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Date: 02 Feb 2015

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To: All Members of the Resources Policy Development and Scrutiny Panel

Councillors: John Bull, Roger Symonds, Colin Barrett, Paul Myers, Charles Gerrish,
Barry Macrae and Nigel Roberts

Chief Executive and other appropriate officers
Press and Public

Dear Member

Resources Policy Development and Scrutiny Panel: Monday, 9th February, 2015

Please find attached a **SUPPLEMENTARY AGENDA DESPATCH** of late papers which were not available at the time the agenda was published. Please treat these papers as part of the agenda.

Papers have been included for the following items:

8. **BUDGET & COUNCIL TAX 2015/16 AND MEDIUM TERM FINANCIAL OUTLOOK (Pages 3 - 96)**

Yours sincerely

Michaela Gay
for Chief Executive

If you need to access this agenda or any of the supporting reports in an alternative accessible format please contact Democratic Services or the relevant report author whose details are listed at the end of each report.

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

1 THE ISSUE

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

2 RECOMMENDATION

The Cabinet is asked to recommend:

2.1 That the Council approve:

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

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

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

2.4 That in relation to the capital budget the Council:

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

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

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

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

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

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

5 THE REPORT

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

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

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

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

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

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

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

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

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

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

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

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

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

6 RATIONALE

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

7 OTHER OPTIONS CONSIDERED

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

8 CONSULTATION

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

9 RISK MANAGEMENT

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

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

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

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THE BUDGET PROPOSAL OF THE CABINET 2015/2016

Budget Headline

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

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

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

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

The Budget Context

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

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

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

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

Table 1: Reduction in Government Grant Funding

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

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

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

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

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

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

Structure of the Budget Proposal

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

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

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

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

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

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

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

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

Section 1 – The Revenue Budget for 2015/2016

The Budget Proposal

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

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

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

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

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

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

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

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

Corporate Assumptions

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

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

Government Grant Funding

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

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

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

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

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

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

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

Retained Local Business Rates

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

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

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

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

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

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

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

Tackling Poverty

Social Fund and Food Banks

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

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

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

Low Pay Bands

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

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

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

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

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

Schools Funding

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

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

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

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

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

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

The Better Care Fund

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

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

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

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

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

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

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

“Think Local” Procurement Strategy

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

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

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

Variation Budget Savings

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

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

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

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

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

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

Full details of the variations are set out at Appendix 2

Resource Allocation including Recurring and One-Off Funding

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

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

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

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

On-going Resourcing Allocations - £3.24M

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

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

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

One-off Funding Allocations - £2.652M

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

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

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

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

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

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

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

Council Tax

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

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

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

Revenue Budget Proposal – The Headline Numbers

The proposed revenue budget for 2015/2016 represents:

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

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

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

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

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

Table 4: Resource Allocation 2015/2016

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 3 – The Capital Budget for 2015/2016

Introduction

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

This Capital programme proposals:

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

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

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

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

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

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

Recommended Programme for 2015/2016

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

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

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

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

For Approval

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

For Provisional Approval (Subject to)

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

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

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

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

Funding

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

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

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

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

New Schemes within the Capital Programme

PLACE

Highways Maintenance Programme for Full Approval of £5.971m

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

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

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

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

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

Transport Improvement Programme for Full Approval of £1.931m

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

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

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

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

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

Riverside Path, Bath for Full Approval of £486K

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

Metrowest for Full Approval of £329k

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

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

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

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

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

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

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

Vehicle Replacement Programme for Full Approval of £581k

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

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

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

Play Equipment for Full Approval of £115k

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

Haycombe Cemetery Entrance for Full Approval of £60k

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

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

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

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

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

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

Parks Service Schemes for Provisional Approval of £200k

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

Leisure facility modernisation for Provisional Approval of £15m

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

Passenger Transport Vehicles for Provisional Approval of £1.38m

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

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

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

Heritage Infrastructure Development for Full Approval of £100k

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

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

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

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

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

BWRE/Green Park for Full Approval of £150k

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

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

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

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

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

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

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

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

Disabled Facilities Grant for Full Approval of £1.180m

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

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

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

ECONOMIC DEVELOPMENT FUND SCHEMES

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

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

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

Invest Bristol and Bath

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

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

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

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

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

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

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

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

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

SCHOOLS CAPITAL INVESTMENT**Overview**

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

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

2015/16 Basic Need Schemes

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

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

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

Oldfield Park Junior School for Full Approval of £200k

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

Westfield Primary School for Full Approval of £100k

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

Paulton Junior School for Full Approval of £1.465m

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

Bishop Sutton Primary School for Full Approval of £1.984m

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

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

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

Feasibility Studies for Full Approval of £250k

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

Ensleigh – New School for Provisional Approval of £2.5m

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

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

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

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

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

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

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

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

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

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

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

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

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

RESOURCES & SUPPORT SERVICES SCHEMES

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

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

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

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

LGA Bonds Investment for Full Approval of £50k

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

IT Asset Refresh for Full Approval of £201k

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

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

Energy Efficient Fund Update for Provisional Approval of £500k

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

Emerging Capital Schemes

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

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

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

Bath Western Riverside Phase II

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

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

Implementation of Transport Strategies

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

Cycle City Ambition Fund

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

Business Expansion Space - Property Lease

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

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

New School Provision from Future Housing Development

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

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

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

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

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

Minimum Revenue Provision (MRP) Policy

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

Prudential Indicators

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

Table 6: Capital Prudential Indicators.

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

Gross Debt and the Capital Financing Requirement

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

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

Borrowing limits

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

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

Section 4 – Revenue & Capital Reserves and Contingencies

Significant Earmarked Reserves

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

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

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

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

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

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

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

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

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

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

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

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

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

Table 7: Projected Significant Earmarked Reserves

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

Unearmarked Revenue Reserves

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

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

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

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

Contingent Liabilities

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

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

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

Adequacy of reserves

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

Table 8: Projected Non-Earmarked Revenue Reserves

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

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

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

Capital Risk Contingency

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

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

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

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

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

Governance

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

Section 5 – Council Tax

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

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

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

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

The figures above exclude parish, fire and police precepts.

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

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

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

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

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

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

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

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

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

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

Special Expenses

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

Portfolio Cash Limits 2015/16 - Revenue Budgets

APPENDIX 1 ANNEX 1

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

Portfolio Cash Limits 2015/16 - Revenue Budgets

APPENDIX 1 ANNEX 1

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

Sources of Funding

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

Council Tax - Calculation

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

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

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

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

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

(b) The adequacy of the proposed financial reserves.

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

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

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

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

The key points to highlight are:

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

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

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

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

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

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

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

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

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

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

Processes

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

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

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

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

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

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

Robustness of Estimates

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

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

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

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

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

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

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

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

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

The Capital Budget

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

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

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

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

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

The West of England Local Enterprise Partnership

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

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

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

Estimated Available Revenue Reserves

Earmarked Revenue Reserves

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

Non-Earmarked Revenue Reserves

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

Table: Projected Non-Earmarked Revenue Reserves

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

Assessment of Adequacy of Reserves

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

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

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

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

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

The recommendations of the Council's s151 Officer are:

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

Capital Programme - 2015/2016 - 2019/2020										APPENDIX 1 ANNEX 3					
Project Title	PV Spend pre 2014/2015	Forecast Outturn 2014/2015	Actual / Projected Spend pre 2015/2016	Projected Re-phasing from 2014/2015 to 2015/2016 and Future Years	Budget Required 2015/2016	Total Budget 2015/2016	Total Budget 2016/2017	Total Budget 2017/2018	Total Budget 2018/2019	Total Budget 2019/2020	Total Cost 5 Years	Overall Project Total	Borrowing/ Capital Receipts	Grants/ External Funding	Comments
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
PLACE															
Environmental Services															
Full Approval															
Highways Maintenance Programme	0	0	0	470	5,971	6,441	0	0	0	0	6,441	6,441	2,200	4,241	Proposed for full approval
Transport Improvement Programme	0	0	0	0	1,931	1,931	0	0	0	0	1,931	1,931	1,100	831	Proposed for full approval
Riverside Path, Bath	0	0	0	0	486	486	0	0	0	0	486	486	0	486	Proposed for full approval
MetroWest - the Greater Bristol Metro Project	51	73	124	0	329	329	0	0	0	0	329	453	0	329	Proposed for full approval
Park and Ride East of Bath Project Development	0	350	350	0	150	150	0	0	0	0	150	500	150	0	For information - Prior Full approval
Cycle City Ambition	12	840	852	364	0	364	0	0	0	0	364	1,216	0	364	For information - Prior Full approval
Saltford Station - re-opening feasibility work	0	0	0	0	100	100	150	0	0	0	250	250	250	0	Proposed for full approval
Bath Transport Package - Main Scheme	7,337	4,784	12,121	6,170	1,449	7,619	0	0	0	0	7,619	19,740	7,205	414	For information - Prior Full approval
Bath Transport Package - Pre Construction	7,545	0	7,545	0	0	0	0	0	0	0	7,545	7,545	0	0	For information - Prior Full approval
Bath Transport Package - Property	1,431	25	1,456	0	0	0	0	0	0	0	1,456	1,456	0	0	For information - Prior Full approval
Play Equipment	199	261	460	0	115	115	0	0	0	0	115	575	115	0	Proposed for full approval
Neighbourhood Services - Vehicles 14/15	0	315	315	380	0	380	0	0	0	0	380	695	380	0	Proposed for full approval
Cleaning Vehicles	0	0	0	0	146	146	0	0	0	0	146	146	146	0	Proposed for full approval
Environmental Protection Vehicles	0	0	0	0	32	32	0	0	0	0	32	32	32	0	Proposed for full approval
Parks Vehicles	0	0	0	0	181	181	0	0	0	0	181	181	181	0	Proposed for full approval
Waste Vehicles	0	0	0	0	40	40	0	0	0	0	40	40	40	0	Proposed for full approval
Cemetery Vehicle Replacement	0	100	100	0	50	50	0	0	0	0	50	150	50	0	Proposed for full approval
Neighbourhoods - Bin and Bench Replacement	0	60	60	0	60	60	0	0	0	0	60	60	60	0	Proposed for full approval
Haycombe Cemetery Entrance	0	15	15	85	0	85	0	0	0	0	85	100	85	0	For information - Prior Full approval
Neighbourhoods - Haycombe Cemetery Florist/Café	21	54	75	50	0	50	0	0	0	0	50	125	50	0	For information - Prior Full approval
Allocations	80	240	320	10	40	50	40	40	50	0	180	500	180	0	For information - Prior Full approval
Beeching Cliff Woodland & Other Open Spaces Improvements	0	50	50	255	0	255	0	0	0	0	255	305	255	0	For information - Prior Full approval
Royal Victoria Park Skate Park	0	3	3	97	0	97	0	0	0	0	97	100	97	0	For information - Prior Full approval
East Of Bath Skate Park	0	11	11	14	60	74	0	0	0	0	74	85	74	0	For information - Prior Full approval
Great Dell Walkway	0	0	0	15	0	15	0	85	0	0	100	100	100	0	Proposed for full approval
Parking - Vehicle Replacement Programme	0	75	75	25	25	25	0	0	0	0	25	100	25	0	Proposed for full approval
Public WC Conversions	0	0	0	0	100	100	0	0	0	0	100	100	100	0	Proposed for full approval
Waste Re-provision feasibility work	0	0	0	0	0	0	0	0	0	0	0	0	0	0	Proposed for full approval
Subtotal Full	16,676	7,196	23,872	7,935	11,407	19,342	190	125	50	0	19,707	43,580	13,042	6,665	
Provisional Approval															
Grit Bins and Snow Warden Equipment	0	0	0	50	0	50	0	0	0	0	50	50	50	0	Detailed project plan awaited
Weston Flood Alleviation Scheme	0	0	0	2,000	0	2,000	0	0	0	0	2,000	2,000	0	2,000	Detailed project plan awaited
Great Western Mainline Electrification - Rail & Ride	0	0	0	0	500	500	1,000	0	0	0	1,500	1,500	1,200	300	Detailed project plan awaited
A36 Lower Bristol Road Bus Lane	0	0	0	0	250	250	1,000	0	1,500	0	3,000	3,000	3,000	0	Detailed project plan awaited
Sawclose: Pedestrianised Highway Space	0	0	0	0	100	100	0	0	0	0	100	100	100	0	Detailed project plan awaited
Parks Service Schemes	0	0	0	0	200	200	0	0	0	0	200	200	0	200	Detailed project plan awaited
Sydney Gardens	0	0	0	500	0	500	0	0	0	0	500	500	500	0	Detailed project plan awaited
Leisure facility modernisation	0	0	0	0	3,000	3,000	7,500	4,500	0	0	15,000	15,000	15,000	3,000	Detailed project plan awaited
Passenger Transport Vehicles	0	0	0	0	280	280	160	480	460	0	1,380	1,380	1,380	0	Detailed project plan awaited
Highways Maintenance Programme	0	0	0	0	0	0	3,457	3,352	3,034	3,034	12,877	12,877	0	12,877	For information - future years
Transport Improvement Programme	0	0	0	0	0	0	1,163	1,163	1,163	1,163	4,652	4,652	0	4,652	For information - future years
Park and Ride East of Bath-Main Works	0	0	0	0	0	0	4,700	4,700	4,700	4,700	4,700	4,700	4,700	0	For information - future years
Neighbourhood Services - Vehicles	0	0	0	0	0	0	555	586	46	0	1,187	1,187	1,187	0	For information - future years
Neighbourhoods - Bin and Bench Replacement	0	0	0	0	0	0	50	0	0	0	50	50	50	0	For information - future years
Parking - Radio System Replacement	0	0	0	0	0	0	45	0	0	0	45	45	45	0	For information - future years
Parking - Pay & Display Replacement Programme	0	0	0	0	0	0	350	0	0	0	400	400	400	0	For information - future years
Parking - Enforcement Hand Held Computer Terminal Replacement	0	0	0	0	0	0	80	0	0	0	80	80	80	0	For information - future years
Bus Lane Camera Replacement	0	0	0	0	0	0	0	0	0	0	300	300	300	0	For information - future years
Subtotal Provisional	0	0	0	2,550	4,330	6,880	19,010	11,731	6,203	4,197	48,021	48,021	24,992	23,029	
Sub Total - Environmental Services	16,676	7,196	23,872	10,485	15,737	26,222	19,200	11,856	6,253	4,197	67,728	91,601	38,034	29,694	

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

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

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

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

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

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

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Appendix 1 Annex 3iii

Schools Capital Planned Maintenance Programme 2015/2016

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

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Appendix 1 Annex 3iv

Corporate Estate Planned Maintenance Programme 2015/2016

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

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

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

Council MRP Policy

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

For all Government Supported Borrowing

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

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

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

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

Where-

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

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

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

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

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

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

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

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

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COUNCIL TAX LEVELS 2014/2015
All of England Unitary Councils

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

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PROPOSED VARIATIONS TO 2015/2016 BUDGET

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

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

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

PROCESS

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

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

Vernon Hitchman

Divisional Director – Legal & Democratic Services (Monitoring Officer)

Appendix 4 - Pay Policy Statement 2015 -16

Purpose and scope

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

Definitions

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

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

Statutory Chief Officers are:

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

Appendix 4 - Pay Policy Statement 2015 -16

Non- Statutory Chief Officers are:

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

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

General principles & practice

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

Principles:

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

Appendix 4 - Pay Policy Statement 2015 -16

Practice:

3.3 Basic pay is determined through

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

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

3.4 Pay on appointment

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

3.5 Pay review dates

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

3.6 Honoraria & other allowances

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

3.7 Re-employment of former local government employees

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

Appendix 4 - Pay Policy Statement 2015 -16

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

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

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

Equal pay

4.1 The Council is committed to the principle of equal pay for all posts of the same size and value and has implemented the national 'single status' agreement. In order to put its commitment to equal pay into practice, the Council:

- regularly reviews its pay grade and rates for all current staff and starting pay for new staff in line with Equality and Human Rights Commission guidance in line with the Council's Equality policy.
- informs employees of how these practices work and how their own pay is arrived at.
- provides training and guidance for managers and supervisory staff involved in decisions about pay and benefits.
- regularly monitors pay and grading data and statistics.

Ensuring consistency

5.1 The Council seeks to ensure consistency through the following processes:

- All departments are provided with the same quality of internal support in the job evaluation process. The Human Resources Service (in conjunction with senior managers, as appropriate) has an on-going responsibility to review pay levels across the Council and highlight any potential anomalies.

5.2 If there is an exceptional need to review pay outside of the normal pay review timetable, proposals will be considered and approved by the relevant Director and the Head of Human Resources.

Pensions

6.1 Subject to the provisions of the relevant scheme, all directly employed staff who are the subject of this policy and are otherwise eligible are enrolled into a contributory statutory pension scheme. They may choose to opt out of membership. The Council has published a statement of policy in respect of discretionary provisions available within the relevant scheme in accordance with statutory requirements. This statement is available on the Avon Pension Fund Web site www.avonpensionfund.org.uk/employers/discretionarypolicies

6.2 The Council has in place a policy for flexible retirement which is specifically authorised by statute whereby individual staff, with employer approval, may draw their pension and continue in employment

Appendix 4 - Pay Policy Statement 2015 -16

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

Senior pay

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

Appendix 4 - Pay Policy Statement 2015 -16

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

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

Publication

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

Further information

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

Appendix 4 - Pay Policy Statement 2015 -16

Annex 1

SENIOR MANAGEMENT PAY & GRADING

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

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

Notes:

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

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COMMUNITY ASSETS TRANSFER PROGRAMME UPDATE

BACKGROUND

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

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

UPDATE ON PROGRAMME DELIVERY

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

Completed

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

Subject to Final Approval by SMD

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

Approved and solicitors instructed

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

Approved and subject to further negotiation

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

Subject to On-going Discussion and Consideration

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

FURTHER POTENTIAL COMMUNITY ASSET TRANSFERS

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

- Cleveland Pools

RECOMMENDATION

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

Tackling Poverty

Introduction

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

Welfare Support

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

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

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

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

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

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

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

Work with Partners to help Residents with Pay Day Loans

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

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

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

Support our Local Food Banks

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

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

Continue to develop our Connecting Families Programme

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

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

Work to reduce Adult and Youth Unemployment

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

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

Remove some Lower Pay Bands to help Low Paid

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

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

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

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

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