14 Budget						2014-15 Budget						2015-16 Budget							
	Gross £m	Net £m	Gross £m	Net £m	Staff FTEs	Growth £m	Savings £m	One off changes £m	Gross £m	Net £m	FTE changes	Staff FTEs	Growth £m	Savings £m	Gross £m	Net £m	FTE changes	Staff FTEs	Growth £m	Savings £m	Gross £m	Net £m	FTE changes	Staff FTEs	
Planning & Transportation																									
Transport Design & Projects	2.372	0.048	1.124	0.842	7.4	0.006	-0.001	0.069	1.198	0.916		7.4	0.006	-0.001	1.203	0.921		7.4	0.005		1.208	0.926		7.4	
Transportation Planning (incl Public Transport)	7.201	6.295	6.536	5.983	21.2	0.095	-0.213	-0.043	6.375	5.822	-3.0	18.2	0.095	-0.016	6.454	5.901	-1.0	17.2	0.094	-0.046	6.502	5.949		17.2	
Park & Ride	1.373	-0.751	1.465	-0.687	0.0	0.002			1.467	-0.685		0.0	0.002		1.469	-0.683		0.0	0.002		1.471	-0.681		0.0	
Planning	3.711	2.566	3.477	2.283	62.2	0.877	-0.147	-0.611	3.596	2.402	-1.5	60.7	0.033	-0.047	3.582	2.388	-2.0	58.7	0.031	-0.100	3.513	2.319	-3.0	55.7	
Building Control & Land Charges	0.970	0.106	1.074	0.102	17.1	0.010	-0.018		1.066	0.094	-0.5	16.6	0.010		1.076	0.104		16.6	0.009		1.085	0.113		16.6	
Environmental Services																									
Highways - Network Maintenance	8.038	6.081	9.769	7.439	79.9	0.317	-0.111	-0.069	9.906	7.576	-7.0	72.9	0.134	-0.058	9.982	7.652	-3.0	69.9	0.134	-0.025	10.091	7.761		69.9	
Transport Services	7.257	-0.005	7.317	-0.046	64.0	0.023	-0.122		7.218	-0.145	-2.0	62.0	0.017	-0.002	7.233	-0.130	-0.5	61.5	0.017		7.250	-0.113		61.5	
Service Delivery Overheads	1.821	1.821	0.928	0.928	2.0	0.078			1.006	1.006		2.0	0.002		1.008	1.008		2.0	0.002		1.010	1.010		2.0	
Parking Services	3.902	-5.561	2.491	-7.141	71.7	1.264	-0.341	-0.023	3.391	-6.241	-1.5	70.2	0.055		3.446	-6.186		70.2	0.052		3.498	-6.134		70.2	
Waste Services	12.648	10.400	13.215	10.913	115.8	0.618	-0.620		13.213	10.911	-6.5	109.3	0.550	-0.120	13.643	11.341	-1.0	108.3	0.343		13.986	11.684		108.3	
Public Protection	1.912	0.969	1.913	1.028	39.0	0.031	-0.321		1.623	0.738	-7.5	31.5	0.027	-0.001	1.649	0.764		31.5	0.024		1.673	0.788		31.5	
Neighbourhood Services	8.254	5.097	8.453	5.292	168.3	0.172	-0.227	-0.010	8.388	5.227	-7.5	160.8	0.097	-0.287	8.198	5.037	-5.0	155.8	0.086		8.284	5.123		155.8	
Tourism Leisure & Culture																									
Libraries & Information	2.655	2.494	2.640	2.487	54.6	0.051	-0.246	-0.103	2.342	2.189	-5.0	49.6	0.041	-0.293	2.090	1.937	-6.0	43.6	0.041	-0.016	2.115	1.962		43.6	
Arts	0.673	0.629	0.556	0.519	2.8	0.014		-0.011	0.559	0.522		2.8	0.013		0.572	0.535		2.8	0.013		0.585	0.548		2.8	
Tourism & Destination Management	2.600	1.343	1.953	1.001	11.8	0.084	-0.201	-0.080	1.756	0.804	-0.5	11.3	0.019	-0.201	1.574	0.622		11.3	0.019	-0.200	1.393	0.441		11.3	
Heritage including Archives	9.876	-4.328	10.382	-3.794	121.1		-0.259		10.123	-4.053	-0.5	120.6		-0.259	9.864	-4.312	-0.5	120.1		-0.250	9.614	-4.562		120.1	
Leisure - Sports & Active Leisure	1.351	0.974	1.398	0.996	12.3	0.012	-0.103	-0.043	1.264	0.862		12.3	0.012	-0.046	1.230	0.828	-1.0	11.3	0.012	-0.019	1.223	0.821	-1.0	10.3	
Total cashlimits	76.614	28.178	74.691	28.145	851.2	3.654	-2.930	-0.924	74.491	27.945	-43.0	808.2	1.113	-1.331	74.273	27.727	-20.0	788.2	0.884	-0.656	74.501	27.955	-4.0	784.2	
Place items (to be determined)																									
Management Structure changes							-0.098				-1			-0.300			-3.5			-0.300				-3.5	
Tourism Leisure & Culture items (to be determined)																									
Delivery Trust option							0.000							-0.200						0.000					
GRAND TOTAL							-3.028				-44.0			-1.831			-23.5			-0.956			-7.5		

CAPITAL PROGRAMME

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

SERVICE SPECIFIC INITIATIVES AT DIVISIONAL LEVEL

Environmental Services

Neighbourhood Services

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

Highways Network Management

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

Parking Services

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

Waste Services

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

Public Protection

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

Transport Services

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

Planning & Transport

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

Transport Development:

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

Policy & Environment

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

Development Management

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

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

Building Control

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

Tourism Leisure and Culture

Heritage Services

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

Sports & Active Lifestyles Service

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

Film Office

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

Arts Development

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

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

Libraries

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

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

Saving Items

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FINANCIAL PLANNING ASSUMPTIONS

1. Context – The Financial Challenge

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

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

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

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

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

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

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

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

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

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

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

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

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

- Investing in economic growth
- Keeping Council Tax bills as low as possible
- Making every effort to protect essential frontline services for local people.

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

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

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

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

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

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

3. Council Tax

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

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

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

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

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

4. Government Grants

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

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

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

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

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

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

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

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

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

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

5. Medium Term Service and Resource Plans

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

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

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

6. Reserves

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

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

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

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

7. Pensions

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

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

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

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

8. Pay Awards

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

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

9. Other Assumptions

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

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

10. The Local Government Finance Settlement 2013/2014

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

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

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