

## **BATH AND NORTH EAST SOMERSET**

### **CABINET**

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

Thursday, 9th November, 2023

#### **Present:**

Councillor Kevin Guy (Ch)	Leader of the Council, LD Group Leader, Member Advocate for Armed Forces and Veterans
Councillor Tim Ball	Cabinet Member for Neighbourhood Services
Councillor Alison Born	Cabinet Member for Adult Services
Councillor Mark Elliott	Cabinet Member for Resources
Councillor Paul May	Cabinet Member for Children's Services
Councillor Matt McCabe	Cabinet Member for Built Environment and Sustainable Development
Councillor Manda Rigby	Cabinet Member for Highways
Councillor Paul Roper	Cabinet Member for Economic and Cultural Sustainable Development
Councillor Sarah Warren	Deputy Council Leader (statutory) and Cabinet Member for Climate Emergency and Sustainable Travel
Councillor David Wood	Deputy Council Leader (non-statutory) and Cabinet Member for Council Priorities & Delivery

#### **30 WELCOME AND INTRODUCTIONS**

The Chair welcomed everyone to the meeting.

#### **31 EMERGENCY EVACUATION PROCEDURE**

The Senior Democratic Services Officer read out the emergency evacuation procedure.

#### **32 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

#### **33 DECLARATIONS OF INTEREST**

There were no declarations of interest.

#### **34 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIR**

There was no urgent business.

### **35 QUESTIONS FROM PUBLIC AND COUNCILLORS**

There were 17 questions from Councillors and 28 questions from members of the public.

Cllr Robin Moss asked two supplementary questions relating to question M15.

Cllr Liz Hardman asked a supplementary question relating to question M16.

*[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.]*

### **36 STATEMENTS OR PETITIONS FROM PUBLIC OR COUNCILLORS**

Members of the public and Councillors made statements as follows:

- Chad Allen – English Ivy. Mr Allen expressed concern about the damage caused to land and buildings by English ivy.
- Angharad Barber – Somer Valley Enterprise Zone *(a copy of which is attached as appendix 2 to these minutes)*.
- Jim Plunkett-Cole – Somer Valley Enterprise Zone. Mr Plunkett-Cole stated that the evidence base for the Enterprise Zone is out of date since the original discussions took place in 2015. It does not take into account the impact of Brexit, Covid-19, unsuitable and inappropriate housing development, home working and an aging population. The working age population in the area has reduced by 3,000 since 2018. The Somer Valley has historically had very little evidence of the development of office jobs or research and development.
- Robbie Bentley – Extending the validity of bus passes and public transport issues. Miss Bentley raised the issue of extending the validity of bus passes to enable people to also use them on the trains, which happens in some urban areas. This would greatly help disabled people who often wish to travel by train as well as on buses. It would also be helpful if this authority along with the other authorities in the WECA area discussed transport levies to ensure that the funding is used in the right way for local communities.
- Cllr Hal MacFie – Keynsham High Street *(a copy of which is attached as appendix 3 to these minutes)*.

### **37 MINUTES OF PREVIOUS CABINET MEETING - 7TH SEPTEMBER 2023**

**RESOLVED** that the minutes of the meeting held on Thursday 7<sup>th</sup> September 2023 be confirmed as a correct record and signed by the Chair.

### **38 CONSIDERATION OF SINGLE MEMBER ITEMS REQUISITIONED TO CABINET**

No single member items were requisitioned to Cabinet.

### **39 MATTERS REFERRED BY POLICY DEVELOPMENT AND SCRUTINY BODIES**

No matters were referred by Policy Development and Scrutiny Panels.

### **40 SINGLE MEMBER CABINET DECISIONS TAKEN SINCE PREVIOUS CABINET MEETING**

The Cabinet agreed to note the report.

### **41 COMMUNITY SERVICES TRANSFORMATION PROGRAMME - PREFERRED DELIVERY OPTIONS FOR 2024-25 AND 2025-26**

Cllr Alison Born introduced the report, moved the officer recommendation, and made the following statement:

“This paper provides an update on the programme of work that has resulted from the decision taken by Cabinet and also by the B&NES, Swindon and Wiltshire (BSW) Integrated Care Board (ICB) in May 2022 not to extend the HCRG Care Group contract for integrated community health and care services beyond March 2024.

The work is divided into three programmes:

1. Future provision of adult social care services and services delivered by sub-contractors – led by B&NES Council
2. Future provision of the public health services that are currently included in the HCRG Care Group contract – led by Public Health
3. Future provision of community children’s and adults’ health and care services (excluding adult social care) that are currently included in the HCRG Care Group contract – led by the ICB

#### Programme One

In November 2022, Cabinet took the decision to bring adult social care services back in house to be run by B&NES Council from April 2024. This decision was not taken lightly, we were aware that the health and care landscape had changed considerably since the contract was let and that the flat cash nature of the agreement would present immediate challenges.

The financial pressures in the contract are compounded by the costs associated with significant contractual change and provision has been made for this within our budgets. However, that provision is short term, and the adult social care model must be cost neutral from 2025/26. This will be addressed through a re-design process during 2024/25 which is necessary to ensure that our services can respond to current needs and are financially sustainable.

The programme relating to adult social care is well established and well led. There is a meaningful staff engagement programme and active communication with community partners. We are very grateful to the staff working in community services for their continued hard work and dedication through this period of change. A recent audit of the Adult Social Care transfer programme has provided a high level of

assurance and we can be confident of a successful transfer for the start date on 1<sup>st</sup> April 2024 with continuity of care provision.

### Programmes Two and Three

Due to the impact of NHS reorganisation in 2022, the ICB started work on the community health services programme (programme 3) several months later than the local authority. As public health services (programme 2) are linked closely to community health services, a decision taken by the ICB (and endorsed by the lead member) to delay the start date for the new community services contract until 2025 has had an impact on the timescale for workstreams 2 and 3.

A procurement process, based on competitive dialogue is now underway for programme 3 with the expectation of contract award in the summer of 2024 with contract commencement in April 2025. This change to the procurement timescale, requires the ICB to issue new one-year contracts to existing community service providers to maintain provision across BSW until new contracts are in place from April 2025.

The B&NES contribution to the interim contract remains in line with existing costs at £18.2 million for the year 24/25. This includes the council's contribution to community health services, the Better Care Fund for that period and to the public health and third sector sub-contracts included in The Prime.

The ICB will provide the Lead Commissioning function for these interim contracts, with local authorities working in partnership as co-commissioners. To date, Council officers have worked closely with the ICB on this process and will continue to play an active role in the work to identify new provider(s) for community health and care services in BSW and to monitor the interim contracts.

From April 2025 B&NES council will have commissioning responsibility for its own public health and community partner services and work is underway with community partners to ensure that they are engaged fully in this process.

### Community Wellbeing Hub

This paper also includes actions relating to the future of the Community Wellbeing Hub which was developed in 2020 as part of the B&NES response to the Pandemic. The Hub provides rapid access to community services and its role in helping to shift the health and care system towards prevention, integrated working and the reduction of inequalities was noted to be exceptional in the recent LGA peer review of adult social care.

Partnership funding has been secured to maintain the Community Wellbeing Hub until March 2025 and work is underway to develop a business case to ensure its sustainability beyond that date. The business case will come to a future Cabinet meeting as will proposals for the re-design of Adult Care services.

### Recommendation

This paper provides assurance to Cabinet of the robustness of this complex work programme which is being conducted collaboratively with partners. I ask you to note the progress and endorse the recommendations summarised in the report, including the continued delegation of decision making to the directors of public Health and Adult social Care and the lead Member.”

Cllr Paul May seconded the motion and made the following statement:

“I wish to second this proposal, which is a quite complex set of recommendations but sets out a professional approach in support of the Liberal Democrat proposal to bring adult services back in house, plus some direct follow-on decisions such a major decision entails.

Since the service was put out to Virgin, then taken over by HCRG, there have been concerns about the pressures of a contracted service and its performance with the associated bureaucracy involved.

That contract was for a zero-inflation price, so at the end there were bound to be additional financial pressures which the papers address. The whole health and care world has changed with the creation of the BSW ICB and their ability to test the health commissioning on a wider geographical area.

Social Care and Public Health is B&NES’s direct responsibility re adults and children’s services. Transferring adult services back in house within a tight timescale of April 2024 is a major professional task so we must support a whole range of B&NES professional actions to deliver it, including partnership working, TUPE, and most of all commitment that services to vulnerable adults are protected from day one.

The NHS health contracts are one year behind our proposals so there is a need for a 12-month temporary extension and, regardless of the separation, we are working collaboratively with them to protect both our community and the many voluntary sectors sub-contracted by HCRG.

As the Children and Young People Cabinet member, we already have in-house social care and as a smallish local authority we will and do work closely with the team to seek new ways of joint working on a larger scale that this decision offers.

The voluntary sector is effective and really valuable, so we need to work with them and deal with the risks for them.

The Wellbeing hub was a great benefit arising from Covid and continues to support our communities and as a challenge moving forward the business case for its survival is something we must not forget because its value has been proven but funding remains an issue.

I commend the officers for such a comprehensive commitment and fully support Councillor Born’s proposal.”

Cllr Kevin Guy thanked Cllr Born and her team for the commendable work that is taking place to support the transformation of community services.

**RESOLVED** (unanimously):

### **Transfer of Adult Social Care services**

1. To note the update on progress of the transfer of Adult Social Care (ASC) services and the outcome of the internal audit.
2. To endorse continuation of the delegated responsibility for the transfer of ASC services to the Director of Adult Social Services, in consultation with the Lead Cabinet member for Adult Services, noting the November 2022 Cabinet approval for the transfer of ASC to B&NES Council (Transfer Decision Ref: E3393) including the delegated responsibility for the transfer of ASC services to the Director of Adult Social Services, and the commitment held against the social care reserve as a mitigation against any financial risk associated with the transfer following due diligence on current and future operating costs. Members will be aware of the underlying pressure on the Quarter 2 ASC revenue budget due to increasing demand in learning disability and older people services. The service is working hard to deliver in year mitigations to address revenue pressures. This is expected to place a demand on the ASC reserve to support the move to a balanced budget.

### **Commissioning of Public Health services**

3. To approve the delegated responsibility for the commissioning of Public Health services to the Director of Public Health and Prevention, in consultation with the Lead Cabinet member for Adult Services.
4. To endorse the proposal for the direct commissioning of Public Health services as of 1 April 2025 (through current arrangements via a mix of directly delivered and sub-contracted services by HCRG Care Group through existing contract arrangements until 31 March 2024) and subsequently the interim arrangements until 31 March 2025, as referred to below. Noting delegated authority for the future commissioning of these services sits with the Director of Public Health and Prevention.
5. To approve the revised best estimate of funding liability of £18,116,521 which includes contributions for Community Health, Public Health and Community Partners delivered services and the Council's contribution towards the Better Care Fund (BCF) for 2024/25 in respect of the approved proposal for an interim contractual arrangement. This is in accordance with the decision taken in July 2023 (see Update on Contractual Arrangement Decision 23/24 Ref: E3469) and services will be delivered within the existing budgetary envelopes.
6. To approve the proposals for the Council to commission Community Partner delivered services directly (excluding those in the Health Strategic Commissioning Group, see Section 3.17 of the report) as of 1 April 2025 (currently delivered through the existing arrangement with the HCRG Care Group and proposed interim arrangements until 31 March 2025 as referred to below). Noting delegated authority for the future commissioning of these services sits with the Director of Adult Social Services and the Director of Public Health and Prevention Services.

7. To endorse the continued engagement and involvement of relevant officers in the procurement process for the Integrated Community Based Care programme, including the approach to selection, timelines and public engagement for community services beyond April 2025, as per the request from colleagues on the ICB Board noting any future decisions around commissioning decisions will be in accordance with existing delegations.

8. To agree ongoing support from officers to determine the strategic case for a Community Wellbeing Hub (CWH) and to agree to Phase 2 of the Outline Business Case (OBC) commencing to inform a final OBC. A subsequent paper will be presented to Cabinet at a later date (note existing arrangements from Section 3.26 of the report).

## **42 2024/25 MEDIUM TERM FINANCIAL STRATEGY**

Cllr Mark Elliott introduced the report and made the following statement:

“As you will be aware I have three financial reports to present to Cabinet this evening, all of which need to be set in the wider financial context, and all of which slightly overlap, so I’m going to spend a little time on this first report setting out that wider context, and then I take that as read for the following two reports.

Cabinet will be aware that systemically Local Government Finance is a mess. Colleagues will be aware that a number of councils have recently issued Section 114 notices – essentially declaring themselves bankrupt. Thankfully we’re not amongst them, and I am confident we won’t be, but I had a quick look at the figures, and before 2018 only three Section 114 notices had ever been issued, going back to 1988 when the Local Government Act legislation was introduced. Since 2018, 12 have been issued, and these have been by Councils across the political spectrum.

The system is fundamentally broken. Central government knows this but is totally devoid of any ideas about how to sort it out. Across the country, going back over the last decade, local councils are having to deal with an increasingly dire situation, with first austerity measures meaning a vast reduction in central government funding to local authorities, then Brexit meaning workforce shortages and consequent wage inflation, then Covid meaning the world shutting down for a couple of years, and now the war in Ukraine, a cost of living crisis with spiralling inflation, and the recent conflict in Israel-Palestine.

In order to understand why these pressures are so exceptionally damaging to local councils, and why it’s so difficult for us to deal with, we need to remind ourselves how councils are funded.

The council’s budget is split between “Revenue” – our operating costs, staff, materials, services, etc. – and “Capital” – land, buildings, equipment, roads, vehicles, etc. The two are kept very separate, and we are forbidden, for very good reasons, from spending capital money on revenue.

I think there is an understandable perception amongst the public that council tax pays for council spending. In reality council tax covers about one third of our operating costs, and virtually none of our capital costs.

Our operating costs are roughly £300m, and our council tax income this year is set to be around £113m. The rest of our operating income comes from grants from central government, and things we charge for separately: services, car parking, the Roman Baths, property rental, etc.

Our capital spending, which this year is budgeted to be just shy of £90m, is financed 60% by borrowing, 20% from grants, 15% from capital receipts (i.e. selling assets we don't want in order to buy or build assets we do want) and revenue, and 5% from Community Infrastructure Levy (the charged levied on developers for developments as part of the planning process).

So, to pick out some elements from that in order to highlight the difficulties:

B&NES residents benefit from the fourth lowest council tax in the south west, but Council tax rises are capped at 4.99% (including the social care precept). So, when inflation is running in double figures, that obviously means that the third of the budget funded by council tax isn't keeping up with the rise in costs.

With regard to central government revenue funding, in 2013 our Revenue Support Grant – the general funds granted to councils to run their operations – was £31m. This year, it's £800k. We do get grants for one-off specific purposes, but this is an inflexible and costly way of the council obtaining money. It involves working up competitive bids for pots of cash which takes a lot of officer time, and it also makes it very difficult to plan, because the money isn't guaranteed.

The pressures on spending, particularly in social care, are *enormous*. To give some examples, the budget for Children's social care was set at roughly £50m this year, which was a significant increase on last year, but we still look like overspending that by £5m this year. The number of looked after children has risen from 197 on 1<sup>st</sup> April 2022 to 245 today – 25% increase in 18 months. The number of Education and Health Care Plans have gone up from 1,185 in 2018 to 2,181 today – doubling in 5 years, and that has consequent impacts on things like home-to-school transport where the cost increases are very high indeed.

So, we are left with a position of very high rises in costs, very little room to manoeuvre with regard to income raising, and after years and years of this pressure, not much room for new efficiencies to be made.

Nevertheless, there are some little points of light in the overall picture. For example, we are incredibly proud of our city and the residents of B&NES are really fortunate to live in a city which attracts visitors from across the world. A lot of those visitors go to the Roman Baths, and the bounce back following the closures of the Covid period has been even better than anticipated. We are expecting to welcome over 1m visitors to the Baths this year, and that will bring over £10m in profit to the council, which all goes to help alleviate at least a small amount of the pressure we've been experiencing.

And on top of that we have an exceptionally capable and dedicated finance team here at B&NES, and despite the very, very gloomy situation, we aim to keep providing our front-line services, making sure the most vulnerable in society are supported, and, importantly, delivering on the manifesto promises we made in May. I hope you can see from the picture I've painted that this will not be easy. As a

Cabinet we will have some difficult choices to make. But I'm confident in the capability and commitment of Cabinet colleagues, and officers across the council, and that we will pull together to navigate these extremely stormy waters.

### Medium Term Financial Strategy

So, having set out the general context, this specific report presents the Medium Term Financial Strategy which sets out the strategic direction and priorities for financing over the next 5 years. It goes into a lot of detail covering the kinds of issues I've just set out around cost pressures and funding. It says that this year, we're currently predicting to overspend our revenue budget by £6.5m (but the next report goes into more detail on that, so I'll address that shortly). It also shows that our funding gap next year – the difference between the amount we're predicting to spend, and the amount of income we expect to receive – is currently just over £17m, and in the following year is just below £5m, with a total gap of £35m over the next 5 years.

There are already *some* savings identified over the over the next 2 years of £1.74m, but that still leaves us £23.19m to find.

Section 10 of the report sets out the principles we will use when setting budgets in order to eliminate this gap, and Section 11 sets out our priorities when making decisions. It also sets out the timetable for the budget setting process, with the finalised budget coming to council as usual in February. Cabinet members will be well aware that we're in the depths of that budget setting process at the moment, and I'm confident we will be delivering a balanced budget proposal to council on time.

I move that Cabinet approve the Medium Term Financial Strategy.”

Cllr Manda Rigby seconded the motion and made the following statement:

“Firstly, I'd like to commend Mark and the officer team for the work they have done on this paper.

It's fair to say it's not possible to look at the newspapers any day without seeing a council going public with the financial challenges it is facing. Some are in a far more precarious position than Bath and North East Somerset, but the fact there is commonality in the pressures all are facing leads me to look for the common denominator.

And it's clear to me, the root issue is the persistent underfunding of local government by central government.

As a unitary authority, we have responsibility for the most vulnerable in our society, and the costs of providing the best care we can is growing both as an absolute figure, and as a percentage of our available funds. There are also expectations around the other services councils have traditionally provided, whilst the statutory responsibilities are making any discretionary spend increasingly hard.

Central government would have to agree that funding to local government has been cut but would point out that there are funds for certain projects made available. That is true. However, it is opaque when this money will be made available, unclear what it will be conditioned to be spent on, usually involves officers at risk and at speed drawing up plans with no certainty of success, and pits councils against each other in a competitive process on an uneven playing field. As an example, if WECA transport

money is always prioritised to a council with a greater percentage of people living in deprived areas, Bristol will always score higher than B&NES when money is being allocated.

So, what we are doing in this paper is acknowledging the flawed reality of the funding world we live in and detailing our professional and competent approach to dealing with it. With more certainty around funds, there could be more certainty around strategy and delivery. Mark and his team have done an outstanding job working within the parameters we have to operate in, so I second this paper.”

Cllr Alison Born made the following statement:

“Local authorities across the country are facing increasing financial challenges and the rising demand for and spiralling costs of adults and children’s social care services are a significant factor in this. As a society, we have a history of supporting vulnerable people, but recent Governments have cut their funding for social care and the burden has fallen increasingly on to local government.

In common with most councils, we already spend more than 80% of our budget on social care, which makes it difficult for us to provide satisfactory levels of other services such as road maintenance and street cleaning. And we still struggle to meet social care needs within our limited resources. This is a source of frustration for our residents, most of whom do not make use of the social care services that take up the majority of our funding.

We have a strong track record of delivering change and savings within adult social care and are planning to re-design our services during 2024/25 to ensure financial sustainability. But it must be recognised that local authorities will not be able to deliver high quality services to support vulnerable residents and their families without considerable additional funding and greater certainty of that funding.

The uncertain and piecemeal approach to the funding of social care services, as set out in the Medium Term Financial Strategy paper, does not make it easy for us to plan or to deliver sustainable services. Boris Johnson appeared to recognise this and promised change. However, that was two prime ministers ago and his promises appear to have been forgotten. I hope that this will be rectified in the upcoming Autumn statement as a failure to increase funding will make it increasingly difficult for us to balance the books and to deliver the services that our residents need.”

**RESOLVED** (unanimously) to approve the Medium Term Financial Strategy as set out in Appendix 1 of the report.

#### **43 REVENUE AND CAPITAL BUDGET MONITORING, CASH LIMITS AND VIREMENTS – APRIL TO SEPTEMBER 2023**

Cllr Mark Elliott introduced the report and made the following statement:

“Rather than looking further ahead as the previous report did, this report sets out the in-year position. I.e. how are we doing in reality compared to budget this year.

Our revenue budget is currently predicted to be £6.5m over-spent. For context, that’s about 2% of our revenue budget which is roughly £300m. By far the main reason for this is the pressures in social care, Children’s Services alone coming in at

£4.58m over budget. The report sets out financial performance by portfolio, so people can see a breakdown of where the pressures are, with an accompanying narrative. As Cabinet colleagues will be well aware, we are in the process of taking urgent recovery action across the council to make sure that position is brought back in line.

We are implementing vacancy management, which means holding a period where we do not recruit on roles that are not essential in meeting our statutory duties, for a temporary period to help reduce our monthly pay costs.

We have introduced corporate controls where we are utilising our financial systems to enable additional scrutiny over new contract expenditure that could be challenged and reduced or delivered in different and more cost-effective ways.

We are pausing and reducing spending in discretionary areas including non-essential training, conferences, travel and subscriptions.

I hope everyone will agree these are reasonable and proportionate measures to take to make sure we land in a balanced position at the end of the financial year.

On the capital side we are actually forecasting to underspend this year by just over £30m pounds, mainly due to projects being re-phased into future years. Remembering what I said about the hard split between capital and revenue spending, that doesn't mean we have £30m extra to spend elsewhere! The effect is really just to delay some borrowing, but that does have a small benefit on the revenue side in that it means our borrowing costs – effectively our interest bill – are a little lower.

I propose we accept the recommendations set out in items 2.1 to 2.4 of the report.”

Cllr Matt McCabe seconded the report and highlighted the failure of central government to adequately support local authorities. The rest of the financial year is going to be challenging. The Council has statutory duties which it must deliver and there are insufficient funds to do this. The report outlines the actions being taken to balance the budget, but the next few months will be tough.

Cllr Paul May made the following statement:

“Sadly, the Children’s Services budget pressures continue to be a major concern for this council as for many local authorities.

The report clearly highlights the budgetary pressures, including the Conservative government allocating Unaccompanied Asylum-Seeking Children to the authority with insufficient funding to cover the cost. Many are just below the age of 18 when they enter the system but if the Home Office does not approve their asylum case, they remain in the care system and councils retain statutory responsibility for their care up to the age of 25. Many are not actually local residents as the government quite rightly shares the responsibility amongst all local authorities – this leads to additional transport, care and living costs. These young people deserve to be treated with compassion and good care. It is not only the lack of funding but the pressure on limited resources that we have for our services such as supported lodging involved.

As a service the original budget contained a commitment to save £1.2m and further in year savings of a further £1m are scheduled to be achieved. We are doing what we can to deal with the enormous pressures of increases in numbers and complexity.

We are also dependent on the highly expensive independent out of area providers.

We will produce a longer-term strategic plan for further approaches to seek ways for containing those pressures as soon as possible.

Other local authorities are suffering from similar pressures and sadly the Conservative government does not offer the help we all need. These are vulnerable children and overspends add to budget pressures on other services B&NES provides across the whole council.”

**RESOLVED** (unanimously):

- (1) To note the 2023/24 revenue budget position (as at the end of September 2023).
- (2) To note the revenue virements listed for information in Appendix 3(i) of the report.
- (3) To note the capital year-end forecast detailed in paragraph 3.26 of the report.
- (4) To note the changes in the capital programme, including capital schemes, that have been agreed for full approval under delegation listed in Appendix 4(i) of the report.

#### **44 TREASURY MANAGEMENT PERFORMANCE REPORT TO 30TH SEPTEMBER 2023**

Cllr Mark Elliott introduced the report and made the following statement:

“The Treasury Management report sets out the performance of the Council’s investments. This report is a little less gloomy in that whilst rampant inflation is obviously a very bad thing, it does mean that interest rates have gone up!

We take a prudent approach to treasury management, and we don’t make any risky investments with public money.

The headlines are:

Our total investments sit at just under £54 million (including £10m held in Environmental, Social and Governance funds), the total being slightly up on the last report, and our borrowing sits at just over £218 million, slightly down on the last report. We are achieving an overall return on investment of 4.64%, we are within target levels on all our key indicators, and that we are now predicting to be £1.11m under budget on our interest and capital financing costs as a result of the higher interest rates and the rephased projects I talked about in the previous report.

All the detail behind that is set out in the report, so I will simply move the recommendations set out in sections 2.1 and 2.2.”

Cllr Tim Ball seconded the recommendation and noted the excellent work carried out by Councillors and Officers.

Cllr Paul May noted that the way the Council runs its finances is crucial to its stability and thanked the Officers for this excellent report.

**RESOLVED** (unanimously):

- (1) To note the Treasury Management Report to 30<sup>th</sup> September 2023, prepared in accordance with the CIPFA Treasury Code of Practice.
- (2) To note the Treasury Management Indicators to 30<sup>th</sup> September 2023.

#### **45 QUARTER 2 STRATEGIC PERFORMANCE REPORT 2023/24**

Cllr Dave Wood introduced the report, moved the officer recommendation and explained that this is the performance indicator report on the Council's new Corporate Strategy. The information presented is changing to reflect the new corporate priorities and the Liberal Democrat manifesto. Future reports will see the introduction of new performance indicators which are currently under development.

Cllr Sarah Warren seconded the report and made the following statement:

"I very much welcome the Quarter 2 performance monitoring report, representing an increasing emphasis across the organisation on evidence-based monitoring of progress against key objectives in the corporate plan. It is really pleasing to see the progress made towards a performance culture and ensuring that we are targeting our investment effectively.

The development of performance monitoring in relation to key climate emergency targets is one of the most challenging areas, and very much still developing, as in many cases, it takes time to identify or develop the appropriate data flows. The measures we have been able to include in this year's reporting around are useful and show some promising trends.

Houses are becoming more energy efficient, and we are seeing a corresponding improvement in Energy Performance Scores of dwellings in B&NES. However, an increase in the overall number of houses mean that total emissions from housing are still increasing. We hope that in future years, we will start to see more rapid improvement, as the ground-breaking requirement for zero carbon new build that we have introduced through our Local Plan Partial Update works its way through the house building system.

Renewable energy generation is increasing both on the council's own estate, and district wide - but is still below target. On the council estate, we expect to take decisions over the coming year to bring forward some larger sites, which should see that measure improving more rapidly.

B&NES remains a strong performer on recycling, with the percentage of household waste being reused, recycled, composted, removed remains well above target at 96%. In another positive sign, we are seeing a continuing reduction in air quality monitors breaching legal limit value.

Measures of nature recovery and road transport remain in development, and I look forward to reviewing work over the coming months to further develop KPIs for transport and travel so that we can provide clear and transparent information on our achievements in this key priority area for the council.”

Cllr Kevin Guy stated that officers have been asked to make B&NES Council one of the greenest councils in the country. He thanked staff for working so hard to fulfil this high expectation.

**RESOLVED** (unanimously) to note progress on the delivery of key aspects of the Council’s service delivery, details of which are highlighted in section 3.6 and Appendix 1 of the report.

The meeting ended at 7.31 pm

Chair \_\_\_\_\_

Date Confirmed and Signed \_\_\_\_\_

**Prepared by Democratic Services**