

## PARISHES LIAISON MEETING

25<sup>TH</sup> FEBRUARY 2015

### **Budget 2015/16 plans on course to deliver local priorities**

A budget proposal guided by the principles of investing in the future of the area, protecting services to the public and freezing Council Tax was today (3 February) announced by Bath & North East Somerset Council's Cabinet.

The year 2015/16 will see the completion of a three year budget plan. Because the Council continues to be financially prudent and is delivering back office efficiencies, we are staying on course to deliver a balanced budget together with improvements for local communities for the future.

Key points for the 2015/16 budget:

- Council Tax frozen for the fifth year running (£1,201.85 for a 'Band D' property) – recognising the on-going pressure on household incomes.
- Despite the financial pressures, the Council has managed a balanced budget of £119,843,000 for 2015/16.
- Capital spending programme totalling £84.6m: including £5.9m on highway maintenance and improvements; £1.9m on transport initiatives and £6.3m on school expansions across the district to meet rising demand for pupil places.
- The Council faces significant reductions (14%) in Government funding this year; and faces further financial challenges in the years to come.

Leader of the Council, Cllr Paul Crossley (Lib-Dem, Southdown), said: "Because of our sound financial management, our plans are on-target and on-budget. They have allowed the Council to deliver £30million in savings whilst protecting frontline services.

"We will continue our focus to support vulnerable people in the community and deliver a sustained regeneration to create jobs and prosperity for our children and children's children."

Cllr David Bellotti (Lib-Dem, Lyncombe), Bath & North East Somerset Council's Cabinet Member for Resources, said: "For the fourth year running of this administration we are proposing no increase in council tax. Our prudent management of resources mean that we can also do more to tackle poverty through the social fund, supporting foodbanks and tackling with our community partners the misery caused by payday loans.

"We will be bringing more help to small businesses in our area by doubling the threshold to £50,000 where local companies can bid first to deliver our goods and services. We will also be ensuring that from April 1st all our staff will receive a living wage."

## **Tackling Poverty**

The Cabinet is proposing a number of measures to alleviate poverty in our district, including maintaining funding for the Welfare Support Fund at £250k despite loss of Government grant; supporting local food banks; working with partners to help local people replace payday loans with much lower cost borrowing; increasing minimum pay for Council staff to meet the Living Wage; ensuring we continue to develop our Connecting Families programme, as well as working to reduce unemployment both for adults and school leavers.

## **Supporting vulnerable people**

Support for the most vulnerable members of our community will continue to be a priority, helping individuals, families and children achieve their full potential and take advantage of the opportunities that will undoubtedly open up in the future. The budget for 2015/16 recognises changes in our funding, emerging priorities and new responsibilities coming to the Council.

The Council, working in close partnership with NHS B&NES Clinical Commissioning Group, has also set out and agreed plans to allocate £12 million from the Department of Health's Better Care Fund to provide integrated care and support for local people during 2015/16.

Known locally as the Better Care Plan, this will provide services that support and safeguard older and vulnerable people, helping them to remain independent and live at home for longer.

In addition, the [Care Act](#), which will be implemented across the country in phases starting in April 2015, brings new duties around social care services into the Council. These include offering people greater flexibility in helping them get the care they need and ensuring that carers can receive much-needed support too.

The Cabinet's budget proposal estimates an investment of more than £1million to fund the extra costs of this in 2015/16. **Investing in the local economy**

The Cabinet proposes to increase the financial limit of the Council's "Think Local" Procurement Strategy to provide local businesses with the opportunity to obtain contracts of up to £50,000 (up from the current £25,000). This is further demonstration of our commitment to support local businesses

Residents and local businesses may also benefit from a planned £125,000 commitment to the Green Deal and [Energy at Home](#) scheme.

Bath & North East Somerset Council is the lead authority for the [Somerset Business Rates Pool](#) which could see up to £2million in business rates being retained to boost the local economy across Somerset. These will be reinvested to support local economic developments.

To date the Council has secured £6.2m of external investment to pay for infrastructure which will enable the Bath City Riverside Scheme to create to create up to 9,000 new jobs and 3,400 new homes for the city. £1,200,000 has been earmarked for the development of the Midsomer Norton Business Centre.

### **Affordable homes**

The Council continues to work with the Homes and Communities Agency (HCA) and housing associations to provide affordable housing across the district. It is anticipated that between 2011 and 2015, 750 new affordable homes will have been completed.

HCA funding of £1,788,536 of has been awarded to deliver 60 new affordable homes at Bath Western Riverside and Radstock between 2015 and 2018, supported by additional funding from Curo Group. The Council is match funding these projects with £1.9m.

Over the next year affordable housing will be developed in Bath city centre, Keynsham, Midsomer Norton, Paulton, Radstock and High Littleton. There will also be Council investment in rural housing, bringing empty homes back into use and delivering new housing for households with specific needs. New affordable housing will also be developed on former Ministry of Defence sites and on other strategic sites across the area.

### **Future challenges and opportunities**

The West of England sub-region is now able to retain any growth in business rates collected within the Enterprise Areas and Enterprise Zone, including Bath City Enterprise Area.

This will be reinvested through an Economic Development Fund of around (£500m) into infrastructure to support jobs and business growth in the economy for the West of England region over the next 25 years. This includes enhanced flood defences which will reduce flood risk for properties in the area as well as bring development sites out of the flood zone enabling new offices and homes to be built.

The Cabinet is confident of its Budget 2015/16 plan to borrow more to invest in our economy and services – coupled with a prudent use of financial reserves – will generate more income for the Council and reduce the need for similar borrowing in the following year.

Given the scale of savings already achieved and those outlined in this Budget, the Council has estimated that it is likely to require further savings or additional income of over £38m in the years 2016/17 to 2019/20.

The Council will therefore seek to develop a new Medium Term Financial Plan during 2015/16 to cover the next 4-year period once further information

becomes available on the overall level of resourcing available to local government.

February 2015